

# EXHIBIT 5

**SAN MATEO COUNTY  
DISTRICT ATTORNEY'S OFFICE**



**BUREAU OF INVESTIGATION**

<b>NAME:</b>	PG&E	<b>DATE:</b>	11-03-2014
<b>INSPECTOR:</b>	R. Maher	<b>CASE #:</b>	CR10-0923-01
<b>CASE TYPE:</b>	WITNESS INTERVIEW		
	<b>Matthew Nicholson (NTSB)</b>		

Supplemental Report "Z"

**SUMMARY:**

On 07-10-2014, at approximately 1130 Hours, Agent Lisa Glazzy (DOT), Brett Morris (SAUSA/CA DAG), Kim Berger (AUSA) and I met with Matthew Nicholson PE (NTSB) at the NTSB building in Washington DC. Jim Rodriguez (NTSB Assistant General Counsel) was also present but did not actively participate in the interview. We introduced ourselves, provided Nicholson with our business cards, and explained we were working with the US Attorney's Office on an investigation involving PG&E and the San Bruno explosion. Nicholson agreed to talk with us and provided us with the following information.

**INTERVIEW:**

Matthew Nicholson is a Professional Engineer (PE) employed by the NTSB as a Pipeline Accident Investigator. He explained that he was not part of the initial launch (response) team that went out to San Bruno in the wake of the explosion but instead joined the investigation in 01-2011.

Nicholson explained the various investigation teams had already been established upon his assignment to the investigation and he was assigned to assist Ravi Chhatre. In that support position he helped to manage the voluminous requests made to PG&E.

Nicholson felt his largest contribution was focused on the Milpitas Terminal and more specifically, the SCADA equipment. With regard to his investigation into IM, he reviewed the GIS data and the factual report (prepared by Karl Gunther of the NTSB). Within GIS he personally noted "lots of inaccuracies and missing data" that called into question many of the IM assumptions that PG&E had made.

Nicholson interviewed several PG&E employees but only a few employees stood out. He remarked that William Manegold was a very quiet and withdrawn individual and he got the impression that many of Manegold's answers came from Brian Daubin and Robert Fassett as they interjected themselves in

his interview. Nicholson's recollection of the interview with Kazmirsky was that Kazmirski was forthcoming and "shut off" the PG&E attorney influence by answering the questions "true to topic." Nicholson also remembered an interview with a former employee, Frank Maffei. This interview stood out because the investigators learned in the interview that Fassett and a PG&E attorney had previously interviewed the witness outside of the NTSB investigation and then failed to share what they had learned with the NTSB.

Nicholson described this unauthorized interview as a breach of their party agreement. Ultimately, Fassett was removed from having party status and Bill Hayes took his place. He confirmed that Fassett would have had to sign a party agreement before he could participate and a copy of that agreement should be available for our review.

Nicholson told us that PG&E was "defensive," "condescending," "sarcastic," and it was a "toxic atmosphere." He felt as though the PG&E attorneys were trying to stop things and the NTSB was not getting real information from them. He added that in other investigations conducted by the NTSB the involved parties have been tough but in this case there appeared to be a problem with the culture at PG&E.

Nicholson thought some of the NTSB interviews may have been recorded and the recording, if they were made, would be available through the NTSB. He added that the signed party agreements would also be available.

Nicholson was shown the 09-30 Data Request. He examined the request and told us that it was not one he had created but it was one of the data requests that he tracked in the investigation.

Nicholson was shown the 02-22-2011 Supplemental Response. He examined it and stated he remembered it. He thought the original data request had been a field generated request and not one he had initiated. He explained the tracking of the supplemental responses was "nuts" because there was a real difficulty in determining if the response you were tracking was the most current one.

Nicholson was shown the 12-2010 Data Request on planned pressure increases. He stated he was very familiar with this issue and PG&E's practice of "pumping up their lines" every 5 years. It was his recollection that the regulations state that if you exceeded your normal operating pressure you need to assess the line for threats and PG&E was using an apparent loophole to raise pressures and maintain capacity. He remembered the planned pressure increases was one of the things he asked Sara Peralta about during the NTSB hearings and documented PG&E's practice as an issue to pursue later.

Nicholson was asked about Ravi Chhatre's memo to file regarding the 10% overpressure policy. He remembered the letter and thought it had been an excellent idea for Chhatre to document it in that way. He didn't remember ever discussing the policy with anyone from PG&E, Chhatre or anyone at the CPUC. He explained he would not have focused on the 10% issue because he was heavily involved in other areas of the investigation. He suggested that Robert Hall (NTSB) would have been more involved in this area.

Nicholson told us that with regard to GIS he went over the maps and the alignment sheets. He recalled seeing a lot of blanks and fought with PG&E to get the historical records. He questioned Peralta about the data and how they could determine if there was "incomplete" data. Peralta told him the fields would be filled with "NA" or left blank if there was missing data. He summarized that there were

problems with the records because they were “messy” and “incomplete.” He clarified that there were also a lot of fields with incorrect data: depth of cover, yield strength, MAOP, pipe materials, etc.

Nicholson remembered sitting in on a conference call with PG&E about the late disclosure of the 1988 leak on L132. He thought that Brian Daubin (PG&E), Bob Fassett (PG&E), Sunil Shori (CPUC) and Ravi Chhatre (NTSB) were also on the call. PG&E had failed to provide the leak information to the CPUC and Sunil Shori (the CPUC regulator) told them he would come down a pick it up from them that same day. During this call, Daubin told Shori “no” he could not come get it and told him “You can show up but you won’t get in [to the facility.]” Daubin told Shori he could not come until the next day. Nicholson thought this was an “ugly thing” from PG&E and was “shocked” at how PG&E talked to Shori who was their regulator.

Nicolson told us that the various investigation teams create factual reports from their investigations. The factual reports are lengthy and contain a lot of details. Some of the factual report topics included: SCADA, IM, Operations, and Record Keeping. Once finished, PG&E had a chance to comment on the factual reports and make suggestions. The NTSB was not under any pressure to accept any of PG&E’s suggestions. It was his recollection that many of the PG&E suggestions were superficial in nature and had more to do with syntax and language than facts. The factual reports were then put together and summarized into the NTSB “final report.”

Nicholson remembered that Fassett and a PG&E attorney had interviewed a former PG&E employee outside of the NTSB investigation and then failed to disclose that interview to the NTSB. He described Fassett’s actions as inappropriate and added that Fassett attempted to cover himself and say the right things afterwards. Specifically, Fassett tried to tell the NTSB that he was trying to vet a potential witness as relevant before bringing the witness into to the NTSB. Fassett was removed from having NTSB party status as a result of this and was replaced by Bill Hayes.

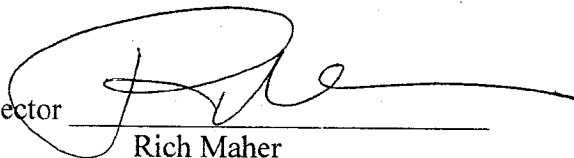
Nicholson told us that it was his impression that getting information from PG&E was very difficult. He stated it was very frustrating because they had to rely on reviewing the documents since there was a lack of cooperation and openness from the PG&E employees.

**CONTACT INFORMATION:**

WITNESS Name NICHOLSON, Matthew	E-Mail: <a href="mailto:matthew.nicholson@ntsb.gov">matthew.nicholson@ntsb.gov</a>
Business Name National Transportation Safety Board (NTSB)	Work Phone (202)314-6468
Business Address 490 L’Enfant Plaza East, SW, Washington DC 20594	Cell Phone N/A

End of supplemental.

Inspector



Rich Maher

Date:

11-03-2014