

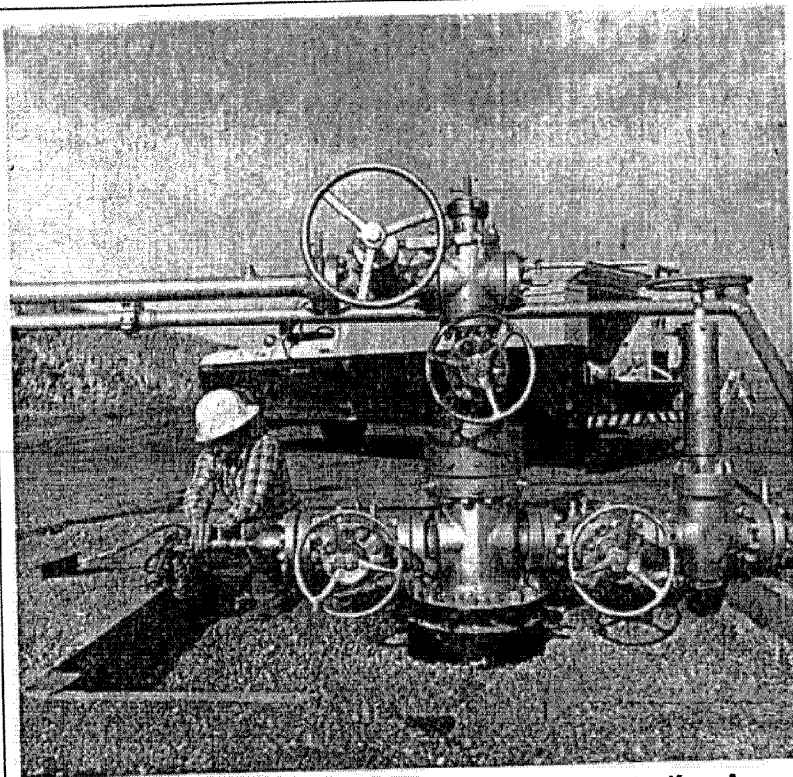
PG&E Progress

New Pipelines Improve PG&E's Gas System — page 2
Using Helicopters to Repair Power Lines — page 4-5



During this holiday season PG&E would like to extend a special thanks to you, our customers, friends and neighbors, for the opportunity to serve you. From all of the men and women at PG&E, whose job it is to provide you with gas and electricity, we wish you a happy holiday season and a New Year of peace and goodwill.

Improved Pipelines Will Keep Gas Flowing Safely and Reliably



Over the next 20 years, PG&E will replace nearly 3,000 miles of older gas lines in a project that will help improve the reliability of the gas system.

In October, *PG&E Progress* reported good news about falling gas rates (an overall cut of about 5 percent in residential gas rates). Now PG&E is stepping up its efforts to ensure that low-priced gas keeps coming to you reliably and safely.

Nearly 3,000 miles of new gas pipeline will replace older pipes in a major program now under way. The new lines will help maintain and improve the reliability of PG&E's gas system for many years to come.

PG&E has always repaired and replaced equipment when needed. But because of the increasing age of many pipelines, the company has launched

a coordinated 20-year program to improve the gas system.

One result of this program is that PG&E's two remaining active gas storage tanks in San Francisco and the East Bay — tall cylinders on Potrero Hill and Point Richmond — will be removed within five years. More gas can be stored in the new pipelines so the gas storage tanks won't be needed.

Another gas holder in Oakland, a 301-foot-high tank will be dismantled in the summer of 1986 thanks to the program.

PG&E is replacing 539 miles of gas transmission lines, the big pipelines that carry gas

from the wells to population centers.

And 2,375 miles of gas distribution mains — the pipes that supply customers — will be replaced.

Most of the work will be in San Francisco and the East Bay, with lesser amounts in other large cities such as Sacramento, San Jose and Fresno.

How will it affect customers?

Most will not be affected at all. In some cases, when the pipelines are abandoned and the new ones are placed in operation, gas service will be interrupted briefly. Affected customers will be notified in advance. And when service is restored, PG&E servicemen will relight pilots and check appliances in those homes and businesses.

New pipelines are either coated steel (specially treated to prevent corrosion) or strong, non-corrodible plastic pipe.

The work will often involve digging trenches to replace pipelines. But in some cases, workers will be able to insert plastic pipes inside the existing pipe so the street won't need to be trenched.

The entire program is expected to cost \$1.5 billion. Considering that some of the old pipelines are more than 60 years old, it's a necessary expense and will improve the efficiency of the system.

Providing safe, reliable and fairly priced gas service continues to be one of PG&E's key goals. This program is an important part of PG&E's continuing commitment to meeting that goal.

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