

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 3, 2011

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

Re: Directions in Response to the NTSB's Safety Recommendations of January 3, 2011

Dear Mr. Johns:

Today the National Transportation Safety Board ("NTSB") issued Safety Recommendations concerning the San Bruno pipeline explosion of September 9, 2010. In consequence, you are directed to do the following in addition to the earlier directives contained in my letter of December 16, 2010. These latter directives should be completed by February 1, 2011. Please confirm by the end of this week, January 7, 2011, that you can complete these directives by February 1, 2011.

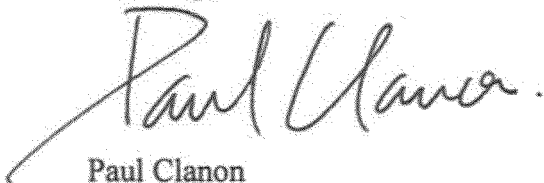
1. Aggressively and diligently search for all as-built drawings, alignment sheets, and specifications, and all design, construction, inspection, testing, maintenance, and other related records, including those records in locations controlled by personnel or firms other than Pacific Gas and Electric Company, relating to pipeline system components such as pipe segments, valves, fittings, and weld seams for Pacific Gas and Electric Company natural gas transmission lines in class 3 and class 4 locations and class 1 and class 2 high consequence areas that have not had a maximum allowable operating pressure established through prior hydrostatic testing. These records should be traceable, verifiable, and complete. (P-10-2) (Urgent)
2. Use the traceable, verifiable, and complete records located by implementation of Safety Recommendation P-10-2 (Urgent) to determine the valid maximum allowable operating pressure, based on the weakest section of the pipeline or component to ensure safe operation, of Pacific Gas and Electric Company natural gas transmission lines in class 3 and class 4 locations and class 1 and class 2 high consequence areas that have not had a maximum allowable operating pressure established through prior hydrostatic testing. (P-10-3) (Urgent)

Christopher Johns, President
Pacific Gas and Electric Company
January 3, 2011
Page 2

Pacific Gas & Electric Company will receive further directives from the Commission regarding the following recommendation from the NTSB:

If you are unable to comply with Safety Recommendations P-10-2 (Urgent) and P-10-3 (Urgent) to accurately determine the maximum allowable operating pressure of Pacific Gas and Electric Company natural gas transmission lines in class 3 and class 4 locations and class 1 and class 2 high consequence areas that have not had a maximum allowable operating pressure established through prior hydrostatic testing, determine the maximum allowable operating pressure with a spike test followed by a hydrostatic pressure test. (P-10-4)

Sincerely,

A handwritten signature in black ink that reads "Paul Clanon". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Paul Clanon
Executive Director