

PG&E Corporation

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Power & Gas Leaders Conference

Bank of America – Merrill Lynch

September 28, 2010

*This presentation is not complete without the accompanying statements made by management on September 28, 2010.
A replay is available on PG&E Corporation's homepage at www.pge-corp.com*



Summary of Accident

**Rupture of 30-inch gas transmission line
Explosion and fire occurred**

7 confirmed fatalities

6 serious injuries

37 homes destroyed

18 homes with major damage



Immediate Response

“If it is ultimately determined that we were responsible for the cause of the incident, we will take accountability.”

Assistance to first responders making the area safe

Temporary housing and other immediate needs

Financial assistance including prepaid debit cards

\$1 million donation to local non-profit recovery efforts



Rebuild San Bruno Fund

Relief fund for up to \$100 million:

Address expenses for impacted residents not covered by insurance or not yet available

Restore the community by rebuilding or replacing public property

Pay for certain costs incurred by emergency responders and government services



Insurance Coverage

Liability insurance coverage: \$992 million

Deductible: \$10 million

**Expect liability insurance to be sufficient
for all covered claims**



Pipeline Safety Program

Distribution Lines

- 42,100 miles
- Surveyed every 5 years
- 3 year accelerated survey complete in 2010
- San Bruno area last surveyed in June 2008

Transmission Lines

- 6,400 miles
- Surveyed for leaks annually
- Regular integrity assessments (e.g. in-line investigation or direct assessment)
- San Bruno segment surveyed for integrity in November 2009 and for leaks in March 2010



Post-Event Actions

For all transmission lines in the area:

- **Reduced operating pressure by 20%**
- **Resurveyed for leaks**

Resurveyed distribution system in San Bruno for leaks



What Happens Next - NTSB

NTSB will investigate, determine cause, and issue recommendations

Investigations typically take more than a year

NTSB has said it will expedite its investigation

NTSB to review:

- Physical evidence**
- Integrity management**
- Employee performance**
- Emergency response**



What Happens Next - CPUC

CPUC will establish independent review panel to:

- **Investigate San Bruno accident**
- **Evaluate safety of gas transmission lines**
- **Make recommendations to CPUC**

Response to earlier CPUC requests underway



Financial Impact

Developing an initial estimate of costs

Charge to GAAP income expected in Q3 2010

**Insurance recoveries expected to be
recorded in the future**



Conclusion

**Fully cooperating with regulators
to determine cause**

**Working to assure customers of
system safety**

**Supporting the recovery effort in
San Bruno**

