

From: Cooke, Michelle
Sent: 7/21/2011 4:28:47 PM
To: Horner, Trina (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC)
Cc:
Bcc:
Subject: Fw: PG&E gas operations - coordinate with Storage Providers

Let me know if you think this is inappropriate guidance, and if not, I suggest you guys figure out how to coordinate with the storage providers since they are so important to managing operations under reduced pressure.

M

From: Cooke, Michelle
Sent: Thursday, July 21, 2011 4:27 PM
To: 'MDay'; Myers, Richard A.
Subject: RE: PG&E gas operations - Who are we trying to find?

Also, I've learned that the ISO views this primarily as a PG&E issue because the ISO deals only with the ISO generators, a subset of all generators. ISO really wants one point of contact, and for that to be PG&E, but my point that PG&E needs to be figuring out how to make this work, especially given the importance of storage, still stands, and I will make that clear to them. If you don't hear from them in the next few days, please let me know.

Thanks,

Michelle

From: MDay [mailto:MDay@goodinmacbride.com]
Sent: Thursday, July 21, 2011 4:23 PM
To: Cooke, Michelle; Myers, Richard A.
Cc: MDay
Subject: RE: PG&E gas operations - Who are we trying to find?

Michelle,

I really appreciate your assistance. If we can open a dialog with PG&E and the CAISO that would be very helpful. Part of our concern was that when we approached the operational level folks at PG&E we were told there was no flexibility, everyone had to comply with one size fits all rules, and due to the heightened sensitivity on safety issues, no exceptions would be made. That struck us as a bit confining, and inefficient. So we just want to be part of the conversation because we feel that storage can be a big part of helping the generators, as well as helping PG&E keep its pressure levels down to the desired level. We hope that will be the result of a more collaborative discussion.

I will let you know what happens when we chat with the CAISO and PG&E.

Thanks again.

Mike Day

Michael B. Day

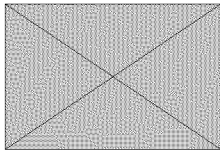
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From: Cooke, Michelle [mailto:michelle.cooke@cpuc.ca.gov]

Sent: Thursday, July 21, 2011 4:18 PM

To: MDay; Myers, Richard A.

Subject: RE: PG&E gas operations - Who are we trying to find?

Hi Mike- I've contacted PG&E and the ISO to make contact with you. I can say at this point, the

conversations have been primarily between the ISO and PG&E with some touch points with the CPUC. I know that ISO had a conference call last week where they discussed this with generators, but I'm not aware of the specific level of those conversations. I do know that storage is a key resource for PG&E in preventing curtailments to power plants, so it sure would make sense that they be coordinating with their storage providers. I will be on a call with PG&E and ISO tomorrow where I will reiterate that.

Let me know if there is more that you need from me.

Michelle

From: MDay [mailto:MDay@goodinmacbride.com]
Sent: Thursday, July 21, 2011 2:58 PM
To: Myers, Richard A.; Cooke, Michelle
Cc: MDay
Subject: FW: PG&E gas operations - Who are we trying to find?

Richard and Michelle,

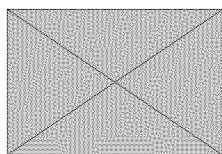
Here is an email I recently sent to Paul in an effort to learn who Redacted should approach about its concerns re PG&E's pressure restriction activities. Paul has indicated that you two are the people I should start with.

As the email explains, we have concerns about how PG&E is handling restrictions on Line 400/401 and our interconnection. We also want to learn more about discussions involving the CPUC and CAISO and generation customers. Would it be possible to set up a short conference call to discuss these issues in the near future? Let me know and I will get the Redacted folks on the line.

Thanks very much.

Mike Day

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From: MDay
Sent: Thursday, July 21, 2011 2:28 PM
To: 'Clanon, Paul'
Cc: MDay
Subject: PG&E gas operations - Who are we trying to find?

Paul,

To clarify my earlier requests, we are trying to find the right folks at the Commission to talk with about some of [Redacted] concerns related to how PG&E is implementing pressure reductions on its system while it explores the appropriate MAOPs for various portions of its system. The utility has imposed high/low Operational Flow Orders (OFOs) and it has increased its use of automatic shut off valves set to close at fixed pressure limits, among other techniques.

We have several concerns. First, PG&E has frequently increased pressure on the interconnection line owned by [Redacted] so that it can deliver more gas to [Reda] and get the gas off its system, thereby lowering pressures on Line 400/401. However, when the automatic shut off valves are activated by high pressure, that prevents the [Redact] from taking more gas off the system. It seems to us that if this process were actively managed through consultations between PG&E and [Reda] it would be possible to take more gas off PG&E and further reduce operating pressures.

In addition, we have been told that the CPUC, CAISO and some generators are working with PG&E to provide some "flexibility" to the generators in complying with PG&E's operational restrictions. [Reda] as well as the other independent storage operators, is very closely linked to the gas demands of the generators. We have noticed a significant increase in last minute nominations for injections and withdrawals from generators as they have to actively manage their gas supplies to conform to PG&E's tighter restrictions. [Redac] believes that it should also be included in these consultations, in order to

allow the storage operator's perspective to be considered, and to help optimize the efforts to meet generators' needs while addressing the operational work that PG&E has to undertake to meet its commitments to the Commission re the safety of its system.

So....I spoke with Richard Myers, who suggested I also contact Michelle Cooke. I have left a voicemail for Michelle. If you know of other people we should contact, particularly regarding these interagency/generator talks with PG&E, we would be very appreciative.

Call me if you have any questions.

Mike Day

Michael B. Day

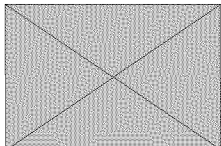
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