

MEDIA STATEMENT

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**PG&E SELF-REPORTS ISSUE WITH PIPELINE CORROSION PREVENTION
AS PART OF PROACTIVE GAS SYSTEM SAFETY EFFORTS**

SAN FRANCISCO, Calif. – In a letter today to state regulators, Pacific Gas and Electric Company (PG&E) reported that its upkeep of the system designed to prevent corrosion on its gas pipelines did not meet the company's self-imposed standards at a limited number of inspection locations. In none of these locations is corrosion expected to be compromising the pipeline, but if follow-up visual inspections or leak surveys indicate issues with pipeline safety, PG&E will promptly correct them.

This report is part of PG&E's ongoing effort to follow through on its commitment to find and fix any problems with its natural gas operations. The company continues to thoroughly inspect its gas system and immediately self-report issues to its customers, the public and the California Public Utilities Commission.

“Self-reporting issues with our pipelines underscores our intense focus on safety and our commitment to being open and transparent,” said Nick Stavropoulos, executive vice president of gas operations. “We cannot expect to solve all of our problems overnight, but we are proactively scouring every inch of our pipeline system looking for anything that may remotely pose a safety concern.”

Stavropoulos added: “When we do come across a problem, we move without delay to correct it—and to document what we found, how we addressed it and how we plan to make sure it doesn't happen again. Our new safety-is-everything culture at PG&E encourages employees to bring these concerns to light.”

The technology that uses electricity to control underground pipeline corrosion is safe and widely used across the utility industry. Some infractions that PG&E found in its system dated back as far as 2004. Wherever necessary, PG&E will adjust the amount of electrical current being supplied to the pipelines to make sure the corrosion protection system is operating as it

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should. In keeping with its self-imposed standards, when voltage readings in this electrical system are outside PG&E's threshold, the company will develop and carry out timely solutions.

“There can be no compromises for running a safe operation and being transparent about how we are operating,” Stavropoulos said. “The only way we can earn the trust of our customers and the public is by doing what we’re doing—having an all-out relentless focus on safety and being open and honest about our work.”

Pacific Gas and Electric Company, a subsidiary of PG&E Corporation (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/> and www.pgecurrents.com.