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## PIPELINE IS SAFE, PG&E TELLS SAN CARLOS CUSTOMERS

Utility is taking steps to be able to safely and effectively shut off service to San Carlos pipeline in compliance with Superior Court order

**SAN FRANCISCO, Calif.** – Pacific Gas and Electric Company's (PG&E) today said customers in San Carlos, Calif., can be assured that a natural gas transmission pipeline in their community is being operated in a completely safe manner.

In addition, PG&E said that despite the line being operated safely, the company is taking steps to be able to safely and effectively shut off service to the pipeline in compliance with an October 4 temporary injunction order by the San Mateo Superior Court. PG&E expects to be in a position to shut off service as early as Monday or Tuesday. The plan must account for a number of important safety and customer impacts associated with shutting off service.

"We are working diligently to comply with the court order to safely and effectively shut off service to the pipeline. However, in the meantime, I want all customers to know that this pipeline has been demonstrated to be safe using the leading and most universally accepted standard for assessing the integrity of operating pipelines. Under no circumstances would we operate this pipeline in an unsafe condition and any suggestion to the contrary is simply wrong," said Nick Stavropoulos, the executive vice president with responsibility for all PG&E gas operations since June 2011.

PG&E is responding to the court order by developing a plan to shut down the pipeline in a safe and effective fashion as quickly as possible. The company noted that work is presently being conducted on Line 101 on the Peninsula – the pipeline stretches from South San Francisco to San Jose. This work must be completed before Line 147 can be taken out of service in order to avoid posing an unreasonable risk of loss of service to other customers. In addition, the company is MORE

completing an assessment of gas service impact to customers in the San Carlos community, which will be taken into account as the company's analysis concludes by Monday.

To ensure safe operations on Line 147 in San Carlos, PG&E conducted hydrostatic pressure testing on the line in September 2011 to validate the safe operating pressure. Hydrostatic pressure testing, including a spike test, is widely considered among state and federal regulators the leading industry standard to ensure the safe operation of a gas transmission pipeline.

In addition, a third party consulting firm conducted independent metallurgical testing after further questions were raised about the pipeline by a company employee.

PG&E is requesting that San Carlos officials consult with state and federal pipeline safety officials to validate the actions taken by PG&E on Line 147.

To learn more about PG&E's commitment to pipeline safety, please visit www.pge.com/pipelinesafety.

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: <a href="http://www.pge.com/about/newsroom/">http://www.pge.com/about/newsroom/</a> and <a href="http://www.pge.com/about/newsroom/">www.pgecurrents.com</a>.