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Media Relations Department 77 Beale Street San Francisco, CA 94105 415/973-5930 NEWS 10-33

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CONTACT: PG&E Media Relations - (415) 973-5930

PG&E RESPONDS TO NTSB REPORT ON SAN BRUNO ACCIDENT

Second Interim Report Rules Out Some Causes

SAN FRANCISCO, Calif. – Pacific Gas and Electric Company (PG&E) today responded to the release by the National Transportation Safety Board (NTSB) of its second interim report on the tragic San Bruno pipeline rupture on September 9, 2010. The report documents NTSB's progress on its meticulous investigation but draws no definitive conclusions as to the cause of the accident.

The NTSB report finds no evidence of external corrosion on the ruptured pipe pieces, no evidence of excavation damage and no physical evidence suggesting a pre-existing leak.

Based on detailed metallurgical analysis, NTSB said it is still working to determine the nature of the "fracture origin and failure mechanisms." The safety board said the investigation "is still in an early phase and there is much factual information to be developed" before reaching conclusions about the cause of the accident.

The report does note a discrepancy in PG&E's records on the type of pipe installed at the San Bruno location. However, at no time did the pressure in the pipe exceed the Maximum Allowable Operating Pressure nor did the discrepancy impact the required maintenance and inspection protocols. Regardless, PG&E has begun an exhaustive, system-wide check of pipeline records to confirm their accuracy and correct any discrepancies found.

"Our thoughts and prayers continue to be with the families and community of San Bruno," said Chris Johns, president of PG&E. "PG&E appreciates NTSB's thorough and diligent investigation of the San Bruno accident. We will continue to cooperate fully with the investigation and are working expeditiously to provide information as requested. We will continue using all available means to evaluate and ensure the integrity of our natural gas system." Pacific Gas and Electric Company, a subsidiary of <u>PG&E Corporation</u> (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 <u>http://www.pge.com/about/newsroom/</u>.

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