PUBLIC UTILITIES COMMISSION 505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



April 6, 2015

Advice Letter: 4598-E

Pacific Gas and Electric Company Attention: Meredith Allen Senior Director, Regulatory Relations 77 Beale Street, Mail Code B10C San Francisco, CA 94177

SUBJECT: Reappointment of William E. Downing to PG&E's Nuclear Decommissioning Trust Fund Committee

Dear Ms. Allen:

Advice Letter 4598-E is effective as of April 3, 2015.

Sincerely,

Edward Randoph

Edward Randolph Director, Energy Division



Meredith Allen Senior Director Regulatory Relations Pacific Gas and Electric Company 77 Beale St., Mail Code B10C P.O. Box 770000 San Francisco, CA 94177

Fax: 415-973-7226

March 4, 2015

Advice 4598-E

(Pacific Gas and Electric Company ID U 39 E)

Public Utilities Commission of the State of California

<u>Subject</u>: Reappointment of William E. Downing to PG&E's Nuclear Decommissioning Trust Fund Committee

<u>Purpose</u>

Pacific Gas and Electric Company (PG&E) hereby submits for filing this update to PG&E's Committee for Nuclear Decommissioning Trust Funds established pursuant to Decision (D.) 87-05-062 and Resolution (Res.) E-3048. Additionally, PG&E submitted this advice letter in accordance with Ordering Paragraph (OP) 7 of D.13-01-039. PG&E is requesting California Public Utilities Commission (Commission or CPUC) confirmation of nominee William E. Downing to the Committee of PG&E's Nuclear Decommissioning Trust Funds for an additional five-year term beginning May 2, 2015.

<u>Background</u>

In response to D.87-05-062 and Res. E-3048, PG&E negotiated with the Commission Staff and the Trustee of its decommissioning trusts to develop trust agreements for its nuclear decommissioning costs in accordance with guidelines set forth in that decision. Two trust agreements were required, one for the decommissioning funds which qualify for an income tax deduction under Section 468A of the Internal Revenue Code (Qualified Trust) and one for the remaining funds (Non-Qualified Trust). The two agreements are collectively referred to herein as the 'Trusts'.

The Trusts require, among other things, that they be managed by a Committee composed of five members, three of whom are not affiliated with PG&E. The Trusts require that the Committee members be nominated by the management of PG&E and confirmed with the Board of Directors. Additionally, the Trusts require that the committee members not affiliated with PG&E be confirmed by the Commission. Further, OP 7 of D.13-01-039 requires that PG&E seek CPUC confirmation of committee members not affiliated with PG&E through a Tier 2 Advice Letter.

Thus, through this filing, PG&E is requesting Commission confirmation of William E. Downing, who is not affiliated with PG&E, in accordance with the provisions set forth in the Trusts.

Nomination of William E. Downing

PG&E has re-nominated Mr. Downing to serve as a non-affiliated member for an additional five-year term.

The issues in this filing are limited to the qualifications of the nominee to serve on the Committees of PG&E's Trusts and the fee arrangements for his services. As described below, the qualifications of Mr. Downing, and all of the information necessary for the Commission to determine the existence of any conflict of interest, are fully set forth herein.

The education and professional background of Mr. Downing is set forth in Attachment A, included herein. Also, Attachment B contains a "conflict of interest" declaration of Mr. Downing, as required by the Trusts. PG&E's proposed fee for Mr. Downing is the arrangement approved in D.07-01-003, dated January 11, 2007, which is \$12,000 per annum retainer, plus \$500 for each meeting attended and reimbursement of reasonable expenses. The Commission has explicitly determined the compensation arrangement reasonable, and thus PG&E requests that the Commission confirm that these fees are reasonable and shall continue until revised by the process set forth in the Trust Agreements.

Additionally, PG&E requests that in the event Mr. Downing is not confirmed by the Commission, PG&E may take the following actions to ensure a full Committee:

Confirm the nomination of a PG&E employee, who shall serve as a Committee member, subject to Commission approval, for up to one year of such time as a new nominee has been confirmed by PG&E's Board of Directors and confirmed by the Commission, as stipulated in Article 3.01 of the Trust Agreements.

This filing will not result in an increase in any rates or charges, conflict with any schedules or rules, nor cause withdrawal of service.

<u>Protests</u>

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than March 24, 2015, which is 20 days after the date of this filing. Protests must be submitted to:

CPUC Energy Division ED Tariff Unit 505 Van Ness Avenue, 4th Floor San Francisco, California 94102

Facsimile: (415) 703-2200 E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E either via E-mail or U.S. mail (and by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

Meredith Allen Senior Director, Regulatory Relations Pacific Gas and Electric Company 77 Beale Street, Mail Code B10C P.O. Box 770000 San Francisco, California 94177

Facsimile: (415) 973-7226 E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this tier 2 advice filing become effective on regular notice, April 3, 2015, which is 30 calendar days after the date of filing.

<u>Notice</u>

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached lists for Applications (A.) 09-04-007, A.12-12-012, and A.12-12-013. Address changes to the General Order 96-B service list should be directed to PG&E at email address

PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: http://www.pge.com/tariffs/.

/S/

Meredith Allen Senior Director, Regulatory Relations

Attachments:

Attachment A – Professional Background and Education of William E. Downing Attachment B – William E. Downing Conflict of Interest Declaration

cc: Service Lists A.09-04-007, A.12-12-012, and A.12-12-013

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY

ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)		
Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39 E)		
Utility type:	Contact Person: <u>Shirley Wong</u>	
\square ELC \square GAS	Phone #: (415) 972-5505	
D PLC D HEAT D WATER	E-mail: slwb@pge.com and PGETariffs@pge.com	
EXPLANATION OF UTILITY TYPE		(Date Filed/ Received Stamp by CPUC)
$ELC = Electric$ $GAS = Gas$ \Box $PLC = Pipeline$ $HEAT = Heat$ $WATER = Water$		
Advice Letter (AL) #: 4598-E Tier: 2 Subject of AL: Reappointment of William E. Downing to PG&E's Nuclear Decommissioning Trust Fund Committee Keywords (choose from CPUC listing): Compliance, Nuclear		
AL filing type: 🗆 Monthly 🗆 Quarterly 🗆 Annual 🗹 One-Time 🗆 Other		
If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: <u>D.87-05-062, Res. E-3048,</u> <u>and D.13-01-039.</u>		
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: <u>No</u>		
Summarize differences between the AL and the prior withdrawn or rejected AL: ${ m N/A}$		
Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: <u>No</u>		
Confidential information will be made available to those who have executed a nondisclosure agreement: $\underline{ m N/A}$		
Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information:		
Resolution Required? \Box Yes \blacksquare No		
Requested effective date: April 3, 2015		No. of tariff sheets: <u>N/A</u>
Estimated system annual revenue effect (%): <u>N/A</u>		
Estimated system average rate effect (%): <u>N/A</u>		
When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).		
Tariff schedules affected: N/A		
Service affected and changes proposed: <u>N/A</u>		
Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:		
CPUC, Energy Division	Pacifi	ic Gas and Electric Company
EDTariffUnit 505 Van Ness Ave., 4 th Floor San Francisco, CA 94102 E-mail: EDTariffUnit@cpuc.ca.gov	77 Be P.O. F San F	Meredith Allen, Senior Director, Regulatory Relations ale Street, Mail Code B10C 30x 770000 rancisco, CA 94177 il: PGETariffs@pge.com

ADVICE 4598-E MARCH 4, 2015

PACIFIC GAS AND ELECTRIC COMPANY ATTACHMENT A PROFESSIONAL BACKGROUND AND EDUCATION OF WILLIAM E. DOWNING

BIOGRAPHICAL SKETCH OF

WILLIAM E. DOWNING

Education

- Oklahoma State University BSEE 1962
- Stanford University MBA with concentration in finance 1970

Career Summary

- Texas Instruments (1962-65; 1997) Designed ground support systems for NASA space program; trained personnel from tracking stations around the world to operate and maintain data demodulator systems.
- Electronic Instrumentation (1965-66) Designed one of the first digital oil exploration systems for a major exploration company.
- Bell System (1970-82) Held a variety of assignments at Pacific Bell and at AT&T headquarters, including:
 - ~ District Manager forecasted system-wide earnings and financing requirements
 - ~ Division Manager developed corporate pension fund management guidelines
 - ~ Assistant Vice President, Resource Planning improved corporate resource allocation
 - ~ Assistant Vice President, Planning transformed AT&T into a customerfocused competitor
 - ~ Assistant Vice President, Planning planned for the break-up of the Bell System
- Pacific Telesis Group (1982-98) Held a variety of positions, including:
 Assistant Vice President, Corporate Strategy developed business strategy for the newly divested Pacific Telesis Group
 - ~ Vice President and Treasurer managed the company's pension and health benefit funds
 - ~ Vice President, Corporate Strategy created business development strategic plan
 - ~ General Manager, Bay Area managed all service operations in the Bay Area except for Marin County
 - ~ Vice President and Chief Financial Officer, Pacific Bell
 - ~ Executive Vice President and Chief Financial Officer, Pacific Telesis Group
- Retired April 1, 1998 following the acquisition of Pacific Telesis Group by SBC Corporation

Other Activities

- San Francisco Museum of Modern Art Member of Board
- The Marine Mammal Center Capital Campaign Chairman

ADVICE 4598-E MARCH 4, 2015

PACIFIC GAS AND ELECTRIC COMPANY ATTACHMENT B WILLIAM E. DOWNING CONFLICT OF INTEREST DECLARATION

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

)

)

In the Matter of the Advice Filing of Pacific Gas and Electric Company (U 39 E) for Approval of Appointment of William E. Downing to Serve on the Committee of its Nuclear Decommissioning Trust Funds

Advice Filing No.

(U 39 E)

PACIFIC GAS AND ELECTRIC COMPANY DECLARATION OF WILLIAM E. DOWNING

- I, William E. Downing, declare as follows:
 - 1. That I have been nominated by Pacific Gas and Electric Company (PG&E) to serve on the Nuclear Facilities Decommissioning Master Trust Committee (the Committee) for its Nuclear Decommissioning Trust Funds (Funds);
 - 2. That I have indicated my willingness to continue to serve on the Committee;
 - 3. That I have reviewed the requirements and restrictions on Committee members not affiliated with PG&E contained in the trust agreement for each of the Funds;
 - 4. That I am retired as Executive Vice President of Pacific Telesis Group;
 - 5. That my personal and professional background is briefly described on the biography I have attached hereto;
 - 6. That I own no PG&E stock or other PG&E securities, except possibly indirectly through a mutual fund;
 - 7. That, other than through my prior employer, Pacific Telesis Group, which had routine business relationships with PG&E, I have no prior business relationship with PG&E;
 - 8. That I am not an employee, officer, or agent of PG&E; and,
 - 9. That I have no financial or other interest that will conflict with the discharge of my responsibilities as a Committee member.

I declare under penalty of perjury that the foregoing is true and correct.

Dated:

William E. DOWNING

PG&E Gas and Electric Advice Filing List General Order 96-B, Section IV

AT&T Albion Power Company Alcantar & Kahl LLP Anderson & Poole BART Barkovich & Yap, Inc. Bartle Wells Associates Braun Blaising McLaughlin, P.C.

CENERGY POWER California Cotton Ginners & Growers Assn California Energy Commission California Public Utilities Commission California State Association of Counties Calpine Casner, Steve Center for Biological Diversity City of Palo Alto

City of San Jose Clean Power Coast Economic Consulting Commercial Energy Cool Earth Solar, Inc. County of Tehama - Department of Public Works Crossborder Energy Davis Wright Tremaine LLP Day Carter Murphy Defense Energy Support Center

Dept of General Services

Division of Ratepayer Advocates Douglass & Liddell Downey & Brand Ellison Schneider & Harris LLP G. A. Krause & Assoc. GenOn Energy Inc. GenOn Energy, Inc. Goodin, MacBride, Squeri, Schlotz & Ritchie Green Power Institute Hanna & Morton In House Energy International Power Technology Intestate Gas Services, Inc. K&L Gates LLP Kelly Group Linde Los Angeles County Integrated Waste Management Task Force Los Angeles Dept of Water & Power MRW & Associates Manatt Phelps Phillips Marin Energy Authority McKenna Long & Aldridge LLP McKenzie & Associates

Modesto Irrigation District Morgan Stanley NLine Energy, Inc. NRG Solar

Nexant, Inc.

Occidental Energy Marketing, Inc. OnGrid Solar Pacific Gas and Electric Company Praxair Regulatory & Cogeneration Service, Inc. SCD Energy Solutions SCE SDG&E and SoCalGas

SPURR Seattle City Light Sempra Energy (Socal Gas) Sempra Utilities SoCalGas Southern California Edison Company Spark Energy Sun Light & Power Sunshine Design

Tecogen, Inc. Tiger Natural Gas, Inc. TransCanada Utility Cost Management Utility Power Solutions Utility Specialists

Verizon Water and Energy Consulting Wellhead Electric Company Western Manufactured Housing Communities Association (WMA) YEP Energy