From: Brown, Carol A.

Sent: 5/7/2014 5:13:40 PM

To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)

Cc:

Subject: RE: Citation OIR

We are going to say that for 7/1 and then work on the cap later

From: Cherry, Brian K [mailto:BKC7@pge.com] Sent: Wednesday, May 07, 2014 4:56 PM

To: Brown, Carol A. **Subject:** RE: Citation OIR

Infinite.

As for the statute, SB 291 provides: "The Commission shall, in an existing or new proceeding, develop and implement a safety enforcement program applicable to gas corporations and electric corporations..." including an "administrative limit on the amount of monetary penalty that may be set by Commission staff". I don't believe you can say the policies and procedures that have been in place forever meet that requirement.

From: Brown, Carol A. [mailto:carol.brown@cpuc.ca.gov]

Sent: Wednesday, May 07, 2014 4:51 PM

To: Cherry, Brian K **Subject:** RE: Citation OIR

A cap is not required by SB291 – and if you don't want \$20m it stays "infinite" for now till we have some stakeholder input and refine our "policy". And – we don't want to do anything that even hints that we have not met the statute's requirements – we have – and that is the story. So – there are only 2 choices: the \$20m cap or infinite

From: Cherry, Brian K [mailto:BKC7@pge.com]
Sent: Wednesday, May 07, 2014 4:30 PM

To: Brown, Carol A. Subject: Citation OIR

Carol – I hear that you guys will be taking out the \$20 million cap in the OIR PD. However, I've also heard that the cap is now "infinite" or \$50K per day. I'm not sure that this will pass muster under the statute of SB 291. Couldn't you put language in the OIR to recommend a set of comments on what the administrative cap should be, do it on an expedited schedule, and approve the cap before the 7/1 statutory date?

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