

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



September 13, 2010

Christopher Johns, President
Pacific Gas and Electric Company
P.O. Box 770000
Mail Code B32
San Francisco, California 94177

Re: Safety Response to the San Bruno Pipeline Explosion

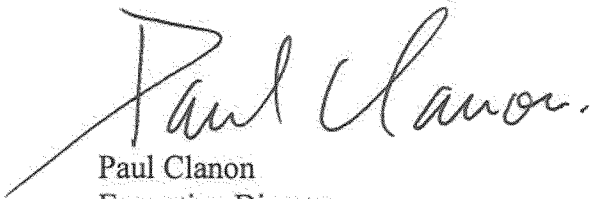
Dear Mr. Johns:

Pursuant to the California Public Utilities Commission's safety oversight over Pacific Gas and Electric Company's (PG&E's) natural gas pipelines, particularly Line 132, I direct PG&E to do the following:

- 1) Reduce the operating pressure on PG&E's Line 132 to a pressure level of 20% below the operating pressure at the time of the failure and retain that lower pressure level until such time as the Commission allows you to return to Line 132's normal operating pressure;
- 2) Ensure that there are no additional risks to the residents of San Bruno by conducting an integrity assessment of all gas facilities in the impacted area;
- 3) Conduct an accelerated leak survey of all transmission lines in your service territory, giving priority to segments in class 3 and class 4 locations, within one month of the date of this letter and take corrective action as required and report the results to me on or before October 12, 2010;
- 4) Evaluate records of customer leak-complaint response times and response effectiveness system-wide, take immediate mitigation measures if deficiencies are found, and report the results to me;
- 5) Prepare a plan for a complete safety inspection of PG&E's entire natural gas transmission pipeline system and provide the plan to me no later than September 23, 2010;
- 6) Make all employees and contractors available for interviews with federal and state investigators, including if requested, examinations under oath;
- 7) Preserve all records related to the incident, including work at the Milpitas Terminal during the month of September 2010;
- 8) Preserve all records related to the maintenance or modification of Line 132 by PG&E and/or its contractors performed within the City of San Bruno over the past ten (10) years;
- 9) Review the classification of natural gas transmission lines and determine if the classification has changed since the initial designation and report the results to me;

- 10) Investigate and report to me PG&E's forecasted versus actual levels of spending on pipeline safety and pipeline replacements from 2005 to the present; and
- 11) Conduct a review of all gas transmission line valve locations in order to determine locations where it would be prudent to replace manually operated valves with automated valves and report the results to me.

Sincerely,

A handwritten signature in cursive script that reads "Paul Clanon". The signature is written in black ink and is positioned above the printed name and title.

Paul Clanon
Executive Director