

From: Fitch, Julie A.
Sent: 5/4/2010 5:56:35 PM
To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)
Cc:
Bcc:
Subject: RE: ED EE Report

Basically, it would have been another month's worth of work to change some of the parameter values that you asked us to change, because it involved reprogramming the database. We are pretty sure it wouldn't have resulted in any different options in terms of outcome, because we thought we already had a pretty robust range of values to look at, and for the commission to consider. Kinoshian and I made that call not to do more. Still, this will be a litigated proceeding, so if there is something we really need to consider, the judge can take comments on that and decide what to do. But yes, we really are just trying to figure out how to get past this and hopefully soon create a better structure for the future.

Julie

From: Cherry, Brian K [mailto:BKC7@PGE.COM]
Sent: Tuesday, May 04, 2010 5:50 PM
To: Fitch, Julie A.
Subject: Re: ED EE Report

Thanks. I'm on the BART headed home now. Why don't we chat before or after the PUC meeting. Does that work for you ?

If you believe that we will end up with an outcome driven result that will be pragmatic, then I'm probably worrying about this too much. It was the language that stated that no changes in parameters values would be accepted and rejection of the scenarios we proposed that had people here extremely nervous.

That said, if the goal is to work together to resolve this equitably and put this behind us going forward, then we are still on the same page.

From: Fitch, Julie A. <julie.fitch@cpuc.ca.gov>
To: Cherry, Brian K
Sent: Tue May 04 17:43:11 2010
Subject: RE: ED EE Report

The way I read it, there are scenarios that would allow a maximum incentive and a minimum incentive, and everything in between. It's true that we didn't go back in and change some of the underlying values, and that's primarily because it couldn't be done during the timeframe available, which was indicated

already in the April 8 ruling, so it shouldn't have been a surprise.

But for outcomes, I think there are plenty of choices and possible rationale for the commission to choose from in awarding all, some or none of the incentives.

Tomorrow is tough but I might have a little time in the morning for a quick phone call.

Julie

From: Cherry, Brian K [mailto:BKC7@PGE.COM]
Sent: Tuesday, May 04, 2010 5:30 PM
To: Fitch, Julie A.
Subject: ED EE Report

Julie - can we talk tomorrow ? The ED Report did not run our scenario's nor did they use our assumptions. Recall that I wanted to get a PFM that would clarify the policy issues (eliminating NTG updates for example) so that we wouldn't be behind the eight ball. It looks like that is exactly where we are now. Is this what you intended ? I certainly hope not, but it looks like that is where we are. I would appreciate any insight on how we get out of this mess. 415 517-5067 cell