From: Cherry, Brian K

Sent: 12/18/2013 7:43:20 PM

To: Florio, Michel Peter (MichelPeter.Florio@cpuc.ca.gov)

Cc:

Bcc:

Subject: Re: Line 147 Decision

Let me see what I can do.

I believe the simple answer is that Operating at 240 psi doesn't allow line 147 to be used as a crosstie with 101, 109 and 132, which therefore limits the ability to operate the lines efficiently and safely under high stress conditions. I believe under APD and even CWD conditions, that a rupture from a third party dig in on any of those feeder lines with line 147 at 240 psi would result in core and noncore curtailment in the northern peninsula. San Carlos would not be effected unduly but core and noncore residents in SFO would be without gas. During last weeks cold spell, we came close to just that situation with a sewer replacement project in the Peninsula. Keeping line 147 below the 330 psi operating standards also doesn't allow us to isolate sections and spurs off 101, 109 and 132 in a manner to install new automatic valves for needed seismic work, prepare and institute In line inspection pigging or do needed pipeline replacement work in other cities and municipalities. We have already cancelled work in some cities and are likely to cancel more work planned for 2014 on the Peninsula.

Is it good public policy to have one City disadvantage everyone else with no concern for the greater public good? More importantly, who are the experts that we are to rely on for good public policy decisions? SED is the expert on safety and believes 330 psi is appropriate. PG&E's nationally renowned expert Kiefner and Associates found 330 psi to be prudent and acceptable. Should a City that hires it's own third party expert who says something significantly different trump these experts because they simply don't like the result? If so, it is setting a dangerous precedent for every City that doesn't like something in their neighborhood to jeopardize the safety and well being of others elsewhere on the system.

I'm sorry to rant. Let me see what more I can get tomorrow.

Brian K. Cherry PG&E Company VP, Regulatory Relations 77 Beale Street San Francisco, CA. 94105 (415) 973-4977

On Dec 18, 2013, at 7:14 PM, "Florio, Michel Peter" < <u>Michel Peter. Florio@cpuc.ca.gov</u>> wrote:

Brian – this situation is still touch and go given the full court press by San Carlos. I am planning a lengthy explanation in my presentation of the item. It would really help if I had a bit more technically sophisticated explanation of why operating at 240 psi as proposed by San Carlos is no better than operating at 125 as today. I think I understand but want to be sure. Also, San Carlos believes that the valves on Line 147 are automated. I don't think that's true, or if it is, the automation is only shut down and not opening or regulating the flow – is that correct? If someone could get me this information by email prior to the meeting tomorrow it would be really great, but of course I understand the timing problem.

Amazing how I've become "an apologist for PG&E" in just three short years, isn't it? THANKS, Mike

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Wednesday, December 18, 2013 12:13 PM

To: Florio, Michel Peter

Subject: RE: Line 147 Decision

Yes. That's the simple answer. And it is preventing safety work in other communities from being done.

From: Florio, Michel Peter [mailto:MichelPeter.Florio@cpuc.ca.gov]

Sent: Wednesday, December 18, 2013 12:10 PM

To: Cherry, Brian K

Subject: RE: Line 147 Decision

Yeah, I think I get it: in order to function effectively, 147 would have to be at the same pressure as the other interconnected lines – correct? Dana Williamson from the Gov's office may be calling Tony to ask similar questions, so you should probably warn him. Nothing like trying to "fix" things the day before the meeting!! Let sanity prevail.

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Wednesday, December 18, 2013 11:12 AM

To: Florio, Michel Peter

Subject: RE: Line 147 Decision

If it were only so simple.

From: Florio, Michel Peter [mailto:MichelPeter.Florio@cpuc.ca.gov]

Sent: Wednesday, December 18, 2013 10:59 AM

To: Cherry, Brian K

Subject: RE: Line 147 Decision

We want to go ahead but now the Governor's office is asking if we can somehow "compromise" with the City on 240 psi, which is the number they think they can live with. Mike and I are very leery since we have no basis for that number and don't know the impacts. What would you think if I ask from the dias that PG&E voluntarily limit to 240 unless absolutely necessary to avoid bigger problems? Just trying to find a way to move forward Mike

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Wednesday, December 18, 2013 10:56 AM
To: Khosrowjah, Sepideh; Florio, Michel Peter

Subject: Line 147 Decision

Sepideh/Mike – is the decision a go for the Business Meeting or do you expect it to be held?

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