

From: Florio, Michel Peter  
Sent: 11/8/2012 11:55:26 AM  
To: Frazier-Hampton, Janice Y (/O=PG&E/OU=Corporate/cn=Recipients/cn=JYF1)  
Cc: [Redacted];  
Jacobson, Erik B (RegRel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=EBJ1)  
Bcc:  
Subject: RE: Gas Storage and Displacement of Gas Flow I Resource Planners Forum October 3-5

Great, thank you so much Janice!! And welcome to the party, [Redact]!! I will forward you some information about what the task force is doing. Mike

**From:** Frazier-Hampton, Janice Y [mailto:JYF1@pge.com]  
**Sent:** Thursday, November 08, 2012 8:29 AM  
**To:** Florio, Michel Peter  
**Cc:** [Redacted]; Jacobson, Erik B (RegRel); Frazier-Hampton, Janice Y  
**Subject:** RE: Gas Storage and Displacement of Gas Flow I Resource Planners Forum October 3-5

Commissioner Florio,

In response to your request below regarding a representative from PG&E on the CREPC/SPSC task force, Roger Graham will represent PG&E. I have copied Roger on this email.

You may know [Redact], as he has many years of gas experience with PG&E. [Redact] is the Interim Director, Wholesale Marketing and Business Development in Gas System Operations. His phone number is [Redacted]

With respect to your comment about compensation for PG&E regarding the displacement of gas flow, you are correct in that we are not compensated.

Please let me know if you have any additional follow-up. Thank you.

Janice Frazier-Hampton

973-2254

**From:** Florio, Michel Peter [<mailto:MichelPeter.Florio@cpuc.ca.gov>]  
**Sent:** Wednesday, October 31, 2012 3:22 PM  
**To:** Frazier-Hampton, Janice Y  
**Subject:** Re: Gas Storage and Displacement of Gas Flow I Resource Planners Forum October 3-5

Thank you, Janice! It sounds like "the market" does this without compensation to PGE??? It would be nice to figure out a way to get compensation for what is in effect a storage service, but I realize that it gets very complicated.

As you may be aware, CREPC/SPSC voted to form a task force and hire a consultant to do a study on the gas-electric interface and infrastructure in the West, and I was tagged to serve on the task force. It would be great to get representatives from PGE and SoCalGas to work with the task force, as you folks have the knowledge and experience to provide significant input. How can I get a PGE rep for this purpose? It would probably need to include someone from CGT, but the electric side is also implicated. Maybe we'll need a CA committee to work with the larger committee? Many thanks, Mike

**From:** Frazier-Hampton, Janice Y [<mailto:JYF1@pge.com>]  
**Sent:** Wednesday, October 31, 2012 12:35 PM Pacific Standard Time  
**To:** Florio, Michel Peter  
**Cc:** Poirier, Marcelo; Jacobson, Erik B (RegRel) <[EBJ1@pge.com](mailto:EBJ1@pge.com)> [Redacted]  
**Subject:** Gas Storage and Displacement of Gas Flow I Resource Planners Forum October 3-5

Subject: Gas storage and displacement of gas flow in high demand situations

Honorable Commissioner Florio:

Per your request, PG&E is providing a response to your question during the session on the Gas and Electric Interface at the recent Western Resources Planners' Forum in San Diego on October 4. Specifically, you asked [Redacted] a panelist from PG&E, whether the abundance of

gas storage in California has helped other regions in supply constrained events through displacement. In short, the answer is yes, as explained in more detail below.

Gas storage in California has helped other regions in high demand situations through displacement. For example, during the cold weather event in February 2011, the gas supply flowing to Northern California from the Southwest via PG&E's California Gas Transmission (CGT) Baja path was almost zero. In effect, the market diverted flowing supplies to the Southwest and relied on storage withdrawals to satisfy CGT's on-system demand.

As you are aware, PG&E has three gas business functions with each function operating independently through regulatory separation:

- [REDACTED] The intrastate pipeline, CGT, provides transport and storage services to all gas customers in northern California.
- [REDACTED] The Core Gas Supply function procures gas for residential and small customers.
- [REDACTED] The Electric Gas Supply function purchase gas for PG&E's owned assets, tolling contracts and Department of Water Resources' contracts that are assigned to PG&E.

Both Core Gas Supply and Electric Gas Supply are customers of CGT.

Please contact let me know if you have further questions.

Respectfully,

Janice Frazier-Hampton

Director, Integrated Resource Planning

PG&E is committed to protecting our customers' privacy.  
To learn more, please visit <http://www.pge.com/about/company/privacy/customer/>

PG&E is committed to protecting our customers' privacy.  
To learn more, please visit <http://www.pge.com/about/company/privacy/customer/>