

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.

Rulemaking 11-02-019
(Filed February 24, 2011)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, The Utility Reform Network (TURN) hereby gives notice of the following *ex parte* communication.

On March 6, 2012 at approximately 10:00 a.m., Marcel Hawiger, staff attorney with TURN, spoke via telephone with Sepideh Khosrawjeh, advisor to Commissioner Florio. Ms. Khosrawjeh initiated the call to discuss a procedural matter in the proceeding.

During the course of the conversation, Mr. Hawiger explained TURN's ongoing concerns concerning the hydrotest pressure levels being used by PG&E. Mr. Hawiger stated that TURN was concerned that some of PG&E's hydrotests were being conducted at low pressures insufficient to assess for the presence of

manufacturing or construction seam weld defects. Even if the pressures were valid to set the MAOP, TURN is concerned that low pressure testing cannot discover defects that may eventually grow and rupture due to cyclic fatigue even at operating pressures below a low MAOP.

Mr. Hawiger discussed the data regarding PG&E's 2011 hydrotest pressures provided by TURN in our comments on the proposed decision filed on March 2, 2012.

Mr. Hawiger stated that TURN recommends that the CPUC organize a workshop where outside experts and PG&E can discuss hydrostatic pressure testing methodology in an open and comprehensive manner. TURN recommends the Commission carefully address this issue to ensure that hundreds of millions of dollars requested for hydrotesting is not wasted. TURN recommends that hydrotests be conducted at a minimum test pressure of 90% of specified minimum yield strength ("SMYS").

The telephone exchange lasted approximately twenty minutes. To obtain a copy of this notice, please contact Jeffrey Johnson at (415) 929-8876 ex. 300.

March 7, 2012

THE UTILITY REFORM NETWORK

By: _____/S/_____
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