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PRESS RELEASE

Docket #: R.11-02-019

**CPUC ORDERS PG&E TO USE PUBLIC PROCESS TO REQUEST
AUTHORIZATION TO RESTORE PIPELINE PRESSURE
TO PREVIOUS OPERATING LEVELS**

SAN FRANCISCO, September 8, 2011 - The California Public Utilities Commission (CPUC) today denied the request of Pacific Gas and Electric Company (PG&E) to have the CPUC's Executive Director solely approve future PG&E requests to lift pipeline operating pressure limits. Instead, the CPUC adopted an expedited hearing process through which the CPUC's Commissioners can consider such requests.

Following the September 2010 rupture of a PG&E gas transmission line in San Bruno, the CPUC ordered PG&E to reduce pipeline operating pressure in pipes with characteristics similar to the pipeline that ruptured and in all PG&E natural gas pipelines that had experienced pressure excursions of greater than 10 percent of the pipe's Maximum Allowable Operating Pressure.

The CPUC's Executive Director, with approval of the CPUC's Commissioners, ordered that PG&E obtain CPUC authorization before restoring the operating pressure in the pipelines. On July 11, 2011, PG&E filed a Motion proposing that the CPUC's Commissioners delegate authority to the Executive Director to approve restoration of operating pressure. PG&E stated that an expedited process is needed in order to avoid adverse customer effects not only on the PG&E system but also on other gas systems, including Southern California Gas Company's system.

In today's decision, the CPUC established a public process to require PG&E to bring forward its senior officer responsible for gas system engineering to present test data and other information in support of its request to restore operating pressure. PG&E's senior engineer must also testify at a public hearing on the safety of the proposed restoration of operating pressure. Parties will have an

opportunity to question PG&E's engineer and submit written comments. Then, the CPUC will consider the record developed and issue a written decision on an expedited schedule. The procedure, as well as the substantive information requirements, includes provisions for PG&E to demonstrate its ability to ensure safe natural gas transmission system operations and for the CPUC to publicly evaluate PG&E's evidentiary presentation.

“It is important that PG&E justify to this Commission and the public that the requested pressure restorations are safe. That is why we will only allow PG&E to do so through a public and transparent process and after PG&E has presented evidence that it's the right thing to do,” said CPUC Commissioner Mike Florio. “In any request to restore operating pressure, PG&E must demonstrate that it has gone beyond a pressure test by a contractor. PG&E is required to include a responsible engineer's review of the pipeline construction and assessment of pressure test results. PG&E must be fully accountable for the pressure test and the assertion that the line can be safely returned to a higher maximum operating pressure.”

Added Commissioner Timothy Alan Simon, “Today's decision is in the right direction to adopt an industry-wide safety culture and provides transparency to the utility's pipeline repressuring process, ensuring extra insurance that safety will be maintained.”

The proposal voted on today is available at

http://docs.cpuc.ca.gov/WORD_PDF/AGENDA_DECISION/142857.pdf.

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

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