

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on  
Commission's Own Motion to Adopt New  
Safety and Reliability Regulations for Natural  
Gas Transmission and Distribution Pipelines  
and Related Ratemaking Mechanisms.

R.11-02-019  
(Filed February 24, 2011)

**PACIFIC GAS AND ELECTRIC COMPANY'S  
REPLY COMMENTS ON THE  
INDEPENDENT REVIEW PANEL REPORT**

WILLIAM V. MANHEIM  
Pacific Gas and Electric Company  
Law Department  
77 Beale Street, B30A  
San Francisco, CA 94105  
Telephone: (415) 973-6628  
Facsimile: (415) 973-5520  
E-Mail: WVM3@pge.com

JOSEPH M. MALKIN  
Orrick, Herrington & Sutcliffe LLP  
The Orrick Building  
405 Howard Street  
San Francisco, CA 94105  
Telephone: (415) 773-5705  
Facsimile: (415) 773-5759  
Email: jmalkin@orrick.com

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

July 29, 2011

PG&E values the opportunity to comment on the Independent Review Panel Report. As indicated by opening comments filed July 15, 2011, this continued stakeholder engagement furthers our collective goal of improving gas system safety. PG&E has been carefully reviewing the recommendations made in the Panel's report, as well as proposals presented in comments on the Panel's report, as we make changes to our gas operations.

A majority of the comments submitted by the parties (including PG&E) on the Panel's Report are largely aligned with the scope and schedule for the utilities' Implementation Plans, due August 26, 2011, and do not appear to warrant a procedural or substantive change to the directives already provided by the Commission. We are diligently evaluating the specific proposals in the report and comments that are designed to improve public safety by addressing culture and processes. In addition, we are incorporating into the Implementation Plans comments received as a result of technical workshops held in June. PG&E looks forward to working with the Commission in this proceeding to adopt an Implementation Plan that thoughtfully considers the valuable feedback of stakeholders to strengthen gas system safety.

Respectfully submitted,

---

/s/  
WILLIAM V. MANHEIM  
KERRY C. KLEIN  
Law Department  
Pacific Gas and Electric Company  
77 Beale Street, B30A  
San Francisco, CA 94105  
Telephone: (415) 973-6628  
Facsimile: (415) 973-5520  
Email: WVM3@pge.com

---

/s/  
JOSEPH M. MALKIN  
Orrick, Herrington & Sutcliffe LLP  
The Orrick Building  
405 Howard Street  
San Francisco, CA 94105  
Telephone: (415) 773-5505  
Facsimile: (415) 773-5759  
Email: jmalkin@orrick.com