



Media Contact:

Contact: Connie Jackson, City Manager
Office: (650) 616-7056
Cell: (650) 823-3262
Email: cjackson@sanbruno.ca.gov

Sam Singer or Tina Walker
Office: 415-227-9700
Cell: 415-336-4949
Email: singer@singersf.com

City of San Bruno Statement

Guilty Verdict in PG&E Criminal Trial

PG&E found guilty of 5 counts of pipeline safety violations and 1 count of obstructing federal probe in the wake of the deadly 2010 gas pipeline explosion in San Bruno

“Thank you all for coming. First, I want to express our deep appreciation to the jury, and the federal prosecution team including our own Police Department Detective who has served as the prosecution's lead investigator. They all worked tirelessly to see that justice was served. I also want to recognize and thank all of the others in San Bruno; the Mayor and City Council, our employees and our special counsel and advisors who have also worked tirelessly for nearly 6 years to make certain that the criminal actions of PG&E, its executives' decisions and the failures of the regulator, the California Public Utilities Commission are never, ever forgotten.

The sudden explosion of Line 132, a PG&E high pressure gas transmission line in San Bruno on September 9, 2010 that devastated a neighborhood, destroyed 38 homes and killed eight of our residents was **not** a tragic accident. It was an entirely man-made disaster, one that resulted from negligent decision making and actions by PG&E corporate executives over 6 decades and from the failure of the California Public Utilities Commission to protect our safety, to ensure that critical pipeline safety regulations were properly enforced and that PG&E was held accountable to correct its negligent operations and practices.

Multiple civil investigations over the past 6 years found the explosion to be the result of PG&E's executive level decisions which prioritized profits over safety and which diverted pipeline improvement and safety funds to executive compensation and shareholder returns. The National Transportation Safety Board's investigation resulted in dozens of separate safety recommendations, among the largest number in any of their investigations. In April, 2015, the California Public Utilities Commission concluded three separate investigations with assessment of a \$1.6 billion fine and penalty to PG&E, the largest penalty ever levied against a public utility in United States history.

Today PG&E has been found guilty on 5 separate criminal charges that it knowingly and willfully violated specific pipeline safety regulations, requirements that are intended to protect the safety of the tens of millions of Americans who live and work near the pipelines running underneath our communities. Today PG&E stands guilty on 1 important count of obstructing the National Transportation Safety Board's meticulous investigation into the root cause of the fatal blast. This is criminal conduct that occurred nearly a year after the deadly blast in our community and after they knew that they had violated federal safety rules. This was a year during which PG&E could, and should have been concentrating on reform rather than trying to deflect blame.

These guilty verdicts finally hold PG&E fully accountable for their deliberate negligence and their wanton disregard for customer safety. These verdicts make it clear that now is the time for PG&E to accept responsibility for the urgent need for improvement in their corporate business practice and to make safety a highest priority in all of their operations. These verdicts demonstrate that corporate malfeasance, corporate negligence and corporate sacrifice of safety for business gain will not be tolerated.

We in San Bruno have fought for nearly six years to see justice for what happened in our community and for the necessary improvements to protect community safety. In the aftermath of the explosion we could have simply dried our tears, comforted our injured, mourned our dead and rebuilt our community. But we knew that if such a disaster could happen in San Bruno, it could happen anywhere. We did not trust the CPUC and we did not trust PG&E to do the right thing and we were justified in that skepticism.

We decided to stand up for those voices that could no longer speak for themselves and for the survivors who are still confronting the challenges of rebuilding their lives. We chose to shine a spotlight on PG&E's negligent practices and on the corruption in the CPUC that turned a blind eye to PG&E's criminal failures to adhere to basic safety standards and that provided special treatment to PG&E instead of the rigorous oversight the public demands.

San Bruno has stood at the vanguard of exposing the illegal and unethical actions of both PG&E and the CPUC and providing the necessary impetus for the corrections that must be made. We are acutely aware that when most consumer companies make a mistake, they run the risk of losing customers. When a gas utility makes mistakes, deliberate or not, lives can be lost.

In its own statements, PG&E has acknowledged that the company "lost its way" and that it is devoted to regaining customer confidence and trust. To this end we urge PG&E to accept the jury's verdict and to place its focus where it belongs - on making the changes that will ensure safety.

Going forward, San Bruno will be asking the judge to install an independent monitor at PG&E to

provide independent oversight of the company's policy and operational practices to assure that the necessary changes are made and that PG&E adheres rigorously to the requirements of all applicable safety regulations.

We cannot bring back the innocent lives that were so tragically lost, but we can make sure that the legacy of what happened in San Bruno is never forgotten. In honor of those victims, we in San Bruno will continue to advocate tirelessly for a safe pipeline system. Today San Bruno stands proudly with the prosecution team to recognize another strong step in that direction, and finally, to see that justice has been done.

Before I close, I want to acknowledge that this important victory would not have been possible without the unwavering spotlight the news media shined on PG&E and its criminal negligence. This outcome was possible because of the news media and their dedication to exposing the truth. It is through their lens, since the moment of the explosion, that the public has seen and understood what has happened here in San Bruno. I want to thank each and every reporter, editor and news organization that covered San Bruno, PG&E and CPUC. I especially want to thank Jaxon Van Derbecken for his relentless and detailed news stories. I also want to thank the editorial pages of the Mercury News, the Sacramento Bee and the San Francisco Chronicle. The power of the press is important to our democracy and to ensuring justice.

Lastly, on behalf of Mayor Ruane and the entire San Bruno community, our deepest gratitude goes to the US Attorney's Office and the entire team of investigators and prosecutors they assembled to put on this case. They literally put their hearts and souls into this prosecution. At long last they have brought justice to San Bruno.

Thank you."