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PG&E ANNOUNCES PIPELINE 2020 PLAN FOR ENHANCING NATURAL GAS PIPELINE SAFETY AND RELIABILITY

PG&E Will Invest in and Advance Industry Best Practices

SAN FRANCISCO, CALIF. – Pacific Gas and Electric Company (PG&E) today announced Pipeline 2020, a five-point plan to strengthen the utility’s natural gas transmission system through a combination of targeted investments, research and development, improved processes and procedures, and tighter coordination with local first responders. Going well beyond regulatory requirements, Pipeline 2020 will augment a series of safety and reliability initiatives that PG&E began or expanded in the wake of last month’s San Bruno tragedy.

“Pipeline 2020 is a major next step in fulfilling our pledge to customers and the public to ensure the safety and integrity of our gas transmission system,” said Chris Johns, President, Pacific Gas and Electric Company. “PG&E will work with state and federal regulators, industry and scientific experts, and emergency responders to enhance our ongoing efforts to adopt industry best practices, invest in system upgrades and, where possible, advance the state of the art of gas pipeline inspection procedures and technology. The Pipeline 2020 plan represents a substantial and long-term commitment of people and resources to restore confidence and trust in PG&E’s gas transmission system.”

PG&E’s Pipeline 2020 plan covers five major areas:

- **Modernize Critical Pipeline Infrastructure** – PG&E will present California regulators with a multiyear modernization initiative to upgrade key gas transmission pipeline segments. The initiative, which will encompass hundreds of miles of pipelines, will focus initially on segments located in heavily populated and other critical areas. The company will work with an independent third-party expert to review and assess PG&E’s comprehensive long-term roadmap, including criteria for prioritizing critical pipeline segments. Among the goals of the initiative will be to ensure that all upgraded lines can

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accommodate state-of-the-art inspections, including those conducted with pigging technologies.

- **Install Automatic or Remotely Operated Shut-Off Valves** – PG&E also proposes to install hundreds of automatic or remotely operated shut-off valves on segments of its gas transmission pipelines located in heavily populated areas. The valves will give PG&E operators the capability to shut-off gas flows in key areas without having to dispatch crews. The company will also work with legislators at the federal and state levels to ensure industry-wide use of best-in-class technologies and practices in this area. Deleted: remotely operated
- **Spur Development of Next-Generation Inspection Technologies** – To help catalyze technological advances that will improve pipeline safety nationally, PG&E will establish a new nonprofit entity dedicated to research and development of next-generation pipeline inspection and diagnostic tools. At no cost to customers, PG&E will provide \$10 million in initial funding to launch this program. The nonprofit will seek other industry partners and will engage leading institutions and researchers with the expertise to make significant advances in this area.
- **Improve Internal Procedures to Industry-Leading Levels** – PG&E will conduct a comprehensive review of all of the company's processes and procedures to identify and implement industry best practices related to pipeline integrity, safety and training. For example, the company will ensure that it is using industry-leading, state-of-the-art risk assessment techniques for prioritizing and planning work on its gas transmission pipelines. Deleted: and
- **Enhance Public Safety Awareness Outreach and Training** – Building on its already-extensive pipeline safety awareness and training programs, PG&E will work with communities, public officials and first responders to provide detailed, customized information on pipeline locations and emergency response plans, as well as enhanced annual emergency response training. It will also step up outreach and education to reduce the incidence of third-party dig-ins on PG&E's pipelines – the leading threat to pipeline safety and integrity.

"As the investigation into the San Bruno tragedy continues, we are initiating a series of actions that will help significantly advance the pipeline industry's commitment toward greater safety, security and reliability for years to come," said Johns.

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (NYSE:PCG), is one of the largest combined natural gas and electric utilities in the United States. Based in San

Francisco, with 20,000 employees, the company delivers some of the nation's cleanest energy to 15 million people in Northern and Central California. For more information, visit <http://www.pge.com/about/newsroom/>.