

THE WALL STREET JOURNAL

WSJ.com

U.S. NEWS | APRIL 18, 2011

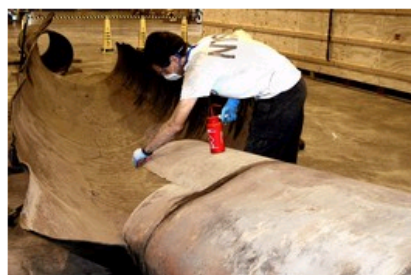
More Utilities Can't Prove Pipe Tests

By DANIEL GILBERT And REBECCA SMITH

Two more big California utilities told state regulators they couldn't prove they have done key safety tests on hundreds of miles of pipelines carrying explosive natural gas.

The disclosure late Friday by gas distribution utilities owned by San Diego-based [Sempra Energy](#) came on the heels of a similar admission last month from San Francisco-based [PG&E Corp.](#) A PG&E pipeline exploded in September, incinerating a neighborhood in San Bruno, Calif., and killing eight people.

Investigators suspect weak welds in the pipe may have played a role in the explosion.



Associated Press

A technician cleans a ruptured pipeline at a NTSB training center.

Following the San Bruno accident and urgent recommendations by the National Transportation Safety Board, California regulators in January ordered the state's gas utilities to review their safety records and report back on any gaps. The required records included pressure-test data on lines that run through populous areas; these tests are designed to flush out any leaks or flaws in a pipeline by running water or an inert gas through the line at high pressure.

In its joint report, Sempra's Southern California Gas Co. and San Diego Gas & Electric Co. said they were continuing to look, but haven't found complete pressure test records for about 450 miles—or 28%—of their pipelines that run through neighborhoods, or near parks and offices.

EXPERIENCE WSJ PROFESSIONAL

Editors' Deep Dive: Pipeline Safety Attracts Regulatory Heat

NATURAL GAS INTELLIGENCE

FREE California Gas Pipelines, Storage Get More Scrutiny

NATURAL GAS INTELLIGENCE

Texas Toughens Distribution Pipeline Monitoring

THE OIL DAILY

U.S. Transportation Secretary Seeks Tougher Pipeline Safety Measures

Access thousands of business sources not available on the free web. [Learn More](#)

"We have not yet located records sufficient to document that the pipelines have been strength-tested per the NTSB recommendations," Sempra said in its filing to the California Public Utilities Commission.

Rick Morrow, the company's vice president of gas engineering, said in an interview on Sunday there were other ways to establish safe operations. He said he was confident Sempra's system was safe because 71% of gas transmission lines in populated areas, including some segments for which the company didn't have pressure-test reports, have been inspected with robotic devices called smart pigs that travel the interior of the pipes.

"I don't want people to conclude we aren't operating our lines safely because our operating history tells a lot about their safety," Mr. Morrow said.

Sempra said it would continue to search for records and in the meantime would lower the pressure at which it moved gas in some lines and increase the frequency of inspections and leak surveys.

Richard Kuprewicz, a pipeline safety consultant based in Redmond, Wash., said he was surprised that the utilities have such gaps in their records, which he said exposed a deficiency in oversight.

"The Public Utilities Commission is not regulating gas transmission pipeline safety in the state of California," Mr. Kuprewicz said in a telephone interview. "The public has a right to be concerned."

A month ago, PG&E said it had been able to find complete records for only two-thirds of its high-pressure lines that run through populated areas.

After the San Bruno explosion, federal accident investigators learned that PG&E's records wrongly identified the pipe that ruptured as seamless, an error that meant the utility never conducted the sort of inspections that might have detected a problem with seam welds in that pipe, which was more than 50 years old. State regulators want to know where similar pipe may have been used but are hitting a wall due to gaps in records.

In a potential settlement with regulatory staff, PG&E agreed to pay a \$6 million fine, with \$3 million suspended if it met future targets in its continuing records search. The state commission hasn't yet approved the fine and some public officials, including the state attorney general, said it was too small.

Sempra says it is in compliance with all state rules and faces no penalties. A spokeswoman for the California Public Utilities Commission said Sunday the company's filing was "under review."