

**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

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December 19, 2012

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NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, the City of San Bruno (San Bruno) gives notice of the following ex parte communication.

On December 18, 2012, City of San Bruno Mayor Jim Ruane and City of San Bruno City Manager Connie Jackson met with President Michael Peevey, Executive Director Paul Clanon, and Chief of Staff to President Peevey Carol Brown. The meeting took place at the Commission's office in San Francisco from approximately 11:25 a.m. – 12:00 p.m. The communication consisted of an oral presentation.

In the meeting, Mayor Ruane and Ms. Jackson summarized the City of San Bruno's concerns regarding the proposed decision (PD) on Pacific Gas & Electric Company's (PG&E) Phase 1 Pipeline Safety Enhancement Plan (PSEP), as presented in San Bruno's opening and reply comments, namely: 1) ratepayers should not have to pay for PG&E's decades of mismanagement and systematic practice of deferred maintenance, defective integrity management programs, and incomplete records; 2) San Bruno strongly supports the PD's reduction of PG&E's return on equity (ROE), PG&E should not profit from its gross negligence; 3) the PD must establish a framework for meaningful oversight of PG&E's completion of the

PSEP; and 4) the Commission should expedite installation of fully automated valves now, rather than defer consideration of these essential safety tools until the next rate case.

Respectfully submitted,

/s/ Steven R. Meyers
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