

Anthony F. Earley, Jr.  
Chairman of the Board,  
Chief Executive Officer,  
and President

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May 16, 2013

Brigadier General Emory J. Hagan, III  
Director of the Safety and Enforcement Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102-3298

Tel: 415.973.7118  
Fax: 415.973.7216

Re: PG&E Expenditures on Pipeline Safety since San Bruno  
Pipeline Rupture and Explosion of September 9, 2010

Dear General Hagan:

Enclosed please find the information requested in your May 9, 2013, letter.

We are providing a summary table (Table 1) that shows spending in two major categories:

- (1) Pipeline Safety Enhancement Plan (PSEP) work as approved by the Commission
- (2) Gas Accord and other work related to transmission pipeline safety

This table includes our current forecast of shareholder expenditures for pipeline safety-related activities through 2014 and for the right-of-way encroachment issue through 2017.

A second table (Table 2) identifies the Utility's spending above authorized amounts since the San Bruno accident. Our shareholders have borne these expenditures, in addition to those listed in Table 1, with no cost recovery.

In finalizing your recommendation, I urge you to take account of the enormous investment our shareholders have already made and continue to make, and ensure any penalty is reinvested in safety. It is the right path forward for safety and for customers.

Sincerely,



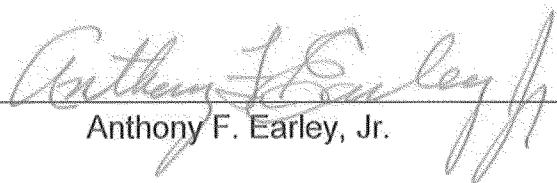
Enclosures

cc: Service list in Investigations 12-01-007, 11-02-016, and 11-11-009

ATTESTATION

I, Anthony F. Earley, Jr., Chairman, Chief Executive Officer, and President of PG&E Corporation, hereby declare under penalty of perjury under the laws of the State of California that, based on information (including forecasts of future spending) provided to me by knowledgeable employees of PG&E, the information on the enclosed tables is accurate and complete.

Executed this 16<sup>th</sup> day of May, 2013 in San Francisco, California.

  
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Anthony F. Earley, Jr.

**Table 1**  
**Pacific Gas and Electric Company**  
**Amounts Above Authorized Paid by Shareholders to Improve Gas Transmission Pipeline Safety**

Line No	Description	Authorized for Rate Recovery (\$M)		Shareholder Funded (\$M)				
		2011	2012	2010	2011	2012	2013 and Beyond Forecast (Estimated)	Total
1	<b>Pipeline Safety Enhancement Plan (PSEP)</b>							
2	<b>PSEP Expense</b>							
3	Pipeline Modernization (Including Strength Test, Replacement, ILI)		2.3		228.2	128.4		
4	Pipeline Records Integration Program				91.6	124.1		
5	Valve Automation		0.1		0.0	0.4		
6	Interim Safety Measures					2.4		
7	Other (1)		0.1		11.8	12.7		
8	<b>Total PSEP Expense</b>		\$2.6		\$331.7	\$267.8	~\$300	
9								
10	<b>PSEP Capital</b>							
11	Pipeline Modernization (Including Strength Test, Replacement, ILI)	30.5	214.9			\$2.1		
12	Valve Automation	13.7	38.9					
13	Pipeline Records Integration Program				6.5	29.6		
14	Other (1)	3.0	6.5			3.0		
15	<b>Total PSEP Capital</b>	\$47.2	\$260.3		\$6.5	\$34.6	~\$310 (2)	
16								
17	<b>Total PSEP</b>	<b>\$47.2</b>	<b>\$262.9</b>		<b>\$338.2</b>	<b>\$302.4</b>	<b>~\$610</b>	<b>\$1,250.6</b>
18								
19	<b>Gas Accord V</b>							
20	Pipeline Integrity Management	\$32.4	\$66.7 (3)			\$63.4		
21	Pipeline and Station Maintenance	53.6	54.9		13.2	41.9		
22	Transmission Mark & Locate	4.5	4.7		1.0	2.6		
23	Right of Way Maintenance					10.4		
24	Gas Transmission Safety Work (Including Emergency Preparedness, Pipeline Improvements, Leak Survey and Repair, etc.)	21.5	22.0	20.7	65.0	46.0		
25								
26	<b>Total Gas Accord V</b>	<b>\$112.0</b>	<b>\$148.3</b>	<b>\$20.7</b>	<b>\$79.2</b>	<b>\$164.3</b>	<b>~\$700</b>	<b>\$964.2</b>
27								
28	<b>Total Shareholder Funded (PSEP + Gas Accord V)</b>							<b>\$2,214.8</b>

(1) Includes program management office and additional costs associated with execution of PSEP

(2) Spent and forecasted capital = \$353 M reported in financials

(3) 2011-2012 total represents the 2011-2014 authorized Transmission Integrity Management Program (TIMP)

**Table 2**  
**Pacific Gas and Electric Company**  
**Amounts Above Authorized Paid by Shareholders to Fund Other Utility Operating Costs**

Line No	Description	2010	2011	2012	2013 and Beyond Forecast (Estimated)	Total
1	Gas Distribution Upgrades and Repair			\$132.9	~\$150	
2	Contribution to City of San Bruno			70.0		
3	Customer Notification + Administrative Costs	14.7	23.2	5.7		
4	Other Utility Operating Costs			69.2	~\$40	
5	<b>Total</b>	<b>\$14.7</b>	<b>\$23.2</b>	<b>\$277.8</b>	<b>~\$190</b>	
6						
7	<b>Shareholder Funded (Other Utility Operating Costs)</b>					<b>\$505.7</b>