

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's
Own Motion to Adopt New Safety and Reliability
Regulations for Natural Gas Transmission and
Distribution Pipelines and Related Ratemaking
Mechanisms.

R.11-02-019
(Filed February 24, 2011)

**NOTICE OF EX PARTE COMMUNICATION OF
SOUTHERN CALIFORNIA GAS COMPANY (U 904-G)
AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902-M)**

Brian C. Prusnek

Director of Regulatory Affairs for
SOUTHERN CALIFORNIA GAS COMPANY *and*
SAN DIEGO GAS & ELECTRIC COMPANY
601 Van Ness Avenue, Suite 2060
San Francisco, CA 94102
Telephone: (415) 346-3215
Facsimile: (415) 346-3630
E-Mail: BPrusnek@Semprautilities.com

March 5, 2012

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's
Own Motion to Adopt New Safety and Reliability
Regulations for Natural Gas Transmission and
Distribution Pipelines and Related Ratemaking
Mechanisms.

R.11-02-019
(Filed February 24, 2011)

**NOTICE OF EX PARTE COMMUNICATION OF
SOUTHERN CALIFORNIA GAS COMPANY (U 904-G)
AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902-M)**

In accordance with Rule 8.3 of the Commission's Rules of Practice and Procedure, Southern California Gas Company ("SoCalGas") and San Diego Gas & Electric Company ("SDG&E") hereby give notice of the following ex parte communication in the above proceeding. On February 29th, Brian Prusnek, Director of Regulatory Affairs sent the attached email to Sepideh Khosrowjah, Chief of Staff to Commissioner Florio. Also attached is the response from Ms. Khosrowjah. The communication was written and is attached.

Dated this 5th day of March, 2012, at San Francisco, California.

Respectfully submitted,

By: /s/ Brian C. Prusnek
 Brian C. Prusnek

Director of Regulatory Affairs for
SOUTHERN CALIFORNIA GAS COMPANY *and*
SAN DIEGO GAS & ELECTRIC COMPANY
601 Van Ness Avenue, Suite 2060
San Francisco, CA 94102
Telephone: (415) 346-3215
Facsimile: (415) 346-3630
E-Mail: BPrusnek@Semprautilities.com

ATTACHMENT

Prusnek, Brian C

From: Khosrowjah, Sepideh [sepideh.khosrowjah@cpuc.ca.gov]
Sent: Wednesday, February 29, 2012 3:02 PM
To: Prusnek, Brian C
Subject: FW: PSEP Question

To answer your question, I also consulted the ALJ. The answer is, the company MUST fully comply with every and all permitting requirements and you cannot use this decision in lieu of obtaining that permitting requirement whether it's in compliance with Caltrans, their franchise agreement, or any of the other examples in your question.

In addition, You should also file an ex parte contact report for this communications . Thanks

From: Prusnek, Brian C [mailto:BPrusnek@semprautilities.com]
Sent: Wednesday, February 29, 2012 2:22 PM
To: Khosrowjah, Sepideh
Subject: PSEP Question

Hi Sepideh –

I wanted to ask a point of clarification on the Scoping Memo. It is related to the paragraph below:

“We note also that Applicants only seek specific approval for funding Safety Enhancement projects for the years 2012 through 2015. Thereafter, the Applicants propose to seek incremental authority in general rate cases. Therefore, we note that parties should address the reasonableness of such a proposal. **We also note that no approval will result here that in anyway authorizes any project which requires specific permits or other authority including compliance with the California Environmental Quality Act because neither SDG&E nor SoCalGas have requested any permits nor has either company made any analytical showing in compliance with the California Environmental Quality Act in this proceeding.**” (Scoping Memo pages 5-6)

My question is this: In many instances, our company will need to get permits for much of the work we will embark upon. Let's say we have a “simple” project. One that does not have any environmental permits and does not trigger CEQA -- say a project to replace a line in a city street where we have a franchise agreement. For these projects we would need to obtain a construction permit from the municipality that would include a traffic control plan.

Another example is if we have a pipeline that crosses another right-of-way we would need to get an additional permit (e.g. say from Caltrans to replace a pipe on their bridge over a freeway).

Yet another example is for a hydrotest project. We would need a discharge permit from a municipality in the event that we wanted to discharge hydrotest water into the storm sewer.

The language above in the scoping memo does not prohibit a project just because it needs a permit? The language above is specific in that it does not want us to trigger CEQA. That is my reading. Can you confirm that?

I really appreciate your help on this.

Brian C Prusnek
Director, Regulatory Affairs
Sempra Energy Utilities
415.346.3215 (o)
415.852.8092 (c)
San Francisco, CA 94102