



We Apologize.

There are no excuses when it comes to safety.

As the top leaders at PG&E, we want you to know how deeply sorry we are about last year's tragic explosion on our pipeline in San Bruno.

Federal investigators reported that the explosion occurred when a faulty longitudinal seam weld ruptured along a section of pipeline installed in 1956. Contributing factors are still being determined.

We are making major improvements in the operations of our gas system, and we want you to know about them.

Since last year, we have taken many steps to make PG&E's operations as safe as you rightly expect them to be. So far, we have:

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* * * * * dramatically improving one of the oldest gas systems in the country.

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practices in our ongoing work.

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(<http://www.pge.com/pipelinelocations/>).

Your trust and confidence in PG&E is critically important to us. We believe we will earn it only by taking action and delivering results.

Sincerely,

Lee Cox
Interim Chairman and CEO
PG&E Corporation

Chris Johns
President
Pacific Gas and Electric Company



Pressure testing for the safety of our gas pipelines