From: Brown, Carol A.

Sent: 5/7/2014 5:52:28 PM

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

Cc:

Bcc:

Subject: RE: Citation OIR

We are deferring it - but we do have a statutory cap that we can turn to if any one (such as Hill) complains!

----Original Message-----

From: Cherry, Brian K [mailto:BKC7@pge.com] Sent: Wednesday, May 07, 2014 5:31 PM

To: Brown, Carol A.
Subject: Re: Citation OIR

One thought. Why say anything at all? Why not just defer it?

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

On May 7, 2014, at 5:13 PM, "Brown, Carol A." <carol.brown@cpuc.ca.gov<<u>mailto:carol.brown@cpuc.ca.gov</u>>> wrote:

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 [$\underline{\text{mailto:BKC7@pge.com}}$]

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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