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PRESS RELEASE

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CPUC SETS MARCH 15 DEADLINE FOR PG&E TO COMPLY WITH PIPELINE RECORDS SEARCH RELATED TO SAN BRUNO EXPLOSION

SAN FRANCISCO, January 13, 2011 – The California Public Utilities Commission (CPUC) today ratified a letter issued by the CPUC’s Executive Director on Jan. 3, 2011, in response to an “urgent” safety recommendation by the National Transportation Safety Board (NTSB) in its investigation of the San Bruno pipeline explosion in September. The Executive Director’s letter required Pacific Gas and Electric Company (PG&E) to conduct a thorough search of its records for documentation of safety-related pressure testing of its natural gas transmission pipelines. In the Jan. 3 bulletin, the NTSB recommended that the CPUC require pipeline operators in California to identify high-pressure pipelines whose maximum allowable operating pressure (MAOP) have been established by pressure testing, to ensure that the MAOPs are safe. The CPUC, which has regulatory authority over such pipelines, immediately ordered PG&E to implement the NTSB’s safety recommendation. In its order today, the CPUC gave PG&E until March 15, 2011, to complete its record search, but stressed to PG&E the importance of speed and thoroughness in complying with the CPUC’s directive.

The CPUC has ordered similar information from other gas pipeline operators in California – Southern California Gas Company, San Diego Gas & Electric Company, and Southwest Gas Corporation.

Following the Sept. 9, 2010, explosion of a 30-inch PG&E natural gas transmission pipeline in San Bruno, and the discovery that PG&E had identified the ruptured pipeline in records as a seamless pipe when in fact it was determined to be a pipeline with a longitudinal seam welded in some areas only on the outside of the seam, the NTSB submitted safety recommendations to the CPUC on Jan. 3, 2011. The CPUC’s Executive Director immediately directed PG&E to implement the recommendations and to respond by Feb. 1, 2011.

On Jan. 7, 2011, PG&E indicated that it needed more time to comply with the order. PG&E said it could comply by March 15, 2011, and would provide the CPUC with an update on the interim results of its record search on Feb. 1, 2011. The CPUC today approved the deadline extension, but conveyed the importance of urgency and thoroughness to PG&E. “It is of paramount importance that PG&E complies with our directives quickly and completely,” said CPUC President Michael R. Peevey. “PG&E must demonstrate to us that its records about the pipes it has in the ground are correct and operating at the correct MAOP. Until they do so, the pressure must remain 20 percent lower on certain lines, per our previous directive. If we are not certain that PG&E’s records match the pipes they have in the ground, we will take action to pressure test pipelines to ensure the correct MAOP is set.

Under the CPUC’s order, once PG&E has identified traceable, verifiable, and complete records, PG&E is then required to determine the valid MAOP, based on the weakest section of the pipeline or component. This is intended to ensure safe operation of pipeline segments whose MAOP was not established through prior pressure testing. The CPUC will provide further directives to PG&E if the utility is not able to accurately determine the MAOP in certain pipelines that have not been hydrostatic tested.

The CPUC today also ratified its Executive Director’s order to San Diego Gas & Electric, Southern California Gas Company, and Southwest Gas Corp. to report to the CPUC by Feb. 1, 2011, the steps each utility will take proactively to implement corrective actions as appropriate for their natural gas transmission pipeline systems located in California.

As the state agency charged with overseeing the operation of the state’s utilities, the CPUC is working closely with the NTSB to investigate the cause of the San Bruno explosion, and take other public safety actions. More information is available at www.cpuc.ca.gov/PUC/events/sanbruno.htm.

The proposal voted on today is available at:

http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_RESOLUTION/129382.htm.

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

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