From: Cherry, Brian K Sent: 12/14/2010 11:00:40 AM To: pac@cpuc.ca.gov (pac@cpuc.ca.gov) Cc: Bcc: Subject: Update

Here is an update from our discussion last night:

1) Model runs are being made now. They take on average of 5 hours to run each scenario. The first run was started this morning and I should have some results by later today. Preliminary indications on the first run is that we will see some curtailment (not sure the extent) at 90%.

2) I asked Gas Transmission to let me know whether there was any other pipe on the system that had similar characteristics to Line 132 (30 inch; specific tensile strength; wall thickness; etc). I told you previously that Line 153 was similar and that we have already taken that line down to 90%. Line 132 is similar and it is being operated at 80% per the PUC and NTSB. Line 131 has similar sections in very limited sections of pipe. However, almost all of Line 131 has been hydrostatically tested except for less than half a mile. These tests were completed ion 1992 with a very small percentage of pipe tested earlier, in 1987. We would prefer that this line remain at full pressure given this information. Nonetheless, we are doing model runs at 80% and 90% reductions to see what the result would be. Line 300A has one and a half miles of pipe with similar characteristics. This pipe is located just inside the California border at Topock (I believe I erroneously told you it was near the Milpitas terminus last night). Like Line 131, it has been hydrostatically tested, but the testing was done in 1967. There is also small segment of Line 101, one tenth of a mile, that has also been identified and was hydro-tested in 1973. We believe these lines can operate at full pressure.

3) We have also identified eight cross-ties that have similar characteristics, most connected to the lines we have already discussed. We will be camera inspecting the inside welds. I don't have a time period to confirm when we can complete them because it will require a reduction in pressure and an entry point, still to be determined, to get the camera into the cross-ties.

4) I have a high degree of confidence that we have captured all of the lines with similar characteristics comparable to Line 132.