

Gas Operations Overview

2013 Supplier Conference

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Gas Transmission Maintenance & Construction

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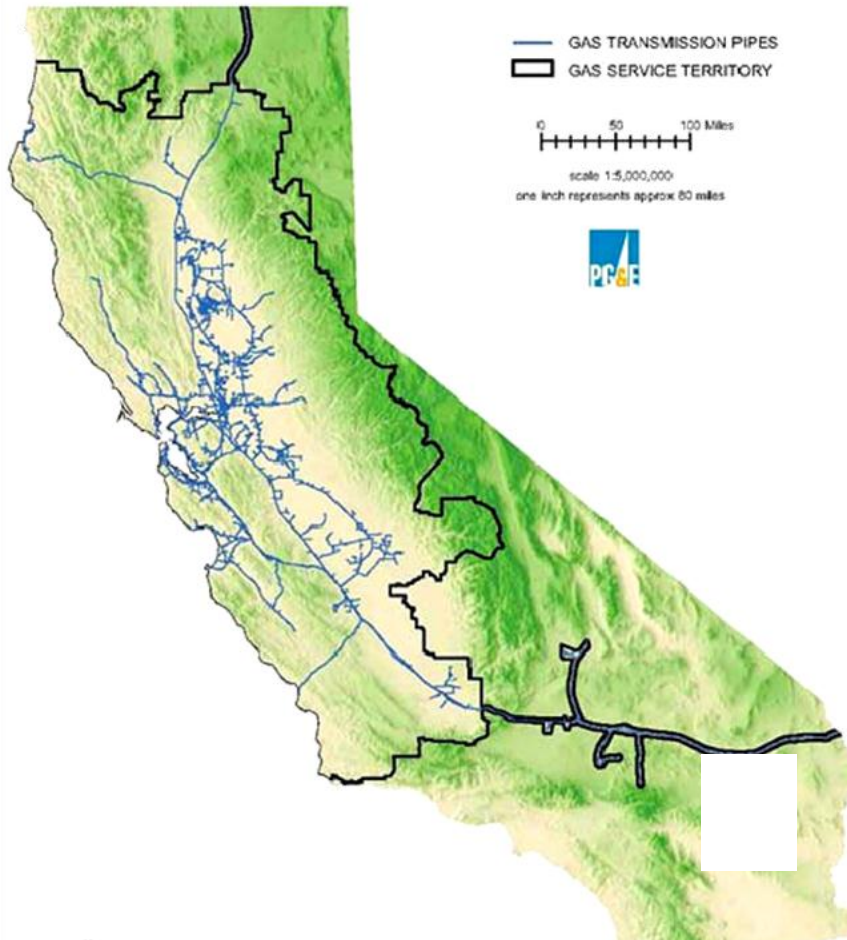
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PG&E Gas System Profile

PG&E GAS TRANSMISSION PIPES



- ~ 6,700 miles of transmission pipeline operating above > 60 psig
- ~ 5,800 mile of gas transmission pipeline, DOT
- ~ 42,000 miles of gas distribution mains
- Deliver 2.3 BCF each day on average
- ~ 4.3 million natural gas customer accounts



Gas Operations

- Over 6,500 dedicated employees.
- Consolidating operations to Bishop Ranch, San Ramon
- Operating 8 Asset Families:
 - Transmission Pipeline
 - Distribution Mains
 - Distribution Services
 - Compression and Processing
 - Measurement and Control
 - Customer Connected Equipment
 - Storage
 - CNG/LNG



Gas Operations' Vision

Be the safest, most reliable gas company





Investment Outlook

“We are fully committed to implementing the plan and whatever else it takes to ensure that we operate the safest and most reliable gas system in the county.” Tony Earley, Chairman PG&E Corporation

- Identified improvements represent a significant increase in operational and planning requirements, with significant incremental investment in our system above current annual expenditure levels of over \$2B



Increasing Gas System Integrity

Integrity Management (IM) investments over the next four years are forecast to drive approximately half of Gas Operations expenditures, including:

- IM inspections, evaluations, and strength testing; and
- Repairs and replacements based on integrity analysis

Work Category	2011 [^]	2013-15 [*]
Trans'n. Pipe Replacement	6 miles	158 miles
Strength Testing	215 miles	565 miles
Dist'n. Main Replacement	33 miles	125 miles
Plastic Main Replacement	0.3 miles	108 miles
Pipe "piggable" upgrades	173 miles	377 miles

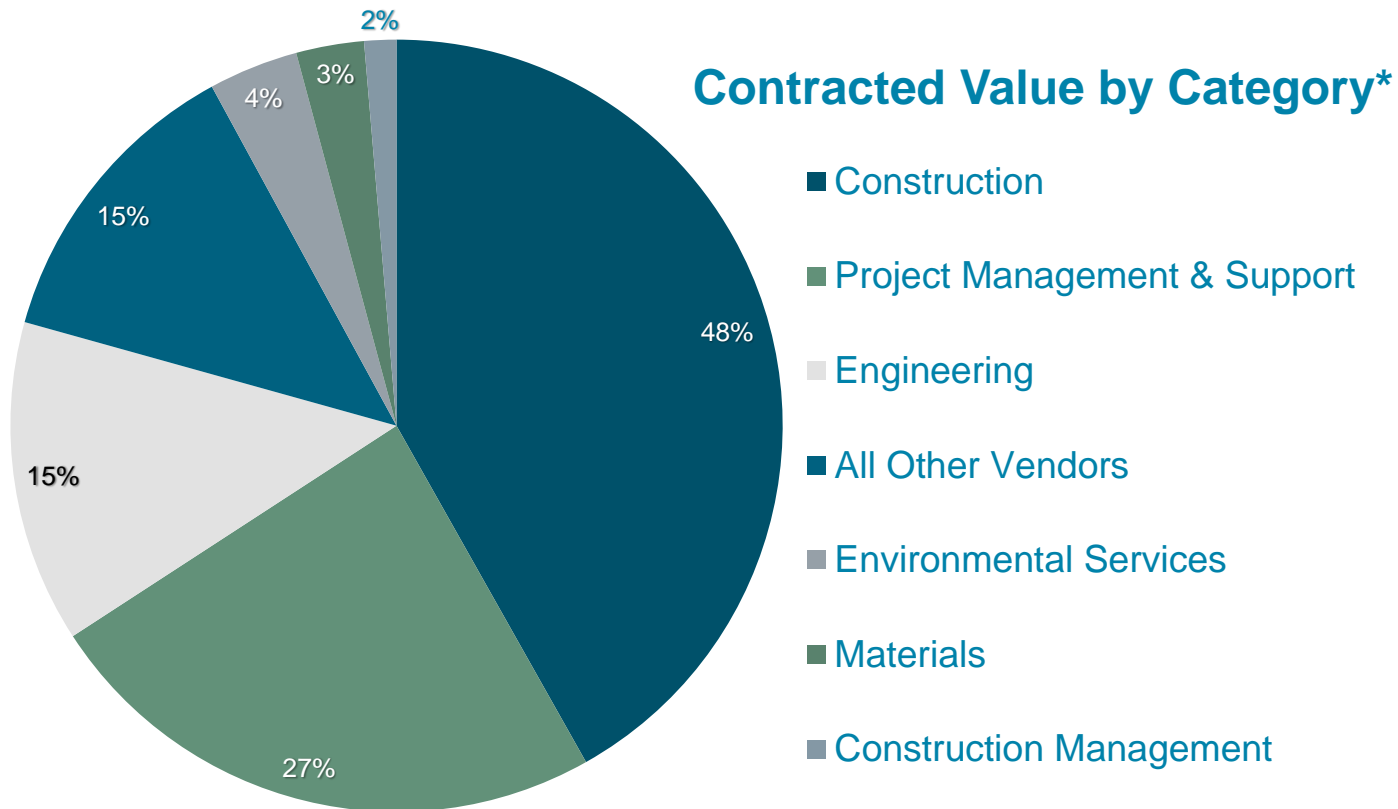
[^]Amounts managed by Gas Transmission M&C in 2011.

^{*}Amounts reflect planning estimates and are subject to change



Increasing Gas System Integrity

Contractors will continue to play a critical role in how PG&E plans to meet its commitments

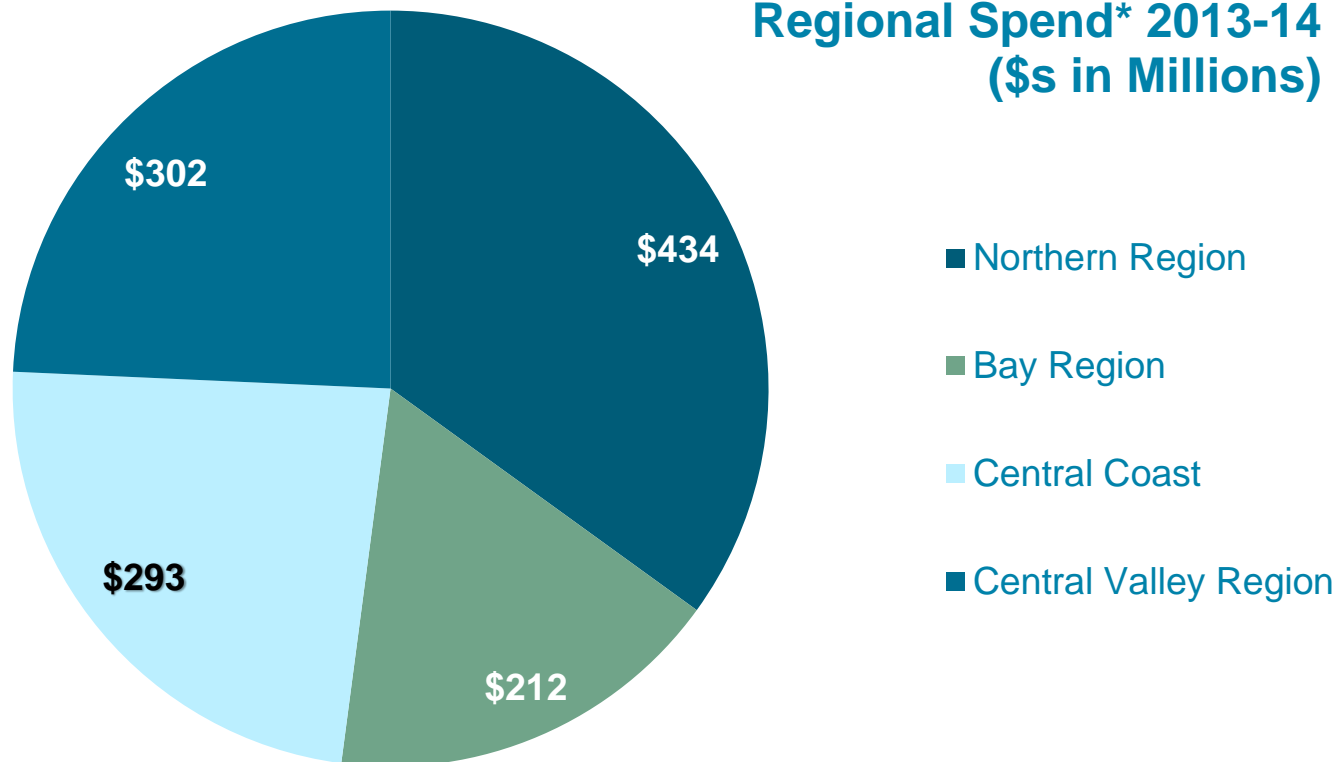


* PG&E's Pipeline Safety Enhance Plan Contracted value August 2012



Increasing Gas System Integrity

Contracted services will continue to span PG&E's service area.



*PSEP project spend and may be subject to change.



Supplier Opportunity

- Increasing Capacity Constraints
- Improving Operating Efficiency
- Maintain Quality
- Maintaining Supplier Diversity



Safety

Our primary goal is to improve the safety of our gas system and promote public safety

- Safety is integral to the value of Contractors' services to PG&E

