



July 14, 2011

Honorable Terry Nagel
Mayor
City of Burlingame
501 Primrose Road
Burlingame, California 94010-3997

Re: PG&E Gas Transmission Lines 109 and 132

Dear Mayor Nagel:

Thank you for your letter of June 28, 2011 regarding Pacific Gas and Electric Company's (PG&E) Gas Transmission Lines 109 and 132. PG&E values our partnerships with local governments and we appreciate your willingness to work with us to ensure that the City of Burlingame and its residents are confident in our ability to safely operate our gas transmission lines.

Your letter of June 28, 2011, references newspaper articles regarding the recently released construction and inspection records for PG&E Gas Lines 109 and 132 that pass through western Burlingame. You note the concerns of Burlingame residents and ask that PG&E (1) expedite inspections of both Lines 109 and 132, (2) schedule replacement of these lines as soon as possible, and (3) inform the City of Burlingame immediately if there are other faulty gas lines in your city. Allow me to respond to each in turn.

Inspection of Line 109

The segments of Line 109 in the City of Burlingame are newer than Line 132 and adhere to modern construction techniques and stricter regulations adopted by the State of California in 1961. For example, Line 109 pipe segments in the City of Burlingame were hydrostatically pressure tested prior to installation. Line 109 is continually monitored and leak inspections are conducted regularly. Line 109 was most recently leak inspected in April 2011.

Inspection of Line 132

PG&E is pursuing an aggressive inspection schedule for Line 132. Our current schedule is that the original portions of Line 132 through the City of Burlingame will be video inspected and hydrostatically pressure tested in September 2011. While Line 132 is not suitable for in-line (pig) inspection, the tracked video camera is capable of identifying longitudinal flaws.

Requested Replacement of Line 109

The portion of Line 109 in the City of Burlingame was originally constructed in 1936, but all of the original pipe from 1936 in and near the City has been replaced. In 1964, construction of Highway 280 necessitated replacement of the entire 1936 pipeline along the northern border of the City of Burlingame. Also, following the 1989 Loma Prieta Earthquake, PG&E analyzed the potential seismic risk to the gas transmission lines along the Peninsula. These studies identified segments of Line 109 near the southern border of the City of Burlingame for replacement. This work was completed in 1992. The modern construction techniques and stricter regulations that are reflected in the relatively newer segments of pipeline that make up Line 109 in the City of Burlingame have led to the conclusion that further replacement of Line 109 is not warranted at this time.

Requested Replacement of Line 132

The Line 132 pipeline in the City of Burlingame was originally constructed in 1948. Line 132 was originally constructed using the double-submerged arc welding (DSAW) process (welds on both the inside and outside of the seam); with the straight-ended pipe segments beveled to 30 degrees and joined using shielded metal arc welding.

In 1964, construction of Highway 280 necessitated replacement of much of Line 132 near the northern border of the City of Burlingame. This section of Line 132 was replaced at that time with pipeline segments which underwent hydrostatically pressure testing prior to construction. However, there remains a 650-foot segment of the original 1948 DSAW pipe with arc welded girth joints near the southern border of the City of Burlingame. As described above, this segment will be subjected to eight-hour hydrostatic pressure testing pursuant to the federal code (49 CFR 192, Subpart J). If any portion of this pipeline does not meet the testing requirements of Subpart J, it will be replaced immediately. On the other hand, if the hydrostatic pressure testing confirms that the existing 1948 pipeline can be operated safely, any decision to replace the pipe will be subject to future programmatic decisions by the California Public Utilities Commission.

Communication with the City of Burlingame

PG&E is committed to continued communication and dialog regarding our ongoing inspection and testing programs. In advance of planned testing, PG&E will work closely with the City of Burlingame, other appropriate County, State, and Federal agencies, and our customers to prepare and educate all parties about the testing process. Upon completion of the planned testing, a letter will be sent to the City of Burlingame and all residents within 500 feet of the Line 132 test segment to report the results of the hydrostatic pressure testing.

In addition to the specific testing outlined above, PG&E conducts the following preventative inspection methods on all the transmission lines in the City of Burlingame, including Line 101 along the Bay Shore:

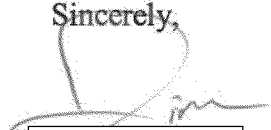
- Annual leak surveys
- Bi-monthly testing of cathodic protection (corrosion prevention) system

- Quarterly surveying of the lines looking for landslides, earth movement, excavation, construction or other activities that could represent a potential threat
- Regular integrity management assessments to integrate and mitigate all these types of potential pipeline risks.

If PG&E discovers anything that suggests a possible increased risk in any of these efforts, we will inform the City of Burlingame immediately.

Once again, thank you for contacting PG&E regarding gas pipeline safety in the City of Burlingame. If you have any questions about the information detailed in this letter or any other issues, please contact me at Redacted

Sincerely,


Redacted

Government Relations Representative

cc: Honorable Members, City Council, City of Burlingame
Jim Nantell, City Manager, City of Burlingame
Honorable Jackie Speier, US House of Representatives
Honorable Leland Yee, California State Senate
Honorable Jerry Hill, California State Assembly
Honorable Members, Board of Supervisors, County of San Mateo
Honorable Steve Wagstaffe, District Attorney, County of San Mateo
Honorable Tom Kasten, Mayor, Town of Hillsborough