SAN BRUNO APPROVED Q&A – Updated as of 9/16 – 10:00 a.m.

1. Customers in the area have reported that they smelled gas and called PG&E to report it. Are there any records of customers reporting gas in the area?
A: We take seriously all reports of gas odor or gas leaks and work to resolve these quickly – the most serious within one hour and all within the same day of receiving a call.

We have found no record of anyone reporting smelling gas in the affected San Bruno neighborhood from September 1 and September 9. We reached that conclusion after a thorough review of all calls received by our four contact centers.

We have completed a thorough review of all calls in the affected area from July 1 – Sept 9. We found two gas leak calls: July 23 and July 27; they were adjoining properties; small leak found at the meter (distribution system) of one home, which was repaired. Statistically, we've reviewed 3.1 million calls.

2. A customer whose house was destroyed claims he saw PG&E checking for gas leaks in the area days before the incident. Is this true?
A: In examining our records from September 1 to September 9, we have thus far found no record of PG&E performing gas leak surveys in the affected area.

3. What is the basic outline of your gas system?
A: PG&E has an extensive natural gas system, stretching from the Oregon border down to Bakersfield. This system includes 42,141 miles of natural gas distribution pipelines and 6,438 miles of transportation pipelines, serving 4.3 million natural gas customer accounts. High-pressure transmission lines transport the natural gas to the distribution system via a network of mostly underground lines. The gas in these lines provides sufficient supply to meet short-term peak demands. The distribution system distributes gas to the customer.

4. Can this kind of accident happen again?
A: While our current focus is on ensuring the safety of our customers and restoring service as quickly as possible, we will be working with local, state and federal agencies to determine the cause of the event and taking appropriate actions based on the findings of those investigations.

5. TURN claims that PG&E ignored customer complaints about gas leaks in San Bruno. What's your response?
A: It does everyone a disservice to speculate before the investigation is complete. The National Transportation Safety Board (NTSB) is on scene and has jurisdiction over the investigation. We are cooperating fully with NTSB and other agencies to identify the cause of this accident. Until then, we will not engage in speculation.

6. I want a copy of PG&E's gas system map.

A: For security and safety reasons, we do not typically disclose sensitive operational information like our gas system map to outside agencies or third parties.

7. We have documents from TURN that say your employees falsified gas leak survey records.
A: In the last several years, PG&E has spent well over $100 million to improve its gas system. In 2007, PG&E identified an incident in which one leak surveyor in one of PG&E's 18 divisions had falsified records. PG&E took swift disciplinary action that included termination of that employee as well as well as management-level employees who shared accountability. Upon discovery, PG&E immediately developed a plan for corrective action including a complete resurvey of the involved division. Further, to ensure that falsification of records was not a systemic issue; PG&E evaluated its gas leak survey activities across the system. PG&E did not find any evidence of falsification. At the same time, while performing this evaluation, PG&E found opportunities to improve consistency, tools, processes and training in survey techniques. As part of the quality improvement process, PG&E introduced an enhanced, uniform, leak-grading criteria. These enhancements led us to significantly improve the consistency of our leak detection methods.

8. How many employees were involved?
A: This was an isolated event involving one of several hundred employees who do this type of work. It was in no way reflective of the integrity of the vast majority of our people.

9. Were there any accidents or safety issues related to the surveys that were falsified?
A: No.

10. Why didn't PG&E provide this information to the public?
A: There was no safety threat to the public. We provided our regulator, the CPUC, this information as we discovered the deficiencies and designed and implemented the improvements.

11. Where did this occur?
A: It was an isolated incident in one division.

12. What are "suspect leak trends"?
A: Suspect leak trends is an internal phrase we used to describe our research methodology. It is not related to actual leaks being suspect. We looked at historical averages for each division and if there were changing trends, we focused our assessment there first. Ultimately, we looked at the whole system.

13. Is this process complete? Have the training issues been resolved?
A: Yes, the process is complete and the training issues have been resolved. The entire system resurvey will be complete at the end of 2010.

14. We have a document that says you deemed this segment of the pipeline to be at unacceptably high risk. Why didn't you fix it immediately?
A: The document includes a request for funding for a project to replace a segment of pipeline on line 132. This is not the segment that ruptured in the San Bruno incident. The segment identified in this filing was checked for leaks on September 10 and no leaks were found. The funding process through rate cases is separate from the daily operations and maintenance of our system. We take action on a daily basis, evaluating equipment and facilities and repairing or replacing equipment as needed. PG&E takes a proactive approach toward the maintenance of its gas lines and its filings are forward-looking projections. We constantly monitor our system and if at any time we identify a threat to public safety we act to repair it immediately.

15. Is this the line that exploded?
A: Line 132 ruptured in San Bruno. However, the segment of the line identified in the filing is not the segment that ruptured.

16. Where is the segment located?
A: It is located several miles north of the San Bruno incident in South San Francisco.

17. Has it been checked again?
A: The segment was checked for leaks on September 10 and no leaks were found.

18. Your filing says "the risk of failure at this location is unacceptably high." If that's true, why are you waiting until 2012 to replace it?
A: The unacceptably high risk referred to not replacing it in 2012 in accordance with our projection.

19. Why aren't you providing more details about your gas system and safety practices?
A: Now that NTSB's investigation has begun, we cannot be as responsive as we would like about questions relating to our natural gas system. Under federal law, all information concerning this accident obtained by anyone participating in the investigation must be reviewed and approved by the NTSB before being provided to any outside individual. Unless and until we obtain clearance from the NTSB we will need to restrict our discussion of anything related to the accident. We will keep you informed of our progress in restoring service to customers and helping the community recover from this terrible accident.

20. Isn't that area one where there are typically landslides and other natural earth movement, and was that taken into account when the pipeline was first sited there?
A: PG&E's gas transmission and distribution system was engineered and designed considering soil conditions and potential earth movements. PG&E has examined seismic activity in the area and concluded the pipeline segment involved in the accident has not been impacted.

21. Are there any seismic concerns or issues with this particular location? Any faults, slippage, landslide concerns? Has PG&E done geological studies and risk assessments of this area for pipelines?
A: PG&E's geosciences department continuously studies our service territory for seismic activity. We have no information to suggest there would be seismic concerns with the gas transmission piping in the incident area.

22. Is 132 the pipeline that ruptured?
A: Yes.

23. Have we conducted a baseline assessment of this pipeline as required by the 2002 Pipeline Safety Improvement Act? - within 10 years of Act or five years for "risky" lines.
A: Yes. The first pipeline integrity assessment was conduced in March 2005. Another assessment was done in October 2009.

24. Has the pipeline been inspected under the IMP Program?
A: Yes. See answer above

25. When was the pipe last leak-surveyed?
A: The section of transmission line 132 was surveyed for leaks in March 2010. The distribution network in the area was surveyed for leaks in June of 2008.

26. How often is that pipe leak-surveyed?
A: The section of the transmission line where the incident occurred is surveyed for leaks at least every 15 months. The distribution network where the incident occurred is surveyed for leaks every five years.

27. How long is the pipeline?
A: Line 132 is 51.5 miles long

28. Where does it go?
A: Line 132 begins at in the City of Milpitas (near the intersection of Hwy 237 and I-880) and ends in San Francisco at 23rd St and Illinois St.

29. Is it buried underground, above ground or in a tunnel?
A: Yes, the pipeline is buried underground.

30. Is a 30" steel line typical for gas transmission?
A: Yes. PG&E gas transmission pipelines range in diameter from 4" to 42"

31. What is the age of the ruptured pipe?
A: The section of transmission line 132 where the incident occurred was installed in 1956.

32. When did the pipe last have maintenance done on it?

A: A corrosion check was performed in November of 2009. A routine inspection was also performed in March of 2010.

33. How many gas customers lost service as a result of this incident?
A: Approximately 300.

34. Describe the pipeline replacement program.
A: PG&E does have a pipeline replacement program which considers many factors including type of pipe material, age of pipe, maintenance history and threats such as seismic and landslide to prioritize which sections to replace so as to mitigate those risks.

35. How old is the pipeline itself, was it all installed in 1956?
A: Yes

36. Is it typical to have such a large gas pipeline going through a residential neighborhood?
A: It is not unusual for homes to be built in an area subsequent a pipeline having been installed. In this case the pipeline was installed in 1956.

37. Was there a natural gas incident with a fatality in Madera August 22, 2003? What happened?
A: Yes, a farmer dug into PG&E transmission pipeline 118 while ripping his field. The line was marked for the farmer but the damage resulted in a leak that ignited causing equipment damage and the operator died 3 weeks later as a result of his injuries.

38. Do we have emergency equipment that allows automatic shutdown of pipes? For example, check valves, overpressure relief valves, etc.?
A: PG&E has hundreds of automatic over pressure protection control valves that protect pipelines from exceeding their maximum operating pressure. PG&E also has some lines with rupture control valves for specific needs and the 24 hour control center has the ability to shut down some pipeline systems via remote control.

39. Will PG&E comply with the CPUC request?
A: PG&E is working to comply with the actions directed by the CPUC.

40. Does PG&E usually conduct leak surveys of its natural gas transmission system?
A: PG&E routinely conducts leak surveys of all our natural gas transmission and distribution lines. In 2008, we accelerated the distribution program to complete it in three years instead of the usual maximum five.

41. What are the surveys designed to do?
A: The surveys are designed to confirm the integrity of our 6,438 miles of transmission and 42,142 miles of distribution lines, are scheduled to be complete in December. In 2009 alone, we completed 1.9 million on-location service line inspections as part of the company's initiative to survey our entire gas distribution network on an accelerated basis.

42. Have you surveyed the transmission lines in San Bruno?
A: Two days after the incident in San Bruno, we began surveying the three transmission lines that feed the San Francisco Peninsula. As an added safety measure, we have also reduced pressure by 10 percent on these three lines. The leak surveys were completed on September 10.

43. How much has PG&E spent on its gas system?
A: In recent years, PG&E has spent well over $100 million to improve its gas system, which is in addition to money regularly invested in the system.

44. PG&E did not use an internal pigging device on the San Bruno line. When Geisha Williams indicated that PG&E did not use an internal pigging device did she mean the San Bruno section only, or the entire line?
A: The entire pipeline.

45. What is normal pressure on the San Bruno line?
A: The operating pressure of any pipeline varies; line 132 has a maximum operating pressure of 375 psig (pounds per square inch gauge). After the incident, PG&E reduced the maximum operating pressure to 337 psig.

46. Is there a difference between a gas leak in a transmission line as compared to a distribution line? i.e. would a transmission leak be harder to detect?
A: There is no significant difference in gas leaks or in detecting gas leaks just because they are on the distribution system vs. being on the transmission system.

47. How many miles of PG&E lines are pigged?
A: PG&E pigs approximately 25% of its transmission pipelines that require an integrity management assessment under the federal regulations, 49 CFR 192, Subpart O.

48. How important is pigging as a means of detecting potential problems?
A: Pigging or In-Line Inspections are one of three of the three federally approved methods within 49 CFR Part 192, Subpart O to complete an Integrity Management assessment. The other 2 federally approved methods are External Corrosion Direct Assessment (ECDA) and pressure testing.

49. I heard PG&E is donating money to San Bruno residents – how much?
A: We are committed to our customers in San Bruno and will be there to help rebuild the city. One step in that direction is the "Rebuild San Bruno Fund," in which PG&E pledged up to $100 million for the residents and city of San Bruno to help recover from last Thursday's tragic event.

50. $100 million is a lot of money – it sounds like you are admitting fault?
A: We know that no amount of money can ever make up for what's been lost and we are fully complying with the NTSB's investigation because we want to get the community the answers it deserves. This program is just one piece of our promise that PG&E will

live up to its commitment to help rebuild this community and help the people of San Bruno rebuild their lives.

51. How are San Bruno residents getting the funds?
A: On Monday (9/13) PG&E provided San Bruno officials with an initial check for $3 million to help compensate the city for its estimated expenses incurred to date. The company is also taking immediate steps to provide assistance to affected residents. For residents in the affected area, PG&E will provide disbursements of $15,000, $25,000, or $50,000 per household depending on the extent of damage incurred.

52. If people accept PG&E's money – will they be ineligible for a full insurance claim or be forced to waive other compensatory benefits?
A: No. Residents are not being asked to waive any potential claims in order to receive these funds. Also, these funds are being provided in addition to the company's ongoing provision of funds to ensure affected residents continue to have access to temporary housing and other basic necessities.

53. What is your response to the CPUC's Sept 13 letter directing PG&E to take action on multiple items relating to its gas system?
A: We have just received the letter from the CPUC, and are presently reviewing their recommendations.

54. What is our claims process for San Bruno residents in the affected area?
A: Our current claims process is mostly for immediate needs. Our claims representatives are at 900 Cherry Avenue every day from 9 a.m. to 6 p.m., and our claims representatives are also going door to door to assist customers. We are also streamlining our process for larger claims and longer term needs, so that it will be easier for our customers when those requests begin to come in.

55. Can customers file multiple claims, or are we encouraging them to wait and file one claim?
A: Whichever best meets the needs of our customers. We know that our customers may need to be reimbursed for some items now, and then file an additional claim later.

56. Is there a difference between a gas leak in a transmission line as compared to a distribution line? i.e., Would a transmission leak be harder to detect?
A: There is no significant difference in gas leaks or in detecting gas leaks just because they are on the distribution system vs. being on the transmission system.

57. Do we have additional background on how we conduct our external corrosion pipeline inspection program, such as explaining the "poking ground" method?
A: External Corrosion Direct Assessment (ECDA) is a four step process:

1. Preassessment: provides guidance for selection of the pipeline segment and which indirect methods to be used.

2. Indirect Examination: indirect aboveground electrical surveys are performed to detect coating defects and the level of cathodic protection.
3. Direct Examination: Based on the indirect examination, points of potential interest are excavated to expose the pipe surface for metal loss measurements, and estimated corrosion growth rates.
4. Post Assessment and Continuing Evaluation: sets re-inspection intervals, provides a validation check, and provides performance measures.

One of the tools used for indirect examination that provides an indication of the condition of the protective coating on a pipeline is called direct current voltage gradient (DCVG). This is the method described as "poking the ground."

58. Is there a document available that explains our pipeline maintenance schedule?
A: There is no one document that explains all of the maintenance PG&E performs on our transmission and distribution pipelines, although federal and state regulations establish minimum maintenance tasks and schedules for pipeline operators. PG&E standards further specify maintenance tasks and schedules, establishing the framework for a comprehensive pipeline safety program.

These codes specify design, construction, maintenance and operation requirements for natural gas pipelines such as:

- PG&E provides immediate 24 hour response to gas odor calls
- All gas pipelines are leak surveyed at regular intervals
- PG&E conducts periodic patrols of our pipelines
- Pipeline assessments are conducted periodically on critical pipelines
- Pipelines are cathodically protected to prevent external corrosion
- PG&E strongly supports Underground Service Alert, #811, the one call system used to locate underground pipelines and facilities before excavation by others
- PG&E personnel stand by when known excavation is occurring in close proximity to pipelines
- PG&E's pipeline system is continuously monitored on a 24 hour basis
- Gas is odorized to allow easy leak detection by the public

59. Referring to the 2011 GRC PowerPoint titled, PG&E's Gas Leak Survey Program – what is the relevance to San Bruno?
A: The Accelerated Leak Survey effort referred to in the power point was a comprehensive re-survey of all PG&E's gas distribution facilities previously surveyed in 2006 and 2007. The Accelerated Leak Survey did not include transmission facilities (such as this pipeline), since transmission pipelines such as the one in San Bruno is leak surveyed at least once a year.

Among the benefits of the leak survey program referred to was that PG&E improved its survey process and enhanced its training for leak surveyors. On page 6, it states that on the Peninsula 4 of 4 sampled lots did not meet criteria in the leak survey.

PG&E sampled its territory to see if there was a significant difference between the

historical results and the results using the new survey process. Four of the four Peninsula lots did not meet the criteria, which is one of the reasons PG&E decided to resurvey the entire system. PG&E has already completed the Accelerated Leak Surveys in Peninsula Division, and, as noted above, the transmission pipelines are surveyed at least once a year.

60. Had the Peninsula portion of the gas distribution system been fixed before the pipeline rupture?
A: The Peninsula portion of the gas distribution system was not and is not in need of a "fix." Any Grade 1 leaks found during the Accelerated Leak Survey were promptly completed.

61. Regarding a statement made in the Sacramento Bee: According to PG&E's filings with the CPUC, an internal audit in 2007 of its residential distribution lines in Sonoma County found major problems in how it reported gas leaks.
A: In 2007, PG&E identified an incident in which one leak surveyor in one division had falsified records. PG&E took swift disciplinary action that included termination of that employee as well as management-level employees who shared accountability.

Upon discovery, PG&E immediately developed a plan for corrective action including a complete resurvey of the entire division. Further, to ensure that falsification of records was not a systemic issue, PG&E evaluated its gas leak survey activities across the system.

PG&E did not find any additional evidence of falsification.

At the same time, while performing this evaluation, PG&E found opportunities to improve consistency, tools, processes and training in survey techniques. As part of the quality improvement process, PG&E introduced an enhanced, uniform, leak-grading criteria. These enhancements led us to significantly improve the consistency of our leak detection methods. PG&E also compressed five years of routine activity into less than three; this was an unprecedented effort. We brought in additional resources, identified leaks, and repaired leaks.

PG&E also wants to emphasize that there were no accidents or safety issues related to the surveys that were falsified.

62. Was there an automatic shut off valve near the site of the incident?
A: There is no automatic shut off valve near the site of the recent San Bruno incident.

63. Was there an automatic shutoff on this segment?
A: No.

64. Should there have been an automatic shut off valve in a highly populated area?
A: Under NTSB regulations, its ongoing investigation precludes the company from discussing specific details related to this matter at this time.

65. Do we have any plans of going automatic detection on our lines? Is that even possible?
A: The PG&E gas system is monitored by our Gas Control Center on a 24 hour, 7 day a week basis to detect and respond to abnormal operating conditions. PG&E is examining the use of different kinds of technologies on its pipelines

66. In 2004, the PHMSA ordered utilities to do risk assessments that take into account the special dangers posed by high-pressure lines that carry gas under heavily populated areas. Have we done this?
A: PG&E has fully implemented 49 CFR Part 192 Subpart O which mandates integrity assessments in High Consequence Areas. These regulations require all pipeline operators to identify transmission lines in high consequence areas by 12/17/04, and to risk rank those pipelines for the purpose of prioritizing pipeline assessments. PG&E completed this activity prior to the deadline. The regulations also require fifty percent of the transmission pipelines in "High Consequence Area" to have their baseline assessments completed by December 17, 2007, and PG&E completed that activity by the deadline. The regulations require all transmission pipelines in HCAs to have their baseline assessments completed by December 17, 2012, and PG&E is on track to meet that deadline.

67. The PHMSA also said companies should be taking "extra measures" such as installing heavier pipe, automatic shut-off valves and computerized leak detection systems. Was any of this done?
A: Under NTSB regulations, its ongoing investigation precludes the company from discussing specific details related to this matter at this time.

68. What is the response to the CPUC asking PG&E to look at where automatic valves would be prudent?
[NO RESPONSE AT THIS TIME. TO BE DISCUSSED WITH GENERAL OFFICE]

69. How many valves are there on the company's transmission lines and on Line 132?
A: PG&E has twenty mainline shut-off valves on Line 132. [NOTE: We do not as of 9/15 9 am have a precise count of the number of mainline shut-off valves in the entire system]

70. How far apart are they typically spaced?
A: The spacing of shut-off valves on transmission pipelines varies according to population density. In accordance with federal regulations, PG&E has shut-off valves no more than twenty miles apart in rural areas on transmission lines, and has shut-off valves no more than five miles apart in densely populated urban areas. In general PG&E has more shut off valves than required by federal regulations.

71. How many are manual and how many are automatic on line 132?

A: On Line 132 there are twenty manual valves. PG&E has remotely operated valves in the terminal stations that feed Line 132.

72. What determines whether a valve is manual or automatic?
A: It depends upon operational needs. If operational needs require immediate shut down of a pipeline at a specific location, a remotely controlled valve would be installed.

73. Is the company replacing manual valves with automatic ones?
A: PG&E does not have a plan to replace all manual valves. Manual valves are a perfectly acceptable approach throughout the industry and under federal regulations. PG&E monitors these valves 24 hours per day, seven days a week. PG&E does replace manual valves with remotely controlled valves when appropriate for operational purposes.

74. If so, can you provide any information on the status of that process?
A: Not applicable.

75. Where are the valves located that were turned off on Thursday night?
A: Under NTSB regulations, its ongoing investigation precludes the company from discussing specific details related to this matter at this time.

76. How is a valve turned off? What is the process?
A: The process is different for each type of valve: remotely controlled, automatic, manual.

- Remotely controlled valves: these are mainline valves operated by remote control from our 24-hour manned Gas Control Center
- Automatic valves: these are mainline valves with control programs triggered to operate via a specified change in pipeline conditions and do not require remote control or personnel on site
- Manual valves: these are valves hand-operated by wheel and gear assembly or by wrench with an indicator to show whether it is open or closed

77. San Bruno Fire says workers also had to turn off distribution line valves. How many needed to be turned off? How long did that take?
A: Under NTSB regulations, its ongoing investigation precludes the company from discussing specific details related to this matter at this time.

78. State regulators in 2007 gave PG&E the go-ahead to spend $5 million of ratepayer money to replace a section of the same pipeline that exploded last week in San Bruno. But the work never got done as scheduled in 2009, and this year you asked for another $5 million to do the same job by 2013, according to documents you submitted to the California Public Utility Commission as part of a general rate-increase request. Can you respond?

A: PG&E is committed to performing the work necessary to assure the safety of its gas transmission system. Accordingly, PG&E is constantly prioritizing its projects using the most recent up to date information available. In this particular case, PG&E did identify this line section as being a high priority project in its 2008 gas transmission rate case filing. Subsequent to that filing PG&E performed an External Corrosion Direct Assessment (ECDA) in 2009 and based on the updated assessment, and the assurance it provided us, we rescheduled the project accordingly. PG&E spent more on its gas transmission capital program than authorized for the period 2008 to 2009.

79. What is the status of the project and how have we spent the funds, if at all?
A: Rough project scope has been defined. Roughly $1,000.00 has been spent on this project since inception. This would cover very preliminary project scope definition only.

80. When will the project be completed?
A: The project is scheduled to be completed in November, 2013.

81. What is your reaction to the letter Senators Feinstein and Boxer sent to PHMSA regarding inspections and disclosure and what does it mean for PG&E?
A: The letter sent to PHMSA focused on the 1,500 miles of interstate pipelines that exist in California. PG&E routinely conducts leak surveys of all our natural gas transmission and distribution lines. Generally, the PHMSA regulations require that distribution lines in rural and suburban areas should be surveyed once every five years, in business districts at least once a calendar year, and transmission lines surveyed annually or semi-annually. However, in 2008, PG&E accelerated its distribution leak survey program to complete the entire five-year survey in three years. In 2009 alone, we completed 1.9 million service line inspections as part of the company's initiative to survey our entire gas distribution network on an accelerated basis.

82. Have we confirmed pipeline 131, in Fremont, is one of two pipelines in the Bay Area posing the highest risk? Is in or near the Hayward Fault?
A:

- FOR FREMONT CITY OR ELECTED OFFICIALS. Line 131 runs from the Brentwood Terminal to the Milpitas Terminal. Line 131 crosses the Hayward fault in the Fremont area. PG&E seismically retrofitted this crossing in 2002.
- NOT FOR FREMONT CITY OR ELECTED OFFICIALS: Line 131 runs from the Brentwood Terminal to the Milpitas Terminal. In 2002 PG&E seismically retrofitted Line 131 where it crosses the Hayward Fault.

83. What information do we have on the McDonald Island Pipeline project from 2005?
A: The McDonald Island Pipeline project was a 6.5 mile pipeline from the McDonald Island underground storage facility to the Brentwood Terminal that added both capacity and reliability to PG&E's system. The new line was bored under both the river and levees so that it would not be vulnerable to possible delta flooding. The pipeline was successfully put into operation in 2007.

84. What designates a "high risk" pipeline? What does PG&E need to do to address these pipelines?
A: It is unclear whether this is referring to a "high consequence area" or PG&E's internal work prioritization risk ranking.

High Consequence Areas (HCAs) are defined by federal regulation. HCAs are areas of higher population density with 20 or more dwellings, public gathering places or structures difficult to evacuate, such as nursing homes, hospitals, day cares, etc.). Being in a High Consequence Area does NOT mean that the transmission pipeline is less safe, or creates greater risk, or that there is a higher likelihood of failure. What it means is that more people are in close proximity to the line.

If this is a reference to PG&E's internal "Top 100" list, this is a list of gas transmission pipeline segments that have been identified for further work as part of PG&E's ongoing pipeline assessment process. This dynamic list is regularly updated as work is completed and new items are added. As part this risk analysis we take into account, (among things), population density and environmental impact. As with a HCA designation, being on the list for replacement does not mean the pipeline is unsafe or that there is a high likelihood of failure. The high risk term is applied if the project is not completed on the established schedule based on the information available at the time the assessment is completed.

85. What is the schedule of replacement for older pipes?
A: PG&E has a Gas Pipeline Replacement Program (GPRP) to replace distribution pipelines based not only on the age of the line but also on recognized risk factors such as pipe material, maintenance histories, and proximity to seismic and landslide areas. The program began in 1985. Since its inception through the end of 2009, PG&E has replaced approximately 2111 miles of pipeline system-wide, and PG&E has spent approximately $1.5 billion.

PG&E's transmission pipelines are now included in the transmission pipeline integrity management program, not the GPRP. PG&E's transmission pipeline replacement decisions are based on a variety of pipeline factors, including, among other things, pipe material and design, soil resistivity, pipe coating, pressure, potential for third-party damage, seismicity or the potential for ground movement, water crossings and number of customers served.

86. What is the percentage of older to newer pipes in our system?
A: The bulk of PG&E's system has been installed since 1950.

87. Are we retrofitting older pipes for shut off valves for transmission lines?
A: PG&E does not currently have a program to retrofit older pipe for shut-off valves. Rather, PG&E's program employs a system of corrosion protection, frequent leak surveys, regular inspections and integrity assessments to monitor pipe conditions and prioritize pipeline maintenance and replacements to prevent service disruptions. PG&E is

evaluating its existing system design and will report the results of that evaluation back to the CPUC as directed in their September 13, 2010 letter.

88. What is the difference between a direct assessment versus in-line inspection?
A: There are three federally approved methods to complete a transmission pipeline integrity management baseline assessment: In-Line Inspections, Pressure Testing and External Corrosion Direct Assessment (ECDA).

- In-line inspection involves a tool (commonly known as a "pig") inserted into the pipeline, which identifies areas of concern such as potential metal loss (corrosion) or geometric abnormalities (dents) in the pipeline. Excavations are performed in areas of concern as required by federal regulations.
- External Corrosion Direct Assessment is a four step process:
    - Preassessment: provides guidance for selection of the pipeline segment and which indirect methods to be used.
    - Indirect Examination: indirect aboveground electrical surveys are performed to detect coating defects and the level of cathodic protection.
    - Direct Examination: Based on the indirect examination, points of potential interest are excavated to expose the pipe surface for metal loss measurements, and estimated corrosion growth rates.
    - Post Assessment and Continuing Evaluation: sets re-inspection intervals, provides a validation check, and provides performance measures
- Pressure testing involves filling the pipeline with a test medium (i.e. water, gas, air) and testing to a certain pressure for specified duration.

89. How many gas transmission lines do we have in San Mateo County?
A: Excluding connectors or distribution feeder mains, PG&E has three transmission pipelines in San Mateo County

90. What is the oldest pipeline we have?
A: PG&E has pipeline that was installed prior to the 1940s. This pipe is regularly inspected and maintained to ensure integrity.

91. What pressure do our gas transmission lines typically operate under?
A: Gas transmission lines in PG&E's system typically operate between 100 and 1040 psig. PG&E has short pipelines which interconnect to the McDonald Island Storage Facility which operate at 2160 psig.

92. Is our IMP a public document?
A: No.

93. We talk about accelerating a gas line inspection, getting it done in 3 years instead of 5, for distribution. How does transmission fit in here?
A: All gas pipelines are leak surveyed at regular intervals, at least as often as dictated by regulations. Generally, the PHMSA regulations require that distribution lines in rural and suburban areas should be surveyed once every five years, in business districts at least once a calendar year, and transmission lines surveyed annually or semi-annually.

94. There are reports that you have segments of pipe that are sewn together rather than solid pieces. Is that a common practice?
A: PG&E, and the industry, does not "sew together" pipes; pipes are welded, not sewn. The "sewing together" of pipes is not a term used at PG&E. This term may refer to the longitudinal seam which is a common characteristic of the manufacturing process for many pipes, since many pipes originate from plate steel which is rolled and then welded to form cylindrical pipe.

95. Is the San Bruno incident covered by wildfire insurance?
A: No. The San Bruno incident does not fall within the definition of "wildfire", and will not be covered by the wildfire insurance application.

96. Why does PG&E need wildfire insurance?
A: The increasing number of fires in California over the last several years has made the liability insurance market for wildfire incidents uncertain and unstable, leading to higher costs for less coverage statewide.

97. Are you asking for ratepayers to cover the cost of your wildfire insurance?
A: No. PG&E will not be seeking cost recovery from our customers through this funding mechanism. We have $992 Million in general liability insurance that we will use to pay for bodily injury and property damage claims from the San Bruno tragedy.

98. In general, why do customers have to pay for damage caused by your equipment?
A: This is essentially the way it is now – we recover the costs of insurance premiums in rates, as does any other business. These are costs of doing business and the Commission has allowed recovery of those costs.

99. What is the rate impact?
A: Because this would only go into effect in the event of a wildfire that involved our equipment, there is not rate impact at this time.

100. What happens if a customer's loss is covered by insurance?
A: The customer should file a claim under his or her insurance policy. PG&E will work with the carrier to make sure losses are fully covered.

101. Are there any restrictions on what the funding can be used for?
A: There are no strings attached. We are providing the checks to help cover emergency personal, family or living expenses that may not be covered by insurance.

102. What criteria are you using to disperse funds?
A: We are dispersing funds to those residents in the affected area that lost homes, have severely damaged homes or were temporarily displaced.

103. What are the boundaries of the affected area?
A: The geographic boundaries of the affected area are Sneath Lane to the north, San Bruno Avenue to the south, Skyline Boulevard to the west and the Crestmoor Canyon Open Space to the east.

104. Is there a set list to receive the funds?
A: PG&E has identified homes in the impacted areas and are dispersing funds based on the amount of damage. Those residents who have been permanently displaced due to catastrophic damage will receive $50,000; those with major damage that kept residents from returning home as of September 14, will receive $25,000; and those who have gas and electric service and have been cleared to return will receive $15,000.

105. What if a customer believes these funds are insufficient? Can they appeal?
A: There will be an expedited claims process available in two weeks, which is entirely separate from these checks that our customers will be receiving in the coming days. In fact, we are setting up a dedicated claims organization to handle claims related specifically for this event. We want to emphasize again that any claims individuals may file will not be affected by either this check or by any assistance we have already provided.

106. How many people within a household are eligible for funding?
A: There will only be one payment per household through this fund. However, these customers may still file a claim to cover damages to their homes.

107. Is this award tax-exempt?
A: The funds are subject to all IRS reporting requirements. Generally, checks used to cover emergency, personal, family or living expenses resulting from events like those of September 9 are not subject to tax. However, customers should talk with a tax advisor and we are happy to help them find one.

108. What if customers lost bank records/don't have an account. Can they get cash instead?
A: If a customer does not have bank records, we can take the customer to his or her local bank and work with them to get the check deposited to their account. If they don't have an account, we can help them make arrangements to open an account.

109. What else are you doing as part of San Bruno Relief Fund effort?
A: The Relief Funds will be used to reimburse the city and other agencies, such as the American Red Cross, that have provided and are continuing to provide key response and

support services. The Fund will also be used to help certain costs not covered by insurance, such as deductibles. On a longer term basis we will be helping to restore city facilities, such as the neighborhood park.

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