

## PG&E could face San Bruno punitive damages

Demian Bulwa

Updated 10:46 p.m., Tuesday, October 30, 2012

Victims of the deadly natural gas pipeline blast in San Bruno can ask a civil jury to make an example out of Pacific Gas and Electric Co. by slapping the utility with punitive damages, a judge ruled Tuesday.

To win a potentially multimillion-dollar punitive damage award at a trial set to start in January, the plaintiffs must show that pipeline owner PG&E engaged in "despicable conduct" and consciously disregarded safety in allowing the September 2010 explosion, which killed eight people and destroyed 38 homes.

Judge Steven Dylina of San Mateo County Superior Court did not weigh in on the question of whether PG&E might be liable for punitive damages. But he rejected PG&E's argument, made during a two-day hearing, that its lack of malicious intent was so far beyond dispute that a jury shouldn't be allowed to consider it.

The ruling could change the dynamic of ongoing settlement negotiations. As of Tuesday, more than 70 of the 431 original plaintiffs had settled confidentially with PG&E, including all but one person who filed a wrongful-death suit.

While arguing for punitive damages to be left to a jury's discretion, Frank Pitre, a lead attorney for the plaintiffs, laid out a condensed version of his case, at times with theatrical flourishes.

He said the short pipeline section that blew open at a defective weld was "scrap pipe from an unknown source" and should never have gone into the ground in the mid-1950s. Over the years, he said, PG&E spiked pressure on the pipe three times, allowing it to preserve the line's capacity rating without embarking on expensive integrity tests.

"They want to circumvent what is the safe course by doing it the cheap way," Pitre said. "This was profits over safety extraordinaire."

PG&E has admitted negligence in the explosion. But John Lyons, an attorney for the company, told the judge that a mistake long ago - not a malicious act - had put PG&E on a path toward disaster. The company has no records on where the pipe came from, he said, nor any that explain why its faulty weld wasn't discovered during installation.

"There is no evidence of intentionality here by PG&E," Lyons said. "The engineers did not know that this pipeline had a defective weld."

*Demian Bulwa is a San Francisco Chronicle staff writer. E-mail: [dbulwa@sfgate.com](mailto:dbulwa@sfgate.com) Twitter: @demianbulwa*

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