

**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  
COMMENTS ON THE INDEPENDENT REVIEW  
PANEL REPORT**

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Since the Independent Review Panel delivered its report on June 8, 2011, PG&E has been carefully reviewing its detailed findings and recommendations to improve the safety, quality and performance of our gas system. Although our review continues, we agree in full spirit with the panel's overall conclusions and in principle with its 18 formal recommendations (Appendix A). The report is a thoughtful and significant contribution to our ongoing analysis of what we need to do to operate our gas pipeline system safely.

Public safety is, and must always be, our foremost responsibility and priority. It's clear, as we've openly acknowledged, that we need to make major improvements in both our operations and culture in order to deliver the performance our customers rightly expect – and that we expect from ourselves.

For the 18 specific recommendations aimed at PG&E, we have identified accountable owners among senior leadership and for some, actions are already underway. Others will require long-term commitments and are being built into our future plans. Several of the recommendations overlap with the scope of this rulemaking and will be addressed as the rulemaking proceeds.

PG&E is committed to improving its gas operations and has already taken a number of actions. We've separated the gas and electric operations and are rebuilding

