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PG&E REPORT ADDRESSES GAS SYSTEM LEAKS AND REPAIR PROGRAM

PG&E Also Reports Progress on Gas System Records Validation

SAN FRANCISCO, Calif. – Pacific Gas and Electric Company (PG&E) today released the results of its accelerated leak survey of all its gas transmission pipelines, which it launched in September 2010. The utility responded promptly in all 59 cases where it discovered a leak that created a potential hazard. For other indications of non-hazardous leaks, PG&E scheduled further investigation or repairs in accord with industry standards.

In addition, a study by third-party consultants concludes that PG&E's leak rates and reporting practices compare favorably with the rest of the industry.

The utility also provided a progress report to the California Public Utilities Commission (CPUC) on PG&E's extensive program to review and validate some 1.25 million records pertaining to 1,800 miles of gas transmission lines in populated areas.

"These reports reflect our ongoing efforts to raise the bar on our performance and effectively address any and all public safety issues on our gas system," said Kirk Johnson, Vice President, Gas Engineering and Operations. "We know that transparency is vital both to regaining public confidence and to ensuring that we and the industry learn the right lessons from the San Bruno tragedy and act on them appropriately."

Based on findings from its accelerated leak survey, PG&E plans four enhancements to its program to strengthen the safety of its gas transmission and distribution systems. These include stepping up its leak repair schedules and evaluating the merits of helicopter-based laser leak detection systems.

To accompany this survey, PG&E hired third-party consultants (ViaData LP and Oleksa and Associates) to evaluate PG&E's leak reporting practices and compare PG&E's results to the industry. Their analysis concluded that:

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- PG&E's five-year average rate for leaks (leaks per 1,000 pipeline miles) is well below the national average for all transmission operators and compares favorably with similar operators of large transmission pipelines.
- PG&E's leak classification and reporting practices are overly conservative and PG&E regularly reports more leak repairs than required by regulations. If PG&E followed standard industry reporting practices, it would have an even lower five-year average.

In a separate report to the CPUC, PG&E noted that it has assembled extraordinary resources to collect, scan and index an estimated 1.25 million records relating to its gas transmission pipelines. A dedicated team of PG&E employees, supplemented by external partners including KPMG and PricewaterhouseCoopers, are supporting the effort. They report directly to PG&E's Senior Vice President for Engineering and Operations.

Over the next six weeks, PG&E expects to determine the pipeline segments for which it has complete, verifiable and traceable records of prior pressure tests. Where necessary, PG&E will perform excavations to verify pipeline features. The data it collects will help verify the safe maximum operating pressure on each of PG&E's transmission pipelines in populated areas.

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/>.