

From: Kahlon, Gurbux  
Sent: 4/14/2014 2:50:02 PM  
To: Redacted Allen, Meredith  
(/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)  
Cc: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7);  
Randolph, Edward F. (edward.randolph@cpuc.ca.gov); Walker, Cynthia  
(cynthia.walker@cpuc.ca.gov)  
Bcc:  
Subject: Drought related CEMA

Meredith Redacted Cynthia forwarded me an e-mail chain on this subject. Brian Cherry suggests in that e-mail chain to work with you. As far as I know, the utilities notify the CPUC Executive Director if they believe a catastrophic event is likely to result in costs above authorized levels and they need to make sure that retroactive ratemaking prohibitions would not preclude recovery of those costs later. My understanding is that PG&E should send a letter to the Exec Director if you want to set up a CEMA account. The Commission has clearly articulated guidance on what parameters the Commission would consider when reviewing those costs for reasonableness. Please let me know if PG&E is providing such notification to the CPUC and if you think there is any action to be taken by the Commission prior to PG&E's actual request for recovery of any costs booked in a CEMA account. Thanks.

*Gurbux Kahlon*

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