From: Dowdell, Jennifer

Sent: 7/14/2011 4:29:27 PM

To: 'Cooke, Michelle' (michelle.cooke@cpuc.ca.gov)

Cc: Horner, Trina (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC); Redacted; Berkovitz, Trista (GE&O) (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TXB6)

Bcc:

Subject: Follow up from our discussion today

Michelle,

This is to respond to the questions you raised earlier today. Please note that we are providing our answer to Question 3 regarding PG&E's plan for curtailment under section 583 of the California Public Utilities Code because it includes a list of specific generators that might be affected if PG&E were forced to curtail customers.

Please do not hesitate to give me a call if you have questions or require further information.

Best regards and have a great rest of your day!

Jennifer
Work: 415-973-2904
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Personal: Redacted

Question 1:
Did PG&E provide the CPUC with the back up information in its June 30 Class Location letter to determine if the pressure reductions taken were, in fact sufficient?

Answer 1:
Not yet. We provided the old MOP and the revised MOP, but did not provide back-up information such as percent SMYS. We can provide an update next week with that information.

Question 2:
If the CPUC were to determine that it was appropriate to increase pressure rather than curtail customers, how long from the time PG&E initiated the pressure increase would it take before the customer saw the increased pressure?

Answer 2:
The time to increase the pressure is largely dependent on the miles of pipe involved. While it might take 12-24 hours to reduce or increase the pressure on a single short

pipe segment, it could take 1-2 days to bring the pressure back up for significant sections of pipe and 5-10 days for pressure increases on miles of backbone pipe. This is because PG&E must manually reset all overpressure protection when we change the maximum operating pressure. Due to the volume of pipe on our system there may be significant travel times involved in driving to each overpressure regulator. The fact that this work must be performed by Operator-qualified personnel is another limiting factor.

Question 3:
Does PG&E have a curtailment plan?

Answer 3:
Yes. PG&E has a plan for emergency intraday curtailments, consistent with our phone discussion; and PG&E is working the ISO staff to refine its planning for extended periods. To evaluate the need for curtailments, PG&E performs a detailed analysis using its gas system balancing models, based on a number of triggers. Some examples of triggers are below:

- ○ Loss of storage
- ○ Loss of compressor station on backbone
- ○ Demand exceeds 3000 mmcf
- ○ High average system temperatures
- ○ Extreme cold day
- ○ Low inventory or pressure in critical parts of system
- ○ Loss of critical supply source

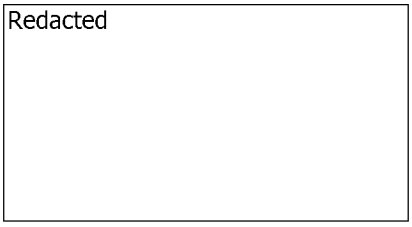
Generally, no single trigger would necessarily imply curtailment, rather these are guidelines that indicate PG&E should carefully assess capacity and flows on its system.

As you are aware, PG&E recently implemented High/Low Operational Flow Orders (OFOs), which consist of two OFOs issued on-going-- one high and one low. These have been key to reducing the potential for curtailments because they have the effect of daily balancing. So, PG&E is only managing fluctuations within the day rather than over longer periods.

Should curtailments be necessary, the specific customers affected would depend on where demand relief is required and the amount of relief needed, but generally PG&E would focus on the largest users. Of course, all efforts would be made to avoid curtailing core customers.

Below are the top 6 power plants around the Bay Area, which could likely be the first customers affected should curtailments be necessary:

Redacted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