Gas Operations Overview

2013 Supplier Conference

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PG&E Gas System Profile

- ~ 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

<table>
<thead>
<tr>
<th>Work Category</th>
<th>2011^</th>
<th>2013-15*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trans’n. Pipe Replacement</td>
<td>6 miles</td>
<td>158 miles</td>
</tr>
<tr>
<td>Strength Testing</td>
<td>215 miles</td>
<td>565 miles</td>
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<tr>
<td>Dist’n. Main Replacement</td>
<td>33 miles</td>
<td>125 miles</td>
</tr>
<tr>
<td>Plastic Main Replacement</td>
<td>0.3 miles</td>
<td>108 miles</td>
</tr>
<tr>
<td>Pipe “piggable” upgrades</td>
<td>173 miles</td>
<td>377 miles</td>
</tr>
</tbody>
</table>

*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.

Regional Spend* 2013-14 ($s in Millions)

- Northern Region: $434
- Bay Region: $293
- Central Coast: $212

*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