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PRESS RELEASE

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**CPUC FINES PG&E \$16 MILLION UNDER NEW CITATION PROGRAM
FOR FAILURE TO CONDUCT PIPELINE LEAK SURVEYS**

SAN FRANCISCO, January 27, 2012 - The California Public Utilities Commission (CPUC) today announced that under its new Citation Program it has fined Pacific Gas and Electric Company (PG&E) \$16.8 million for failure to conduct pipeline leak surveys.

On Dec. 1, 2011, the CPUC augmented its natural gas safety efforts by creating a Citation Program under which natural gas companies can be fined by CPUC staff for violating state and federal safety rules. The first such citation under the new program was issued today to PG&E.

Last year, PG&E self-reported to the CPUC that it failed to perform pipeline leak surveys in several locations, which violated CPUC regulations. PG&E has since performed the leak surveys and corrected leaks that presented safety risks.

“Because of the duration and seriousness of the violation and the numerous opportunities PG&E had to find these problems earlier, we concluded that a citation was warranted,” said Michelle Cooke, Interim Director of the CPUC’s Consumer Protection and Safety Division.

Under the Citation Program, CPUC staff has the authority to issue a written citation to gas companies when a violation of state or federal regulations is found. Each day of an ongoing violation may be counted as an additional offense. Each citation assesses the maximum penalty amount set under the Public Utilities Code.



PG&E has 10 days to pay the fine to the state's General Fund from shareholder dollars, or submit a notice of appeal.

The citation is available at www.cpuc.ca.gov/PUC/Enforcement/120127_pge.htm.

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

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