California Public Utilities Commission

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PRESS RELEASE

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CPUC ELEVATES PIPELINE SAFETY WITH CREATION OF NEW RISK ASSESSMENT UNIT AND MORE INSPECTORS

SAN FRANCISCO, July 7, 2011 - The California Public Utilities Commission (CPUC) today announced it has created a new Risk Assessment Unit to research, develop, and propose tools to improve pipeline safety and oversight in the state, and is also augmenting its pipeline inspector team by five.

The CPUC is embarking on an immediate search for a total of nine safety experts – four for its Risk Assessment Unit, and five new pipeline inspectors. The Risk Assessment Unit will lead the way in establishing a new focus on performance, not just following federal rules, in natural gas safety. The Unit will look at best practices throughout the nation and around the world. The new gas inspectors will complete a doubling of the inspector team since the explosion of a Pacific Gas and Electric Company pipeline in San Bruno, putting more eyes in the field and boots on the ground.

"The San Bruno explosion has to be a game-changer for pipeline safety in California, including changing how the CPUC does its job. The Independent Review Panel gave us a blueprint last month, and now we're building a new CPUC gas safety program to embody the lessons of San Bruno," said CPUC Executive Director Paul Clanon.

Added CPUC President Michael R. Peevey, "The CPUC is well on the way to setting a new national standard in safety rules for gas pipelines. With the recommendations of the Independent Review Panel, we can now make rapid progress in the difficult task of reforming ourselves – how we think about safety, how we oversee the utilities' safety programs, and how our inspectors do their jobs out

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in the field. I thank the Governor and the Legislature, especially Senator Padilla, for recognizing the importance of this initiative and for providing us with the ability to hire a team of experts."

"The formation of a Risk Assessment Unit will help shine the spotlight on pipeline safety at the CPUC. As the Chair of the Natural Gas Committee for the National Association of Regulatory Utility Commissioners I intend to share lessons learned and best practices on a national level," said Commissioner Timothy Alan Simon.

Said Commissioner Mike Florio, "I am very supportive of this new safety focus and I encourage qualified experts to become a part of our team and help us make California safer. But this is just the beginning. We have much work ahead of us, including finishing the job of establishing new rules for the safe and reliable operation of natural gas pipelines."

Added Commissioner Catherine J.K. Sandoval, "The establishment of the new Risk Assessment Unit and the addition of more pipeline safety inspectors are important steps that demonstrate that the CPUC puts safety first. California law makes safety the first priority for the CPUC and the utilities we regulate. I thank Governor Brown and the Legislature for their support for this initiative. California will benefit from the expertise offered by the inspectors, integrity management specialists, and safety professionals we will hire through this process. I look forward to working with the new Risk Assessment Unit staff members and pipeline inspectors on these important safety programs."

"I very much welcome the deployment of incremental safety experts. Moreover, the formation of the new Risk Assessment Unit will allow the CPUC to approach the vital issue of pipeline safety in a more scientific and strategic manner and accelerate the development of best practice in the gas industry," said Commissioner Mark J. Ferron.

The job descriptions are available at www.cpuc.ca.gov/PUC/jobs/jobopps/ and the deadline for applications is August 1, 2011.

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

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