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PG&E FULFILLS TWO ADDITIONAL NTSB RECOMMENDATIONS BY FURTHER ENHANCING PIPELINE INTEGRITY MANAGEMENT PROGRAM

CPUC Safety and Enforcement Division Also Confirms Safety of Gas Transmission Line 147 in San Carlos

SAN FRANCISCO, Calif. — The National Transportation and Safety Board (NTSB) has notified Pacific Gas and Electric Company (PG&E) that the utility has fulfilled two additional safety recommendations in response to the 2010 pipeline accident in San Bruno. The two completed actions are:

- Integrity Management Program: PG&E reviewed every aspect of its Transmission Integrity Management Program (TIMP) and implemented a revised program to better evaluate and address threats to its natural gas pipeline system. As part of this effort, the company updated the model and risk methodology that considers all defect and leak data for the life of each pipeline, and an improved self-assessment process. Based on the new integrity management enhancements, PG&E conducted a revised threat assessment with a methodology that incorporates additional data on high-consequence, populated areas. A copy of the assessment was submitted to the California Public Utilities Commission (CPUC) and the Pipeline and Hazardous Materials Safety Administration. PG&E's TIMP is a comprehensive program for assessing and managing the integrity of gas transmission pipelines and taking appropriate action to address any risks.
- Threat Assessment: PG&E has completed a threat assessment review of its gas transmission system using the revised methodology established in its TIMP.
 PG&E uses threat assessment and identification to assess and rank the risks associated with gas pipes located throughout the transmission system.

PG&E has now fulfilled nine of the 12 total actions recommended by the NTSB. Of the three remaining safety recommendations, the NTSB considers PG&E's progress "open-acceptable response," which means acceptable pending completion.

"We continue to make real, measurable progress as we strive to become the safest and most reliable gas operator in the nation," said Nick Stavropoulos, executive vice president of PG&E's gas operations. "We are pleased to have completed nine out of 12 NTSB recommendations, but there is still more work to be done. We are focused on fulfilling the remaining three recommendations, as well as doing much more beyond these steps to improve our gas system."

The <u>seven previously completed NTSB recommendations</u> are MAOP validation, work clearance procedures, public awareness plan, records, emergency procedures, 9-1-1 notification and toxicology tests.

Additionally, the company has received concurrence from the CPUC Safety and Enforcement Division that Line 147 in San Carlos is safe to operate.

Separately from the NTSB recommendation close-outs, the CPUC Safety and Enforcement Division (SED) provided concurrence in a November 14 <u>report</u> that gas transmission line 147, which is located in the city of San Carlos, can safely operate at a Maximum Operating Pressure (MOP) of 330 pounds per square inch (psig).

"We are pleased that the Safety and Enforcement Division agrees with us that Line 147 is safe to operate," said Sumeet Singh, senior director of integrity management for PG&E's gas operations. "This is an important step to make sure we're continuing to serve our Peninsula customers with safe and reliable gas service."

An independent, third party assessment by Kiefner and Associates spoke to the safe operations of PG&E's gas system and can be found <u>here</u>.

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 <u>http://www.pge.com/about/newsroom/</u> and <u>www.pgecurrents.com</u>.

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