

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
OF THE DIVISION OF RATEPAYER ADVOCATES**

Pursuant to Article 8 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) files this Notice of an *ex parte* communication.

On December 5, 2012, at approximately 11:40 a.m. DRA representatives Linda Serizawa, Tom Roberts, Pearlie Sabino, and Traci Bone, met with Commissioner Michel Florio and his Chief of Staff, Sepideh Khosrowjeh, at the Commission's headquarters in San Francisco. The meeting, which was initiated by DRA, lasted approximately 30 minutes.

During the meeting, DRA discussed three items regarding the proposed decision in the above-captioned proceeding, which was issued on October 12, 2012 (PD). DRA explained that it supported the disallowances in the PD and urged the Commissioner to support those disallowances. DRA also explained that the modeling performed to support the budget authorized by the PD included errors inconsistent with the language of the PD. DRA explained how to correct those errors, consistent with its Opening Comments on the PD, and urged that the Commissioner's office give direction to Energy Division staff to perform the modeling consistent with DRA's recommendations to correct the errors. DRA

also explained why PG&E's criticisms of DRA's modeling were without merit. Finally, DRA explained that PG&E's Decision Tree should be revised to eliminate Decision Tree point 2F to ensure certain defective pipeline segments are prioritized for replacement.

At the meeting, DRA provided copies of its Opening Comments on the PD, filed on November 16, 2012, and its Amendment to those Comments, filed on November 28, 2012, both attached hereto as Attachment A.

Respectfully submitted,

/s/ TRACI BONE

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