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PRESS RELEASE

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**FORMER U.S. SENATOR GEORGE MITCHELL APPOINTED
AS MEDIATOR FOR NEGOTIATIONS OVER PG&E SAN BRUNO
PIPELINE EXPLOSION FINES AND REMEDIES**

SAN FRANCISCO, October 15, 2012 -- The California Public Utilities Commission (CPUC) today announced the appointment of former U.S. Senator George Mitchell to serve as mediator in ongoing talks aimed at resolving by stipulated agreement a series of enforcement cases against Pacific Gas and Electric Company (PG&E), stemming from the September 2010 explosion of a high-pressure PG&E natural gas pipeline in San Bruno, Calif.

Senator Mitchell is known, among other things, for his role as the U.S. Special Envoy for Northern Ireland, where he brokered the landmark Good Friday Peace Treaty in April 1998, and more recently as President Obama's Special Envoy to the Middle East. He was nominated for the Nobel Peace Prize for his success in the Northern Ireland peace process. He is the chairman emeritus of DLA Piper LLP (US), an international law firm, and he will be assisted by lawyers from that firm in his role as mediator.

"We are very grateful to Senator Mitchell for agreeing to devote his skills as mediator to this difficult and painful series of cases," said CPUC President Michael R. Peevey. "We are confident Senator Mitchell can help achieve a solution that will resolve these cases sooner rather than later, bring justice to the good people of San Bruno, and move California forward to our goal of a much safer natural gas system."

Commissioner Mike Florio also applauded the appointment of Senator Mitchell, describing him as "a truly world-class mediator and peace-maker."

Senator Mitchell will serve as mediator in ongoing negotiations between PG&E, the CPUC's safety enforcement staff, and other parties to the proceedings. The other parties include the City of San Bruno, the City and County of San Francisco, the CPUC's Division of Ratepayer Advocates, and ratepayer advocacy group The Utility Reform Network (TURN). The parties to the mediation will



be asked to sign a mediation agreement confirming their participation and giving their consent for Senator Mitchell's law firm to provide these mediation services.

In their report and testimony in the enforcement cases, the CPUC's safety staff allege that PG&E committed significant violations of pipeline safety rules, which staff claim contributed to the blast. The National Transportation Safety Board also found many deficiencies in PG&E's operations and its slow response to the explosion on the evening of September 9, 2010. PG&E faces the prospect of millions of dollars in fines in the CPUC proceedings, and other remedies.

"I encourage all of the parties to make a good-faith effort at a negotiated solution, working with Senator Mitchell," said Commissioner Florio. "This is the most expeditious way to resolve these cases and bring closure to the people of San Bruno. More than two years have passed since the tragedy. The evidence is all in, and the time has come to resolve these cases once and for all."

The CPUC's rules require that any stipulation the parties might agree to in the mediation process must be publicly filed with the CPUC, and considered by the CPUC's five Commissioners in public after an opportunity for public review and comment.

The CPUC previously ordered PG&E to fund all the costs of the San Bruno investigation from shareholders, and not to pass any of the costs along to ratepayers. The costs of Senator Mitchell's services will be paid in this same manner.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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