

From: Clanon, Paul
Sent: 7/1/2011 11:23:51 AM
To: Bottorff, Thomas E (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TEB3)
Cc:
Bcc:
Subject: Re: Class location study report/Barry

We'll be putting this statement out in half an hour or so. My overall feeling is that it presents an opportunity for Chris, Nick, Lee, and the whole organization to show a break from the past, in favoring safety every time there's a tough call, and airing potential problems publicly more than most utilities would be comfortable doing. Obviously I wish the classification work had been done better the last few years (also, I wonder why my people didn't pick this up).

Here's our statement:

CPUC Statement:

The California Public Utilities Commission (CPUC) has received a letter from Pacific Gas and Electric Company (PG&E) in response to a directive from the CPUC's Executive Director for the company to perform a system-wide study to confirm the correct "class location designation" for each of its natural gas transmission lines and determine if the classification had changed since the last designation. The "class" of a pipeline is based on the density of population surrounding the pipeline, and under Federal regulations pipelines located in more populated areas must operate with a higher safety margin. PG&E's letter reports, among other things, that certain pipelines were not operating according to these federal regulations because PG&E failed to update their class designations in recent years.

Regarding PG&E's findings, the CPUC's Executive Director, Paul Clanon, said, "We hope we're nearing the end of the revelations about PG&E's poor safety efforts. This is a serious failure with serious safety repercussions. PG&E faces another investigation and more potential fines. How PG&E reacts to this discovery now and in the weeks ahead is a chance to show us and the public that it's a new company and operating safely is its first priority."

From: Bottorff, Thomas E [mailto:TEB3@pge.com]
Sent: Friday, July 01, 2011 11:17 AM
To: Clanon, Paul
Subject: Class location study report/Barry

Paul,
Any reaction to the class location study report? Chris and Lee were curious.

We're trying to get the work done quickly in order to minimize customer impacts.

Also, I spoke with Chris about meeting Barry. He's anxious to do so. I'm trying to get this scheduled next week.
Tom

