

PUBLIC UTILITIES COMMISSION

STATE OF CALIFORNIA SOS VAN NESS AVENUE SAN FRANCISCO, CALIFORNIA 94102

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September 13, 2012

The Honorable Mayor Edwin M. Lee Mayor of San Francisco Room 200 City Hall 1 Carlton B. Goodlett Place San Francisco, Calif. 94102

Dear Mayor Lee,

As the state agency charged with overseeing the operation of the state's utilities, the California Public Utilities Commission is putting safety first in all we do. I am writing to you today to ask for your assistance with a safety matter concerning San Francisco.

It recently came to my attention that 43 miles of Pacific Gas and Electric Company (PG&E) cast iron pipe is beneath the ground in the City. Under a CPUC directive, since 1985 utilities in California have been replacing cast iron pipe to address dangers posed by this obsolete technology. Unfortunately, PG&E has been barred by San Francisco's Department of Public Works from completing its cast iron pipe replacement work due to a San Francisco street paving ordinance.

Today, our General Counsel sent the attached letter to San Francisco City Attorney Dennis Herrera in order to establish a cooperative working agreement to facilitate the replacement of the cast iron pipe to insure public safety.

I draw your attention to the letter in order to ask for your help and support in our efforts to move PG&E's replacement of the 43 miles of cast iron pipe forward in an expeditious manner.

Sincerely,

Milel R. Kong

Michael R. Peevey President