External Communications Department 77 Beale Street San Francisco, CA 94105 415/973-5930 *NEWS* 11.38

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CONTACT: PG&E External Communications - (415) 973-5930

PG&E COMPLETES 2011 HYDROSTATIC PRESSURE TESTING PROGRAM ON NATURAL GAS PIPELINES

Tests Verify Strength of 160 Miles of Transmission Lines in Northern and Central California

SAN FRANCISCO, Calif. – With more than 160 miles of gas transmission pipelines tested, Pacific Gas and Electric Company (PG&E) today announced the completion of its 2011 hydrostatic pressure testing program. PG&E set a very aggressive testing and inspection schedule this year to verify the safety and reliability of its natural gas transmission system. The final test of the year was performed this week, and many more will follow over the next several years.

"This testing program was really an unprecedented effort for the gas industry, and this year was just the beginning," said Nick Stavropoulos, executive vice president of gas operations for PG&E. "Every day we are accomplishing more to ensure that our natural gas system is operating safely and reliably throughout our service area, and we will continue to take aggressive action to make our gas system safer and stronger for our customers."

In April, PG&E began conducting hydrostatic pressure tests throughout its service area to validate safe operating pressures and to identify any weaknesses on gas transmission pipelines. Of the 97 tests that were completed, three test segments—in Bakersfield, Palo Alto, and Woodside—revealed weaknesses that were immediately repaired and retested.

Beginning in January, PG&E will continue to use hydrostatic pressure tests to verify safe operating pressures for its transmission lines. The utility plans to test approximately 185 miles in 2012, 204 miles in 2013, and 158 miles in 2014.

Hydrostatic pressure testing involves filling a section of pipe with water, pressurizing it to a much higher level than the pipe will ever operate with natural gas, then monitoring the pipe for at least eight hours. Any pipe sections that do not pass are repaired and retested. Following a

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completed test, the section of pipe is emptied of water, dried thoroughly and placed back in service.

Hydrostatic pressure testing is just one of several measures PG&E is taking to improve the safety and strength of its gas system. Through 2014, the utility plans to replace nearly 190 miles of gas transmission pipeline, automate more than 220 valves, and conduct in-line inspections on more than 230 miles of line with state-of-the-art technology.

Pacific Gas and Electric Company, a subsidiary of <u>PG&E Corporation</u> (NYSE:PCG), is one of the largest combined natural gas and electric utilities in the United States. Based in San Francisco, with 20,000 employees, the company delivers some of the nation's cleanest energy to 15 million people in Northern and Central California. For more information, visit http://www.pge.com/about/newsroom/.