

From: Cherry, Brian K
Sent: 12/23/2010 3:07:22 PM
To: pac@cpuc.ca.gov (pac@cpuc.ca.gov); Frank Lindh (frl@cpuc.ca.gov)
(frl@cpuc.ca.gov)
Cc:
Bcc:
Subject: To Core or to Noncore - that is the question....

Paul/Frank - I just came out of a meeting with the team dealing with San Bruno. We can serve core load with LNG even during an abnormal peak day. Even if we couldn't, we would seek to increase the pressure in Line 101 if we thought we would lose any part of the core distribution system. However, we are struggling with our protocols on dealing with the noncore.

As you are no doubt aware, there are a number of noncore customers in the greater SFO area that create a big problem for us. Assuming Potrero stays off-line permanently, we still have NRG Energy, UCSF and CCSF County Hospital that draw large loads. I am now being told that even at a 30% curtailment rate for all noncore customers from the City down the Peninsula, we can't serve the large noncore customers in the City without increasing the pressure in Line 101 even with LNG. We could live with that and curtail these customers, but we aren't quite sure of what the impact will be. NRG has core like customers but they won't give us customer information (they serve condo's, hotels, business), the Hospital can't tell us exactly what it would do, and USCF says they will shut down load completely to comply (potentially leading University students to lighting hibachis in their dorm rooms). My question to you (and to Mike) is this: do we incur the wrath of lots of people to increase pressure to serve noncore (which means taking Line 101 to 90% MAOP or 365 psi) or simply curtail all noncore load and live with the consequences (potential loss of life or major economic consequences for local business) - a Hobbsian solution at best.

I'd like to bring Kirk by next week if either of you are in and talk protocols and preferences. Let me know what works for you guys. Thanks.