

**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

Pursuant to Rule 8.3 of the Commission's Rules of Practice and Procedure, the City and County of San Francisco (San Francisco) gives notice of the following ex parte communication.

On December 17, 2012, Deputy City Attorneys Theresa Mueller and Austin Yang met with Commissioner Simon and his Energy Advisor Bishu Chatterjee. The meeting took place at the Commissioner's office in San Francisco from approximately 4:30 pm to 5:00 pm. The communication consisted of oral communication. Following the meeting, San Francisco provided written information regarding the points discussed in the meeting. A copy of that document is attached.

In the meeting, Ms. Mueller and Mr. Yang stated that San Francisco was concerned about both rate and safety issues in the proposed decision on PG&E's Pipeline Safety Enhancement Plan. They stated that the costs to ratepayers resulting from the proposed decision were too high considering the extensive evidence of imprudence by PG&E that the proposed decision acknowledges. Regarding the safety implications of the proposed decision, they recommended three changes based on the opening and reply comments of San Francisco and other parties, namely: (1) that PG&E use the best information available by updating Phase I of the PSEP using the results of the MAOP validation project, (2) that PG&E be ordered to prioritize work in high

consequence areas as originally instructed by the Commission, and (3) that the Commission appoint an independent monitor to ensure that the work is done appropriately and on schedule.

December 18, 2012

Respectfully submitted,

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