

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 2, 2015

Erik Jacobson
Director, Regulatory Regulations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Subject: Advice Letter 3605-G/4658-E

Dear Mr. Jacobson:

Your Affiliate Transaction Rules Compliance Plan submitted in Advice Letter 3605-G/4658-E on June 30, 2015 as required by Affiliate Transaction Rule (ATR) VI.A is accepted. Energy Division's acceptance of your compliance plan means that the utility has filed a plan pursuant to ATR VI.A on time. ATR VI.A requires a utility to file a compliance plan annually when there are some changes in the compliance plan.

Acceptance of Advice Letter 3605-G/4658-E at this time does not constitute endorsement or approval of any of your interpretations contained in the compliance plan, if such interpretations are contrary to the ATRs themselves. You are advised to adhere strictly to the letter and spirit of the ATRs. Advice Letter 3605-G/4658-E is effective as of June 30, 2015. If you have any questions please contact Colin Rizzo at (415) 703-1784 or colin.rizzo@cpuc.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "ER", with a long, sweeping underline.

Edward Randolph
Director, Energy Division

CC: PGETariffs@pge.com



Erik Jacobson
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

June 30, 2015

Advice 3605-G/4658-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Affiliate Transaction Rules Compliance Plan

Purpose

In accordance with Rule VI.A. of the California Public Utilities Commission's Affiliate Transaction Rules adopted in Decision 06-12-029, Pacific Gas and Electric Company ("PG&E") hereby submits its Affiliate Transaction Rules Compliance Plan ("Compliance Plan").

This filing will not increase any other rate or change, cause the withdrawal of service, or conflict with any rate schedule or rule.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than July 20, 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:

Erik Jacobson
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 submits this advice letter as a Tier 1 filing and requests that it become effective the date of submission, June 30, 2015.

Notice

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 list and the parties on the service list for R.05-10-030. 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/

Erik Jacobson
Director, Regulatory Relations

cc: Service List R.05-10-030

Attachments

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 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Jennifer Wirowek

Phone #: (415) 973-1419

E-mail: j6ws@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3605-G/4658-E**

Tier: 1

Subject of AL: **Affiliate Transaction Rules Compliance Plan**

Keywords (choose from CPUC listing): Compliance, Affiliate

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D. 06-12-029

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: 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? Yes No

Requested effective date: **June 30, 2015**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: N/A

Pending advice letters that revise the same tariff sheets: N/A

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:

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Erik Jacobson

Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com



**California Public Utilities Commission (CPUC)
Affiliate Transaction Rules (Affiliate Rules)
Compliance Plan**

For Rules Adopted in D.06-12-029

June 2015

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- 1 Affiliate Rules Intranet site
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- 5 Affiliate Rules training courses (key word “affiliate rules”)
- 6 FIN-3150P-01, Employee Transfer Fee Procedure
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24	CUST-4504P-01, Non-Tariffed Products & Services Accounting & Reporting Procedure
25	RISK-4301P-03, Affiliate Rules Financial Health Report Procedure

INTRODUCTION

Pacific Gas and Electric Company (PG&E, or Utility) submits the following revised Compliance Plan (Plan) to comply with the Affiliate Transaction Rules (Rules) adopted by the California Public Utilities Commission (CPUC) in D.06-12-029. PG&E's Plan includes mechanisms for implementation and compliance with these Rules, which when taken as a whole, provide a comprehensive approach to affiliate rules compliance. Although not specifically described in the Plan, all Rules are implemented by a combination of one or more of the following:

- Development and distribution of written standards and procedures.
- Education, training for, and communications to employees of PG&E, PG&E Corporation, and their subsidiaries governed by these Rules.
- Monitoring affiliate transactions and overall compliance on a continuing basis.
- Additional training and corrective actions as needed.

This Plan is implemented by PG&E's Compliance and Ethics (C&E) Department, which reports to the Senior Vice President and Chief Ethics and Compliance Officer, PG&E Corporation and Pacific Gas and Electric Company. The department is staffed with personnel experienced in training, monitoring, and enforcing compliance.

PG&E issues periodic communications about these Rules to employees of the Utility, PG&E Corporation, and their subsidiaries governed by these Rules, including at least one annual enterprise-wide communication. These communications may refer to standards and procedures that describe what Utility, PG&E Corporation, and affiliate employees must do to ensure compliance with the Rules.

The most recent annual enterprise-wide communication was issued on August 5, 2014. A new communication will be issued to all employees by August 2015. PG&E also communicates with specific categories of employees about the Rules relevant to their work activities.

A copy of the full Compliance Plan is available to all Utility and PG&E Corporation employees on PG&E's Affiliate Rules Intranet site at <http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>.

In the following pages, each Rule is shown in bold type. Following each Rule, in normal type, is PG&E's Plan. Unless specified as an Internet site, each hyperlink in this Plan is to a PG&E Intranet site. Appendix A is a list of Intranet hyperlinks in this Plan, and Exhibits 1 through 25 are the associated documents or screenshots.

PG&E's parent company, PG&E Corporation, does not meet the definition of "affiliate" in Rule I.A because PG&E Corporation is not engaged in the provision of energy-related products and services as they are described in Rule II.B. PG&E Corporation functions as the following:

- A strategic manager of the corporate enterprise.
- A financial consolidator.
- A provider of corporate governance and corporate support functions.

PG&E recognizes, however, that the Rules apply to PG&E Corporation and PG&E's other affiliates where explicitly provided.

PG&E and PG&E Corporation use the following specific mechanisms and procedures to implement these Rules:

1. Employees of PG&E Corporation and its subsidiaries governed by these Rules receive regular notice of the documents that describe these Rules and their obligations hereunder.
2. PG&E's compliance program is governed by the following standards and their implementing procedures, which are available in PG&E's Guidance Document Library:
 - RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).
 - FIN-3150S, Affiliated Company Transactions Accounting Standard (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>).
 - CUST-4504S, Non-Tariffed Products & Services Accounting & Reporting Standard (<http://pgeatwork/Guidance/CustomerCare/Pages/default.aspx>).
3. Employees of PG&E Corporation who provide permitted corporate support or shared services and who have access to non-public Utility information are required to sign a statement that:
 - They will follow all written policies about limitations on the use of non-public Utility information and
 - Failure to observe these limitations will result in discipline.
4. All support personnel, services, physical plant, equipment, supplies, and other overhead owned by PG&E and used by PG&E Corporation are charged to PG&E Corporation as required by D.96-11-017 (per FIN-3150S, Affiliated Company Transactions Accounting Standard at <http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>).
5. All permitted corporate support services rendered by PG&E employees to affiliates are charged to the affiliates receiving the services (per FIN-3150S, Affiliated Company Transactions Accounting Standard at <http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>).
6. Periodic training or targeted communications are provided to employees of PG&E, PG&E Corporation, and their subsidiaries. PG&E Corporation officers and employees are directed to protect confidential Utility information from reaching an affiliate. When needed, PG&E provides training to targeted employee groups to sensitize them to the Rules relevant to their work activities, including the need to protect confidential Utility information. Online affiliate rules training also is available on PG&E's training platform, My Learning, at <https://pgeatworkforme.pge.com/irj/portal/mylearning> (key word "affiliate rules").
7. PG&E has a process to ensure that a one-time 25% transfer fee is paid for each non-clerical employee departing the Utility and commencing work at an affiliate. This 25% fee is paid only once for any individual employee per the following:
 - FIN-3150S, Affiliated Company Transactions Accounting Standard (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>)
 - FIN-3150P-01, Employee Transfer Fee Procedure (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>).

8. PG&E has a process to ensure that a Utility employee who transfers to a Rule II.B affiliate cannot return to the Utility until at least twelve months from the employee's last day of employment with the Utility, unless the provisions of Rule V.G.2.b. are met, per the following:
 - RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>)
 - Employee Transfer to Affiliate Guidance and Review Requirement (<http://pgeatwork/Guidance/HumanResources/Pages/Recruiting%20and%20Hiring%20-%209000.aspx>).
9. Employee transfers to other companies in the corporate family are tracked by PG&E's HR/SAP system to ensure they conform to the Rules.
10. PG&E Corporation continues to lease space in Utility facilities for PG&E Corporation employees, as approved in D.00-02-061.
11. PG&E elected not to share key officers under Rule V.E. and so notified the Commission in a letter dated May 25, 2007.
12. PG&E's standard consulting and procurement contract forms contain language restricting contractors from transmitting confidential Utility information to third parties, including affiliates.

We have reviewed the specific mechanisms and procedures described above, which are intended to ensure that:

1. PG&E is not using PG&E Corporation or any of its affiliates as a conduit to circumvent any of the Rules,
2. PG&E is following the mandates of Rule V.E. such that the use of joint corporate support services does not constitute a conduit to circumvent the Rules, and
3. PG&E is not using shared officers or directors as a conduit to circumvent the Rules.

If a specific mechanism or procedure fails to ensure compliance, we will take prompt action to strengthen it.

Respectfully submitted on June 30, 2015,



Julie M. Kane
Senior Vice President and Chief Ethics and
Compliance Officer, PG&E Corporation and
Pacific Gas and Electric Company



Dinyar B. Mistry
Vice President and Controller, PG&E
Corporation
Vice President, Chief Financial Officer and
Controller, Pacific Gas and Electric
Company

Affiliate Transaction Rules Applicable to Large California Energy Utilities

I. Definitions

Unless the context otherwise requires, the following definitions govern the construction of these Rules:

- A. “Affiliate” means any person, corporation, utility, partnership, or other entity 5 per cent or more of whose outstanding securities are owned, controlled, or held with power to vote, directly or indirectly either by a utility or any of its subsidiaries, or by that utility’s controlling corporation and/or any of its subsidiaries as well as any company in which the utility, its controlling corporation, or any of the utility’s affiliates exert substantial control over the operation of the company and/or indirectly have substantial financial interests in the company exercised through means other than ownership. For purposes of these Rules, “substantial control” includes, but is not limited to, the possession, directly or indirectly and whether acting alone or in conjunction with others, of the authority to direct or cause the direction of the management or policies of a company. A direct or indirect voting interest of 5% or more by the utility in an entity’s company creates a rebuttable presumption of control.

For purposes of this Rule, “affiliate” shall include the utility’s parent or holding company, or any company which directly or indirectly owns, controls, or holds the power to vote 10% or more of the outstanding voting securities of a utility (holding company), to the extent the holding company is engaged in the provision of products or services as set out in Rule II B. However, in its compliance plan filed pursuant to Rule VI, the utility shall demonstrate both the specific mechanism and procedures that the utility and holding company have in place to assure that the utility is not utilizing the holding company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules.

Examples include but are not limited to specific mechanisms and procedures to assure the Commission that the utility will not use the holding company, another utility affiliate not covered by these Rules, or a consultant or contractor as a vehicle to (1) disseminate information transferred to them by the utility to an affiliate covered by these Rules in contravention of these Rules, (2) provide services to its affiliates covered by these Rules in contravention of these Rules or (3) to transfer employees to its affiliates covered by these Rules in contravention of these Rules. In the compliance plan, a corporate officer from the utility and holding company shall verify the adequacy of these specific mechanisms and procedures to ensure that the utility is not utilizing the holding company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules. Regulated subsidiaries of a utility, defined as subsidiaries of a utility, the revenues and expenses of which are subject to regulation by the Commission and are included by the Commission in establishing rates for the utility, are not included within the definition of affiliate. However, these Rules apply to all interactions any regulated subsidiary has with other affiliated entities covered by these rules.

- B. “Commission” means the California Public Utilities Commission or its succeeding state regulatory body.**
- C. “Customer” means any person or corporation, as defined in Sections 204, 205 and 206 of the California Public Utilities Code, that is the ultimate consumer of goods and services.**
- D. “Customer Information” means non-public information and data specific to a utility customer which the utility acquired or developed in the course of its provision of utility services.**
- E. ”FERC” means the Federal Energy Regulatory Commission.**
- F. “Fully Loaded Cost” means the direct cost of good or service plus all applicable indirect charges and overheads.**
- G. “Utility” means any public utility subject to the jurisdiction of the Commission as an Electrical Corporation or Gas Corporation, as defined in California Public Utilities Code Sections 218 and 222, and with gross annual operating revenues in California of \$1 billion or more.**
- H. “Resource Procurement” means the investment in and the production or acquisition of the energy facilities, supplies, and other energy products or services necessary for California public utility gas corporations and California public utility electrical corporations to meet their statutory obligation to serve their customers.**

II. Applicability

- A. These Rules shall apply to California public utility gas corporations and California public utility electrical corporations, subject to regulation by the California Public Utilities Commission and with gross annual operating revenues in California of \$1 billion or more.**
- B. For purposes of a combined gas and electric utility, these Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses gas or electricity or the provision of services that relate to the use of gas or electricity, unless specifically exempted below. For purposes of an electric utility, these Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses electricity or the provision of services that relate to the use of electricity. For purposes of a gas utility, these Rules apply to all utility transactions with affiliates engaging in the provision of a product that uses gas or the provision of services that relate to the use of gas. However, regardless of the foregoing, where explicitly provided, these Rules also apply to a utility’s parent holding company and to all of its affiliates, whether or not they engage in the provision of a product that uses gas or electricity or the provision of services that relate to the use of gas or electricity.**

Appendix B is a table of all entities within the PG&E Corporation family that meet the Rule I.A. definition of “affiliate.” The table identifies the following:

- Whether each affiliate is engaged in the activities described in Rule II.B, thereby being considered a “covered” affiliate under these Rules.
- Whether a covered affiliate is also considered an energy marketing affiliate for the purpose of compliance with Rule V.G.2.e, which prohibits temporary or intermittent assignments or rotations to energy marketing affiliates.

PG&E recognizes that, where explicitly provided, these Rules apply to PG&E Corporation and all of its affiliates, including affiliates not engaged in the activities described in Rule II.B (“non-covered” affiliates).

- C. No holding company nor any utility affiliate, whether or not engaged in the provision of a product that uses gas or electricity or the provision of services that relate to the use of gas or electricity, shall knowingly:**
- 1. direct or cause a utility to violate or circumvent these Rules, including but not limited to the prohibitions against the utility providing preferential treatment, unfair competitive advantages or non-public information to its affiliates;**
 - 2. aid or abet a utility’s violation of these Rules; or**
 - 3. be used as a conduit to provide non-public information to a utility's affiliate.**

This Rule is covered in RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

PG&E uses annual training or targeted communication to ensure holding company and any affiliate employees remain familiar with this Rule.

- D. These Rules apply to transactions between a Commission-regulated utility and another affiliated utility, unless specifically modified by the Commission in addressing a separate application to merge or otherwise conduct joint ventures related to regulated services.**
- E. These Rules do not apply to the exchange of operating information, including the disclosure of customer information to its FERC-regulated affiliate to the extent such information is required by the affiliate to schedule and confirm nominations for the interstate transportation of natural gas, between a utility and its FERC-regulated affiliate, to the extent that the affiliate operates an interstate natural gas pipeline. These Rules do not apply to transactions between an electric utility and an affiliate providing broadband over power lines (BPL).**
- F. Existing Rules: Existing Commission rules for each utility and its parent holding company shall continue to apply except to the extent they conflict with these Rules. In such cases, these Rules shall supersede prior rules and guidelines, provided that nothing herein shall supersede the Commission's regulatory framework for broadband over power lines (BPL) adopted in D. 06-04-070 nor shall preclude (1) the Commission from adopting other utility-specific guidelines; or (2) a utility or its parent holding company from adopting other utility-specific guidelines, with advance Commission approval.**
- G. Civil Relief: These Rules shall not preclude or stay any form of civil relief, or rights or defenses thereto, that may be available under state or federal law.**
- H. These Rules should be interpreted broadly, to effectuate our stated objectives of fostering competition and protecting consumer interests. If any provision of these Rules, or the application thereof to any person, company, or circumstance, is held invalid, the remainder of the Rules, or the application of such provision to other persons, companies, or circumstances, shall not be affected thereby.**

III. Nondiscrimination

A. No Preferential Treatment Regarding Services Provided by the Utility: Unless otherwise authorized by the Commission or the FERC, or permitted by these Rules, a utility shall not:

- 1. represent that, as a result of the affiliation with the utility, its affiliates or customers of its affiliates will receive any different treatment by the utility than the treatment the utility provides to other, unaffiliated companies or their customers; or**
- 2. provide its affiliates, or customers of its affiliates, any preference (including but not limited to terms and conditions, pricing, or timing) over non-affiliated suppliers or their customers in the provision of services provided by the utility.**

PG&E's RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>) states that the Utility must not do the following:

- Give preferential treatment in favor of affiliates or their customers unless otherwise authorized by the CPUC or Federal Energy Regulatory Commission (FERC).
- Represent that such different treatment will be given.
- Give the appearance that it speaks on behalf of its affiliates or that a customer will receive preferential treatment as a consequence of conducting business with its affiliates.

This Rule is covered in the annual communication PG&E issues to employees of PG&E, PG&E Corporation, and their subsidiaries governed by these Rules.

PG&E also uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E also complies with Rule III.A in the following ways:

- All affiliate rules training courses stress no preferential treatment for covered affiliates.
- Customer contact employees provide customer information to energy providers in a non-discriminatory manner. PG&E does not currently have any affiliates that participate in the Core Aggregation and Transport Program or the Direct Access Program.
- PG&E's voice-activated response system does not provide preferential treatment to any customers.
- PG&E does not pay invoices to affiliates in a preferential way.
- PG&E does not provide for its affiliates any billing inserts, advertisements, space in its billing envelopes, or endorsements.

B. Affiliate Transactions: Transactions between a utility and its affiliates shall be limited to tariffed products and services, to the sale of goods, property, products or services made generally available by the utility or affiliate to all market participants through an open, competitive bidding process, to the provision of information made generally available by the utility to all market participants, to Commission approved resource procurement by the utility, or as provided for in Rules V D (joint purchases), V E (corporate support) and VII (new products and services) below.

PG&E's FIN-3150S, Affiliated Company Transactions Accounting Standard (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>) describes limitations on and pricing for transactions between the Utility and affiliates, which ensure nondiscriminatory transactions.

PG&E has a separate master service agreement with PG&E Corporation and with each of PG&E's major affiliates. Each agreement identifies the range of products and services related to corporate governance and support that can be shared.

PG&E limits its transactions with affiliates to those listed in this Rule, specifically:

- Tariffed products and services – PG&E implements its tariffs in a nondiscriminatory fashion. Tariff discretions are addressed in Rule III.B.4.
- Open competitive bidding process – PG&E makes the opportunity and process available to all market participants.
- Information made generally available by PG&E to all market participants.
- Commission-approved resource procurement – as described below.
- Shared services – as described under Rules V.D and V.E.
- Non-tariffed products and services.

PG&E considers information provided to an affiliate as a necessary part of a Rule III.B transaction to be an integral part of that permitted transaction.

1. Resource Procurement. No utility shall engage in resource procurement, as defined in these Rules, from an affiliate without prior approval from the Commission. Blind transactions between a utility and its affiliate, defined as those transactions in which neither party knows the identity of the counterparty until the transaction is consummated, are exempted from this Rule. A transaction shall be deemed to have prior Commission approval (a) before the effective date of this Rule, if authorized by the Commission specifically or through the delegation of authority to Commission staff or (b) after the effective date of this Rule, if authorized by the Commission generally or specifically or through the delegation of authority to Commission staff.

This Rule is covered in RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

PG&E interprets this Rule as **not** requiring advance Commission approval for a procurement transaction between the Utility and an affiliate within the meaning of Rule II. B when each of the following conditions apply:

1. Procurement transaction is pursuant to a procurement agreement entered into **before** the Utility acquired the entity or the entity otherwise became an affiliate within the meaning of Rule II.B.
2. Procurement agreement previously was approved by the Commission either through an application or Commission-approved process.

Similarly:

1. Interactions integral to such previously approved transaction and contemplated by their terms will not require advance approval.
2. The Utility will not be responsible for the retention of negotiation documents generated before the creation of the affiliate relationship.

The Utility does not currently engage in any physical or financial gas or electric transactions with its affiliates.

- 2. Provision of Supply, Capacity, Services or Information: Except as provided for in Rules V D, V E, and VII, a utility shall provide access to utility information, services, and unused capacity or supply on the same terms for all similarly situated market participants. If a utility provides supply, capacity, services, or information to its affiliate(s), it shall contemporaneously make the offering available to all similarly situated market participants, which include all competitors serving the same market as the utility's affiliates.**

This Rule is covered in RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

PG&E posts information related to this Rule on its Pipe Ranger Internet site (<http://www.pge.com/pipeline/>), which makes it available to all market participants.

Since this Rule imposes CPUC requirements on intra-state transactions, PG&E contemporaneously posts and maintains any required information on intra-state transactions on PG&E's Affiliate Transactions Internet site (<http://www.pge.com/about/rates/affiliate/>) per RISK-4301P-04, Affiliate Transaction Internet Posting Procedure (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

PG&E interprets this Rule to require posting of only those transactions in which the affiliate is provided with either of the following:

- Confidential or non-public Utility information that is not required to provide permitted corporate support or make permitted joint purchases, or
- A discount.

However, information provided to an affiliate as a necessary part of a Rule III.B transaction is not posted because it is an integral part of a permitted transaction. For instance, recourse tariff transactions are not covered by this Rule except where a negotiated price or term is provided (i.e., a negotiated tariff service) because a recourse tariff service by its very nature aims to prevent one customer from being favored over another through differential pricing and/or information.

The Utility does not currently engage in any physical or financial gas or electric transactions with its affiliates.

See also Compliance Plan for Rules III.F and IV.F, below.

- 3. Offering of Discounts: Except when made generally available by the utility through an open, competitive bidding process, if a utility offers a discount or waives all or any part of any other charge or fee to its affiliates, or offers a discount or waiver for a transaction in which its affiliates are involved, the utility shall contemporaneously make such discount or waiver available to all similarly situated market participants. The utilities should not use the “similarly situated” qualification to create such a unique discount arrangement with their affiliates such that no competitor could be considered similarly situated. All competitors serving the same market as the utility’s affiliates should be offered the same discount as the discount received by the affiliates. A utility shall document the cost differential underlying the discount to its affiliates in the affiliate discount report described in Rule III F 7 below.**

PG&E complies with the provisions of its filed tariffs and gas and electric rules, including the following:

- Electric Rule 22 – Direct Access, Section B.2.a - tariff responsibilities to be discharged in neutral manner (Internet http://www.pge.com/tariffs/tm2/pdf/ELEC_RULES_22.pdf)
- Gas Rule 26 - Standards of Conduct and Procedures Related to Transactions Etc. (Internet http://www.pge.com/tariffs/tm2/pdf/GAS_RULES_26.pdf).

PG&E does not offer preferential treatment to customers of its affiliates, but from time to time may offer a discount or waiver of a charge, fee or tariff provision to a PG&E distribution or transmission customer consistent with other laws, regulations, and sound Utility practice. In such cases, PG&E does not investigate whether such a customer is also a customer of an affiliate.

PG&E does not interpret “a transaction in which its affiliates are involved” as including this type of customer discount. PG&E does not interpret this Rule as applying to vendor discounts passed through pro-rata to affiliates in connection with joint purchases permissible under Rule V.D.

Pursuant to Resolution E-3540, PG&E will maintain an accounting of when, how and to whom it offers a discount or waiver. For purposes of record keeping, these records will not include discounts or waivers which are within the parameters of an authorized rate schedule where PG&E has no discretion over whether or not that discount or waiver is applied.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E contemporaneously posts individual transactions with affiliates on the PG&E Affiliate Transactions Internet site (<http://www.pge.com/about/rates/affiliate/>), which is available to all market participants per RISK-4301P-04, Affiliate Transaction Internet Posting Procedure (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

See also Compliance Plan for Rule III.F, below.

- 4. Tariff Discretion: If a tariff provision allows for discretion in its application, a utility shall apply that tariff provision in the same manner to its affiliates and other market participants and their respective customers.**

Refer to Compliance Plan for Rule III.B.3 above.

- 5. No Tariff Discretion: If a utility has no discretion in the application of a tariff provision, the utility shall strictly enforce that tariff provision.**

Refer to Compliance Plan for Rule III.B.3 above.

- 6. Processing Requests for Services Provided by the Utility: A utility shall process requests for similar services provided by the utility in the same manner and within the same time for its affiliates and for all other market participants and their respective customers.**

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide (https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word “Corporate Affiliates”).

PG&E has integrated this Rule in its contact center organization's quality assurance and operational audit plans.

C. Tying of Services Provided by a Utility Prohibited: A utility shall not condition or otherwise tie the provision of any services provided by the utility, nor the availability of discounts of rates or other charges or fees, rebates, or waivers of terms and conditions of any services provided by the utility, to the taking of any goods or services from its affiliates.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide (https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word "Corporate Affiliates").

PG&E has integrated this Rule in its contact center organization's quality assurance and operational audit plans.

D. No Assignment of Customers: A utility shall not assign customers to which it currently provides services to any of its affiliates, whether by default, direct assignment, option or by any other means, unless that means is equally available to all competitors.

Customers are not assigned to any affiliate for any product or service unless the means of assignment are equally available to all competitors.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

E. Business Development and Customer Relations: Except as otherwise provided by these Rules, a utility shall not:

1. provide leads to its affiliates;

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide (https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word "Corporate Affiliates").

PG&E has integrated this Rule in its contact center organization's quality assurance and operational audit plans.

PG&E also implements this Rule through GOV-8002S, Third Party Requests for Customer Information (<http://pgeatwork/Guidance/Governance/Pages/default.aspx>). Information is released either with the specified customer's explicit written consent or the use of a Standard Customer Information Release Form (Internet http://www.pge.com/notes/rates/tariffs/tm2/pdf/ELEC_FORMS_79-1095.pdf and http://www.pge.com/notes/rates/tariffs/tm2/pdf/GAS_FORMS_79-1095.pdf).

2. solicit business on behalf of its affiliates;

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

PG&E covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide (https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word "Corporate Affiliates").

PG&E has integrated this Rule in its contact center organization's quality assurance and operational audit plans.

3. acquire information on behalf of or to provide to its affiliates;

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide (https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word "Corporate Affiliates").

PG&E has integrated this Rule in its contact center organization's quality assurance and operational audit plans.

PG&E does not interpret this Rule as applying to activities permissible under Rule V.E.

4. share market analysis reports or any other types of proprietary or nonpublicly available reports, including but not limited to market, forecast, planning or strategic reports, with its affiliates;

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E interprets this Rule to exclude any information which an employee might otherwise legally disclose to others after termination of employment.

Corporate governance and corporate support services covered by Rule V.E. are expressly permitted. Confidential Utility information included in draft or final non-public market, forecast, planning or strategic reports to regulatory or governmental entities is not provided to any Rule II.B affiliate unless it is also contemporaneously made available to all market participants.

5. request authorization from its customers to pass on customer information exclusively to its affiliates;

PG&E implements this Rule through GOV-8002S, Third Party Requests for Customer Information (<http://pgeatwork/Guidance/Governance/Pages/default.aspx>). Information is released either with the specified customer's explicit written consent or the use of a Standard Customer Information Release Form (Internet http://www.pge.com/notes/rates/tariffs/tm2/pdf/ELEC_FORMS_79-1095.pdf and http://www.pge.com/notes/rates/tariffs/tm2/pdf/GAS_FORMS_79-1095.pdf).

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide (https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key words "Authorized Third Party Customer Authentication" and "Information Release Form Request for Inquiries from Third Parties").

PG&E has integrated this Rule in its contact center organization's quality assurance and operational audit plans.

See also Compliance Plan for Rule IV.A.

- 6. give the appearance that the utility speaks on behalf of its affiliates or that the customer will receive preferential treatment as a consequence of conducting business with the affiliates; or**

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide (https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word “Corporate Affiliates”).

PG&E has integrated this Rule in its contact center organization’s quality assurance and operational audit plans.

- 7. give any appearance that the affiliate speaks on behalf of the utility.**

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

This requirement also is covered in RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

- F. Affiliate Discount Reports: If a utility provides its affiliates a discount, rebate, or other waiver of any charge or fee associated with products or services provided by the utility, the utility shall, within 24 hours of the time at which the product or service provided by the utility is so provided, post a notice on its electronic bulletin board providing the following information:**

- 1. the name of the affiliate involved in the transaction;**
- 2. the rate charged;**
- 3. the maximum rate;**
- 4. the time period for which the discount or waiver applies;**
- 5. the quantities involved in the transaction;**
- 6. the delivery points involved in the transaction;**
- 7. any conditions or requirements applicable to the discount or waiver, and a documentation of the cost differential underlying the discount as required in Rule III B 2 above; and**

8. procedures by which a nonaffiliated entity may request a comparable offer.

A utility that provides an affiliate a discounted rate, rebate, or other waiver of a charge or fee associated with services provided by the utility shall maintain, for each billing period, the following information:

- 9. the name of the entity being provided services provided by the utility in the transaction;**
- 10. the affiliate's role in the transaction (i.e., shipper, marketer, supplier, seller);**
- 11. the duration of the discount or waiver;**
- 12. the maximum rate;**
- 13. the rate or fee actually charged during the billing period; and**
- 14. the quantity of products or services scheduled at the discounted rate during the billing period for each delivery point.**

All records maintained pursuant to this provision shall also conform to FERC rules where applicable.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E posts any transaction covered by this Rule at the following locations, which are available to all market participants:

- Affiliate Transactions Internet site (<http://www.pge.com/about/rates/affiliate/>), per RISK-4301P-04, Affiliate Transaction Internet Posting Procedure (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>)
- Pipe Ranger Internet site, Recent News page (<http://www.pge.com/pipeline/>)

PG&E interprets 24 hours in this context to mean one business day.

PG&E interprets this Rule as not requiring the posting of vendor discounts associated with joint purchases otherwise permissible under Rule V.D., since such discounts are not associated with services provided by the Utility and are not available to other market participants.

See also Compliance Plan for Rule III.B.3 for further discussion on discounts.

IV. Disclosure and Information

A. Customer Information: A utility shall provide customer information to its affiliates and unaffiliated entities on a strictly non-discriminatory basis, and only with prior affirmative customer written consent.

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule.

Documents that govern how PG&E protects customer information include the following:

- Gas Rule 27 (Internet http://www.pge.com/notes/rates/tariffs/tm2/pdf/GAS_RULES_27.pdf)
- Electric Rule 27 (Internet http://www.pge.com/notes/rates/tariffs/tm2/pdf/ELEC_RULES_27.pdf)
- PG&E Privacy Policy (Internet <http://www.pge.com/en/about/company/privacy/customer/index.page>)
- GOV-8001S, Customer Privacy Standard (Intranet <http://pgeatwork/Guidance/Governance/Pages/default.aspx>)
- GOV-8002S, Third Party Requests for Customer Information (Intranet <http://pgeatwork/Guidance/Governance/Pages/default.aspx>)

Thus, PG&E's requirement is that customer information is not provided to any person or entity, except the customer, without that customer's prior written consent. The use of PG&E's Standard Customer Release Information Form or an equivalent written consent is mandatory, except in the following situations:

- When information is provided to the customer via telephone (after appropriate authentication) and the customer allows a third party to listen to the information provided.
- To respond to a warrant or court or law enforcement order.
- To plan, implement or evaluate energy management, demand response or energy efficiency programs with PG&E, the CPUC, or a government agency that is part of a CPUC- authorized program.
- To assist emergency responders when there is an immediate threat to life or property.
- As required under Section 588 of the California Public Utilities Code,
- As required by other state or federal law or regulation.

See also Compliance Plan for Rule III.E.5, above.

Pursuant to resolution E-3540 and RISK-4301P-04, Affiliate Transaction Internet Posting Procedure (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>), PG&E posts on its Internet site (<http://www.pge.com/about/rates/affiliate/>)

transactions where customer information was released to an affiliate. These postings do not include customer-specific information or identification.

PG&E Corporation's Employee Code of Conduct (Internet http://www.pge-corp.com/aboutus/corp_gov/coce.shtml), which applies to all subsidiaries and affiliates, including PG&E, requires that employees may not use or disclose confidential or proprietary information acquired during employment.

A "Checklist for Departing Employees" (<http://www.wedm/cgi-bin/getdoctdm.asp?itemid=005779336>) is a tool to help supervisors ensure that employees who leave PG&E do not maintain access authorizations (e.g., building or network), intellectual property, or utility property upon their departure. The checklist is referenced in the online process to separate a Utility, PG&E Corporation, or PG&E Corporation Support Services II, Inc., employee from employment (https://myportal.pge.com/sapportal/UPK/Additional_Link/PublishingContent/PlayerPackage/data/toc.html: My Staff>Personnel Change Requests>Request for Separation).

PG&E interprets this Rule to permit PG&E to provide taxpayer (customer) information to those California cities and counties where PG&E is required to collect a utility users tax as part of the monthly energy bill. This information is provided for the exclusive use of the taxing authority to permit the local tax administrator to confirm the tax status of individual customers and to audit the tax collections by PG&E.

A dialog box appears to persons attempting to access PG&E's internal electronic network. The box contains the following message:

This system is for use by authorized users only.

Unauthorized use is subject to civil and criminal penalties and disciplinary action or termination. Use of this system must comply with applicable laws, regulations, and company conduct security standards. Users should have no expectation of privacy in their use of any aspect of this system.

Accessing pornographic (including sexually explicit) material using company computers, phones, BlackBerry(R) devices, or other company device will result in termination. If you have any questions, send an email inquiry to ComplianceEthicsHelp@pge.com.

If you are not a utility employee performing utility work, a holding company employee, or do not have prior authorization, do not continue. If you have questions about these requirements, send an email inquiry to ARC@pge.com.

By logging in, you acknowledge that you have read, understood, and agree with these requirements.

B. Non-Customer Specific Non-Public Information: A utility shall make non-customer specific non-public information, including but not limited to information about a utility's natural gas or electricity purchases, sales, or operations or about the utility's gas-related goods or services and electricity-related goods or services, available to the utility's affiliates only if the utility makes that information contemporaneously available to all other service providers on the same terms and conditions, and keeps the information open to public inspection. Unless otherwise provided by these Rules, a utility continues to be bound by all Commission-adopted pricing and reporting guidelines for such transactions. A utility is also permitted to exchange proprietary information on an exclusive basis with its affiliates, provided the utility follows all Commission-adopted pricing and reporting guidelines for such transactions, and it is necessary to exchange this information in the provision of the corporate support services permitted by Rule V E below. The affiliate's use of such proprietary information is limited to use in conjunction with the permitted corporate support services, and is not permitted for any other use. Nothing in this Rule precludes the exchange of information pursuant to D.97-10-031. Nothing in this Rule is intended to limit the Commission's right to information under Public Utilities Code Sections 314 and 581.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E's FIN-3150S, Affiliated Company Transactions Accounting Standard (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>) provides CPUC-adopted pricing rules.

PG&E interprets this Rule to exclude information which an employee might otherwise legally disclose to others after termination of employment.

PG&E contemporaneously posts individual transactions with affiliates on the PG&E Affiliate Transactions Internet site (<http://www.pge.com/about/rates/affiliate/>) per RISK-4301P-04, Affiliate Transaction Internet Posting Procedure (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>), which is available to all market participants.

PG&E limits its transactions with affiliates to those listed in this Rule, specifically:

- Tariffed products and services – PG&E implements its tariffs in a nondiscriminatory fashion. Tariff discretions are addressed in Rule III.B.4.
- Open competitive bidding process – PG&E makes the opportunity and process available to all market participants.
- Information made generally available by PG&E to all market participants.
- Commission-approved resource procurement – as described above.
- Shared services – as described under Rules V.D and V.E.
- Non-tariffed products and services.

Information provided to an affiliate as a necessary part of a Rule III.B transaction is not posted because it is an integral part of that permitted transaction.

C. Service Provider Information: Except upon request by a customer or as otherwise authorized by the Commission or another governmental body, a utility shall not provide its customers with any list of service providers, which includes or identifies the utility’s affiliates, regardless of whether such list also includes or identifies the names of unaffiliated entities.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

PG&E covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide (https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELES S - key word “Corporate Affiliates”).

If a customer asks for a list of energy service providers (ESPs), PG&E refers the customer to the CPUC’s Registered Electric Service Providers list at Internet https://ia.cpuc.ca.gov/esp_lists/esp_udc.htm.

Consistent with D.99-05-034, PG&E informs all callers complaining about an ESP (including affiliates) that they need to call the ESP directly or call the Commission’s complaint telephone number.

PG&E has integrated this Rule in its contact center organization’s quality assurance and operational audit plans.

D. Supplier Information: A utility may provide non-public information and data which has been received from unaffiliated suppliers to its affiliates or non-affiliated entities only if the utility first obtains written affirmative authorization to do so from the supplier. A utility shall not actively solicit the release of such information exclusively to its own affiliate in an effort to keep such information from other unaffiliated entities.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

This Rule is addressed in RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

PG&E does not interpret this Rule to apply to information about suppliers with whom affiliates may jointly purchase goods and services with the Utility under Rule V.D.

E. Affiliate-Related Advice or Assistance: Except as otherwise provided in these Rules, a utility shall not offer or provide customers advice or assistance with regard to its affiliates or other service providers.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide (https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word “Corporate Affiliates”).

PG&E has integrated this Rule in its contact center organization’s quality assurance and operational audit plans.

PG&E does not interpret this Rule as prohibiting communications with customers to provide general advice about or explain the following:

- Bundled or unbundled Utility distribution service.
- Community choice aggregation, in compliance with the Code of Conduct adopted in D.12-12-036.
- Direct access.
- Direct access tariffs or other PG&E tariffs or gas or electric rules.

The Commission has permitted the tracking and reporting of ESP complaint information, and providing ESP's telephone numbers or the Commission's complaint telephone number under the circumstances described in D.99-05-034.

See also Compliance Plan for Rule III.E.2, above.

F. Record-Keeping: A utility shall maintain contemporaneous records documenting all tariffed and nontariffed transactions with its affiliates, including but not limited to, all waivers of tariff or contract provisions, all discounts, and all negotiations of any sort between the utility and its affiliate whether or not they are consummated. A utility shall maintain such records for a minimum of three years and longer if this Commission or another government agency so requires. For consummated transactions, the utility shall make such final transaction documents available for third party review upon 72 hours' notice, or at a time mutually agreeable to the utility and third party. If D.97-06-110 is applicable to the information the utility seeks to protect, the utility should follow the procedure set forth in D.97-06-110, except that the utility should serve the third party making the request in a manner that the third party receives the utility's D.97-06-110 request for confidentiality within 24 hours of service.

PG&E requires record-keeping for all tariff or contract provisions. PG&E's records management program is governed by GOV-7101S, Records Management Standard (<http://pgeatwork/Guidance/Governance/Pages/default.aspx>). It establishes requirements governing the identification, control, management, retrieval and retention of records for PG&E Corporation and its subsidiaries, including Pacific Gas and Electric Company.

All documents related to tariffed and nontariffed transactions with PG&E's affiliates are retained for a minimum of three years, and longer if the CPUC or another government agency so requires. Pursuant to the December 1, 2014, letter from Edward F. Randolph, Director, CPUC Energy Division, PG&E maintains all records pertaining to the following subjects beyond three years or until they can be included in future biennial Commission Affiliate Transaction Rules audits, but not to exceed five years, whichever comes first:

- All contracts and related bids for the provision of work;
- Products or services exchanged between the Utility and its affiliates;
- Tariffed and non-tariffed transactions with its affiliates, including but not limited to, all waivers of tariff or contract provisions; and
- All discounts and negotiations of any sort between the Utility and its affiliates whether or not they are consummated for each calendar year.

PG&E specifically addresses record-keeping for affiliate transactions in the following ways:

1. PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.
2. Each employee who engages in a transaction with an affiliate must complete an Affiliate Transaction Report (ATR), for each day or for each affiliate transaction in which that employee took part. In the case of a transaction that may cover a period of time, the employee is required to submit only one ATR for the transaction. The ATR is to include a summary of the transaction and indicate who participated at the affiliate and Utility.
3. Each ATR, except where the transaction noted in that ATR was subject to legal privilege, is to be sent electronically to the ARC Information mailbox managed by the C&E department as soon as practicable.
4. The C&E department retains the ATR record as required by this Rule and the December 1, 2014, letter from Edward F. Randolph, Director, CPUC Energy Division.
5. The C&E department ensures that postings to the PG&E Internet site (<http://www.pge.com/en/about/rates/affiliate/index.page>) are made as required under Rules III.B and III.F.
6. The employee is responsible for retaining additional records about the transaction, including records of negotiation with affiliates as required by Rule IV.F, which are to be available to the C&E department upon request.

Record-keeping also is addressed in the Contract Process Section of PG&E's Procurement Manual at <http://wssuo/purchasing/Sourcing Website/02 Procurement Manual Sourcing/Current Version/RTP Procurement Manual - 2009/3 Contract/3 Contract CURRENT/3 Contract CURRENT.doc%23Overview 3a>.

Records are made available as follows:

1. All requests to review transactions under this Rule must be submitted in writing to:

Pacific Gas and Electric Company
Compliance and Ethics Department (C&E)
245 Market Street
P.O. Box 770000 Mail Code N4F
San Francisco, CA 94177

2. Summaries of individual transactions will be made available to third parties for review. The summary will contain sufficient information for the third party to determine that the subject matter of the transaction was permitted and the cost, if any.
3. If an affiliate was charged for a document or information, a third party will be charged the same amount if they request the same document or information.
4. Third parties will not be granted access to any confidential customer information that may have been properly provided to an affiliate without also obtaining prior written authorization of the customer.
5. Third parties will not be granted access to any confidential or proprietary affiliate information that was shared with the Utility or to any non-public information shared with an affiliate as part of providing a permitted corporate support service.
6. PG&E interprets 72 hours to mean that the information must be available by the third business day following the request and 24 hours to be one business day. Contemporaneous shall mean monthly for billings and other transactions between PG&E and its affiliates that are recorded on a monthly basis. Summaries will be made available following the monthly closing of accounts.

G. Maintenance of Affiliate Contracts and Related Bids: A utility shall maintain a record of all contracts and related bids for the provision of work, products or services between the utility and its affiliates for no less than a period of three years, and longer if this Commission or another government agency so requires.

PG&E has a separate master service agreement with PG&E Corporation and each of PG&E's major affiliates. Each agreement identifies the range of products and services related to corporate governance and support that can be shared.

PG&E retains records related to its transactions with affiliates as described under Rule IV.F above.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

Record retention also is addressed in the Contract Process Section of PG&E's Procurement Manual at http://wssuo/purchasing/Sourcing Website/02_Procurement Manual_Sourcing/Current Version/RTP Procurement Manual - 2009/3 Contract/3 Contract CURRENT/3 Contract CURRENT.doc%23Overview 3a.

H. FERC Reporting Requirements: To the extent that reporting rules imposed by the FERC require more detailed information or more expeditious reporting, nothing in these Rules shall be construed as modifying the FERC rules.

V. Separation

A. Corporate Entities: A utility, its parent holding company, and its affiliates shall be separate corporate entities.

Each affiliate has its own Board of Directors, officers, and books of accounts. Consistent with PG&E's holding company application, A.95-10-024, which was approved by the Commission in D.96-11-017 and amended in D.06-12-029, PG&E and its affiliates are separate corporate entities.

Appendix B is a list of all entities within the PG&E Corporation family that meet the Rule I.A. definition of affiliate.

B. Books and Records: A utility, its parent holding company, and its affiliates shall keep separate books and records.

1. Utility books and records shall be kept in accordance with applicable Uniform System of Accounts (USOA) and Generally Accepted Accounting Procedures (GAAP).

PG&E's financial statements and annual FERC Form 1 reports are audited annually by independent accountants for compliance with GAAP and applicable USOA, respectively.

2. The books and records of a utility's parent holding company and affiliates shall be open for examination by the Commission and its staff consistent with the provisions of Public Utilities Code Sections 314 and 701, the conditions in the Commission's orders authorizing the utilities' holding companies and/or mergers and these Rules.

The books and records of PG&E's parent holding company and its affiliates are open for examination by the Commission and its staff consistent with the provisions of Public Utilities Code Section 314.

C. Sharing of Plant, Facilities, Equipment or Costs: A utility shall not share office space, office equipment, services, and systems with its affiliates, nor shall a utility access the computer or information systems of its affiliates or allow its affiliates to access its computer or information systems, except to the extent appropriate to perform shared corporate support functions permitted under Rule V E of these Rules. Physical separation required by this rule shall be accomplished preferably by having office space in a separate building, or, in the alternative, through the use of separate elevator banks and/or security-controlled access. This provision does not preclude a utility from offering a joint service provided this service is authorized by the Commission and is available to

all non-affiliated service providers on the same terms and conditions (e.g., joint billing services pursuant to D.97-05-039).

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E Corporation employees currently are located in Utility space, and the Utility tracks PG&E Corporation employee movement in Utility space. At the end of each calendar year, the Utility calculates and budgets the facility charge for PG&E Corporation-occupied space per FIN-1107P-01, [Corporate Real Estate - Base Facility Chargeback Procedure](http://pgeatwork/Guidance/Finance/Pages/Financial%20Planning%20and%20Analysis-1000.aspx) (<http://pgeatwork/Guidance/Finance/Pages/Financial%20Planning%20and%20Analysis-1000.aspx>). The Utility charges the facility charge to PG&E Corporation each month of the following calendar year. The Utility does not adjust those charges to reflect movement of employees during the year because the administrative cost to do so would be burdensome.

Access to Utility space is controlled by security access cards or other security methods. Utility, PG&E Corporation, and “non-covered” affiliate employees are issued security access cards that identify their employer. PG&E Corporation and “non-covered” affiliate employees have access to Utility space to the extent appropriate to perform shared corporate support functions permitted under Rule V.E.

“Covered” affiliate employees are not issued security access cards and do not have independent access to Utility space.

As of the date of this Compliance Plan, no affiliate employees are located in Utility space.

When a Utility employee terminates employment (not transferred to PG&E Corporation or an affiliate), it triggers an automated process that concurrently terminates the employee’s access to Utility computer and information systems.

If an exiting Utility employee is immediately employed by PG&E Corporation or a “non-covered” affiliate to perform shared corporate support functions permitted under Rule V.E, (considered a transfer) the employee retains Utility computer system access appropriate to performing those functions.

If an exiting Utility employee is immediately employed by a “covered” affiliate (considered a transfer), the employee retains limited computer system access only to employee benefits, pay, and other employee-specific information, consistent with Rule V.E.

PG&E maintains data network segmentation, which provides sufficient separation of facilities as mandated by this Rule. PG&E uses the Information Technology Change Management Process Manual at

http://www/ISTS_TechLib/PM/PM_Change_Mgt.htm to monitor network segmentation.

- D. Joint Purchases:** To the extent not precluded by any other Rule, the utilities and their affiliates may make joint purchases of goods and services, but not those associated with the traditional utility merchant function. For purpose of these Rules, to the extent that a utility is engaged in the marketing of the commodity of electricity or natural gas to customers, as opposed to the marketing of transmission and distribution services, it is engaging in merchant functions. Examples of permissible joint purchases include joint purchases of office supplies and telephone services. Examples of joint purchases not permitted include gas and electric purchasing for resale, purchasing of gas transportation and storage capacity, purchasing of electric transmission, systems operations, and marketing. The utility must insure that all joint purchases are priced, reported, and conducted in a manner that permits clear identification of the utility and affiliate portions of such purchases, and in accordance with applicable Commission allocation and reporting rules.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E's FIN-3150S, Affiliated Company Transactions Accounting Standard (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>) describes requirements for the following:

- Joint purchases with PG&E Corporation and affiliates.
- Recording costs.
- Intercompany billings and payments.

PG&E maintains a list of permitted and non-permitted joint purchases in Attachment 1 of RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

PG&E will continue its current practice of making joint purchases of goods and services other than those associated with the traditional Utility merchant function.

- E. Corporate Support:** As a general principle, a utility, its parent holding company, or a separate affiliate created solely to perform corporate support services may share with its affiliates joint corporate oversight, governance, support systems and personnel, as further specified below. Any shared support shall be priced, reported and conducted in accordance with the Separation and Information Standards set forth herein, as well as other applicable Commission pricing and reporting requirements.

As a general principle, such joint utilization shall not allow or provide a means for the transfer of confidential information from the utility to the affiliate, create the opportunity for preferential treatment or unfair competitive advantage, lead

to customer confusion, or create significant opportunities for cross-subsidization of affiliates. In the compliance plan, a corporate officer from the utility and holding company shall verify the adequacy of the specific mechanisms and procedures in place to ensure the utility follows the mandates of this paragraph, and to ensure the utility is not utilizing joint corporate support services as a conduit to circumvent these Rules. Examples of services that may be shared include: payroll, taxes, shareholder services, insurance, financial reporting, financial planning and analysis, corporate accounting, corporate security, human resources (compensation, benefits, employment policies), employee records, regulatory affairs, lobbying, legal, and pension management. However, if a utility and its parent holding company share any key officers after 180 days following the effective date of the decision adopting these Rule modifications, then the following services shall no longer be shared: regulatory affairs, lobbying, and all legal services except those necessary to the provision of shared services still authorized. For purposes of this Rule, key officers are the Chair of the entire corporate enterprise, the President at the utility and at its holding company parent, the chief executive officer at each, the chief financial officer at each, and the chief regulatory officer at each, or in each case, any and all officers whose responsibilities are the functional equivalent of the foregoing. Examples of services that may not be shared include: employee recruiting, engineering, hedging and financial derivatives and arbitrage services, gas and electric purchasing for resale, purchasing of gas transportation and storage capacity, purchasing of electric transmission, system operations, and marketing. However, if a utility and its parent holding company share any key officers (as defined in the preceding paragraph) after 180 days following the effective date of the decision adopting these Rule modifications, then the following services shall no longer be shared: regulatory affairs, lobbying, and all legal services except those necessary to the provision of shared services still authorized.

PG&E's provision of corporate support services does not provide a means for the transfer of confidential non-public Utility information to an affiliate that would:

- Create the opportunity for preferential treatment or unfair competitive advantage,
- Lead to customer confusion, or
- Create significant opportunities for cross-subsidization of affiliates.

Any exchanged non-public information is exchanged in accordance with Rule IV.B.

PG&E's FIN-3150S, Affiliated Company Transactions Accounting Standard (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>) provides pricing rules for all permitted corporate support services. On a monthly basis, PG&E charges PG&E Corporation and affiliates for the costs of corporate services provided by PG&E. PG&E Corporation also is entitled to charge PG&E for services and support it provides to PG&E.

PG&E has an internal system control that does not allow the posting of affiliate positions on PG&E's electronic recruiting bulletin board.

For the purposes of this Rule, PG&E considers that shared services include, but are not limited to the following:

1. Corporate oversight and governance
2. Use of financial and cash management and payroll systems software
3. Payroll advice and services, including printing and distribution of paychecks
4. Corporate budget preparation and monitoring
5. Corporate communications, public relations, and charitable contributions
6. Tax advice and services
7. Treasury functions
8. Investor relations and shareholder services
9. Consolidated business planning (other than market analyses)
10. Financial services, including the following:
 - a. Accounts payable
 - b. Accounting
 - c. Banking services not including customer transactions
 - d. Cash management
 - e. Planning, analysis, negotiation and workout (e.g., analytical support for various subsidiary projects and for long-range planning)
 - f. Risk management (which includes approval of and monitoring compliance with policies and procedures; each subsidiary has its own risk management committee to manage its hedging, financial derivative, and arbitrage activities as they relate to energy products; the Corporation in its oversight role may also review and approve certain transactions involving PG&E or the affiliates)
 - g. Reporting
11. Internal auditing
12. Insurance advice, services, and procurement
13. State, federal, and local lobbying and regulatory affairs
14. Analysis of regulatory or legislative actions
15. Legal services and support
16. Legal and regulatory compliance, including affiliate transactions rules compliance
17. Compliance and ethics activities
18. Environmental and safety
19. Corporate development
20. Computer, telecommunications, and technical systems support and maintenance (PG&E employees may have access to affiliate systems while providing support and maintenance on those systems. PG&E support may

include Internet routing. Affiliate employees will only be allowed to provide support and maintenance for PG&E if they will not have access to any non-public PG&E information contained in a computer or information system, e.g., limited hardware maintenance or software development.)

21. Human resources planning and development services, including succession planning
22. Compensation and benefit services and plan procurement and management
23. Pension management
24. Development, interpretation, and application of employment policies
25. Creation and maintenance of employee records
26. Limited day or overnight use of PG&E meeting rooms or facilities (Rule II.B. affiliate employees would only be in attendance if their presence was necessary to perform shared corporate support functions and they had been invited by the entity hosting the meeting.)
27. Printing of documents for permitted shared services and corporate support functions
28. Corporate communications and public relations
29. Fleet services
30. Corporate security

The preceding list of permitted corporate support services is included in Attachment 2, "Permitted and Non-Permitted Corporate Support Services" of RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

PG&E considers that financial, accounting, and purchasing systems are included within sharable support systems. Affiliate employees sharing support systems with the Utility are not granted access to any confidential Utility information contained within those systems.

PG&E will continue to provide a hyperlink from its Internet site to that of PG&E Corporation. There will be no hyperlinks from the PG&E Internet site to affiliate Internet sites.

PG&E elected not to share key officers under Rule V.E. and notified the Commission of this election in a letter dated May 25, 2007. See Rule V.G.

F. Corporate Identification and Advertising:

- 1. A utility shall not trade upon, promote, or advertise its affiliate's affiliation with the utility, nor allow the utility name or logo to be used by the affiliate or in any material circulated by the affiliate, unless it discloses in plain legible or audible language, on the first page or at the first point where the utility name or logo appears that:**
 - a. the affiliate "is not the same company as [i.e. PG&E, Edison, the Gas Company, etc.], the utility,";**
 - b. the affiliate is not regulated by the California Public Utilities Commission; and**
 - c. "you do not have to buy [the affiliate's] products in order to continue to receive quality regulated services from the utility." The application of the name/logo disclaimer is limited to the use of the name or logo in California.**

PG&E implements this Rule as follows:

1. PG&E maintains a Corporate Identity and Brand Guidelines Internet site, www.pgebrandguidelines.com that provides guidance for using the PG&E brand logos and identity. The guidelines and the "logo finder" tool provide the following:
 - Clear guidance on required usage including disclosure statements across a variety of applications.
 - Access to approved logos.
 - Guidance on special requests (e.g., co-branding, alliances, etc.).
 - An email channel to reach subject matter experts for additional support and information.

The PG&E Corporate Identity Guidelines publication, also located at the Internet site, provides specific instructions to contact the Law Department when considering using the PG&E name or logo with alliances, branding, co-branding or endorsements (pages 14-15). PG&E expects to address affiliates more specifically when it updates this publication in 2015.

2. PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.
3. PG&E does not interpret this Rule to cover situations where individuals unaffiliated with PG&E, its affiliates, and PG&E Corporation, remove the required disclaimers from materials circulated by affiliates or fail to include the disclaimer after being so notified by us.

4. The disclaimer is included either on the first page of the materials within an envelope or on the envelope.
5. PG&E in all cases interprets and applies this Rule to written material circulated in California by an affiliate for which potential customers of the affiliate are the intended or reasonably foreseeable recipients. The Rules are interpreted to also require the disclaimer to be used on technical and operational correspondence, and billing and invoices with an existing customer.

Disclaimers are required on written communications to procure goods and services from suppliers, to recruit employees, and other types of communications to California audiences other than regulators, governmental entities, and security holders and other members of the investment community. Oral communications, unless recorded and distributed for broadcast, do not include disclaimers. Communications or documents which originate with a supplier, vendor or other third party are not required to include the disclaimer.

6. The Rules are interpreted to require the use of the disclaimer on all signs, banners or posters on which PG&E affiliates use the name or logo at trade shows, conferences, fairs or similar events in California. In addition, all printed marketing and promotional items, such as business cards and marketing publications distributed at these events by an affiliate, are required to bear the appropriate disclaimer in the required font size, if they include the name or logo. Financial documents such as the PG&E Corporation Annual Report or 10-K do not require the disclaimer.
7. PG&E interprets the geographic limitation on this Rule to mean the disclaimer is required only where a California customer is the intended or reasonably foreseeable recipient of the communication. Thus, for communications originating outside California, the disclaimer is required to appear only when California locations are targeted. Communications directed to customers outside of California do not bear the disclaimer.
8. PG&E interprets the Rules to permit joint participation in trade shows, conferences, fairs and similar events outside California. The Rules are interpreted as not requiring the use of the name/logo disclaimer on signs, banners, posters, or printed marketing material at these out-of-state events.

9. Affiliate business cards containing either the name “PG&E” or the spotlight logo used by the Utility are required to bear a disclaimer if they are distributed in California or to California customers.

To adhere to the spirit of this Rule and to maintain the meaning of the Commission’s language while shortening it so it can be more easily read, noticed and understood by customers, PG&E has prepared the consolidated disclaimers below. The first disclaimer is generally used by all affiliates except those that are regulated by the Federal Energy Regulatory Commission or another agency, and therefore cannot appropriately employ the language proposed in the April 1998 amendment to the compliance plan, which would describe them as an “unregulated subsidiary of PG&E Corporation.”

All business cards of affiliates are required to include one of the two following disclaimers on the face of the cards if they are distributed in California or to California customers. Generally, affiliates that are not regulated by the Federal Energy Regulatory Commission or other agency, bear the following consolidated disclaimer on the face:


‘[Affiliate] is an unregulated subsidiary of PG&E Corporation.
(see back)’


Affiliates that do not use the above consolidated disclaimer on the face of their business cards use the following consolidated disclaimer:

‘[Affiliate] is not the same company as Pacific Gas and Electric Company, the regulated Utility. (see back)’

The full disclaimers are required to appear on the back of all affiliate business cards distributed in California or to California customers.

The examples below contain the approximate type size ordered by the Commission in D.98-11-027.

 PG&E (Affiliate)	xxx Street Name, Room xx Any City, State Name, xxxxx Mailing Address
	PO Box xxxxx Any City, State Name, xxxxx
Employee Name Title Department	123.456.4741 Fax 123.456.7890 Internet name@affiliate.com
PG&E [Affiliate] is an unregulated subsidiary of PG&E Corporation. (see back)	

 PG&E (Affiliate)	xxx Street Name, Room xx Any City, State Name, xxxxx Mailing Address
	PO Box xxxxx Any City, State Name, xxxxx
Employee Name	123.456.4741
Title	Fax 123.456.7890
Department	Internet name@affiliate.com
<p>PG&E [Affiliate] is not the same company as Pacific Gas and Electric Company, the regulated utility. (see back)</p>	

PG&E [Affiliate] is not the same company as Pacific Gas and Electric Company, the utility; PG&E [Affiliate] is not regulated by the California Public Utilities Commission; and you do not have to buy PG&E [Affiliate] products in order to continue to receive quality regulated services from the utility.

10. Promotional items and other tangible objects distributed by affiliates in California are required to bear the full disclaimer. Due to the small size or irregular shape of some promotional items (e.g., golf tees, lapel pins), the affiliate must display the disclaimers on packaging materials such that the disclaimers are visible to the customer at the same time or before the name or logo does. The Rules are interpreted as not requiring a disclaimer on promotional items and other tangible objects distributed outside California.

Listed below are examples of promotional items that may be distributed to customers in California by the affiliates. These promotional items, and future similar promotional items, are required to have the disclaimer on a label on the item or on packaging surrounding the item.

- Package of golf tees
- Box of golf balls
- Flashlights and squeeze lights
- Clocks
- Notepad blocks of paper
- Lucite cubes
- Stuffed animals
- Key chain knives

- Ink pens or mechanical pencils
- Cups or mugs
- Bottles of wine
- Plastic night lights
- Foam rubber light bulbs
- Fanny packs, sacks or tote bags
- T-shirts and Polo shirts
- Caps and hats

In all cases, the disclaimer used is printed legibly in 6 point font, or larger. A larger font is used whenever required to meet the ½ font size legibility standard.

11. Use of the disclaimer for direct mail marketing. The Rules are interpreted to require the use of the disclaimer on either the envelope or the first sheet of the first item in the envelope which uses the name or logo, for direct mail sent to California addresses. The disclaimer is required to be legible, printed in the same direction as the other material on the page, and be no smaller than the larger of (a) ½ of the size of the font used in printing the name that accompanies the logo, or (b) 6 point type. PG&E interprets the Rules not to require printing the disclaimer on every page, on other attachments in a direct mail package.

12. Authorized use of the name/logo by third parties. If an affiliate authorizes the use of the name or logo by a third party within California to advertise or market the affiliate's products and services, use of the name or logo is conditioned on the use of the appropriate disclaimer. The affiliate is required to take prompt action upon discovery of unauthorized or inappropriate use of the name or logo in the marketing or advertising of products and services by a third party, to stop the unauthorized or inappropriate use. Unauthorized use by a third party is not considered a violation. Other third party uses of the name or logo are not required to include the disclaimer.

13. Affiliate Press Releases. In the spirit of the Rules, affiliate press releases to the media within California, or where California customers are the primary audience for a wire service press release, are required to include the following or similar instructions to the media:

Please do not use “Pacific Gas and Electric” or “PG&E” when referring to [affiliate name]. [Affiliate Name] is not the same company as Pacific Gas and Electric Company and is not regulated by the California Public Utilities Commission and customers of Pacific Gas and Electric Company do not have to purchase products or services from [affiliate name] to continue receiving quality regulated service from Pacific Gas and Electric Company.

14. PG&E Corporation Press Releases. PG&E Corporation press releases are required to include the disclaimer only if they mention an affiliate using the PG&E name and the products and services offered for sale by the affiliate using the PG&E name.
15. Media interviews and inquiries. In the spirit of the Rules, representatives of the affiliates interviewed by the press within California, or where the resulting article is likely to appear in California, are required to remind news media representatives as appropriate about the relationship between PG&E and its affiliates, prior to the interview or inquiry either orally or in writing that the affiliate is separate from PG&E, and caution them to use the full name of the affiliate, and not to refer to the affiliate as PG&E or Pacific Gas and Electric Company. The Rules are interpreted as not requiring the affiliate representative to recite the disclaimer during the interview.
16. Use of the disclaimer in building signage. The Rules are interpreted to allow normal signage on the outside of buildings owned or utilized by the affiliates in California, without use of the disclaimer on the signage. Normal signage is limited to the company name, logo and address, and has the primary purpose of identifying the business location. The Rules are interpreted to require the disclaimer on any disproportionately large sign, such as a billboard.
17. Institutional advertising by PG&E Corporation. PG&E Corporation may from time to time communicate with the public and security holders using, among other media, paid print or broadcast media advertising. PG&E Corporation does not sell products or services and does not have a marketing function, therefore PG&E interprets the Rules as not requiring the use of the disclaimer in such communications because of the investor relations nature of the communications and the non-affiliate status of the communicating entity.

Similarly, PG&E interprets the Rules to allow institutional or “brand” advertising by PG&E Corporation in California without inclusion of the disclaimer, provided that:

- a. PG&E Corporation does not exploit the connection of PG&E with the holding company’s unregulated subsidiaries. However, it is appropriate for PG&E Corporation to include factual characteristics of the consolidated group in an overall description of PG&E Corporation; and
- b. The advertisement does not identify the affiliates by name or logo.

Institutional or “brand” advertising is defined as paid advertising which communicates generally to the reader but does not communicate regarding any specific product or service and calls the reader to engage in a transaction based on the advertisement. This type of advertising is commonly undertaken by major corporations with diverse operating affiliates.

Any PG&E Corporation paid advertising in California that identifies an unregulated affiliate by name is required to make it clear that these services are performed by the affiliates and include the disclaimer in size and type required by the Commission.

18. The disclaimer is not required on communications with governmental bodies, where the parties involved either know or should have reason to know, the legal status of the interrelationship of the Utility and affiliates, and the communications are not related to product and service sales. The situations included in this item include financial reports to security holders and other members of the investment community, legal or regulatory proceedings, written communications with governmental bodies regarding actual or proposed legislation, and written communications to federal, state or municipal agencies which relate to an agency requirement or power (other than the power of the agency to buy products and services).
19. The disclaimer is not required on internal written communications between the holding company, the Utility, and any of the affiliates covered by the Rules, provided that the internal communications are not also sent to third parties outside of the company.

”Legible” in the context of printed materials as it relates to Rule V. F., means that the disclaimer must be sized and displayed commensurate with the “signature” (i.e., the logo or name identification), so that the disclaimer is the larger of (a) ½ the size of the type which first displays the name or logo, or (b) 6 point type, and is positioned so that the reader will naturally focus on the disclaimer as easily as the “signature.” The disclaimer shall not be displayed upside down, sideways, in a different language, or in any other way which would have the effect of minimizing its appearance.

- 2. A utility, through action or words, shall not represent that, as a result of the affiliate's affiliation with the utility, its affiliates will receive any different treatment than other service providers.**

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule. For example, all Energy Solutions and Service Account Representatives receive an annual communication that describes this Rule.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service General Reference Guide

https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word "Corporate Affiliates").

PG&E has integrated this Rule in its contact center organization's quality assurance and operational audit plans.

- 3. A utility shall not offer or provide to its affiliates advertising space in utility billing envelopes or any other form of utility customer written communication unless it provides access to all other unaffiliated service providers on the same terms and conditions.**

All content for billing inserts and advertising is coordinated by employees in PG&E's Corporate Affairs organization.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

- 4. A utility shall not participate in joint advertising or joint marketing with its affiliates. This prohibition means that utilities may not engage in activities which include, but are not limited to the following:**
 - a. A utility shall not participate with its affiliates in joint sales calls, through joint call centers or otherwise, or joint proposals (including responses to requests for proposals (RFPs)) to existing or potential customers. At a customer's unsolicited request, a utility may participate, on a nondiscriminatory basis, in non-sales meetings with its affiliates or any other market participant to discuss technical or operational subjects regarding the utility's provision of transportation service to the customer;**
 - b. Except as otherwise provided for by these Rules, a utility shall not participate in any joint activity with its affiliates. The term "joint**

activities” includes, but is not limited to, advertising, sales, marketing, communications and correspondence with any existing or potential customer;

- c. A utility shall not participate with its affiliates in trade shows, conferences, or other information or marketing events held in California.**

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E interprets this Rule as permitting PG&E’s participation, at a customer’s request and on a non-discriminatory basis, at a meeting the customer has not indicated to be a “sales meeting,” and at which an affiliate is also present. If PG&E attends such a meeting and sales matters are discussed, PG&E’s role is limited to technical or operational information regarding the Utility’s provision of service to the customer.

Utility employees must not participate in any discussion of any prohibited topic when an affiliate employee is present. Should a prohibited topic arise in such a meeting, Utility employees are instructed to either request that parties refrain from discussing the prohibited topic while they are present or leave the meeting until the discussion of the prohibited topic has concluded. PG&E does not interpret attending such a meeting, or a trade show, conference, or other public marketing event where PG&E and affiliate attendance is not coordinated, to be a reportable transaction under these Rules or the rules in D.93-02-019.

PG&E interprets the Rules to permit joint participation in trade shows, conferences, fairs and similar events outside California.

- 5. A utility shall not share or subsidize costs, fees, or payments with its affiliates associated with research and development activities or investment in advanced technology research.**

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

G. Employees:

- 1. Except as permitted in Rule V E (corporate support), a utility and its affiliates shall not jointly employ the same employees. This Rule prohibiting joint employees also applies to Board Directors, and corporate officers except for the following circumstances: In instances when this Rule is applicable to holding companies, any board member or corporate officer may serve on the holding company and with either the utility or affiliate (but not both) to the extent consistent with Rule V E (corporate support). Where the utility is a multi-state utility, is not a member of a holding company structure, and assumes the corporate governance functions for the affiliates, the prohibition against any board member or corporate officer of the utility also serving as a board member or corporate officer of an affiliate shall only apply to affiliates that operate within California. In the case of shared directors and officers, a corporate officer from the utility and holding company shall describe and verify in the utility's compliance plan required by Rule VI the adequacy of the specific mechanisms and procedures in place to ensure that the utility is not utilizing shared officers and directors as a conduit to circumvent any of these Rules. In its compliance plan, the utility shall list all shared directors and officers between the utility and affiliates. No later than 30 days following a change to this list, the utility shall notify the Commission's Energy Division and the parties on the service list of R.97-04-011/I.97-04-012 of any change to this list.**

PG&E does not jointly employ employees, members of the Boards of Directors, or officers with its affiliates covered under Rule II.B. Rule V.G.1 excepts from its prohibition the corporate support services permitted under Rule V.E. Therefore, members of the Board of Directors and officers (except for key officers) may and will continue to serve as such for both PG&E Corporation and PG&E. The following individuals serve concurrently as officers or directors of PG&E Corporation and PG&E:

OFFICERS

Burt, Helen A.	Senior Vice President, Corporate Affairs (PG&E Corporation and Pacific Gas and Electric Company)
Harvey, Kent M.	Senior Vice President and Chief Financial Officer (PG&E Corporation) Senior Vice President, Financial Services (Pacific Gas and Electric Company)
Kane, Julie M.	Senior Vice President and Chief Ethics and Compliance Officer (PG&E Corporation and Pacific Gas and Electric Company)
Simon, John R.	Senior Vice President, Human Resources (PG&E Corporation and Pacific Gas and Electric Company)
Bijur, Nicholas M.	Vice President and Treasurer (PG&E Corporation and Pacific Gas and Electric Company)
Cairns, Stephen J.	Vice President, Internal Audit and Compliance (PG&E Corporation and Pacific Gas and Electric Company)
Caron, Mark T.	Vice President, Tax (PG&E Corporation and Pacific Gas and Electric Company)
Cheng, Linda Y.H.	Vice President, Corporate Governance and Corporate Secretary (PG&E Corporation and Pacific Gas and Electric Company)
Mistry, Dinyar B.	Vice President and Controller (PG&E Corporation) Vice President, Chief Financial Officer and Controller (Pacific Gas and Electric Company)
Suri, Anil K.	Vice President and Chief Risk and Audit Officer (PG&E Corporation and Pacific Gas and Electric Company)
Chan, Eileen O.	Assistant Corporate Secretary (PG&E Corporation and Pacific Gas and Electric Company)
Lee, Wendy S.	Assistant Corporate Secretary (PG&E Corporation and Pacific Gas and Electric Company)
Montizambert, Eric	Assistant Corporate Secretary (PG&E Corporation and Pacific Gas and Electric Company)

DIRECTORS

Chew, Lewis	Director (PG&E Corporation and Pacific Gas and Electric Company)
Earley, Anthony F., Jr.	Director (PG&E Corporation and Pacific Gas and Electric Company)
Fowler, Fred J.	Director (PG&E Corporation and Pacific Gas and Electric Company)
Herringer, Maryellen C.	Director (PG&E Corporation and Pacific Gas and Electric Company)
Kelly, Richard C.	Director (PG&E Corporation and Pacific Gas and Electric Company)
Kimmel, Roger H.	Director (PG&E Corporation and Pacific Gas and Electric Company)
Meserve, Dr. Richard A.	Director (PG&E Corporation and Pacific Gas and Electric Company)
Miller, Forrest E.	Director (PG&E Corporation and Pacific Gas and Electric Company)
Parra, Rosendo G	Director (PG&E Corporation and Pacific Gas and Electric Company)
Rambo, Barbara L.	Director (PG&E Corporation and Pacific Gas and Electric Company)
Smith, Ann Shen	Director (PG&E Corporation and Pacific Gas and Electric Company)
Williams, Barry Lawson	Director (PG&E Corporation and Pacific Gas and Electric Company)

Further, because this Rule excepts from its prohibition the corporate support services permitted under Rule V.E., officers and members of the Board of Directors performing authorized corporate support services may be shared among PG&E Corporation and any of its subsidiaries.

PG&E will notify the Commission's Energy Division and parties of the service list of R. 05-10-030 (which replaced R.97-04-011/I.97-04-012) no later than 30 days following any change to these lists.

2. All employee movement between a utility and its affiliates shall be consistent with the following provisions:

- a. A utility shall track and report to the Commission all employee movement between the utility and affiliates. The utility shall report this information annually pursuant to our Affiliate Transaction Reporting Decision, D.93-02-016, 48 CPUC2d 163, 171-172 and 180 (Appendix A, Section I and Section II H.).**

PG&E's RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>) provides guidance for employee transfers between the Utility and affiliates.

PG&E's HR/SAP system tracks employee movement and is able to provide periodic reports.

PG&E will continue to report employee movement in its Annual Affiliate Transaction Report, as required by this Rule (see FIN-3150S, Affiliated Company Transactions Accounting Standard <http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>).

- b. Once an employee of a utility becomes an employee of an affiliate, the employee may not return to the utility for a period of one year. This Rule is inapplicable if the affiliate to which the employee transfers goes out of business during the one-year period. In the event that such an employee returns to the utility, such employee cannot be retransferred, reassigned, or otherwise employed by the affiliate for a period of two years. Employees transferring from the utility to the affiliate are expressly prohibited from using information gained from the utility in a discriminatory or exclusive fashion, to the benefit of the affiliate or to the detriment of other unaffiliated service providers.**

Guidance for employee transfers between the Utility and affiliates is in the following:

- RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).
- Employee Transfer to Affiliate Guidance and Review Requirement (<http://pgeatwork/Guidance/HumanResources/Pages/Recruiting%20and%20Hiring%20-%209000.aspx>)

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

PG&E's HR/SAP system tracks employee movement and is able to provide periodic reports.

Going out of business includes sale of a company or significant reorganization resulting in elimination of a function.

See also Compliance Plan for Rules III.E.5 and IV.A, above, regarding the use of proprietary information gained from the Utility.

- c. When an employee of a utility is transferred, assigned, or otherwise employed by the affiliate, the affiliate shall make a one-time payment to the utility in an amount equivalent to 25% of the employee's base annual compensation, unless the utility can demonstrate that some lesser percentage (equal to at least 15%) is appropriate for the class of employee included. In the limited case where a rank-and-file (non-executive) employee's position is eliminated as a result of electric industry restructuring, a utility may demonstrate that no fee or a lesser percentage than 15% is appropriate. All such fees paid to the utility shall be accounted for in a separate memorandum account to track them for future ratemaking treatment (i.e. credited to the Electric Revenue Adjustment Account or the Core and Noncore Gas Fixed Cost Accounts, or other ratemaking treatment, as appropriate), on an annual basis, or as otherwise necessary to ensure that the utility's ratepayers receive the fees. This transfer payment provision will not apply to clerical workers. Nor will it apply to the initial transfer of employees to the utility's holding company to perform corporate support functions or to a separate affiliate performing corporate support functions, provided that that transfer is made during the initial implementation period of these rules or pursuant to a § 851 application or other Commission proceeding. However, the rule will apply to any subsequent transfers or assignments between a utility and its affiliates of all covered employees at a later time.**

Guidance for compliance with this Rule is in the following:

- FIN-3150S, Affiliated Company Transactions Accounting Standard (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>).
- FIN-3150P-01, Employee Transfer Fee Procedure (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>).
- RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).
- Employee Transfer to Affiliate Guidance and Review Requirement (<http://pgeatwork/Guidance/HumanResources/Pages/Recruiting%20and%20Hiring%20-%209000.aspx>).

This one-time transfer fee is paid by PG&E Corporation or an affiliate only once for any individual non-clerical Utility employee. For purposes of this Rule, “clerical workers” are deemed to include administrative and non-technical employees without specific utility-related skills. Some clerical workers are covered by a labor agreement, and others are not.

The memorandum accounts to account for the transfer fees have been established as described in Advice Letter 2167-G/1891-E.

- d. Any utility employee hired by an affiliate shall not remove or otherwise provide information to the affiliate which the affiliate would otherwise be precluded from having pursuant to these Rules.**

PG&E Corporation’s Employee Code of Conduct (Internet http://www.pge-corp.com/aboutus/corp_gov/coce.shtml), which applies to all subsidiaries and affiliates, provides that employees may not use or disclose confidential or proprietary information acquired during employment.

A “Checklist for Departing Employees” (<http://www.wedm/cgi-bin/getdoctdm.asp?itemid=005779336>) is a tool to help supervisors ensure that employees who leave PG&E do not maintain access authorizations (e.g., building or network), intellectual property, or utility property upon their departure. The checklist is referenced in the online process to separate a Utility, PG&E Corporation, or PG&E Corporation Support Services II, Inc., employee from employment (https://myportal.pge.com/sapportal/UPK/Additional_Link/PublishingContent/PlayerPackage/data/toc.html: My Staff>Personnel Change Requests>Request for Separation).

- e. A utility shall not make temporary or intermittent assignments, or rotations to its energy marketing affiliates. Utility employees not involved in marketing may be used on a temporary basis (less than 30% of an employee’s chargeable time in any calendar year) by affiliates not engaged in energy marketing only if:**

- i. **All such use is documented, priced and reported in accordance with these Rules and existing Commission reporting requirements, except that when the affiliate obtains the services of a non-executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 10% of direct labor cost, or fair market value. When the affiliate obtains the services of an executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 15% of direct labor cost, or fair market value.**
- ii. **Utility needs for utility employees always take priority over any affiliate requests;**
- iii. **No more than 5% of full time equivalent utility employees may be on loan at a given time;**
- iv. **Utility employees agree, in writing, that they will abide by these Affiliate Transaction Rules; and**
- v. **Affiliate use of utility employees must be conducted pursuant to a written agreement approved by appropriate utility and affiliate officers.**

PG&E has guidance documents that govern temporary or intermittent assignments, or rotations:

- Procedure for Temporary Assignments to Affiliates (<http://pgeatwork/Guidance/HumanResources/Pages/Recruiting%20and%20Hiring%20-%209000.aspx>).
- RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).
- FIN-3150S, Affiliated Company Transactions Accounting Standard (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>).

H. Transfer of Goods and Services: To the extent that these Rules do not prohibit transfers of goods and services between a utility and its affiliates, and except for as provided by Rule V.G.2.e, all such transfers shall be subject to the following pricing provisions:

This Rule does not apply to PG&E Corporation, which is not engaged in the provision of products or services as set out in Rule II.B., and thus is not an “affiliate” under these Rules. As a result, this Rule does not supersede D.96-11-017 as to transfers from PG&E to PG&E Corporation. Likewise, these Rules do not specifically address transfers of assets, including intellectual property, so PG&E continues to follow the rules adopted by D.96-11-017 in this regard.

PG&E's FIN-3150S, Affiliated Company Transactions Accounting Standard (<http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx>) provides guidance for compliance with all of Rule V.H.

Sales or purchases made pursuant to an open competitive bid where an affiliate is involved in the winning bid(s) are transfer-priced using the appropriate Rule for goods and services produced, purchased or developed for sale. The winning bid price is considered fair market value.

- 1. Transfers from the utility to its affiliates of goods and services produced, purchased or developed for sale on the open market by the utility will be priced at fair market value.**
- 2. Transfers from an affiliate to the utility of goods and services produced, purchased or developed for sale on the open market by the affiliate shall be priced at no more than fair market value.**

PG&E interprets tariff or list price to be fair market value.

- 3. For goods or services for which the price is regulated by a state or federal agency, that price shall be deemed to be the fair market value, except that in cases where more than one state commission regulates the price of goods or services, this Commission's pricing provisions govern.**

See Compliance Plan for Rule IV.H.

- 4. Goods and services produced, purchased or developed for sale on the open market by the utility will be provided to its affiliates and unaffiliated companies on a nondiscriminatory basis, except as otherwise required or permitted by these Rules or applicable law.**
- 5. Transfers from the utility to its affiliates of goods and services not produced, purchased or developed for sale by the utility will be priced at fully loaded cost plus 5% of direct labor cost.**
- 6. Transfers from an affiliate to the utility of goods and services not produced, purchased or developed for sale by the affiliate will be priced at the lower of fully loaded cost or fair market value.**

PG&E interprets this Rule, in accord with Rule II.B., as applying only to Utility transfers with affiliates engaging in the provision of a product using or relating to the use of gas or electricity and not to transactions with affiliates engaged in other functions such as the provision of financial services or permitted corporate support services.

VI. Regulatory Oversight

A. Compliance Plans: No later than June 30, 2007, each utility shall file a compliance plan by advice letter with the Energy Division of the Commission. The compliance plan shall include:

- 1. A list of all affiliates of the utility, as defined in Rule I A of these Rules, and for each affiliate, its purpose or activities, and whether the utility claims that Rule II B makes these Rules applicable to the affiliate;**

PG&E filed its most recent Compliance Plan on June 30, 2014, (AL 3491-G/4449-E) in compliance with this Rule. Appendix 2 to that plan lists all affiliates in accordance with this Rule.

- 2. A demonstration of the procedures in place to assure compliance with these Rules.**

The utility's compliance plan shall be in effect between the filing and a Commission determination of the advice letter. A utility shall file a compliance plan annually thereafter by advice letter where there is some change in the compliance plan (i.e., when there has been a change in the purpose or activities of an affiliate, a new affiliate has been created, or the utility has changed the compliance plan for any other reason).

PG&E's process for updating and filing the annual compliance plan is described in RISK-4301P-02, Affiliate Rules Compliance Plan Procedure (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

PG&E makes this filing in compliance with this Rule.

B. New Affiliate Compliance Plans: Upon the creation of a new affiliate the utility shall immediately notify the Commission of the creation of the new affiliate, as well as posting notice on its electronic bulletin board. No later than 60 days after the creation of this affiliate, the utility shall file an advice letter with the Energy Division of the Commission. The advice letter shall state the affiliate's purpose or activities, whether the utility claims that Rule II B makes these Rules applicable to the affiliate, and shall include a demonstration to the Commission that there are adequate procedures in place that will ensure compliance with these Rules.

PG&E has a process to immediately notify the CPUC of the creation of any new affiliate and post notice on its electronic bulletin board at <http://www.pge.com/en/about/rates/affiliate/index.page>. That process is described in RISK-4301P-04, Affiliate Transaction Internet Posting Procedure (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

No later than 60 days after the creation of each new affiliate, PG&E files an advice letter with the CPUC's Energy Division, served on all parties to the proceeding, demonstrating how PG&E will implement these Rules with respect to the new affiliate.

- C. Affiliate Audit: The Commission's Energy Division shall have audits performed biennially by independent auditors. The audits shall cover the last two calendar years which end on December 31, and shall verify that the utility is in compliance with the Rules set forth herein. The Energy Division shall post the audit reports on the Commission's web site. The audits shall be at shareholder expense.**

PG&E will follow this Rule as stated and will cooperate with the Energy Division during the audit. The full costs of these audits will be charged to PG&E shareholders.

- D. Witness Availability: Affiliate officers and employees shall be made available to testify before the Commission as necessary or required, without subpoena, consistent with the provisions of Public Utilities Code Sections 314 and 701, the conditions in the Commission's orders authorizing the utilities' holding companies and/or mergers and these Rules.**

PG&E will continue to make all affiliate officers and employees available to testify before the CPUC as necessary or required, without subpoena, consistent with the provisions of Public Utility Code Section 314 and D.96-11-017.

- E. Officer Certification. No later than March 31 of each year, the key officers of a utility and its parent holding company, as defined in Rule V E (corporate support), shall certify to the Energy Division of the Commission in writing under penalty of perjury that each has personally complied with these Rules during the prior calendar year. The certification shall state:**

I, [name], hold the office of [title] at [name of utility or holding company], and occupied this position from January 1, [year] to December 31[year],I hereby certify that I have reviewed the Affiliate Transaction Rules Applicable to Large California Energy Utilities of the California Public Utilities Commission and I am familiar with the provisions therein. I further certify that for the above period, I followed these Rules and am not aware of any violations of them, other than the following: [list or state "none"].

I swear/affirm these representations under penalty of perjury of the laws of the State of California.

_____[Signature]
Executed at _____ [City], County of _____, on _____ [Date]

The certification will not include violations, if any, already reported to the Commission or publicly posted during the reporting period. Nor will the certificate include audits or investigations, if any, in progress at the end of the reporting period. If violations are found in ongoing audits or investigations, they will be posted or reported consistent with this Compliance Plan. PG&E complied with this Rule by

submitting the most recent officer certifications to the Energy Division on March 27, 2015, and will continue to do so annually.

PG&E's process for obtaining and submitting the officer certifications is described in RISK-4301P-01, Affiliate Rules Compliance Officer Certification Procedure (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

VII. Utility Products and Services

A. General Rule: Except as provided for in these Rules, new products and services shall be offered through affiliates.

B. Definitions: The following definitions apply for the purposes of Rule VII:

- 1. “Category” refers to a factually similar group of products and services that use the same type of utility assets or capacity. For example, “leases of land under utility transmission lines” or “use of a utility repair shop for third party equipment repair” would each constitute a separate product or service category.**
- 2. “Existing” products and services are those which a utility is offering on the effective date of these Rules.**
- 3. “Products” include use of property, both real and intellectual, other than those uses authorized under General Order 69-C.**
- 4. “Tariff” or “tariffed” refers to rates, terms and conditions of services as approved by this Commission or the Federal Energy Regulatory Commission (FERC), whether by traditional tariff, approved contract or other such approval process as the Commission or the FERC may deem appropriate.**

C. Utility Products and Services: Except as provided in these Rules, a utility shall not offer nontariffed products and services. In no event shall a utility offer natural gas or electricity commodity service on a nontariffed basis. A utility may only offer for sale the following products and services:

- 1. Existing products and services offered by the utility pursuant to tariff;**
- 2. Unbundled versions of existing utility products and services, with the unbundled versions being offered on a tariffed basis;**
- 3. New products and services that are offered on a tariffed basis; and**
- 4. Products and services which are offered on a nontariffed basis and which meet the following conditions:**
 - a. The nontariffed product or service utilizes a portion of a utility asset or capacity;**
 - b. such asset or capacity has been acquired for the purpose of and is necessary and useful in providing tariffed utility services;**

- c. the involved portion of such asset or capacity may be used to offer the product or service on a nontariffed basis without adversely affecting the cost, quality or reliability of tariffed utility products and services;
 - d. the products and services can be marketed with minimal or no incremental ratepayer capital, minimal or no new forms of liability or business risk being incurred by utility ratepayers, and no undue diversion of utility management attention; and
 - e. The utility's offering of such nontariffed product or service does not violate any law, regulation, or Commission policy regarding anticompetitive practices.
- D. Conditions Precedent to Offering New Products and Services: This Rule does not represent an endorsement by the Commission of any particular nontariffed utility product or service. A utility may offer new nontariffed products and services only if the Commission has adopted and the utility has established:**
- 1. A mechanism or accounting standard for allocating costs to each new product or service to prevent cross-subsidization between services a utility would continue to provide on a tariffed basis and those it would provide on a nontariffed basis;
 - 2. A reasonable mechanism for treatment of benefits and revenues derived from offering such products and services, except that in the event the Commission has already approved a performance-based ratemaking mechanism for the utility and the utility seeks a different sharing mechanism, the utility should petition to modify the performance-based ratemaking decision if it wishes to alter the sharing mechanism, or clearly justify why this procedure is inappropriate, rather than doing so by application or other vehicle.
 - 3. Periodic reporting requirements regarding pertinent information related to nontariffed products and services; and
 - 4. Periodic auditing of the costs allocated to and the revenues derived from nontariffed products and services.
- E. Requirement to File an Advice Letter: Prior to offering a new category of nontariffed products or services as set forth in Rule VII C above, a utility shall file an advice letter in compliance with the following provisions of this paragraph.**

- 1. The advice letter shall:**
 - a. demonstrate compliance with these rules;**
 - b. address the amount of utility assets dedicated to the non-utility venture, in order to ensure that a given product or service does not threaten the provision of utility service, and show that the new product or service will not result in a degradation of cost, quality, or reliability of tariffed goods and services;**
 - c. address the potential impact of the new product or service on competition in the relevant market including but not limited to the degree in which the relevant market is already competitive in nature and the degree to which the new category of products or services is projected to affect that market.**
 - d. be served on the service list of Rulemaking 97-04-011/Investigation 97-04-012, as well as on any other party appropriately designated by the rules governing the Commission's advice letter process.**
- 2. For categories of nontariffed products or services targeted and offered to less than 1% of the number of customers in the utility's customer base, in the absence of a protest alleging non-compliance with these Rules or any law, regulation, decision, or Commission policy, or allegations of harm, the utility may commence offering the product or service 30 days after submission of the advice letter. For categories of nontariffed products or services targeted and offered to 1% or more of the number of customers in the utility's customer base, the utility may commence offering the product or service after the Commission approves the advice letter through the normal advice letter process.**
- 3. A protest of an advice letter filed in accordance with this paragraph shall include:**
 - a. An explanation of the specific Rules, or any law, regulation, decision, or Commission policy the utility will allegedly violate by offering the proposed product or service, with reasonable factual detail; or**
 - b. An explanation of the specific harm the protestant will allegedly suffer.**
- 4. If such a protest is filed, the utility may file a motion to dismiss the protest within 5 working days if it believes the protestant has failed to provide the minimum grounds for protest required above. The protestant has 5 working days to respond to the motion.**

5. **The intention of the Commission is to make its best reasonable efforts to rule on such a motion to dismiss promptly. Absent a ruling granting a motion to dismiss, the utility shall begin offering that category of products and services only after Commission approval through the normal advice letter process.**
- F. Existing Offerings: Unless and until further Commission order to the contrary as a result of the advice letter filing or otherwise, a utility that is offering tariffed or nontariffed products and services, as of the effective date of this decision, may continue to offer such products and services, provided that the utility complies with the cost allocation and reporting requirements in this rule. No later than January 30, 1998, each utility shall submit an advice letter describing the existing products and services (both tariffed and nontariffed) currently being offered by the utility and the number of the Commission decision or advice letter approving this offering, if any, and requesting authorization or continuing authorization for the utility’s continued provision of this product or service in compliance with the criteria set forth in Rule VII. This requirement applies to both existing products and services explicitly approved and not explicitly approved by the Commission.**
- G. Section 851 Application: A utility must continue to comply fully with the provisions of Public Utilities Code Section 851 when necessary or useful utility property is sold, leased, assigned, mortgaged, disposed of, or otherwise encumbered as part of a nontariffed product or service offering by the utility. If an application pursuant to Section 851 is submitted, the utility need not file a separate advice letter, but shall include in the application those items which would otherwise appear in the advice letter as required in this Rule.**
- H. Periodic Reporting of Nontariffed Products and Services: Any utility offering nontariffed products and services shall file periodic reports with the Commission’s Energy Division twice annually for the first two years following the effective date of these Rules, then annually thereafter unless otherwise directed by the Commission. The utility shall serve periodic reports on the service list of this proceeding. The periodic reports shall contain the following information:**
1. **A description of each existing or new category of nontariffed products and services and the authority under which it is offered;**
 2. **A description of the types and quantities of products and services contained within each category (so that, for example, “leases for agricultural nurseries at 15 sites” might be listed under the category “leases of land under utility transmission lines,” although the utility would not be required to provide the details regarding each individual lease);**
 3. **The costs allocated to and revenues derived from each category;**

4. Current information on the proportion of relevant utility assets used to offer each category of product and service.

I. Offering of Nontariffed Products and Services to Affiliates: Nontariffed products and services which are allowed by this Rule may be offered to utility affiliates only in compliance with all other provisions of these Affiliate Rules. Similarly, this Rule does not prohibit affiliate transactions which are otherwise allowed by all other provisions of these Affiliate Rules.

Guidance related to Rule VII is in RISK-4301S, Affiliate Rules Compliance Program Standard (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

The following documents, available in PG&E's Guidance Document Library (<http://pgeatwork/Guidance/CustomerCare/Pages/default.aspx>), provide guidance specifically related to the annual report:

- CUST-4504S, Non-Tariffed Products & Services Accounting & Reporting Standard, (<http://pgeatwork/Guidance/CustomerCare/Pages/default.aspx>).
- CUST-4504P-01, Non-Tariffed Products & Services Accounting & Reporting Procedure, (<http://pgeatwork/Guidance/CustomerCare/Pages/default.aspx>).

PG&E filed its most recent Report on Non-Tariffed Products and Services on May 8, 2015, and will continue to do so annually.

PG&E uses annual training or targeted communication to ensure affected employees remain familiar with this Rule.

VIII. Complaint Procedures and Remedies

A. The Commission shall strictly enforce these rules. Each act or failure to act by a utility in violation of these rules may be considered a separate occurrence.

B. Standing:

- 1. Any person or corporation as defined in Sections 204, 205 and 206 of the California Public Utilities Code may complain to the Commission or to a utility in writing, setting forth any act or thing done or omitted to be done by any utility or affiliate in violation or claimed violation of any rule set forth in this document.**
- 2. “Whistleblower complaints” will be accepted and the confidentiality of complainant will be maintained until conclusion of an investigation or indefinitely, if so requested by the whistleblower. When a whistleblower requests anonymity, the Commission will continue to pursue the complaint only where it has elected to convert it into a Commission initiated investigation. Regardless of the complainant’s status, the defendant shall file a timely answer to the complaint.**

C. Procedure:

- 1. All complaints shall be filed as formal complaints with the Commission and complainants shall provide a copy to the utility’s designated officer (as described below) on the same day that the complaint is filed.**
- 2. Each utility shall designate an Affiliate Compliance Manager who is responsible for compliance with these affiliate rules and the utility’s compliance plan adopted pursuant to these rules. Such officer shall also be responsible for receiving, investigating and attempting to resolve complaints. The Affiliate Compliance Manager may, however, delegate responsibilities to other officers and employees.**

PG&E has designated an employee in its Compliance and Ethics Department as its Affiliate Compliance Manager. Any complaints received are logged in and managed through PG&E’s enterprise Compliance and Ethics Helpline, and any such complaints are investigated and managed in accordance with this Rule.

- a. The utility shall investigate and attempt to resolve the complaint. The resolution process shall include a meet-and-confer session with the complainant. A Commission staff member may, upon request by the utility or the complainant, participate in such meet-and confer sessions and shall participate in the case of a whistleblower complaint.**

A party filing a complaint may seek a temporary restraining order at the time the formal complaint is filed. The defendant utility and other interested parties may file responses to a request for a temporary restraining order within 10 days of the filing of the request. An assigned commissioner or administrative law judge may shorten the period for responses, where appropriate. An assigned commissioner or administrative law judge, or the Commission shall act on the request for a temporary restraining order within 30 days. The request may be granted when: (1) the moving party is reasonably likely to prevail on the merits, and (2) temporary restraining order relief is necessary to avoid irreparable injury, will not substantially harm other parties, and is consistent with the public interest.

A notice of temporary restraining order issued by an assigned commissioner or administrative law judge will only stay in effect until the end of the day of the next regularly-scheduled Commission meeting at which the Commission can issue a temporary restraining order or a preliminary injunction. If the Commission declines to issue a temporary restraining order or a preliminary injunction, the notice of temporary restraining order will be immediately lifted. Whether or not a temporary restraining order or a preliminary injunction is issued, the underlying complaint may still move forward.

- b. The utility shall prepare and preserve a report on each complaint, all relevant dates, companies, customers, and employees involved, and if applicable, the resolution reached, the date of the resolution and any actions taken to prevent further violations from occurring. The report shall be provided to the Commission and all parties within four weeks of the date the complaint was filed. In addition, to providing hard copies, the utility shall also provide electronic copies to the Commission and to any party providing an e-mail address.**
 - c. Each utility shall file annually with the Commission a report detailing the nature and status of all complaints.**
 - d. The Commission may, notwithstanding any resolution reached by the utility and the complainant, convert a complaint to an investigation and determine whether the utility violated these rules, and impose any appropriate penalties under Section VIII.D. or any other remedies provided by the Commission's rules or the Public Utilities Code.**
- 3. The utility will inform the Commission's Energy Division and Consumer Services Division of the results of this dispute resolution process. If the dispute is resolved, the utility shall inform the Commission staff of the**

actions taken to resolve the complaint and the date the complaint was resolved.

4. **If the utility and the complainant cannot reach a resolution of the complaint, the utility will so inform the Commission's Energy Division. It will also file an answer to the complaint within 30 days of the issuance by the Commission's Docket Office of instructions to answer the original complaint. Within 10 business days of notice of failure to resolve the complaint, Energy Division staff will meet and confer with the utility and the complainant and propose actions to resolve the complaint. Under the circumstances where the complainant and the utility cannot resolve the complaint, the Commission shall strive to resolve the complaint within 180 days of the date the instructions to answer are served on the utility.**
5. **The Commission shall maintain on its web page a public log of all new, pending and resolved complaints. The Commission shall update the log at least once every week. The log shall specify, at a minimum, the date the complaint was received, the specific allegations contained in the complaint, the date the complaint was resolved and the manner in which it was resolved, and a description of any similar complaints, including the resolution of such similar complaints.**
6. **Preliminary Discussions**
 - a. **Prior to filing a formal complaint, a potential complainant may contact the responsible utility officer and/or the Energy Division to inform them of the possible violation of the affiliate rules. If the potential complainant seeks an informal meeting with the utility to discuss the complaint, the utility shall make reasonable efforts to arrange such a meeting. Upon mutual agreement, Energy Division staff and interested parties may attend any such meeting.**
 - b. **If a potential complainant makes an informal contact with a utility regarding an alleged violation of the affiliate transaction rules, the utility officer in charge of affiliate compliance shall respond in writing to the potential complainant within 15 business days. The response would state whether or not the issues raised by the potential complainant require further investigation. (The potential complainant does not have to rely on the responses in deciding whether to file a formal complaint.)**

D. Remedies

- 1. When enforcing these rules or any order of the Commission regarding these rules, the Commission may do any or all of the following:**
 - a. Order a utility to stop doing something that violates these rules;**
 - b. Prospectively limit or restrict the amount, percentage, or value of transactions entered into between the utility and its affiliate(s);**
 - c. Assess fines or other penalties;**
 - d. Prohibit the utility from allowing its affiliate(s) to utilize the name and logo of the utility, either on a temporary or a permanent basis;**
 - e. Apply any other remedy available to the Commission.**
- 2. Any public utility which violates a provision of these rules is subject to a fine of not less than five hundred dollars (\$500), nor more than \$20,000 for each offense. The remainder of this subsection distills the principles that the Commission has historically relied upon in assessing fines and restates them in a manner that will form the analytical foundation for future decisions in which fines are assessed. Before discussing those principles, reparations are distinguished.**

a. Reparations

Reparations are not fines and conceptually should not be included in setting the amount of a fine. Reparations are refunds of excessive or discriminatory amounts collected by a public utility. PU Code § 734. The purpose is to return funds to the victim which were unlawfully collected by the public utility. Accordingly, the statute requires that all reparation amounts are paid to the victims. Unclaimed reparations generally escheat to the state, Code of Civil Procedure § 1519.5, unless equitable or other authority directs otherwise, e.g., Public Utilities Code § 394.9.

b. Fines

The purpose of a fine is to go beyond restitution to the victim and to effectively deter further violations by this perpetrator or others. For this reason, fines are paid to the State of California, rather than to victims.

Effective deterrence creates an incentive for public utilities to avoid violations. Deterrence is particularly important against violations which could result in public harm, and particularly against those where severe consequences could result. To capture these ideas, the two general factors used by the Commission in setting fines are: (1) severity of the offense

and (2) conduct of the utility. These help guide the Commission in setting fines which are proportionate to the violation.

i. Severity of the Offense

The severity of the offense includes several considerations. Economic harm reflects the amount of expense which was imposed upon the victims, as well as any unlawful benefits gained by the public utility. Generally, the greater of these two amounts will be used in establishing the fine. In comparison, violations which caused actual physical harm to people or property are generally considered the most severe, with violations that threatened such harm closely following. The fact that the economic harm may be difficult to quantify does not itself diminish the severity or the need for sanctions. For example, the Commission has recognized that deprivation of choice of service providers, while not necessarily imposing quantifiable economic harm, diminishes the competitive marketplace such that some form of sanction is warranted. Many potential penalty cases before the Commission do not involve any harm to consumers but are instead violations of reporting or compliance requirements. In these cases, the harm may not be to consumers but rather to the integrity of the regulatory processes. For example, compliance with Commission directives is required of all California public utilities:

“Every public utility shall obey and comply with every order, decision, direction, or rule made or prescribed by the Commission in the matters specified in this part, or any other matter in any way relating to or affecting its business as a public utility, and shall do everything necessary or proper to secure compliance therewith by all of its officers, agents, and employees.” Public Utilities Code § 702.

Such compliance is absolutely necessary to the proper functioning of the regulatory process. For this reason, disregarding a statutory or Commission directive, regardless of the effects on the public, will be accorded a high level of severity.

The number of the violations is a factor in determining the severity. A series of temporally distinct violations can suggest an on-going compliance deficiency which the public utility should have addressed after the first instance. Similarly, a widespread violation which affects a large number of consumers is a more severe offense than one which is limited in scope. For a “continuing offense,” PU Code § 2108 counts each day as a separate offense.

ii. Conduct of the Utility

This factor recognizes the important role of the public utility’s conduct in (1) preventing the violation, (2) detecting the violation, and (3) disclosing and rectifying the violation. The public utility is responsible for the acts of all its officers, agents, and employees:

“In construing and enforcing the provisions of this part relating to penalties, the act, omission, or failure of any officer, agent, or employee of any public utility, acting within the scope of his [or her] official duties or employment, shall in every case be the act, omission, or failure of such public utility.” Public Utilities Code § 2109.

- (1) The Utility’s Actions to Prevent a Violation. Prior to a violation occurring, prudent practice requires that all public utilities take reasonable steps to ensure compliance with Commission directives. This includes becoming familiar with applicable laws and regulations, and most critically, the utility regularly reviewing its own operations to ensure full compliance. In evaluating the utility’s advance efforts to ensure compliance, the Commission will consider the utility’s past record of compliance with Commission directives.**
- (2) The Utility’s Actions to Detect a Violation. The Commission expects public utilities to monitor diligently their activities. Where utilities have for whatever reason failed to meet this standard, the Commission will continue to hold the utility responsible for its actions. Deliberate as opposed to inadvertent wrong-doing will be considered an aggravating factor. The Commission will also look at the management’s conduct during the period in which the violation occurred to ascertain particularly the level and extent of involvement in or tolerance of the offense by management personnel. The Commission will closely scrutinize any attempts by management to attribute wrong-doing to rogue employees. Managers will be considered, absent clear evidence to the contrary, to have condoned day-to-day actions by employees and agents under their supervision.**
- (3) The Utility’s Actions to Disclose and Rectify a Violation. When a public utility is aware that a violation has occurred, the Commission expects the public utility to promptly bring it to the attention of the Commission. The precise timetable that constitutes “prompt” will vary based on the nature of the violation. Violations which physically endanger the public must be immediately corrected and thereafter reported to the Commission staff. Reporting violations should be remedied at the earliest administratively feasible time. Prompt reporting of violations**

further the public interest by allowing for expeditious correction. For this reason, steps taken by a public utility to promptly and cooperatively report and correct violations may be considered in assessing any penalty.

iii. Financial Resources of the Utility

Effective deterrence also requires that the Commission recognize the financial resources of the public utility in setting a fine which balances the need for deterrence with the constitutional limitations on excessive fines. Some California utilities are among the largest corporations in the United States and others are extremely modest, one-person operations. What is accounting rounding error to one company is annual revenue to another. The Commission intends to adjust fine levels to achieve the objective of deterrence, without becoming excessive, based on each utility's financial resources.

iv. Totality of the Circumstances in Furtherance of the Public Interest

Setting a fine at a level which effectively deters further unlawful conduct by the subject utility and others requires that the Commission specifically tailor the package of sanctions, including any fine, to the unique facts of the case. The Commission will review facts which tend to mitigate the degree of wrongdoing as well as any facts which exacerbate the wrongdoing. In all cases, the harm will be evaluated from the perspective of the public interest.

v. The Role of Precedent

The Commission adjudicates a wide range of cases which involve sanctions, many of which are cases of first impression. As such, the outcomes of cases are not usually directly comparable. In future decisions which impose sanctions the parties and, in turn, the Commission will be expected to explicitly address those previously issued decisions which involve the most reasonably comparable factual circumstances and explain any substantial differences in outcome.

If a complaint is levied against PG&E, it will follow all provisions of Rule VIII.

IX. Protecting the Utility's Financial Health

A. Information from Utility on Necessary Capital. Each utility shall provide to the Commission on the last business day of November of each year a report with the following information:

- 1. the utility's estimate of investment capital needed to build or acquire long-term assets (i.e., greater than one year), such as operating assets and utility infrastructure, over each of the next five years;**
- 2. the utility's estimate of capital needed to meet resource procurement goals over each of the next five years;**
- 3. the utility's policies concerning dividends, stock repurchase and retention of capital for each year;**
- 4. the names of individuals involved in deciding corporate policies for the utility's dividends, stock repurchase and retention of capital;**
- 5. the process by which corporate policies concerning dividends, stock repurchase and retention of capital are implemented; and**
- 6. how the utility expects or intends to meet its investment capital needs.**

PG&E's process for filing the report under this Rule is described in RISK-4301P-03, Affiliate Rules Financial Health Report Procedure (<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>).

On November 26, 2014, Pacific Gas and Electric Company submitted its most recent report to the Energy Division containing information on necessary capital.

B. Restrictions on Deviations from Authorized Capital Structure. A utility shall maintain a balanced capital structure consistent with that determined to be reasonable by the Commission in its most recent decision on the utility's capital structure. The utility's equity shall be retained such that the Commission's adopted capital structure shall be maintained on average over the period the capital structure is in effect for ratemaking purposes. Provided, however, that a utility shall file an application for a waiver, on a case by case basis and in a timely manner, of this Rule if an adverse financial event at the utility reduces the utility's equity ratio by 1% or more. In order to assure that regulatory staff has adequate time to review and assess the application and to permit the consideration of all relevant facts, the utility shall not be considered in violation of this Rule during the period the waiver is pending resolution. Nothing in this provision creates a presumption of either reasonableness or unreasonableness of the utility's actions which may have caused the adverse financial event.

C. Ring-Fencing. Within three months of the effective date of the decision adopting this amendment to the Rules, a utility shall obtain a non-consolidation opinion that

demonstrates that the ring fencing around the utility is sufficient to prevent the utility from being pulled into bankruptcy of its parent holding company. The utility shall promptly provide the opinion to the Commission. If the current ringfencing provisions are insufficient to obtain a non-consolidation opinion, the utility shall promptly undertake the following actions:

- 1. notify the Commission of the inability to obtain a non-consolidation opinion;**
- 2. propose and implement, upon Commission approval, such ringfencing provisions that are sufficient to prevent the utility from being pulled into the bankruptcy of its parent holding company; and then**
- 3. obtain a non-consolidation opinion.**

D. Changes to Ring-Fencing Provisions. A utility shall notify the Commission of any changes made to its ring-fencing provisions within 30 days.

PG&E will comply with this Rule. If changes occur that require notification to the Commission, PG&E will comply within the required time period. On March 14, 2007, PG&E submitted a non-consolidation opinion to the Energy Division as required by Rule IX.C.

Appendix A Intranet Link Matrix

Page #	Link	Document or Intranet Site	Exhibit #
1	http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx	PG&E's Affiliate Rules Intranet site	1
2, 3, 6, 8, 10, 16, 22, 32, 44, 45, 46, 47, 56	http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx	RISK-4301S, Affiliate Rules Compliance Program Standard	2
2, 9, 20, 29, 30, 44, 46, 47, 48	http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx	FIN-3150S, Affiliated Company Transactions Accounting Standard	3
2, 56	http://pgeatwork/Guidance/CustomerCare/Pages/default.aspx	CUST-4504S, Non-Tariffed Products & Services Accounting & Reporting Standard	4
2	https://pgeatworkforme.pge.com/irj/portal/mylearning	Affiliate Rules training courses (key word "affiliate rules")	5
2, 46	http://pgeatwork/Guidance/Finance/Pages/Accounting-3000.aspx	FIN-3150P-01, Employee Transfer Fee Procedure	6
3, 45, 46	http://pgeatwork/Guidance/HumanResources/Pages/Recruiting%20and%20Hiring%20-%209000.aspx	Employee Transfer to Affiliate Guidance and Review Requirement	7
10, 12, 17, 18, 20, 49	http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx	RISK-4301P-04, Affiliate Transaction Internet Posting Procedure	8
12, 13, 14, 16, 21, 22, 40	https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word "Corporate Affiliates"	Customer Service General Reference Guide – Corporate Affiliates	9
14, 15, 18	http://pgeatwork/Guidance/Governance/Pages/default.aspx	GOV-8002S, Third Party Requests for Customer Information	10

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15	https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word “Authorized Third Party Customer Authentication”	Customer Service General Reference Guide – Authorized Third Party Customer Authentication	11
15	https://genref.comp.pge.com/system/selfservice.controller?CONFIGURATION=1000&PARTITION_ID=1&TIMEZONE_OFFSET=&CMD=STARTPAGEFRAMELESS - key word “Information Release Form Request for Inquiries from Third Parties”	Customer Service General Reference Guide – Information Release Form Request for Inquiries from Third Parties	12
19, 46	http://wwwedm/cgi-bin/getdoctdm.asp?itemid=005779336	Checklist for Departing Employees	13
19, 46	https://myportal.pge.com/sapportal/UPK/Additional_Link/PublishingContent/PlayerPackage/data/toc.html	Personnel Change Request – Request for Separation	14
23	http://pgeatwork/Guidance/Governance/Pages/default.aspx	GOV-7101S – Records Management Standard	15
24, 25	http://wssuo/purchasing/SourcingWebsite/02_ProcurementManual_Sourcing/CurrentVersion/RTPProcurementManual - 2009/3_Contract/3_Contract_CURRENT/3_Contract_CURRENT.doc%23Overview_3a	Procurement Manual – Contract Process Table of Contents	16
28	http://pgeatwork/Guidance/Finance/Pages/Financial%20Planning%20and%20Analysis-1000.aspx	FIN-1107P-01, Corporate Real Estate - Base Facility Chargeback Procedure	17

Appendix A Intranet Link Matrix

Page #	Link	Document or Intranet Site	Exhibit #
29	http://www/ISTS_TechLib/PM/PM_Change_Mgt.htm	Information Technology Change Management Process Manual	18
29	http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx	Attachment 1 “Permitted and Non-Permitted Joint Purchases” of RISK-4301S, Affiliate Rules Compliance Program Standard	19
32	http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx	Attachment 2, “Permitted and Non-Permitted Corporate Support Services” of RISK-4301S, Affiliate Rules Compliance Program Standard	20
47	http://pgeatwork/Guidance/HumanResources/Pages/Recruiting%20and%20Hiring%20-%209000.aspx	Procedure for Temporary Assignments	21
49	http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx	RISK-4301P-02, Affiliate Rules Compliance Plan Procedure	22
51	http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx	RISK-4301P-01, Affiliate Rules Compliance Officer Certification Procedure	23
56	http://pgeatwork/Guidance/Customercare/Pages/default.aspx	CUST-4504P-01, Non-Tariffed Products & Services Accounting & Reporting Procedure	24
64	http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx	RISK-4301P-03, Affiliate Rules Financial Health Report Procedure	25

Appendix B
Pacific Gas and Electric Company Affiliates
6/30/15

PARENT COMPANY: PG&E Corporation			
Subsidiary Name	Subsidiary's Line of Business (products or services offered)	Primary Location of Subsidiary	Rule II.B Affiliate
PG&E Corporation	An energy-based holding company that is headquartered in San Francisco. It is the parent company of Pacific Gas and Electric Company.	San Francisco, CA	No
Pacific Gas and Electric Company	One of the largest combination natural gas and electric utilities in the United States. The company, a subsidiary of PG&E Corporation, serves nearly 16 million people throughout a 70,000-square-mile service area in northern and central California.	San Francisco, CA	No
PG&E Corporation Support Services, Inc.	Provides general corporate services to PG&E Corporation and certain of its subsidiaries.	San Francisco, CA	Yes
PG&E Corporation Support Services II, Inc.	Provides services to PG&E Corporation and certain of its subsidiaries outside the state of California—permitted shared corporate support services only.	San Francisco, CA	No
PG&E National Energy Group, LLC	Inactive; formed for the limited purpose of holding stock in National Energy & Gas Transmission, Inc. (equity interest in NEGT dissolved through bankruptcy on October 29, 2004).	San Francisco, CA	No
PCG Capital, Inc.	Formed for the purpose of holding interests in other businesses, financing and other transactions.	San Francisco, CA	Yes
Sequoia Pacific Solar I, LLC	Formed to own and manage solar photovoltaic facilities with host customers in a variety of states.	Foster City, CA	Yes*
Pacific Energy Capital IV, LLC	Formed to establish and manage a portfolio of passive financial investments in growing energy companies.	San Francisco, CA	Yes

* Also considered an energy marketing affiliate for the purpose of compliance with Rule V.G.2.e.

Appendix B
Pacific Gas and Electric Company Affiliates
6/30/15

PARENT COMPANY: Pacific Gas and Electric Company			
Subsidiary Name	Subsidiary's Line of Business (products or services offered)	Primary Location of Subsidiary	Rule II.B Affiliate
Eureka Energy Company	Holds the Marre Ranch property in San Luis Obispo County.	San Francisco, CA	No
Merritt Community Capital Fund V, L.P.	2.4% limited partner with General Partner Merritt Community Capital Corporation, created to construct and own low-income housing.	Oakland, CA	No
Midway Power, LLC	Formed to be the ownership entity for real estate and licenses for a suspended development project, pursuant to a purchase and sale agreement dated July 17, 2008.	San Francisco, CA	No
Morro Bay Mutual Water Company	A non-profit mutual benefit corporation formed to jointly hold property rights such as easements in connection with the divestiture of the Morro Bay Power Plant.	Morro Bay, CA	No
Moss Landing Mutual Water Company	A non-profit mutual benefit corporation formed to jointly hold property rights such as easements in connection with the divestiture of the Moss Landing Power Plant.	Moss Landing, CA	No
Natural Gas Corporation of California	Acts as the vehicle for the amortization of the remaining GEDA (Gas Exploration Development Account) assets.	San Francisco, CA	No
Alaska Gas Exploration Associates	Inactive; 50% owned subsidiary of Natural Gas Corporation of California formed to obtain gas reserves to support the South Alaska LNG project.	San Francisco, CA	Yes
Pacific Energy Fuels Company	Created to own and finance nuclear fuel inventory previously owned by Pacific Energy Trust. (Limited exemption from affiliate rules per D.05-09-006)	San Francisco, CA	Yes
Fuelco, LLC	Joint Venture LLC formed between Union Electric Company d/b/a AmerenMO and Pacific Energy Fuels Company, for purposes of sharing costs and reducing fuel acquisition costs. (Limited exemption from affiliate rules per D.05-09-006)	St. Louis, MO	Yes
PG&E Real Estate, LLC	Formed to conduct real estate transactions, most likely related to purchase of property rights of victims of the San Bruno incident.	San Francisco, CA	No

Appendix B
Pacific Gas and Electric Company Affiliates
6/30/15

PARENT COMPANY: Pacific Gas and Electric Company			
Subsidiary Name	Subsidiary's Line of Business (products or services offered)	Primary Location of Subsidiary	Rule II.B Affiliate
Standard Pacific Gas Line Incorporated	Transportation of natural gas in California; Chevron Pipe Line Company owns 14.29% interest.	San Francisco, CA	No
STARS Alliance, LLC	An alliance of Pacific Gas and Electric Company and three other nuclear plant operators. Formed to increase efficiency and reduce costs related to the operation of the member's nuclear generation facilities. (Limited exemption from affiliate rules per D.12-05-010.)	Goodyear, AZ	Yes

Exhibit 1

PG&E's Affiliate Rules Issued by CPUC Intranet site



Affiliate Rules Issued by CPUC

What are the affiliate rules?

The California Public Utilities Commission (CPUC) has rules that govern interactions between Pacific Gas and Electric Company (the Utility), PG&E Corporation, and their affiliates.

The rules especially focus on interactions between the Utility and any affiliate engaged in the gas or electricity business (a Rule II.B affiliate, see the [List of Affiliated Companies](#)).

Why are the affiliate rules important?

They primarily are intended to ensure the following:

- Affiliates and their customers do not receive unfair advantage over other market participants because of their affiliation with the Utility or PG&E Corporation.
- All support personnel services, physical plant, equipment, supplies, and other overhead owned by the Utility (which are funded by Utility customers) do not subsidize PG&E Corporation, affiliates, or affiliate customers.

To whom do the affiliate rules apply?

They apply to Utility employees whose work activities potentially relate to PG&E Corporation, affiliates of the Utility or PG&E Corporation, or their respective employees. Also, PG&E Corporation and affiliate employees must not knowingly:

- Direct or cause the Utility to violate or circumvent the affiliate rules.
- Aid or abet the Utility's violation of any of the affiliate rules.
- Be used as a conduit to provide non-public Utility information to an affiliate.

Please refer to these standards for guidance:

- RISK-4301S, "Affiliate Rules Compliance Program Standard,"
- FIN-3150S, "Affiliated Company Transactions Accounting Standard"

Contact us

If you have questions, or if you have a complaint about a potential affiliate rule violation, you can contact us several ways:

- Internal extension 222-7272
- ARCInfo@pge.com
- Compliance and Ethics Helpline at 1-866-231-2310 (calls to the Helpline may be made anonymously)
- Compliance and Ethics Department
245 Market Street, 4th Floor
Mail Code N4F
San Francisco

For questions or comments about this page, please contact:

Dean Mortensen at DMME@pge.com

Related Resources

CPUC Requirements

- [Affiliate Rules](#) (from CPUC D.06-12-029)
- [CPUC Document Retention Requirements](#)

PG&E Governing Standards

- RISK-4301S, "Affiliate Rules Compliance Program Standard"
 - [Att. 1, "Permitted and Non-Permitted Joint Purchases"](#)
 - [Att. 2, "Permitted and Non-Permitted Corporate Support Services"](#)

- FIN-3150S, "Affiliated Company Transactions Accounting Standard"

Annual Reports to CPUC

- [Affiliate Rules Compliance Plan](#)
- [Report on Significant Utility – Affiliate Transactions](#)

Compliance Tools

- [Key Affiliate Rules Requirements](#)
- [List of Affiliated Companies](#) as of 12/31/14
- [Affiliate Transaction Report \(ATR\) Instructions](#)
- [Affiliate Transaction Report \(ATR\) Form](#)
- [Holding Company Employee Confidentiality Agreement](#)
- [Affiliate Rules Training \(My Learning, CORP-9011WBT\)](#)



Tool Kit

Click the gray bars to see all options.

[Learn More](#)

Exhibit 2

RISK-4301S, Affiliate Rules Compliance Program Standard

Affiliate Rules Compliance Program Standard

SUMMARY

This standard summarizes the rules issued by the California Public Utilities Commission (CPUC) that govern interactions between Pacific Gas and Electric Company (the Utility), and the following:

- PG&E Corporation
- PG&E Corporation's affiliates and subsidiaries
- The Utility's affiliates and subsidiaries

It also describes requirements, roles, and responsibilities to manage the affiliate rules compliance program, which is intended to ensure compliance with the letter and spirit of the CPUC's affiliate transaction rules.

[FIN-3150S, "Affiliated Company Transactions Accounting Standard"](#) describes roles, responsibilities, and requirements for correct accounting of affiliate transactions.

TARGET AUDIENCE

Utility employees whose work activities potentially relate to PG&E Corporation, affiliates of the Utility or PG&E Corporation, or their respective employees.

SAFETY

NA

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Affiliate Rules Compliance Program Standard

REQUIREMENTS

1 Affiliate Rules Overview

- 1.1 In 2006, the California Public Utilities Commission (CPUC) updated the affiliate rules that govern interactions between the Utility, PG&E Corporation, and their affiliates, including interactions among their respective employees (D.06-12-029, Appendix A-3, Affiliate Transaction Rules Applicable to Large California Energy Utilities).
- 1.2 In general, the affiliate rules do not apply to PG&E Corporation. Where explicitly stated, though, specific provisions of the rules also apply to PG&E Corporation and all of its affiliates.
- 1.3 Under Rule II.B, the term “affiliates” in the rules includes any subsidiary of the Utility or PG&E Corporation engaging in the following activities:
 - Provision of a product that uses gas or electricity OR
 - Provision of services that relate to the use of gas or electricity.

Unless otherwise noted, the requirements outlined in this standard refer to affiliates as they are described in Rule II.B.

- 1.4 The current list of affiliated companies is located on the Utility’s CPUC Affiliate Rules Intranet site at <http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>. The list indicates:
 1. Entities that are Rule II.B affiliates.
 2. Entities that are non-Rule II.B affiliates.
 3. Rule II.B affiliates that are also “energy marketing affiliates,” to which Utility employees may not be temporarily assigned (see Step 6.5.1).
- 1.5 This standard summarizes many requirements of the affiliate rules. However, it is not all-inclusive, and the Utility is required to comply with all of the affiliate rules. A complete copy of the CPUC affiliate rules and the Utility’s Annual Affiliate Rules Compliance Plan are on the CPUC Affiliate Rules Intranet site at <http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>.
- 1.6 The Compliance and Ethics Department coordinates the Utility’s Affiliate Rules Compliance Program, working with line of business (LOB) representatives.
- 1.7 LOB leaders are responsible for understanding the affiliate rules that relate to their organizations’ work activities and maintaining adequate processes and controls to ensure compliance with the letter and spirit of the affiliate rules.

Affiliate Rules Compliance Program Standard

2 Intent of Affiliate Rules

2.1 The affiliate rules primarily are intended to ensure the following:

- Affiliates and their customers do not receive unfair advantage over other market participants because of their affiliation with the Utility or PG&E Corporation.
- All support personnel services, physical plant, equipment, supplies, and other overhead owned by the Utility (which are funded by Utility customers) do not subsidize PG&E Corporation, affiliates, or affiliate customers.

3 PG&E Corporation and Affiliate General Requirements

3.1 PG&E Corporation and affiliate employees must not knowingly do the following:

- Direct or cause the Utility to violate or circumvent the affiliate rules.
- Aid or abet the Utility's violation of any of the affiliate rules.
- Be used as a conduit to provide non-public Utility information to an affiliate.

4 Utility General Requirements – Non-Discrimination

4.1 The Utility must not do the following:

- Give preferential treatment in favor of affiliates or their customers unless otherwise authorized by the CPUC or Federal Energy Regulatory Commission (FERC).
- Represent that such different treatment will be given.
- Give the appearance that it speaks on behalf of its affiliates or that a customer will receive preferential treatment as a consequence of conducting business with its affiliates.

4.2 The Utility may engage in the following types of transactions with PG&E Corporation and affiliates (for valuation, see [FIN-3150S, "Affiliated Company Transactions Accounting Standard"](#)):

1. Tariffed products and services.
2. The sale or purchase of goods, property, products or services made generally available by the Utility or affiliate to all market participants through an open, competitive bidding process.

Affiliate Rules Compliance Program Standard

4.2 (continued)

3. The sale or purchase of goods, property, products or services per rules governing the following:
 - Permitted joint purchases (see Step 6.1).
 - Permitted corporate support services (see Step 6.6).
 - Non-tariffed products and services (see 8.2.1).
 - Resource procurement (see Step 4.2.4).
4. The transfer of assets pursuant to a written agreement.
 - a. Generally permitted, with the following exception:
 - (1) No transfer or joint purchase between the Utility and any Rule II.B affiliate of research and development or other advanced technology assets, including intellectual property related to advanced technology.
 - b. Approval is needed from Compliance and Ethics and Affiliate Accounting before a transfer of asset is initiated.
 - c. Consultation with the Law department is required for a written agreement.
 - d. Copy of agreement between the Utility and the affiliate must be provided to Compliance and Ethics and Affiliate Accounting within five days of execution.
 - e. IF PG&E assets are to be transferred to PG&E Corporation or an affiliate,

THEN Compliance and Ethics and Law determine whether prior CPUC approval is required under Public Utilities Code Section 851 or other requirement.

Affiliate Rules Compliance Program Standard

- 4.3 Except as described in Step 4.3.2, the Utility must obtain prior approval from the CPUC before it can engage in resource procurement from affiliates.
1. “Resource Procurement” means the investment in and production or acquisition of energy facilities, supplies or other energy products or services necessary for the Utility to meet its obligation to serve customers.
 2. Both of the following are exemptions to prior CPUC approval:
 - a. Blind transactions between the Utility and an affiliate, in which neither party knows the identity of the other until the transaction is completed.
 - b. Procurement transactions between the Utility and an entity which is acquired by the Utility or otherwise becomes a Rule II.B affiliate (defined in Step 1.3) after the Utility and the entity enter into a procurement agreement.
 - (1) This exemption applies as long as the procurement agreement previously was approved by the Commission through an application or a Commission-approved process.
 - (2) This exemption extends to interactions integral to such previously approved transactions and contemplated by their terms.
 - (3) The Utility is not responsible for the retention of negotiation documents generated before the creation of the affiliate relationship.
 3. For additional guidance on resource procurement, refer to the Energy Procurement Intranet website at <http://pgeatwork/EnergySupply/EP/Compliance/Pages/EPCompliancewithAffiliateRules.aspx>.

Affiliate Rules Compliance Program Standard

- 4.4 Any Utility discount received by an affiliate must be offered to all competitors serving the same market as the Utility's affiliate.
1. The Utility must document the cost differential underlying the discount to its affiliate in an affiliate discount report and post it contemporaneously with the provision of the service (within 24 hours) on the appropriate Internet web page, i.e., PG&E's Pipe Ranger Internet site (<http://www.pge.com/pipeline/>) or California ISO's Open Access Same-time Information System (OASIS) Internet site (<http://oasis/caiso.com>), including the following information:
 - Name of the affiliate involved in the transaction.
 - Rate charged.
 - Maximum rate.
 - Time period for which the discount or waiver applies.
 - Quantities involved in the transaction.
 - Delivery points involved in the transaction.
 - Any conditions or requirements applicable to the discount or waiver, and documentation of the cost differential.
 - Procedures by which a nonaffiliated entity may request a comparable offer.
 2. All such transactions also must be submitted to Compliance and Ethics within four hours of the transaction (see Step 5.5 below about affiliate transaction reports).
 3. The Utility is responsible for maintaining, for each billing period, the following information:
 - Name of the entity being provided with services by the Utility.
 - Affiliate's role in the transaction (i.e., shipper, marketer, supplier, seller).
 - Duration of the discount or waiver.
 - Maximum rate.
 - Rate or fee actually charged during the billing period.
 - Quantity of products or services scheduled at the discounted rate during the billing period for each delivery point.
 4. All related records must also conform to applicable FERC rules.

Affiliate Rules Compliance Program Standard

4.5 The Utility must not do the following:

- Assign current customers to any of its affiliates, whether by default, direct assignment, option, or by any other means, unless that means is equally available to all competitors.
- Provide leads to its affiliates; solicit business on behalf of its affiliates; or acquire information on behalf of or to provide to its affiliates.
- Share with its affiliates any market analysis reports or other types of proprietary or non-publicly available reports, including but not limited to market, forecast, planning or strategic reports.
- Offer or provide customers advice or assistance about its affiliates or other service providers.

4.6 Except as otherwise provided in the Utility's Affiliate Rules Compliance Plan (<http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>), the Utility must provide access to the following on the same terms for all similarly situated market participants:

- Utility information.
- Utility services (other than permitted corporate support services).
- Unused capacity or supply.

4.7 IF the Utility provides supply, capacity, services (other than permitted corporate support services), or information to an affiliate,

THEN it must contemporaneously make the offering available to all similarly situated market participants, which include all competitors serving the same market as the affiliate.

5 Utility General Requirements – Disclosure and Information

5.1 The Utility may make non-customer specific non-public information available to its affiliates only if it makes that information contemporaneously available to all other service providers on the same terms and conditions, and keeps the information open to public inspection.

1. Non-customer specific non-public information includes, but is not limited to, Utility information about the following:
 - Natural gas or electricity purchases, sales, or operations.
 - Gas-related goods or services.
 - Electricity-related goods or services.

Affiliate Rules Compliance Program Standard

5.1 (continued)

2. However, the Utility may exchange proprietary information on an exclusive basis with an affiliate in conjunction with permitted corporate support services (see Step 6.6), provided the information is to be used solely for that purpose.

5.2 The Utility must provide customer information to its affiliates and unaffiliated entities on a strictly non-discriminatory basis, and only with prior affirmative customer written consent.

1. In an August 21, 2014, letter, the Energy Division of the CPUC clarified that the Utility may release customer information to community-based organizations under the Community Help and Awareness of Natural Gas and Electricity Services (CHANGES) program with only customers' verbal consent.

5.3 The Utility must not do the following:

- Provide to its affiliates or unaffiliated entities any non-public information and data received from an unaffiliated supplier (except for permitted joint purchases (see Step 6.1)) unless it first obtains written authorization to do so from the supplier.
- Actively solicit the release of such information exclusively to its own affiliate in an effort to keep such information from unaffiliated entities.

5.4 Employees must maintain contemporaneous documentation of all tariffed and non-tariffed transactions with affiliates, including the following:

- All waivers of tariff or contract provisions.
- Discounts.
- All negotiations of any sort between the Utility and any affiliates, whether or not such negotiations result in a consummated transaction.
- The provision of any goods, property, service, privilege, or act.
- The provision of any information.

5.5 The retention of business correspondence between the Utility and PG&E Corporation is not required if it meets all of the following requirements:

1. It is prepared in the normal course of the Utility's business.
2. It is between Utility employees and only incidentally provided to PG&E Corporation.
3. It does not require action or response by PG&E Corporation.
4. It does not include customer-related information.

Affiliate Rules Compliance Program Standard

- 5.6 For consummated transactions with affiliates, the Utility must make final transaction documents available for third-party review upon 72 hours' notice or at a time mutually agreeable to the Utility and the third party.
1. To meet this requirement, Utility employees are required to complete an affiliate transaction report (an "ATR"), which is located at <http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>.
 2. Except as noted in Step 5.5, the employee is required to fill out the ATR form and deliver it as soon as practicable to the Compliance and Ethics Department.
 3. IF the employee contemplates a series of transactions that will pertain to a single project or assignment,

THEN the employee may submit one ATR for the single project or assignment.
- 5.7 The Utility must maintain a record of all contracts and related bids for the provision of work, products or services between the Utility and its affiliates for no less than three years, and longer if the CPUC or another government agency requires it.
- 6 Utility General Requirements – Separation**
- 6.1 Joint Purchases
1. The Utility and its affiliates must not make joint purchases of goods and services associated with the traditional utility merchant function, such as power plant equipment or engineering services.
 2. Other joint purchases are allowed that are consistent with charge-back rules, e.g., purchases of office supplies and telephone services (see Attachment 1, "Permitted and Non-Permitted Joint Purchases", and [FIN-3150S, "Affiliated Company Transactions Accounting Standard"](#)).

Affiliate Rules Compliance Program Standard

6.2 Disclaimers

1. IF the Utility:

- Trades upon, promotes, or advertises its affiliation with an affiliate in California OR
- Allows the PG&E name or logo to be used by the affiliate or in any material circulated by the affiliate in California,

THEN the following must be disclosed in plain legible or audible language, on the first page or at the first point where its name or logo appears:

- “[Affiliate Name] is not the same company as PG&E,”
- “[Affiliate Name] is not regulated by the California Public Utilities Commission,” and
- “You do not have to buy [Affiliate Name’s] products in order to continue to receive quality regulated services from PG&E.”

2. The requirements about what is “legible” are detailed in Rule V.F, which is in the Utility’s Affiliate Rules Compliance plan on the CPUC Affiliate Rules Intranet site at <http://pgweb/finance/risk/compliance/Pages/affiliaterules.aspx>.

3. Disclaimers are not required in the following situations:

- Communications with governmental bodies, where the parties involved either know or should have reason to know, the legal status and interrelationship of the Utility and affiliates, and the communications are not related to product sales.
- Annual reports to shareholders.
- Internal written communications between PG&E Corporation, the Utility, and any affiliates, provided that the internal communications are not also sent to third parties.

4. Disclaimers are required on all of the following within California:

- Affiliate technical and operational correspondence with customers.
- Affiliate billings, invoices, and envelopes sent to customers.
- Affiliate recruiting materials.

Affiliate Rules Compliance Program Standard

6.3 Advertising and Marketing

1. The Utility must not offer or provide to its affiliates advertising space in Utility billing envelopes or any other form of customer written communication unless it provides access to all other unaffiliated service providers on the same terms and conditions.
2. The Utility must not participate in joint advertising or joint marketing with its affiliates, including, but not limited to the following:
 - Joint sales calls, through joint call centers or otherwise, or joint proposals (including responses to requests for proposals) to existing or potential customers. (At a customer's unsolicited request, the Utility may participate, on a nondiscriminatory basis, in non-sales meetings with its affiliates or any other market participant to discuss technical or operational subjects regarding the Utility's provision of transportation service to the customer.)
 - Joint advertising, sales, marketing, communications and correspondence with any existing or potential customer.
 - Joint participation in trade shows, conferences, or other information or marketing events held in California.

6.4 Research and Development

1. The Utility must not share or subsidize costs, fees, or payments with its affiliates associated with research and development activities or investment in advanced technology research.

6.5 Temporary Assignments and Transfers

1. Temporary assignments of Utility employees to some affiliates are permitted in limited circumstances:
 - The Utility's needs for its employees always take priority over needs of PG&E Corporation and affiliates.
 - No temporary assignments are allowed to energy marketing affiliates (see the current list of affiliated companies on the CPUC Affiliate Rules Intranet site at <http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>, which indicates the affiliates that are energy marketing affiliates).
 - Before any temporary assignment to a non-energy marketing affiliate, a draft written agreement must be sent to the Compliance and Ethics Department and, upon Compliance and Ethics' approval, signed by officers of the Utility and the affiliate.
 - The rotating employee must agree in writing to follow all applicable rules.

Affiliate Rules Compliance Program Standard

6.5.1 (continued)

- Utility employees who have performed marketing duties within the last six months are not eligible for a temporary assignment to any affiliate.
 - Temporary assignments to Rule II.B affiliates cannot exceed 30% of an employee's time, defined as 78 days per year.
 - No more than five percent of full-time equivalent Utility employees may be on temporary assignment to PG&E Corporation or affiliates at a given time.
2. When a Utility employee transfers to an affiliate, the employee may not return to the Utility for one year, unless the affiliate goes out of business.
 - a. IF such an employee returns to the Utility,

THEN the employee may not return to the same affiliate within two years.
 - b. When a non-clerical Utility employee is transferred to PG&E Corporation or any affiliate, the receiving entity must make a one-time payment (transfer fee) to the Utility equivalent to 25% of the transferring employee's total annual compensation from the Utility (see [FIN-3150S, "Affiliated Company Transactions Accounting Standard"](#)).
 3. An employee transferring or temporarily assigned from the Utility to PG&E Corporation or any other affiliate is expressly prohibited from using information gained from the Utility, in a discriminatory or exclusive fashion, to the benefit of the affiliate or to the detriment of other unaffiliated service providers.

6.6 Permitted Corporate Support Services

1. Under Rule V.E., the Utility may share certain corporate support services with PG&E Corporation and affiliates. Since the Utility and PG&E Corporation have chosen not to share any key officers (as they are described in Rule V.E.), the Utility and PG&E Corporation also may share corporate support services related to regulatory affairs, lobbying, and legal services.
2. All permitted corporate support services rendered by Utility employees to PG&E Corporation and affiliates must be charged to the requesting entity as required by the rules.
 - a. For accounting requirements, see [FIN-3150S, "Affiliated Company Transactions Accounting Standard."](#)
3. For a list of permitted corporate support services, see [Attachment 2, "Permitted and Non-Permitted Corporate Support Services."](#)

Affiliate Rules Compliance Program Standard

4. Before the Utility engages in any corporate support services with PG&E Corporation or any of its subsidiaries, a Continuing Services Agreement (CSA) is required between the entities. The CSA contains terms and conditions governing the transactions.

6.7 Other Separation Requirements

1. The Utility must not do the following:
 - a. Share officers with an affiliate.
 - b. Share office space, office equipment, services, and systems with an affiliate.
 - c. Access the computer or information systems of an affiliate or allow an affiliate to access its computer or information systems, except to the extent appropriate to perform shared corporate support functions permitted under Rule V.E.
 - d. Provide recruiting services for an affiliate.
2. The Utility must provide goods and services that it produces, purchases or develops for sale on the open market to affiliates and unaffiliated companies on a non-discriminatory basis, unless otherwise permitted by the affiliate rules or applicable law.
3. All support personnel services, physical plant, equipment, supplies, and other overhead owned by the Utility and used by PG&E Corporation must be used in a manner consistent with and charged to PG&E Corporation as required by the rules.

7 Filings and Communications with CPUC

- 7.1 The Compliance and Ethics Department coordinates the filings and communications described in Subsection 7.
- 7.2 Each calendar year, the Utility is required to submit three formal communications to the Energy Division of the CPUC:
 1. By March 31, a cover letter and attached certifications of key officers of the Utility and PG&E Corporation that certify compliance with the affiliate rules for the preceding year (see [RISK-4301P-01, "Affiliate Rules Compliance Officer Certification Procedure"](#)).
 2. By June 30, an advice letter with attached annual Affiliate Rules Compliance Plan (see [RISK-4301P-02, "Affiliate Rules Compliance Plan Procedure"](#)).
 3. By the last business day of November, a cover letter and attached report of information on necessary capital at the Utility (see [RISK-4301P-03, "Affiliate Rules Necessary Capital Report Procedure"](#)).

Affiliate Rules Compliance Program Standard

- 7.3 Immediately upon creation of a new affiliate (the Utility construes this to be within three business days), the Utility is required to notify the Energy Division (and post notice on the Internet per Step 8.2.5).
1. Then, within 60 days of creation of a new affiliate, the Utility must file an advice letter with the Energy Division stating the following:
 - Affiliate's purpose or activities.
 - Whether the affiliate meets the criteria described in Rule II B, thus making the affiliate rules applicable to the affiliate.
 - A demonstration that there are adequate procedures in place that will ensure compliance with the affiliate rules.
- 7.4 Within 30 days, the Utility is required to notify the Energy Division of a change of the list of shared members of the Boards of Directors and shared officers of the Utility and PG&E Corporation.
1. The list is in the annual Affiliate Rules Compliance Plan at <http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>.
- 7.5 Under Rule VIII, the Utility has an obligation to promptly report to the CPUC any identified violation of the affiliate rules and correct the violation at the earliest administratively feasible time.

8 Posting on Internet

- 8.1 Whenever the Utility conducts certain transactions with its affiliated companies, it must make the information contemporaneously available to other market participants. Posting such information on the Utility's Affiliate Transactions Internet website fulfills this compliance requirement (<http://www.pge.com/about/rates/affiliate/>).
- 8.2 The Utility posts information on the Utility's Affiliate Transactions Internet website when required under the following rules:
1. Rule III.B.2 - PG&E has provided supply, capacity, services, or information to an affiliate.
 - a. Exceptions to requirement to post:
 - It is a permitted joint purchase under Rule V.D.
 - It is a permitted corporate support service under Rule V.E.
 - It is a permitted non-tariffed product or service under Rule VII.C.

Affiliate Rules Compliance Program Standard

8.2 (continued)

2. Rules III.B.3 and III.F - PG&E has provided an affiliate a discount, rebate, or other waiver of any charge or fee associated with products or services provided by PG&E.
3. Rule IV.A - PG&E has provided customer information to an affiliate.
4. Rule IV.B - PG&E has provided non-customer specific non-public information to an affiliate.
5. Rule VI.B - The creation of a new affiliate.

8.3 Refer to [RISK-4301P-04, "Affiliate Transaction Internet Posting Procedure."](#)

9 Employee Training and Communications

9.1 Compliance and Ethics is responsible for coordinating with LOB representatives to ensure periodic training or communications are provided to the employees of the Utility, PG&E Corporation, and their affiliates.

1. By the end of August each year, Compliance and Ethics sends an all-employee communication about the importance of compliance with affiliate rules (typically in the PG&E Bulletin communication tool issued by Corporate Affairs).
2. By the end of February each year, Compliance and Ethics sends targeted communications to specific categories of employees about the affiliate rules relevant to their work activities.
3. Specific categories of employees also may be required to complete annual web-based training on affiliate rules (see [RISK-4301P-05, "Affiliate Rules Training Management Procedure"](#)).

END of Requirements

Affiliate Rules Compliance Program Standard

DEFINITIONS

Affiliate is any corporation, partnership, company or other entity that has 5% or more of its outstanding securities owned, controlled, or held with power to vote, directly or indirectly, either by the Utility, PG&E Corporation or any of its subsidiaries or where the Utility, PG&E Corporation or any of its subsidiaries indirectly have substantial financial interests or exert substantial control over the operations through means other than ownership.

Assets include tangible and intangible, real and personal property and the right to use the assets (including intellectual property or other intangible assets) through leases, licenses or other arrangements.

Continuing Services Agreement is a contract executed by the Utility and PG&E Corporation or Non-Rule II.B affiliates specifying the terms under which non-tariffed transactions will be undertaken.

Corporate Support Services includes work for the purposes of joint corporate oversight, governance, support systems and personnel. These services may only be performed by the Utility, PG&E Corporation, or PG&E Corporation Support Services II, Inc. In some limited cases, these services may also be provided by other affiliates.

Intangible Assets includes any asset having no physical existence, other than recorded information, its value being set by the rights and anticipated benefits that an owner enjoys by possessing it. This includes:

- Licenses
- Franchises
- Marketable emission permits and emission offsets

Intellectual Property includes any proprietary market data, customer lists, marketing or feasibility studies, leads and prospects for future business opportunities, patents, trade secrets, copyrights, product rights, royalty interests or other marketable technologies.

Joint Purchases is defined as the purchasing of goods or services by the Utility in combination with PG&E Corporation or affiliates under the same contract or separate contracts negotiated together or using common volumes. Joint purchasing is not allowed for energy products or energy-related goods or services (i.e. goods and services associated with the traditional utility merchant function).

Non-tariffed Goods or Services are any goods or services for which price, terms and conditions are NOT set by the CPUC or any other regulatory body having jurisdiction.

Personal Property includes vehicles, machinery, furniture, fixtures (not attached to land), equipment, computer hardware, and any other tangible property excluding 'Goods' or 'Real Property'.

Affiliate Rules Compliance Program Standard

Real Property includes:

- Land
- Buildings
- Improvements
- Timber
- Mineral rights
- Easements
- Rights of way
- Other similar rights associated with land owned by others

Services are any activities having economic value.

Tariffed Goods or Services are any goods or services for which price, terms and conditions are set by the CPUC or any other regulatory body having jurisdiction and which are available to all customers meeting the requirements contained in those terms and conditions.

Transaction means the provision of any goods, property, service, privilege, or act between any two parties for which compensation normally would be provided if each party was independent of the other and acting in its best financial interest. Transactions also include the provision of any information to an affiliate. When defining a “transaction,” employees should be inclusive rather than exclusive.

IMPLEMENTATION RESPONSIBILITIES

Document Owner ensures this standard is communicated to target audience employees whose activities relate to compliance with affiliate rules.

GOVERNING DOCUMENT

NA

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

CPUC D.06-12-029, Appendix A-3, Affiliate Transaction Rules Applicable to Large California Energy Utilities (<http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>)

Affiliate Rules Compliance Program Standard

REFERENCE DOCUMENTS

Developmental References:

- 2014 Affiliate Rules Compliance Plan
<http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>
- [RISK-4302S, "Affiliated Company Transactions Standard"](#)

Supplemental References:

- [RISK-4301P-01, "Affiliate Rules Compliance Officer Certification Procedure"](#)
- [RISK-4301P-02, "Affiliate Rules Compliance Plan Procedure"](#)
- [RISK-4301P-03, "Affiliate Rules Financial Health Report Procedure"](#)
- [RISK-4301P-04, "Affiliate Transaction Internet Posting Procedure"](#)
- [RISK-4301P-05, "Affiliate Rules Training Management Procedure"](#)
- [FIN-3150S, "Affiliated Company Transactions Accounting Standard"](#)
- PG&E's CPUC Affiliate Rules Intranet site:
<http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>
- Affiliate Transactions Internet website <http://www.pge.com/about/rates/affiliate/>

APPENDICES

NA

ATTACHMENTS

- [Attachment 1, "Permitted and Non-Permitted Joint Purchases"](#)
- [Attachment 2, "Permitted and Non-Permitted Corporate Support Services"](#)

DOCUMENT REVISION

NA

DOCUMENT APPROVER

Megan Janis, Director, Compliance and Ethics

Affiliate Rules Compliance Program Standard

DOCUMENT OWNER

Dean Mortensen, Compliance Management Consultant, Principal, Compliance and Ethics

DOCUMENT CONTACT

Dean Mortensen, Compliance Management Consultant, Principal, Compliance and Ethics

REVISION NOTES

Where?	What Changed?
NA	This is a new standard. It incorporates part of the former RISK-4302S, "Affiliated Company Transactions Standard," which has been superseded by FIN-3150S, "Affiliated Company Transactions Accounting Standard" .

Exhibit 3

FIN-3150S, Affiliated Company Transactions Accounting Standard

Affiliated Company Transactions Accounting Standard

SUMMARY

This standard describes roles, responsibilities and requirements for correct accounting of transactions between Pacific Gas and Electric Company (the Utility) and the following:

- PG&E Corporation
- PG&E Corporation's affiliates and subsidiaries
- The Utility's affiliates and subsidiaries

Transactions between the Utility and affiliated entities must comply with pricing and regulatory rules and requirements as issued by the California Public Utilities Commission (CPUC) and the Federal Energy Regulatory Commission (FERC).

TARGET AUDIENCE

Utility employees involved in pricing and charging for transactions between the Utility and PG&E Corporation, PG&E Corporation's affiliates and subsidiaries, and the Utility's affiliates and subsidiaries.

SAFETY

NA

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Affiliated Company Transactions Accounting Standard

REQUIREMENTS

1 General Overview

- 1.1 In 2006, the California Public Utilities Commission updated the affiliate rules that govern interactions between the Utility, PG&E Corporation, and their affiliates, including interactions among their respective employees (D.06-12-029, Appendix A-3, Affiliate Transaction Rules Applicable to Large California Energy Utilities).
- 1.2 In general, the affiliate rules do not apply to PG&E Corporation. Where explicitly stated, though, specific provisions of the rules also apply to PG&E Corporation and all of the Utility's affiliates.
- 1.3 Under Rule II.B, the term "affiliates" in the rules includes any subsidiary of the Utility or PG&E Corporation engaging in the following activities:
 - Provision of a product that uses gas or electricity OR
 - Provision of services that relate to the use of gas or electricity.
- 1.4 The current list of affiliated companies is located on the Utility's CPUC Affiliate Rules Intranet site at <http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>. The list indicates:
 1. Entities that are Rule II.B affiliates.
 2. Entities that are non-Rule II.B affiliates.
- 1.5 This standard describes only the accounting requirements related to affiliate transactions. A complete copy of the CPUC affiliate rules and the Utility's Annual Affiliate Rules Compliance Plan are on the CPUC Affiliate Rules Intranet site at <http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>.
- 1.6 [RISK-4301S, "Affiliate Rules Compliance Program Standard."](#) provides a summary of the affiliate transaction rules issued by the California Public Utilities Commission (CPUC).

Affiliated Company Transactions Accounting Standard

2 Transactions Permitted Between Utility/PG&E Corporation and Utility/All Affiliates

- Refer to Table 1, “References for Permitted Transactions,” for information found in [RISK-4301S, "Affiliate Rules Compliance Program Standard,"](#)

Table 1, References for Permitted Transactions

Topic	Reference
Types of transactions permitted between: <ul style="list-style-type: none"> The Utility and PG&E Corporation. The Utility and all affiliates. 	Subsection 4, “Utility General Requirements – Non-Discrimination”
List of permitted and non-permitted joint purchases.	Attachment 1, “Permitted and Non-Permitted Joint Purchases”
.List of permitted and non-permitted corporate support services.	Attachment 2, “Permitted and Non-Permitted Corporate Support Services”

3 Authorization for Transaction Between Utility/PG&E Corporation and Utility/All Affiliates

3.1 General

- At least five business days before a Utility organization conducts a transaction with PG&E Corporation or a Rule II.B or non-Rule II.B affiliate, it must submit an Affiliate Order Request form to Affiliate Accounting to receive advance authorization for the transaction.
 - An Affiliate Order Request form is **not** required for tariffed goods or services, as these require authorization only under the specific tariff.
- Permitted corporate support services estimated at \$100,000 or greater must be approved by the Compliance and Ethics Department before conducting the transaction or commencing work. Affiliate Accounting coordinates this approval process with Compliance and Ethics.
- IF the transaction is with a Rule II.B affiliate,

THEN, the same day as the transaction, the Utility employee involved in the transaction must submit an Affiliate Transaction Report (ATR) to Compliance and Ethics.

 - IF the transaction extends over multiple days,

THEN the employee may submit one ATR covering the entire period of the transaction.

Affiliated Company Transactions Accounting Standard

- 3.2 Following are the approval levels required on the Affiliate Order Request form for providing goods and services to and for joint purchases with PG&E Corporation or a Rule II.B or non-Rule II.B affiliate:
1. New affiliate order request with estimated charges less than \$1 million - manager or above.
 2. New affiliate order request with estimated charges of \$1 million and more - director or above.
 3. Predictable and recurring fixed charges (any amount) - director or above.
 4. Recurring affiliate order requests (any amount) - manager or above.
- 3.3 Permitted joint purchases
1. In addition to the requirements above, all joint purchases must be made pursuant to a written contract with the third party offering the goods or services to be jointly purchased.
 2. Special contract language may be required when making a joint purchase, and consultation with the Law department is required.
- 3.4 Employee Rotations or Temporary Assignments
1. Before processing a rotation or temporary assignment of a Utility employee to a Rule II.B affiliate, a written agreement must be executed by the responsible directors or officers of the Utility and the affiliate.
 2. The Compliance and Ethics Department must approve the agreement and concur with the rotation or temporary assignment before it is processed.
- 4 Valuation of Transaction**
- 4.1 General
1. The Utility may not grant any special pricing or terms to Rule II.B and non-Rule II.B affiliates.
 2. [Appendix 1, Transfer Pricing Rules Matrix](#), summarizes the transfer pricing rules in Subsections 0 through 4.7.

Affiliated Company Transactions Accounting Standard

- 4.2 Transactions between the Utility and Rule II.B affiliates.
 1. Tariffed goods or services
 - a. Tariffed goods and services are priced at the approved tariff, which is considered to be the fair market value.
 - b. For transfers resulting from an open competitive bid, the winning bid is considered to be the fair market value.
 - c. The Utility must not provide any discount from the tariff unless that discount is contemporaneously made available to all market participants.
 - d. If a discount is contemplated, special posting requirements apply, and the Compliance and Ethics Department must be contacted before an offer of any discount is made to a Rule II.B affiliate or to a known customer of a Rule II.B affiliate.
 - e. Utility employees' labor is included in the tariffed price and is not separately charged.
 2. Non-tariffed goods and services produced, purchased or developed for sale are priced at fair market value.
 3. Goods and services not produced, purchased, or developed for sale (including corporate support services) are priced at the following:
 - a. Fully loaded cost plus 5% of direct labor cost when they are transferred from the Utility to a Rule II.B affiliate.
 - b. The lower of fully loaded cost or fair market value when they are transferred from a Rule II.B affiliate to the Utility.
 4. Permitted joint purchases.
 - a. Corporate support services are charged at fully loaded cost.
 - b. Goods jointly purchased are priced in accordance with the approved written contract with the third party.

Affiliated Company Transactions Accounting Standard

- 4.3 Transfers of goods and services from the Utility to non-Rule II.B affiliates.
1. Corporate support services are priced at fully loaded cost.
 2. Excluding corporate support services, goods and services produced, purchased or developed for sale are valued at fair market value.
 3. Excluding corporate support services, goods and services **not** produced, purchased or developed for sale:
 - a. IF value is \$250,000 or less,
THEN pricing is at fully loaded cost plus 5% of direct labor cost.
 - b. IF value is greater than \$250,000,
THEN pricing is at the **higher** of the following:
 - Fair market value OR
 - Fully loaded cost plus 5% of direct labor cost.
- 4.4 Transfers of goods and services from non-Rule II.B affiliates to the Utility:
1. Corporate support services are priced at fully loaded cost.
 2. Excluding corporate support services, goods and services produced, purchased or developed for sale are priced at the **lower** of the following:
 - Fair market value OR
 - Tariff or list price.
 3. Excluding corporate support services, goods and services **not** produced, purchased or developed for sale:
 - a. IF value is \$250,000 or less,
THEN pricing is at fully loaded cost.
 - b. IF value is greater than \$250,000,
THEN pricing is at the lower of the following:
 - Fair market value OR
 - Fully loaded cost

Affiliated Company Transactions Accounting Standard

- 4.5 Transfer of assets pursuant to a written agreement – all affiliates (the CPUC rule requires only Rule II.B affiliates, but for consistency, the Utility applies this to all affiliates).
1. Assets having a net book value of \$250,000 or less (except land and intellectual property) are priced at net book value.
 2. All assets having a net book value greater than \$250,000 are priced at an appraised fair market value.
 3. All land and intellectual property, regardless of net book value, are priced at fair market value.
 - a. Fair market value of intellectual property may be a single cost price, a royalty on future revenues, or a combination of both.
- 4.6 Employee Rotations or Temporary Assignments
1. Non-executive employees on rotations or temporary assignments to Rule II.B affiliates are billed at the higher of fully loaded cost plus 10% of direct labor cost or at fair market value.
 2. Executive employees on rotations or temporary assignments to Rule II.B affiliates are billed at the higher of fully loaded cost plus 15% of direct labor cost or at fair market value.
 3. All employees on rotations or temporary assignments to PG&E Corporation and non-Rule II.B affiliates are billed at fully loaded cost.
- 4.7 Employee Transfers
1. When a non-clerical Utility employee is transferred to PG&E Corporation or any affiliate, the recipient must make a one-time payment (transfer fee) to the Utility equivalent to 25% of the transferring employee's total annual compensation from the Utility. See [FIN-3150P-01, "Employee Transfer Fee Procedure"](#) for the employee transfer fee calculation.
 2. No distinction is made between full-time or part-time annual compensation.
 3. Approval by Compliance and Ethics is required if the Utility can demonstrate that a transfer fee less than 25% (but no less than 15%) is appropriate for the class of employee involved.

Affiliated Company Transactions Accounting Standard

5 Recording Cost and Intercompany Billings and Payment

5.1 Intercompany Billings

1. Billings for affiliate transactions, including joint purchases, are done monthly.
2. Inter-company billings are accompanied by or referenced to appropriate supporting documents.

5.2 Payment due dates

1. The Utility's invoices to PG&E Corporation or any affiliate, or vice versa, require payments to be made by the receiving party within 30 days after receipt of the invoice. Payment is due to the Utility whether or not the receiving party disputes all or any portion of the invoice.
2. Any balances owed to a providing party beyond 30 days following the date of receipt of the invoice accrue interest at an annualized rate equal to 5% above the prime rate published in the Wall Street Journal on the last business day of the month and each subsequent day until the outstanding balance is paid.

5.3 Billing Disputes

1. To dispute any portion of an invoice, the receiving party must advise the other party in writing of the disputed portion and any proposed adjustments within 30 days from the date of receipt of the invoice in dispute.
2. Billing disputes or adjustments to recorded transfer prices are to be resolved within 60 days after the billing is recorded. Compliance and Ethics and Affiliate Accounting must be notified in the event that a billing dispute cannot be resolved by the Utility and PG&E Corporation or affiliate within 60 days after the billing is recorded.

6 Reporting and Compliance Requirements

6.1 The following information is reported to the CPUC in the Annual Affiliate Transactions Report:

- Current organizational information
- Written agreements and descriptions of verbal agreements for transactions between the Utility and PG&E Corporation or an affiliate in the reporting year.
- Transfers of assets, goods, or services in the reporting year.
- Borrowings or loans between the Utility and PG&E Corporation or any affiliate in the reporting year.
- Standards and/or procedures that ensure accurate recording of transactions, price calculations, record keeping, overheads, etc.

Affiliated Company Transactions Accounting Standard

6.1 (continued)

- Internal audits conducted (dates, purposes, summaries of findings and recommendations)
- Identification of any employees who were on a rotation or temporary assignment to PG&E Corporation or to a Non-Rule II.B affiliate and the dates of the rotation or temporary assignment
- Identification of any Utility employees who transferred to or from PG&E Corporation or an affiliate and the date when the transfer occurred.

7 Internal Controls

7.1 Record Maintenance

1. The Utility must maintain contemporaneous records documenting all affiliate transactions including, but not limited to the following:
 - Permitted waivers of tariff.
 - Contract provisions and discounts.
 - Contracts and related bids and other items documenting a transaction.
2. The document retention period for all affiliate transactions is a minimum of three years, or longer if required by the CPUC or another government agency.

7.2 Budgets

1. The Utility is responsible for allocating resources, monitoring, and controlling costs for any affiliate transaction it undertakes.
2. Estimates for anticipated recurring and non-recurring services, capital expenditures and personnel staffing must be provided to and received from PG&E Corporation, and affiliates must be included in the Utility's budget process.
3. A quarterly variance analysis between budget and actual costs is performed to ensure accuracy of affiliate charges.

7.3 Audits

1. The Utility may initiate internal audits of affiliate transactions if deemed necessary to measure the effectiveness of internal controls.

END of Requirements

Affiliated Company Transactions Accounting Standard

DEFINITIONS

Affiliate is any corporation, partnership, company or other entity that has 5% or more of its outstanding securities owned, controlled, or held with power to vote, directly or indirectly, either by the Utility, PG&E Corporation or any of its subsidiaries or where the Utility, PG&E Corporation, or any of its subsidiaries indirectly have substantial financial interests or exert substantial control over the operations through means other than ownership.

Affiliate Order Request is the process to request a billable order number for the purpose of recording and charging billable services between affiliates.

Affiliate Transactions are transactions between the Utility, PG&E Corporation or affiliate with another affiliate of the Utility, PG&E Corporation, or its subsidiaries.

Annual Affiliate Transactions Report is the Annual Report on Significant Utility-Affiliate Transactions required by the CPUC in OIR 92-08-008. This report contains a list of all affiliated entities and identifies the nature of transactions between the Utility and PG&E Corporation or any affiliate.

Assets include tangible and intangible, real and personal property and the right to use the assets (including intellectual property or other intangible assets) through leases, licenses or other arrangements.

Corporate Support Services includes work for the purposes of joint corporate oversight, governance, support systems and personnel. These services may only be performed by the Utility, PG&E Corporation, or PG&E Corporation Support Services II, Inc. In some limited cases, these services may also be provided by other affiliates.

Direct Labor Cost is defined as direct payroll costs, including wages and non-productive time, plus wage-related loadings such as payroll taxes and health insurance.

Fair Market Value is the price at which a willing seller would sell to a willing buyer, where neither is under a compulsion to buy or to sell. For goods or services for which the price is regulated by a single state or federal agency, the regulated price shall be deemed to be the fair market value. In cases where more than one agency regulates the price, the federal agency price (if any) shall be deemed to be the fair market value, otherwise the CPUC's price shall be deemed to be the fair market value. Affiliate Accounting is responsible for making the final determination of fair market value.

Fully Loaded Cost consists of 'Direct Labor Costs', general office expenses, such as space and supplies, and other direct costs of 'Goods' or 'Services' plus all applicable indirect charges and overheads. See Attachment 1, Indirect Charges and Overheads for a list of these indirect charges and overheads.

Affiliated Company Transactions Accounting Standard

Intangible Assets includes any asset having no physical existence, other than recorded information, its value being set by the rights and anticipated benefits that an owner enjoys by possessing it. This includes:

- Licenses
- Franchises
- Marketable emission permits and emission offsets

Intellectual Property includes any proprietary market data, customer lists, marketing or feasibility studies, leads and prospects for future business opportunities, patents, trade secrets, copyrights, product rights, royalty interests or other marketable technologies.

Joint Purchases is defined as the purchasing of goods or services by the Utility in combination with PG&E Corporation or affiliates under the same contract or separate contracts negotiated together or using common volumes. Joint purchasing is not allowed for energy products or energy-related goods or services (i.e. goods and services associated with the traditional Utility merchant function).

Non-Rule II.B affiliate is an affiliate that does not provide a product that uses gas or electricity or provides gas or electricity services.

Personal Property includes vehicles, machinery, furniture, fixtures (not attached to land), equipment, computer hardware, and any other tangible property excluding 'Goods' or 'Real Property'.

Real Property includes:

- Land
- Buildings
- Improvements
- Timber
- Mineral rights
- Easements
- Rights of way
- Other similar rights associated with land owned by others

Regulated Subsidiary is defined as a subsidiary of the Utility, the revenues and expenses of which are regulated by the CPUC.

Affiliated Company Transactions Accounting Standard

Services are any activities having economic value.

Tariffed Goods or Services are any goods or services for which price, terms and conditions are set by the CPUC or any other regulatory body having jurisdiction and which are available to all customers meeting the requirements contained in those terms and conditions.

Transaction means the provision of any goods, property, service, privilege, or act between any two parties for which compensation normally would be provided if each party was independent of the other and acting in its best financial interest. Transactions also include the provision of any information to an affiliate. When defining a “transaction”, employees should be inclusive rather than exclusive.

IMPLEMENTATION RESPONSIBILITIES

Each officer whose responsibilities may involve transactions with PG&E Corporation and affiliates is responsible for the following:

- Communicating this standard to the appropriate employees in the officer’s organization
- Monitoring compliance with this standard within the officer’s organization

Compliance and Ethics Department is responsible for providing education, training, and oversight to officers’ organizations

Corporate Accounting is responsible for updating this standard.

GOVERNING DOCUMENT

N/A

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

CPUC Decision 96-11-017

CPUC Decision 06-12-029

Affiliated Company Transactions Accounting Standard

REFERENCE DOCUMENTS

Developmental References:

- CPUC Affiliate Rules <http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>

Supplemental References:

- [RISK-4301S, "Affiliate Rules Compliance Program Standard,"](#)
- [FIN-3150P-01, "Employee Transfer Fee Procedure"](#)
- CPUC Affiliate Transaction Rules (Affiliate Rules) Compliance Plan: <http://pgeatwork/Compliance/Pages/AffiliateRules/AffiliateRulesCompliancePlan>

APPENDICES

- [Appendix 1, "Transfer Pricing Rules Matrix"](#)

ATTACHMENTS

- [Attachment 1, "Indirect Charges and Overheads"](#)
- [RISK-4301S, "Affiliate Rules Compliance Program Standard," Attachment 1, "Permitted and Non-Permitted Joint Purchases"](#)
- [Risk-4301S, "Affiliate Rules Compliance Program Standard," Attachment 2, "Permitted and Non-Permitted Corporate Support Services"](#)

DOCUMENT REVISION

RISK-4302S, "Affiliated Company Transaction Standard," April 15, 2013, Rev 0

DOCUMENT APPROVER

David Thomason, Director, Corporate Accounting

DOCUMENT OWNER

Connie Shiu, Senior Accounting Analyst, Affiliate Accounting

DOCUMENT CONTACT

Compliance and Ethics approvals: Dean Mortensen, Principal, Compliance and Ethics

Accounting and related matters: Connie Shiu, Senior Accounting Analyst, Affiliate Accounting

Affiliated Company Transactions Accounting Standard

Contracts or legal matters: Doreen Ludemann, Director and Counsel, Law

REVISION NOTES

Where?	What Changed?
Throughout	Removed content about affiliate rules that overlapped with content in RISK-4301S, "Affiliate Rules Compliance Standard," retaining in this standard content related only to affiliated company transactions accounting.
3.1.5	Deleted entire step 3.1.5 "Non-tariffed goods and services" and the reference to Appendix 3.
3.1.8.d	Deleted entire step 3.1.8.d that is related to "Departing Employee Checklist".
4.7.1	Added reference to FIN-3150P-01, "Employee Transfer Fee Procedure"
Appendices	<p>Removed Appendices 1 and 2, which are now Attachments 1 and 2 to RISK-4301S, "Affiliate Rules Compliance Standard."</p> <p>Deleted Appendix 3 "Authorized Categories of Non-Tariffed products & Services".</p> <p>Renumbered Appendix 4, "Transfer Pricing Rules Matrix" to Appendix 1, "Transfer Pricing Rules Matrix."</p>

Affiliated Company Transactions Accounting Standard

Appendix 1, TRANSFER PRICING RULES MATRIX

Page 1 of 3

From	To	Circumstance	Rule	CPUC Decision
Utility	Rule II.B Affiliate	For goods and services produced, purchased or developed for sale on the open market	Priced at their tariff or list price, which Pacific Gas and Electric Company interpret to be fair market value. For transfers resulting from an open competitive bid, the winning bid is considered fair market value.	D.06-12-029 Rule V.H.1.
Utility	Rule II.B Affiliate	For goods and services <u>not</u> produced, purchased or developed for sale on the open market, <u>including</u> corporate support	Priced at fully loaded cost (direct cost of Good or Service plus all applicable indirect charges and overheads) plus 5% of direct labor cost.	D.06-12-029 Rule V.H.5
Utility	Rule II.B Affiliate	Transfer of Assets	If > \$250,000 in net book value, obtain asset appraisal. If ≤ \$250,000 and not intellectual property, net book value. If it is intellectual property or land, fair market value must be determined.	D.96-11-017 Attachment 1
Utility	Rule II.B Affiliate	Employee Rotations or Temporary Assignments	Non-executive employees: higher of fully loaded cost plus 10% of direct labor cost or at fair market value. Executive employees: higher of fully loaded cost plus 15% of direct labor cost or at fair market value.	D.06-12-029 Rule V.G.2.e
Utility	Corporation & non-Rule II.B Affiliates	For goods and services produced, purchased or developed for sale on the open market	Tariff/List price For transfers resulting from an open competitive bid, the winning bid is considered fair market value.	D.96-11-017 Attachment 1
Utility	Corporation & non-Rule II.B Affiliates	For goods and services <u>not</u> produced, purchased or developed for sale on the open market, <u>excluding</u> corporate support	If ≤ \$250,000, fully loaded cost plus 5% premium on labor charges	D.96-11-017 Attachment 1
Utility	Corporation & non-Rule II.B Affiliates	For goods and services <u>not</u> produced, purchased or developed for sale on the open market, <u>excluding</u> corporate support	If > \$250,000, higher of fair market value or fully loaded cost plus 5% premium on labor charges	D.96-11-017 Attachment 1

Affiliated Company Transactions Accounting Standard

Affiliated Company Transactions Accounting Standard

APPENDIX 1, TRANSFER PRICING RULES MATRIX

Page 2 of 3

From	To	Circumstance	Rule	CPUC Decision
Utility	Corporation & non-Rule II.B Affiliates	For corporate support services	Fully loaded cost	D.96-11-017 Attachment 1
Utility	Corporation & non-Rule II.B Affiliates	Transfer of Assets	If > \$250,000 in net book value, obtain asset appraisal. If ≤ \$250,000 and not intellectual property, net book value. If it is intellectual property or land, fair market value must be determined.	D.96-11-017 Attachment 1
Utility	Corporation & all affiliates	Employee Transfer (non-clerical Utility employee)	25% of the transferring employee's total annual compensation from the Utility (one-time fee)	D.06-12-029 Rule V.G.2.c
Rule II.B Affiliate	Utility	For goods and services produced, purchased or developed for sale on the open market	Priced at no more than fair market value which Pacific Gas and Electric Company interpret to be the tariff or list price.	D.06-12-029 Rule V.H.2.
Rule II.B Affiliate	Utility	For goods and services <u>not</u> produced, purchased or developed for sale on the open market	Priced at the lower of fully loaded cost or fair market value.	D.06-12-029 Rule V.H.6.
Rule II.B Affiliate	Utility	Transfer of Assets	If > \$250,000 in net book value, obtain asset appraisal. If ≤ \$250,000 and not intellectual property, net book value. If it is intellectual property or land, fair market value must be determined.	D.96-11-017 Attachment 1
Corporation & non-Rule II.B Affiliates	Utility	For goods and services produced, purchased or developed for sale on the open market	Lower of fair market value or tariff/list price	D.96-11-017 Attachment 1
Corporation & non-Rule II.B Affiliates	Utility	For goods and services not produced, purchased or developed for sale on the open market, excluding Corporate Support	If < \$250,000, fully loaded cost	D.96-11-017 Attachment 1
Corporation & non-Rule II.B Affiliates	Utility	For goods and services not produced, purchased or developed for sale on the open market, excluding Corporate Support	If > \$250,000, lower of fully loaded cost or fair market value	D.96-11-017 Attachment 1

Affiliated Company Transactions Accounting Standard

APPENDIX 1, TRANSFER PRICING RULES MATRIX

Page 3 of 3

From	To	Circumstance	Rule	CPUC Decision
Corporation	Utility	Corporate Support Services	Fully Loaded Cost	D.96-11-017 Attachment 1
Corporation & non-Rule II.B Affiliates	Utility	Transfer of Assets	If > \$250,000 in net book value, obtain asset appraisal. If < \$250,000 and not intellectual property, net book value. If it is intellectual property or land, fair market value must be determined.	D.96-11-017 Attachment 1
Exceptions		For all transfers to and from the Utility and Affiliates	For goods or services which price is regulated by a state or federal agency, that price is the fair market value, except where more than one state commission regulates the price of goods or services, then the CPUC's pricing provisions govern.	D.06-12-029 Rule V.H.3.

Exhibit 4

CUST-4504S, Non-Tariffed Products & Services Accounting & Reporting
Standard

Non-Tariffed Products & Services Accounting & Reporting Standard

SUMMARY

This standard describes the regulatory mechanisms utilized by the New Revenue Development Department (NRD) to offer Non-Tariffed Products & Services (NTP&S) to customers. Rules have been established by both the Federal Energy Regulatory Commission (FERC) and the California Public Utilities Commission (CPUC) for NTP&S to utilize spare capacity on existing utility assets. NTP&S must meet the criteria of Affiliate Transaction Rule VII as well. The costs to offer these NTP&S are to be the incremental cost to the utility. NTP&S revenues and expenses are reported to both the FERC and CPUC on both a forecast (rate case) and actual (rate case at FERC, NTP&S Annual Report at CPUC) basis. Net revenues generated from NTP&S are shared between PG&E's customers and shareholders as described in the NTP&S Regulation section below.

TARGET AUDIENCE

All Pacific Gas & Electric Company (PG&E) departments who deliver NTP&S as well as those who support NTP&S such as financial and regulatory.

SAFETY

Performing the procedures that implement this standard will not raise the risk of a specific hazard to personnel, the public, or equipment.

TABLE OF CONTENTS

SUBSECTION	TITLE	PAGE
1	NTP&S Regulation	1

REQUIREMENTS

1 NTP&S Regulation

1.1 FERC Transmission Owner rate cases

1. FERC-jurisdictional NTP&S are forecast in PG&E's annual Transmission Owner (TO) rate cases. The TO rate cases are managed by the Electric Transmission Rates Department, and cover PG&E's electric transmission assets. The FERC has established 50/50 sharing of forecast NTP&S net revenues, after taxes, between transmission customers and PG&E shareholders. The customer share of this forecast is credited during the rate design process in the TO case.

Non-Tariffed Products & Services Accounting & Reporting Standard

2. The TO rate case is filed on or about August 1, annually. The due date for providing the NTP&S forecast is set by the TO rate case team, normally one to two months in advance of the filing date. This due date is communicated to NRD about three months before the filing date. By the due date, NRD submits a file containing the required data (one forecast year and one historical year, as specified by the TO rate case team) according to the established schedule.

1.2 CPUC – General Rate Case (GRC)

1. All of PG&E's NTP&S except for those that use spare capacity on electric transmission assets are CPUC-jurisdictional. Any CPUC-jurisdictional NTP&S that is approved by the CPUC for 50/50 net revenue sharing is subject to Non-Tariffed Products & Services Balancing Account treatment discussed in the next section. Currently there is only one NTP&S program, Simple Connections (aka Mover Services), for which this applies.
2. All other CPUC-jurisdictional NTP&S are forecast in PG&E's General Rate Cases (GRC) filed every third year. Forecast NTP&S revenues are included in the Other Operating Revenue (OOR) testimony, sponsored by a witness from the Revenue Requirements Department. Forecast NTP&S net expenses are included in the Customer Care expense testimony, sponsored by a Customer Care witness. All (100%) of the CPUC-adopted forecast of NTP&S net revenues (i.e. revenues minus net expenses) are credited to customers as an adjustment to the authorized revenue requirement.
3. The CPUC sets the ultimate schedule for PG&E to file the GRC. To meet that schedule, Regulatory Relations sets an internal schedule. And with that, Customer Care sets its own schedule of due dates and deliverables for the preparation of the GRC testimony and workpapers. NRD is responsible for providing 5 years of historical (i.e. actual) NTP&S revenues and net expenses, and 3 years of forecast NTP&S revenues and net expenses. The historical data should come directly from SAP, but must be reviewed critically to ensure that the correct information is reported. The forecast data also is reported from SAP, and should tie to the Company's latest S-2 forecast, adjusted for current conditions if the S-2 forecast is stale.

1.3 CPUC – Non-Tariffed Products & Services Balancing Account (NTBA)

1. The NTBA has two components, NTBA-E (electric) and NTBA-G (gas). The purpose of the NTBA is to record the customer share of revenues net of costs and income taxes for CPUC-approved NTP&S pursuant to Affiliate Transaction Rule VII. The NTBA-E is in PG&E's Electric Preliminary Statement, part ET. The NTBA-G is in the Gas Preliminary Statement, part B.

END of Requirements

DEFINITIONS

NA

Non-Tariffed Products & Services Accounting & Reporting Standard**IMPLEMENTATION RESPONSIBILITIES**

New Revenue Development and Regulatory Relations are responsible for implementing this procedure.

GOVERNING DOCUMENT

NA

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

NA

REFERENCE DOCUMENTS**Developmental References:**

NA

Supplemental References:

NA

APPENDICES

NA

ATTACHMENTS

NA

DOCUMENT REVISION

NA

DOCUMENT APPROVER

Roxanne Fong, Acting Director, New Revenue Development Department Document Owner

DOCUMENT CONTACT

Eric Wirth, New Revenue Development Department

REVISION NOTES

Where?	What Changed?

Non-Tariffed Products & Services Accounting & Reporting Standard

Exhibit 5

Affiliate Rules training courses (key word “affiliate rules”)

[My Dashboard](#)[About Me](#)[My Staff](#)[My Work](#)[About Me](#) > [My Learning](#)

Find a Course

[Return to My Learning](#)

Find a Course

[Find Courses](#)[Find Requirement Profiles](#)

Search for courses by keyword, course title, course code, course description, delivery method or subject area. You can enter one or more criteria to search. Then, click "Find".

Keyword(s), course title, code or description

Delivery Method

All Delivery Methods

Subject Area

All Subject Areas

Search Results

3 result(s) returned

Code	Name	Subject Area	Delivery Method
CORP-0407WBT	CPUC Affiliate Tran Rules - Advanced Top	Compliance Non-Academy	WBT/CBT (Internal)
CORP-9011	CPUC Affiliate Rules Annual	Compliance Non-Academy	Instructor Led Training
CORP-9011WBT	CPUC Affiliate Rules Annual	Compliance Non-Academy	WBT/CBT (Internal)

Page 1 of 1

Exhibit 6

FIN-3150P-01, Employee Transfer Fee Procedure

Employee Transfer Fee Procedure

SUMMARY

This procedure provides instructions on how to report employee transfers between Pacific and Electric Gas Company (the Utility) and PG&E Corporation (the Corporation) or affiliates, and to calculate and record one-time employee transfer fees when Utility non-clerical employees transfers to the Corporation or affiliates to comply with California Public Utilities Commission (CPUC) requirements.

Level of Use: Information Use

TARGET AUDIENCE

Utility employees involved in recording and reporting employee transfer fees.

SAFETY

NA

BEFORE YOU START

- 1.1 Confirm with supervisor the following accesses needed to perform this procedure:
- Obtain access to SAP role: GL Journal Entry Preparer
 - Obtain access to Affiliate share drive for employee transfer fee files:
<\\Go311\corpact\Affiliate\BILLING\Employee Transfers Billing>

TABLE OF CONTENTS

SUBSECTION	TITLE	PAGE
1	Obtain Employee Transfer Report	2
2	Ensure Compliance with CPUC Affiliate Rules	2
3	Obtain Non-cash Compensation Burden Rates	3
4	Obtain Supplemental Compensation	3
5	Access Employee Transfer Fee Calculation Schedule	3
6	Calculate Employee Transfer Fee	3
7	Prepare Employee Transfer Journal Entry.....	4
8	Verify billing of Employee Transfer Fee	7
9	Manage Employee Transfer Documents	7
10	Prepare Annual Affiliate Transactions Report.....	7
	Appendix 1, 20XX Components of Billable Costs Based on Labor Costs.....	12

Employee Transfer Fee Procedure

Appendix 2, Computation of Employee Transfer Fee Example	13
Appendix 3, Section H Transfers of Employees	15

PROCEDURE STEPS

1 Obtain Employee Transfer Report

1.1 Obtain employee transfer report from Human Resources (HR) department on a monthly basis.

1.2 Ensure employee transfer data includes the following data:

- Action Date
- Action Reason
- Employee Number
- Last Name
- First Name
- Middle Name
- New Annual Salary
- Prior Annual Salary
- New Job Title
- Prior Job Title
- New Organization Unit Name
- Prior Organization Unit Name
- Short Term Incentive Payment (STIP) Amount

2 Ensure Compliance with CPUC Affiliate Rules

2.1 Review requirements of CPUC D.06-029 Rule V. Separation, G Employees and the Affiliated Company Transactions Standard related to the accounting of employee transfers:
<http://pgeatwork/Guidance/RiskCompliance/Pages/default.aspx>

Employee Transfer Fee Procedure

- 2.2 Determine if employee transfer fee is required by performing the following:
 1. IF transferred employee is a clerical employee OR is transferred from the Corporation or affiliates to the Utility,

THEN no action is required
 2. IF transferred employee is a non-clerical employee AND is transferred from the Utility to the Corporation or affiliates,

THEN move to Step 2.3.
- 2.3 Obtain confirmations from Compliance and Ethics (C&E) and Law that the desired employee transfer meets the current CPUC Affiliate Rules.
- 3 Obtain Non-cash Compensation Burden Rates**
- 3.1 Obtain current non-cash compensation burden rates from Finance Process and Systems – Cost Accounting.
 1. Apply burden rates to include costs of employee benefits, payroll taxes, and pension/PBOB/LTD allocated to labor to provide a more complete picture of labor costs
 2. Refer to [Appendix 1, 20XX Components of Billable Costs Based on Labor Costs](#)
- 4 Obtain Supplemental Compensation**
- 4.1 Obtain the following supplemental compensation during the year from HR Compensation, other than the annual STIP reported by HR/SAP:
 - Restricted Stock Units: number of shares granted to transferred employee and market value at grant date
 - Performance Shares: number of share granted to transferred employee and value of the grant based on the Monte Carlo model.
- 5 Access Employee Transfer Fee Calculation Schedule**
- 5.1 Go to share drive of Affiliate \Go311\corpact\Affiliate\BILLING\Employee Transfers Billing\
5.2 Select Employee Transfer Fee Billing.
5.3 Update the schedule for transferred employee information obtained in Step 1.1.
- 6 Calculate Employee Transfer Fee**
- 6.1 Refer to [Appendix 2, Computation of Employee Transfer Fee Example](#)

Employee Transfer Fee Procedure

- 6.2 Identify transferred employee's last utility annual salary that is used for Employee Transfer fee calculations.
- 6.3 Calculate supplemental cash compensation by totaling the following data for each employee transferred:
 - Short Term Incentive Payment (STIP) obtained from Step 1.1.
 - Restricted Stock Cash Compensation: Number of restricted stock granted X Market Value of stock at grant date (Obtained from Step 4.1.)
 - Performance Share Cash Compensation: Number of performance shares granted X Grant Value based on the Monte Carlo model (Obtained from Step 4.1)
- 6.4 Update Supplemental Cash Compensation of the Employee Transfer Fee Billing Schedule.
- 6.5 Calculate non-cash compensation benefits burden by performing the following:
 1. Multiply last Utility annual salary, from Step 6.2, by total non-cash compensation burden rate, refer to [Appendix 1, 20XX Components of Billable Costs Based on Labor Costs](#)
 2. Last Utility annual salary x Non-cash compensation burden rate% = Non-cash compensation benefits burden.
- 6.6 Calculate Annual Base Compensation by performing the following:
 1. Total the following data:
 - Last Utility annual salary, from Step 6.2
 - Supplemental cash compensation, from Step 6.3.
 - Non-cash compensation benefits burden, from Step 6.4
- 6.7 Multiply Annual Base Compensation, from Step 6.5, by the 25% employee transfer fee rate.
- 6.8 Use result as the final employee transfer fee.
 - Annual Base Compensation x Employee Transfer Fee% = Final Employee Transfer fee.

7 Prepare Employee Transfer Journal Entry

- 7.1 Go to share drive of Affiliate [\\Go311\corpact\Affiliate\BILLING\Employee Transfers Billing](#)
 1. Select year (20xx)
 2. Select JE.

Employee Transfer Fee Procedure

7.1 (continued)

3. Select appropriate file

7.2 IF the Utility employee transferred was involved in the electric business AND transferred to the Corporation or affiliate,

THEN apply full amount of the employee transfer fee as follows:

1. Debit cost element 5091200 (Other Employee Related) with appropriate affiliate order
2. Credit electric revenue account for employee 25% transfer fee as follows:
 - a. IF the employee transfers to PG&E Corporation,
THEN credit 4560014 with appropriate cost center
 - b. IF the employee transfers to PG&E Corporation Support Services II Inc.,
THEN credit 4560025 with appropriate cost center
 - c. IF the employee transfers to other affiliated entity
THEN
 - (1) Request a new chart of account (refer to Chart of Account Creation)
 - (2) Notify Energy Accounting of the new account setup

7.3 IF the Utility employee transferred was involved in the gas business AND transferred to the Corporation or affiliate,

THEN apply full amount of the employee transfer fee as follows:

1. Debit cost element 5091200 (Other Employee Related) with appropriate affiliate order
2. Credit gas revenue account for employee 25% transfer fee as follows:
 - a. IF the employee transfers to PG&E Corporation,
THEN credit 4980014 with appropriate cost center
 - b. IF the employee transfers to PG&E Corporation Support Services II Inc.,
THEN credit 4950019 with appropriate cost center

Employee Transfer Fee Procedure

7.3.2 (continued)

- c. IF the employee transfers to other affiliated entity

THEN

- (1) Request a new chart of account (refer to Chart of Account Creation)
- (2) Notify Energy Accounting of the new account setup

- 7.4 IF the Utility employee transferred was NOT identifiable from the electric or gas business; e.g., administrative or corporate support employee, AND transferred to the Corporation or affiliate

THEN obtain from Revenue Requirement department the allocation factor of electric and gas based on the O&M labor factors approved by the most recent General Rate Case (GRC).

1. Prorate the employee transfer fee between electric and gas revenue based on the above allocation factors
 - a. Calculate the Electric and Gas portion of the transfer fee:
 - Electric Revenue = Electric Allocation factor x Total Transfer Fee
 - Gas Revenue = Gas Allocation factor x Total Transfer Fee
 - b. Debit cost element 5091200 (Other Employee Related) with appropriate affiliate order and total transfer fee
 - c. Credit appropriate cost element 45600xx (Electric Revenue Emp 25% Fee) with cost center and allocated transfer fee related to electric revenue
 - Apply to 4560014 for employee transferred to PG&E Corporation
 - Apply to 4560025 for employee transferred to PG&E Corporation Support Services II Inc.
 - d. Credit appropriate cost element 49500xx (Gas Revenue Emp 25% Fee) with cost center and allocated transfer fee related to gas revenue
 - Apply to 4950014 for employee transferred to PG&E Corporation
 - Apply to 4950019 for employee transferred to PG&E Support Services II Inc.
- 7.5 Prepare Journal Entry into SAP in accordance to Fin-3100P-01 Journal Entry Package Procedure and Maintain information in Affiliate Accounting file.

Employee Transfer Fee Procedure

8 Verify billing of Employee Transfer Fee

- 8.1 Cross check Utility Accounts Receivable GL after Day 2 after month-end after orders have closed.
- 8.2 Ensure amount is charged in appropriate Utility affiliate billable order.

9 Manage Employee Transfer Documents

- 9.1 Maintain records of all employee transfer reports provided by HR Data Services in Affiliate Account folder <\\go311\CorpAct\Affiliate\BILLING\Employee Transfer Billing>
- 9.2 Maintain all journal entries, confidential and non-confidential in Affiliate Accounting folder <\\go311\CorpAct\Affiliate\BILLING\Employee Transfer Billing>
- 9.3 Maintain records for retention term.
 1. Affiliate records – 3 years
 2. Journal entries – 50 years
 - Refer to Document Retention policy <http://pgeatwork/Guidance/Governance/Pages/default.aspx>

10 Prepare Annual Affiliate Transactions Report

- 10.1 Prepare section H (Transfers of Employees) in Annual Affiliate Transactions Report filed with CPUC by entering the following information on employees transferred from Utility to Affiliates (Refer to [Appendix 3, Section H Transfer of Employees](#)):
 - Final Utility Base Classification
 - Final Utility Base Division
 - Final Salary at Utility
 - Credited Service Years at Utility
 - Affiliated Entity Transferred
 - Date Ended at Utility
 - Job Classification and Title at Affiliated Entity
 - Employee's Expected Tenure at the Affiliated Entity is Permanent or Rotational

Employee Transfer Fee Procedure

10.1 (continued)

- Retention of Pension, Benefit, or Reinstatement Rights
- Extent of Recruitment Efforts of New Employees for this Position
- Transfer Fee Paid (if applicable)

END of Instructions

DEFINITIONS

Affiliate Billable Order: A tool to record and charge billable services between Utility and affiliates.

Annual Base Compensation: Any corporation, partnership, company or other entity that has 5% or more of its outstanding securities owned, controlled, or held with power to vote, directly or indirectly, either by PG&E, the Corporation or any of its subsidiaries or where PG&E, the Corporation or any of its subsidiaries indirectly have substantial financial interests or exert substantial control over the operations through means other than ownership.

Benefits Burden: Cost of employee benefits allocated to labor. Benefits Burden includes the following:

- Employee Assistance Program
- Flex Benefits
- Flex Employee Contribution
- Dental
- Health Saving Account (HSA) – Active Employees Medical
- Vision
- Group Life
- Savings Fund Plan (401K)

Employee Transfer Fee Procedure

Benefits Burden (continued)

- Tuition Refund
- Relocation
- Service Award
- Short Term Disability and Leave Management
- Short Term Incentive Plan (STIP)

Some employee benefits such as pension, post-retirement benefits (PBOP), and long term disability are not included in Benefits Burden because the method required to capitalize these costs is different from the other employee benefits.

Cash compensation: The sum of an employee's last annual salary at the time of transfer and supplemental cash earnings received on a year-to-date-basis, which includes: wages, salaries, bonuses, commissions, and all other cash compensation received by the employee during the year and included in gross earnings.

Employee Benefits: Pension, Post-Retirement Benefits Other Than Pension (PBOPs) and Long Term Disability (LTD) are the cost of employee benefits. These include the following:

- Pension and Pension VRI Interest
- Post-Retirement Medical and Group Life
- LTD
- Other Benefits; i.e. Drug Test, Executive Flex, Executive Health and Fitness

Non-Cash Compensation: Employee benefits include retirement, savings fund, medical, dental, LTD & life, vision, post-retirement medical, social security, unemployment, insurance, workers compensation and other fringe benefits.

Payroll Taxes Burden: Cost of payroll taxes allocated to labor. Payroll Taxes Burden includes the following:

- FICA (Federal Insurance Contribution Act)
- FUI (Federal Unemployment Insurance)
- SUI (State Unemployment Insurance)
- State Fund Tax (Training)
- San Francisco City Payroll Tax

Employee Transfer Fee Procedure

IMPLEMENTATION RESPONSIBILITIES

This procedure will be communicated to the target audience by the Affiliate Accountant from Corporate Accounting

GOVERNING DOCUMENT

[RISK-4302S Affiliated Company Transactions Standard](#)

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

CPUC Decision 06-12-029

REFERENCE DOCUMENTS

Developmental References:

CPUC Affiliate Rules

<http://pgeatwork/Compliance/Documents/affiliaterules.pdf>

Supplemental References:

NA

APPENDICES

- [Appendix 1, 20XX Components of Billable Costs Based on Labor Costs](#)
- [Appendix 2, Computation of Employee Transfer Fee Example](#)
- [Appendix 3, Section H Transfers of Employees](#)

ATTACHMENTS

NA

DOCUMENT REVISION

NA

DOCUMENT APPROVER

Pei Sue Ong, Manager Corporate Accounting

DOCUMENT OWNER

Fawn Lee, Accounting Analyst Affiliate Accounting

Employee Transfer Fee Procedure

DOCUMENT CONTACT

Connie Shiu, Senior Accounting Analyst Affiliate Accounting

Fawn Lee, Accounting Analyst Affiliate Accounting

REVISION NOTES

Where?	What Changed?
NA	This is a new procedure.

Employee Transfer Fee Procedure

Appendix 1, 20XX Components of Billable Costs Based on Labor Costs

Page 1 of 1

<u>Billable Costs</u>	<u>Application Base</u>	<u>Rates *</u>
Benefits Burden (excluding Pension, PBOPS, and LTD)	Productive Straight Time Labor and Officer Labor	32.50%
Employee Benefits – Pension, PBOPs, and LTD	Productive Straight Time Labor and Officer Labor	23.40%
Payroll Tax Burden	Productive Straight Time, Overtime and Double Overtime Labor, Officer Labor, Hiring Hall, and Hiring Hall Premium	9.35%
<u>Total Non-cash Compensation Burden Rate</u>		<u>65.25%</u>

Employee Transfer Fee Procedure

Appendix 2, Computation of Employee Transfer Fee Example

Page 1 of 2

John Smith, a PLIII Utility employee, transferred to PG&E Corporation on 04/01/XX. When transferred, his annual rate of pay was \$200,000 and cash compensation included STIP award, restricted stock granted, and performance shares granted.

His employee transfer fee billed by the Utility to the Corporation was:

(1) Calculate cash compensation:

Last Utility Annual Salary	\$ 200,000
Supplemental cash compensation	
STIP award	\$ 40,000
<u>Restricted stock:</u>	
Market value of each stock at grant date	\$42.00
Number of restricted stock granted	<u>200</u>
Restricted stock cash compensation	\$ 8,400
<u>Performance Share:</u>	
Value of each stock at grant date based on Monte Carlo	\$45.00
Number of performance shares granted	<u>100</u>
Performance share cash compensation	<u>\$ 4,500</u>
Total Cash Compensation	\$252,900

(2) Calculate Non-cash compensation

Last Utility Annual Salary	\$200,000
Non-cash burden rate*	x <u>65.25%</u>
Total Non-cash Compensation	\$130,500

(3) Calculate Annual Base Compensation

Add (1) \$252,900 and (2) \$130,500 =	\$ 383,400
---------------------------------------	------------

Employee Transfer Fee Procedure

Appendix 2, Computation of Employee Transfer Fee Example

Page 2 of 2

(4) Calculate Employee Transfer Fee

Annual Base Compensation		\$383,400
Employee Transfer Fee Rate	x	<u>25.00%</u>
Total Employee Transfer Fee		<u>\$95,850</u>

Employee Transfer Fee Procedure

Appendix 3, Section H Transfers of Employees Page 1 of 1

20XX ANNUAL REPORT ON SIGNIFICANT
UTILITY-AFFILIATE TRANSACTIONS PURSUANT TO
GENERAL ORDER R.92-08-008

SECTION H
TRANSFERS OF EMPLOYEES

H.1 List of Employees Transferred from Utility to Affiliates

	Final Utility Base Classification	Final Utility Base Division	Final Salary @ Utility	Credited Service Years @ Utility	Transferred to:	Date Ended @ Utility	Job Classification and Title @ Affiliated Entity	Employee's Expected Tenure at the Affiliated Entity is Permanent or Rotational	Retention of Pension, Benefit, or Reinstatement Rights	Extent of Recruitment Efforts of New Employees for this Position	Transfer Fee Paid (if applicable)
1	Senior Director	Federal Affairs	\$xxx,xxx	B	PG&E Corporation Support Services II Inc	8/1/20xx	Vice President	Permanent	A	B	\$xxx,xxx

Notes:

(A) Employees who transfer from Pacific Gas and Electric Company to an Affiliated entity may continue to earn pension and post-retirement benefits with service at the affiliate.

(B) Pacific Gas and Electric Company's usual procedure in filling vacancies is first to determine if the position is needed and if so, how it should be filled.

Exhibit 7

Employee Transfer to Affiliate Guidance and Review Requirement

Human Resources Intercompany Employee Transfer Guidelines and Review Procedure

When to Use: This procedure is to be used any time there is a request to move an employee or position from one company to another. The personnel area attached to a position can be used to determine if the company is changing. This procedure also applies to cases where an employee posts for a job and is a candidate for a position in a company other than their current employer.

This procedure must also be used anytime a new position is created in a personnel area other than Pacific Gas and Electric Company.

Currently within the corporate family there are four companies that have employees:

Pacific Gas and Electric Company (Utility)

PG&E Corporation (also referred to as the Holding Company) – non-Rule IIb Affiliate

PG&E Support Services (PSUP) – an unregulated energy company or Rule IIb Affiliate

PG&E Support Services 2 (PSUP2) – a shared services company, non-Rule IIb Affiliate

Why: Intercompany Transfers are governed by the CPUC Affiliate Rules and other decisions. Transfers of certain employees may be restricted, transfer fees may be required, special documentation and approvals may be required in advance of the transfer or move.

Review/Pre-Approval: Because the various requirements may overlap, applicability of specific rules may not be clear and due to the infrequent nature of intercompany employee transactions special advance review and approval is required for HR employees. Prior to executing a transaction described above or making a commitment to an employee with regard to an inter-company move the HR representative must consult with one of the following people and obtain their approval that the proposed transaction is permissible.

Janet Lee Redmond – HR Strategy and Organizational Effectiveness

Michael Chinen – HR Compliance and Technology

If neither of the people named above are available the Affiliate Rules and Regulatory Compliance Department or Doreen Ludemann in the Law Department may be consulted.

This consultation is required, in advance of a transaction.

The Requirements/Rules (highlights):

Note – per PG&E practices, a position should never be moved from one personnel area to another. If a move is desired a new position must be created in the receiving company. Prior to the creation of the new position please obtain approval from one of the people identified above.

Specific regulatory requirements or rules include, but are not limited to:

1. The Utility may not share recruiting services or systems with a Rule IIb Affiliate.
2. When a Utility employee is transferred to PG&E Corporation or an affiliate, the recipient must make a one-time payment (transfer fee) to the Utility in an amount equivalent to 25% of the transferring employee's total annual compensation from the Utility. Lower transfer fees may be appropriate in certain circumstances.

Human Resources Intercompany Employee Transfer Guidelines and Review Procedure

3. Rotations or temporary assignments made from the Utility to PG&E Corporation or Non-Rule II.B affiliates for corporate support services are billed at fully loaded cost. For non-corporate support services, please contact C&E department.
4. Rotations or temporary assignments:
 - ❖ Rotations or temporary assignments from the Utility to Rule II.B affiliates are permitted in limited circumstances.
 - ❖ Work requiring five or more consecutive days at an affiliate or at a non-utility location under direction of the affiliate is to be considered a rotation or temporary assignment.
 - ❖ Employee rotations or temporary assignments made from the Utility to energy marketing Rule II.B affiliates are not allowed.
 - ❖ Prior to rotations or temporary assignments taking place, a written agreement must be executed by the responsible Officer of the Utility and the responsible Officer of the affiliate and approved by C&E.
4. Employee Transfers:
 - ❖ Employees of the Utility who transfer to a Rule II.B affiliate may not return to employment at the Utility for a period of 12 months following their last day of employment at the Utility.
 - ❖ Employees of a Rule II.B affiliate who transfer to the Utility may not return to work at the same Rule II.B affiliate for a period of 24 months following the first day of employment at the Utility.
5. PG&E shall not accept a permanent transfer of an employee from an affiliate (including PG&E Corporation) unless PG&E is able to demonstrate that there was a need for that employee, that the employee was fully qualified for the position compared to other persons (including non-employees) that may be reasonably available to PG&E, and that the compensation to be paid the employee is within market range. Prior to any such transfer, PG&E shall memorialize its assessment of need and qualifications, including whether PG&E interviewed other candidates to fill the position.

Exhibit 8

RISK-4301P-04, Affiliate Transaction Internet Posting Procedure



Affiliate Transaction Internet Posting Procedure

Summary

This procedure describes the steps to post information on the Pacific Gas and Electric Company (PG&E) Affiliate Transactions Internet website when required under the following CPUC Affiliate Rules:

Rule III.B.2

PG&E has provided supply, capacity, services, or information to an affiliate. Exceptions to requirement to post:

- It is an allowed joint purchase under Rule V.D.
- It is an allowed corporate support service under Rule V.E.
- It is an allowed non-tariffed product or service under Rule VII.

Rules III.B.3 and III.F

PG&E has provided an affiliate a discount, rebate, or other waiver of any charge or fee associated with products or services provided by PG&E.

Rule IV.A

PG&E has provided customer information to an affiliate

Rule IV.B

PG&E has provided non-customer specific non-public information to an affiliate.

Rule VI.B

The creation of a new affiliate

The Rules state that whenever PG&E conducts certain transactions with its affiliated companies, it must make the information concurrently available to other market participants. Posting such information on PG&E's Affiliate Transactions Internet website fulfills this compliance requirement.

Level of Use: Informational Use

Target Audience

Compliance and Ethics (C&E) employees responsible for posting information about certain affiliate transactions on PG&E's Affiliate Transactions Internet website.

Safety

NA

Before You Start

1.1 Ensure access to C&E shared drive at \\go301\ras\c&e

Affiliate Transaction Internet Posting Procedure

- 1.2 On an ongoing basis, remain in contact with representatives of the following departments to be alerted to affiliate transactions that might require posting on PG&E Affiliate Transactions Internet website:
- Law
 - Corporate Secretary
 - Energy Procurement
 - Gas Operations
 - Electric Operations

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Subsection	Title	Page
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2	Draft Summary and Submit Request.....	2
3	Notification.....	3
	Appendix 1, Affiliate Rules Posting Notification Email Example	6
	Appendix 2, Affiliate Rules Request Example	7
	Appendix 3, Affiliate Rules Request Notification Email Example.....	8

Procedure Steps

1 Receive Information About Affiliate Transaction

- 1.1 Receive affiliate transaction information from one of the departments listed in Before You Start section.

2 Draft Summary and Submit Request

- 2.1 Notify Online Communications (current contacts are Lisa Burrell, Gurbir Riar and Akila Yogaraj) by email that a CPUC affiliate rules posting will need to be posted that day at the Affiliate Transactions website <http://www.pge.com/en/about/rates/affiliate/index.page>. See Appendix 1, Affiliate Rules Posting Notification Email Example.



Affiliate Transaction Internet Posting Procedure

2.2 Open blank Word document AND draft brief summary of information, modeling after previous postings on PG&E Affiliate Transactions website
<http://www.pge.com/en/about/rates/affiliate/index.page>.

1. Include the following information for the formation of a new affiliate:

- a. Name
- b. Date of formation
- c. Whether PG&E considers it a Rule II.B affiliate
- d. Brief description of affiliate's purpose or activities

2. Save Word document in the following folder:
\\go301\ras\c&e\regulatory_compliance\affiliate_rules\AR_Internet_Postings

2.3 Leave Word document open.

2.4 Access Online Communications Request Tool at <http://ocreq/>.

2.5 Click on 'Make a Request.'

1. Complete request form. See Appendix 2, Affiliate Rules Request Example.
2. Copy summary posting wording from open Word document
3. Paste wording in description box at bottom of form.

2.6 Submit request form.

2.7 Note request number.

2.8 Close Word document.

3 Notification

3.1 Send email to Online Communications notifying submission of Online Communications request AND include request number.

3.2 IF posting is for creation of new affiliate

THEN send email to Head of Energy Division advising of creation of new affiliate.
See Appendix 3, Notification of New Affiliate Email Example

4 Verification of Posting

4.1 Upon receipt of email from Online Communications that posting is complete, confirm posting on website <http://www.pge.com/en/about/rates/affiliate/index.page>.



Affiliate Transaction Internet Posting Procedure

END of Instructions

Definitions	NA
Implementation Responsibilities	C&E Principal responsible for Affiliate Rules Compliance Program communicates this procedure to any other C&E employees responsible for posting affiliate transactions to the PG&E Affiliate Transactions Internet website.
Governing Document	NA
Compliance Requirement/Regulatory Commitment	CPUC D.06-12-029, Rules III.B.2, III.B.3, III.F, IV.A, IV.B, VI.B
Reference Documents	Developmental References: NA Supplemental References: NA
Appendices	Appendix 1, Affiliate Rules Posting Notification Email Example Appendix 2, Affiliate Rules Request Example Appendix 3, Notification of New Affiliate Email Example
Attachments	NA
Document Recision	NA



Affiliate Transaction Internet Posting Procedure

Approved By Dean Mortensen, Principal, Compliance and Ethics

Document Owner Dean Mortensen, Principal, Compliance and Ethics

Document Contact Dean Mortensen, Principal, Compliance and Ethics

Revision Notes

Where?	What Changed?
NA	This is a new procedure.



Affiliate Transaction Internet Posting Procedure

APPENDIX 1, AFFILIATE RULES POSTING NOTIFICATION EMAIL EXAMPLE

Page 1 of 1

From: Chinen, Michael
Sent: Monday, November 08, 2012 1:50 PM
To: Burrell, Lisa
Cc: Riar, Gurbir; Yogaraj, Akila
Subject: RE: Urgent: Affil Posting

Hi Lisa,

I was just notified that we need to do an affiliate rules posting today. As soon as I get the information, I'll fill out a request and let you know the request #.

Thanks

Michael

Affiliate Transaction Internet Posting Procedure

APPENDIX 2, AFFILIATE RULES REQUEST EXAMPLE Page 1 of 1

Online Communications Request Tool

[HOME](#) [Make Request](#) [Search Requests](#) [ADMIN](#)

Online Communications Request Form

Use this form **ONLY** to request changes to <http://www.pge.com>, <http://pgeatwork.com>, or other Online Communications business.

Please fill out all the fields below. **All fields are required unless otherwise marked.** Please be careful and accurate. Information that is inaccurate or incomplete will impair our ability to respond or complete your request.

NOTE: This is the first of two steps, after you press "Continue", you will have the option to upload files.

Questions? Please contact [Jennifer Villaluz at JXVT@PGE.Com](mailto:Jennifer.Villaluz@JXVT@PGE.Com)

First Name:

Last Name:

Phone:

eMail address:

Department:

PCC or order number:

Supervisor LAN ID (optional):

Remember me on this computer

Requested work is for which website?

Request Type:

NOTE: The requested completion date you enter is not guaranteed to be the actual date of completion. For urgent matters, please state so in the subject or description of the request. Please review our Rate Card for specific costs and additional details >

Requested Completion Date: (mm/dd/yyyy)

(For most requests, allow 5 business days from today, not including Sat, Sun & Holidays.)

Subject of Request:
(Please include TOPIC, for example: "Link fix for Solar Schools web page")

Relevant URL or section: No URL

(example: http://www.pge.com/res)

Description of request (please be as detailed as possible):

Additional Resources:

- [Tips for Making a Request](#)
- [Online Communications Rate Card](#)
- [PGE.com Content Guidelines](#)
- [PGE.com Style Guide](#)
- [PGE.com Forms Style Guide](#)

Due to CPUC Affiliate Rules, this needs to be posted today, 11/8/10.

Please put the following at the top of the page:

PG&E Corporation has formed a new Rule II.B affiliate, Sequoia Pacific Solar I, LLC. Sequoia Pacific Solar I, LLC is being formed to own and manage solar photovoltaic projects with host customers in a variety of states

Posted on September 21, 2010

After you press "Continue", you will have the option to upload files.

[Home](#) [Make Request](#) [Search Requests](#) [ADMIN](#)



Affiliate Transaction Internet Posting Procedure

APPENDIX 3, AFFILIATE RULES REQUEST NOTIFICATION EMAIL EXAMPLE

Page 1 of 1

From: Mortensen, Dean
Sent: Monday, November 08, 2010 3:01 PM
To: 'jf2@cpuc.ca.gov'
Cc: Chinen, Michael; Ludemann, Doreen (Law); Tom-Martinez, Linda; Janis, Megan Smith
Subject: Affiliate Rule VI.B notification

Ms. Fitch:

Pursuant to Rule VI.B. of the Affiliate Rules, Pacific Gas and Electric Company is advising that it has formed a new non-Rule II.B affiliate, PG&E Real Estate, LLC.

PG&E Real Estate, LLC is currently inactive but may be used in the future for real estate activities.

Additional information will be provided in the advice filing required by the Affiliate Rules. A notification will be placed on the Pacific Gas and Electric Company Affiliate Transaction Internet site.

If you have any questions, please contact me at DMMe@pge.com or by phone at (415) 973-6132.

Regards,
Dean Mortensen
Manager
Compliance and Ethics

Exhibit 9

Customer Service General Reference Guide – Corporate Affiliates

Corporate Affiliates

- [E-mail This Article](#)
- [Add To Favorites](#)

Corporate Affiliates

Affiliate Transaction Definition

- An **Affiliate** Transaction is defined as
 - All communications and dealings between PG&E and one of its **affiliates** on any specific subject
- All transactions **MUST** be reported to the Compliance & Ethics (C&E) department within four hours of transaction

Affiliate Rules	<ul style="list-style-type: none">• Utility and utility customer information cannot be shared with anyone, except under very limited circumstances<ul style="list-style-type: none">◦ Do not provide customers with affiliate phone numbers◦ For further inquiries, politely reply<ul style="list-style-type: none">▪ "This company is a separate company from Pacific Gas and Electric Company and under the rules of the California Public Utility Commission, we are not permitted to give out an affiliate's phone number"• What to say if someone asks you to recommend an energy service provider (ESP)?<ul style="list-style-type: none">◦ ALWAYS REMAIN NEUTRAL◦ Let the customer know you cannot make a recommendation◦ Refer them to the California Public Utility Commission website www.cpuc.ca.gov for a list of Energy Service providers
Utility MUST	<ul style="list-style-type: none">• Process requests for similar services provided by the utility in the same manner and within the same time for its affiliates and for all other market participants and their respective customers
Utility MUST NOT	<ul style="list-style-type: none">• Condition or otherwise tie the provision of any services provided by the utility, nor the availability of discounts of rates or other charges or fees, rebates, or waivers of terms and conditions of any services provided by the utility, to the taking of any goods or services from its affiliates• Assign customers to which it currently provides services to any of its affiliates, whether by default, direct assignment, option or by any other means, unless that means is

	<p>equally available to all competitors</p> <ul style="list-style-type: none"> • Provide leads to its affiliates • Solicit business on behalf of its affiliates • Acquire information on behalf of or to provide to its affiliates • Request authorization from its customers to pass on customer information exclusively to its affiliates • Give the appearance that the utility speaks on behalf of its affiliates or that the customer will receive preferential treatment as a consequence of conducting business with the affiliates • Provide its customers with any list of service providers, which includes or identifies the utility's affiliates, regardless of whether such list also includes or identifies the names of unaffiliated entities except upon request by a customer or as otherwise authorized by the Commission or another governmental body • Offer or provide customers advice or assistance with regard to its affiliates or other service provider • Through action or words, represent that, as a result of the affiliate's affiliation with the utility, its affiliates will receive any different treatment than other service providers
<p>Affiliate Transaction Report (ATR)</p>	<ul style="list-style-type: none"> • An Affiliate Transaction is defined as <ul style="list-style-type: none"> ◦ All communications and dealings between PG&E and one of its affiliates on any specific subject <p>What defines an affiliate transaction</p> <ul style="list-style-type: none"> • Provision of any good, property, service, privilege, or act between any two (2) parties for which compensation normally would be provided if each party was independent of the other and acting in its best financial interest • Reportable transactions also include the provision of non-public information to an affiliate • When applying the definition to an affiliate transaction, you should be inclusive rather than exclusive <p>Examples of an affiliate transaction</p> <ul style="list-style-type: none"> • Providing an affiliate with customer billing information after receiving written authorization from the customer • CUSTOMER MUST PROVIDE WRITTEN AUTHORIZATION • Signing a contract for the purchase of goods or services if that contract includes both the utility and an affiliate • Advising or providing a service to an affiliate <p>Action</p> <ul style="list-style-type: none"> • Anytime an employee is involved in a transaction as is defined as "all communications and dealings between Pacific Gas and Electric Company and one of its affiliates on any

	<p>specific subject" between the utility and one of its affiliates:</p> <ul style="list-style-type: none">○ "Affiliate Transaction Report" must be completed○ All transactions MUST be reported to the Compliance & Ethics department within four hours of transaction○ The form can be found in the WORD templates file, and should be accessed by Supervisors or SSR○ The electronic copy of the Affiliate Transaction Report should be e-mailed to the following: ARC Information
--	--

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[Customer Service Offices \(CSO\)](#) Updated 04/20/2015

[OM&C](#) Updated 02/17/2015

[Employment Verification](#) Updated 05/22/2015

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Exhibit 10

GOV-8002S, Third Party Requests for Customer Information

Third Party Requests for Customer Information

SUMMARY

This standard describes the requirements, roles, and responsibilities for releasing customer personally identifiable information to third parties who request that information.

TARGET AUDIENCE

PG&E employees, non-employee workers, contractors, and agents (together, personnel), who access, collect, store, use, disclose, or protect customer information.

SAFETY

NA

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2	Tracking and Reporting	4
3	Exceptions: No Prior Written Customer Consent Needed.....	4
4	Responsibilities	5

REQUIREMENTS

1 Release of Customer Information

1.1 Customer Personally Identifiable Information (PII) is any information that, when used alone or combined with other personal or identifying information, can be used to distinguish or derive the identity of an individual, family, or household who is or which includes a customer of PG&E. Some examples of PII include name, address, telephone number, social security number, service account number, financial information, and information about the customer's energy usage or billing.

- [GOV-8001S, "Customer Privacy Standard,"](#)
- Electric Rules [27](#) and [9.M](#)
- Gas Rules [27](#) and [9.M](#)

Third Party Requests for Customer Information

1.2 Personnel are responsible for maintaining the confidentiality of and not releasing PII to any third party without the customer's prior written consent, except as necessary to provide utility services. There are, however, certain exceptions that are required by law or regulation, as noted in Step 3.

1.3 PG&E does not sell or provide PII to third parties for their commercial benefit except where necessary to provide utility services.

1.4 IF prior written customer consent is required for the release of PII to a third party pursuant to Utility Standard GOV-8001S, and Electric and Gas Rules 27 and 9.M,

THEN personnel must provide the requesting party with a California Public Utilities Commission (CPUC)-approved request form (or equivalent) to obtain the customer's prior written consent. Following are the forms (see Attachments for links):

- Form 79-1095: Authorization to Receive Customer Information or Act on a Customer's Behalf
- Form 79-1096: Authorization to Receive Customer Information or Act Upon a Customer's Behalf (Spanish)
- Form 79-1097: Request for Change of Mailing Address to a Third Party Address
- Form 79-1099: Property Management Authorization Agreement
- Form 79-1147: Authorization or Revocation of Authorization to Receive Customer Usage Information
- Other approved consent forms as approved and designated for use by the PG&E Customer Privacy Department.

1.5 The third party is responsible for obtaining the customer's written or approved electronic signature on the form, and the third party or the customer must deliver the signed form to PG&E.

- Customer consent must be express, in written or approved electronic form, and specific to the purpose and the person or entity seeking the information in accordance with the requirements of the consent form.
- All information requested on the form must be completed prior to disclosure of the PII, including:
 1. Customer Information.
 2. Customer signature or equivalent.
 3. Date.

Third Party Requests for Customer Information

- 1.6 IF the information is already approved for release by the department responsible for the data,
THEN the department receiving the signed customer consent form provides the requested information to the requesting party.
- 1.7 IF the information is NOT already approved for release by the department responsible for the data,
THEN the department receiving the signed customer request form sends the form to the department responsible for the data.
1. If the release form instructions do not indicate where to submit the form,
THEN personnel must contact Correspondence Management at CorrespondenceManagement@pge.com.
- 1.8 Certain types of information requests require consultation before the requested PII may be released. Refer to Table 1, Consultation Decision Table.

Table 1. Consultation Decision Table

Requesting Party	Consulting Departments
Energy Agencies, for example: <ul style="list-style-type: none"> • CPUC • Federal Energy Regulatory Commission (FERC) • California Energy Commission 	Regulatory Affairs Law
Other governmental agencies, for example: <ul style="list-style-type: none"> • Local governments • United States Department of Energy 	Corporate Affairs Law
<ul style="list-style-type: none"> • Court-ordered or administrative-agency ordered subpoenas • Law enforcement agencies 	Law (see LAW-1001P-01, - " Service of Legal Papers ")

Third Party Requests for Customer Information

2 Tracking and Reporting

- 2.1 The department processing the request for Personally Identifiable Information (PII) is responsible for the following:
1. Determining that the consent documentation is complete.
 2. Retaining the consent documentation for purposes of records management, including records retention and request tracking.
 3. Providing documented information as required, such as when the Customer Privacy Department requests the number of authorized third parties for the Smart Grid Annual Privacy Report submitted to the California Public Utilities Commission (CPUC).
- 2.2 The record retained must include the following (in no specific order):
1. The identity of the requesting party.
 2. The method of request (e.g., subpoena, customer-authorized form)
 3. The type of information requested (e.g., energy usage data, billing information).
 4. The specific parameters of the request, e.g.:
 - Is it a one-time request or an ongoing request?
 - Does the request seek information for a specific period of time such as one particular year, or for all available information as of the date of the request?.

3 Exceptions: No Prior Written Customer Consent Needed

- 3.1 The following types of requests do not require prior written customer consent before PG&E releases the Personally Identifiable Information (PII):
1. Requests from a governmental agency or a court with the legal authority to require PG&E to disclose that PII, such as the California Public Utilities Commission (CPUC).
 - Questions regarding whether an agency is legally entitled to disclosure of PII without prior written customer consent are addressed by the Customer Privacy Department in consultation with the Law Department.
 2. Requests from a law enforcement agency or court with legal jurisdiction to compel the disclosure pursuant to legal process (such as a warrant or subpoena approved by a judge) and subject to any applicable requirements (such as prior notice to the customer).
 3. Requests by emergency responders in situations of imminent threat to life or property.

Third Party Requests for Customer Information

- 3.2 These exceptions remain subject to records management, tracking and reporting requirements, such as the following requirements for the Smart Grid Annual Privacy Report submitted to the CPUC:
1. The number of demands received for disclosure of customer data pursuant to legal process or pursuant to situations of imminent threat to life or property.
 2. The number of customers whose records were disclosed (related to demands received for disclosure of customer data pursuant to legal process or pursuant to situations of imminent threat to life or property).

4 Responsibilities

4.1 Customer Care Department, Customer Privacy Department

- Evaluates and establishes policies, standards and procedures related to the content and use of customer consent forms for the release of Personally Identifiable Information (PII) to third parties for purposes other than providing utility services.

4.2 Customer Care Department, Data Governance Team

- Evaluates and establishes policies, standards and procedures related to the release of aggregated or anonymized PII to third parties for purposes other than providing utility services. For example, pursuant to California Public Utilities Commission (CPUC) Decision No. 14-05-016, *Decision Adopting Rules to Provide Access to Energy Usage and Usage-Related Data while Protecting Privacy of Personal Data*.

4.3 Law Department

- Manages requests ordered to be produced by a court or law enforcement agency and consults on regulatory requests for information

END of Requirements

Third Party Requests for Customer Information

DEFINITIONS

Customer Personally Identifiable Information (PII) - Any information that, when used alone or combined with other personal or identifying information, can be used to distinguish or derive the identity of an individual, family, or household who is or which includes a customer of PG&E. Such information is considered confidential and must be protected from unauthorized disclosure to third parties except as provided in this standard.

Regulatory Agencies – Agencies with the legal authority to request PII (e.g., California Public Utility Commission).

Third Party - A person or entity that is not PG&E or a PG&E employee.

Utility Services – PG&E primary business purposes, for example, to provide or bill for gas or electric services; provide for system, grid, or operational needs; provide services as required by state or federal law or as specifically authorized by an order of the Commission; plan, implement, or evaluate demand response, energy management, or energy efficiency programs under contract with PG&E, under contract with the Commission, or as part of a Commission-authorized program conducted by a governmental entity under the supervision of the Commission.

IMPLEMENTATION RESPONSIBILITIES

The Customer Privacy Department will communicate this standard to the target audience as follows:

- Provide a link for the Customer Privacy Operating Group
- Article in the weekly PG&E Bulletin.
- PG&E's internal Customer Privacy website
- In the Information Security and Privacy Awareness training course (ISEC-9002).

The link will direct personnel to the standard posted in the Privacy Section of Governance and Performance in the Guidance Document Library.

GOVERNING DOCUMENT

- [PG&E Customer Privacy Policy](#)
- [GOV-8001S, "Customer Privacy Standard"](#)

Third Party Requests for Customer Information

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

- PG&E [Electric](#) and [Gas](#) Rules 27, Privacy and Security Protections for Energy Usage Data
- PG&E [Electric](#) and [Gas](#) Rules 9.M Rendering and Payment of Bills, Privacy of Customer Information

REFERENCE DOCUMENTS

Developmental References:

GOV-8001S, "[Customer Privacy Standard](#)"

Supplemental References:

LAW-1001P-01, "[Service of Legal Papers](#)"

ATTACHMENTS

- Attachment 1 – [Electric Form 79-1095](#): Authorization to Receive Customer Information or Act on a Customer's Behalf form
- Attachment 2 – [Gas Form 79-1095](#): Authorization to Receive Customer Information or Act on a Customer's Behalf form
- Attachment 3 – [Electric Form 79-1096](#): Authorization to Receive Customer Information or Act on a Customer's Behalf form (Spanish)
- Attachment 4 – [Gas Form 79-1096](#): Authorization to Receive Customer Information or Act on a Customer's Behalf form (Spanish)
- Attachment 5 – [Electric Form 79-1097](#): Request for Change of Mailing Address to a Third Party Address Form
- Attachment 6 – [Gas Form 79-1097](#): Request for Change of Mailing Address to a Third Party Address Form
- Attachment 7 – [Electric Form 79-1099](#): Property Management Authorization Agreement
- Attachment 8 – [Gas Form 79-1099](#): Property Management Authorization Agreement
- Attachment 9 – [Electric Form 79-1147](#): Authorization or Revocation of Authorization to Receive Customer Usage Information
- Attachment 10 – [Gas Form 79-1147](#): Authorization or Revocation of Authorization to Receive Customer Usage Information

Third Party Requests for Customer Information

DOCUMENT REVISION

USP 23 – Third Party Requests for Customer Information, April 2010

DOCUMENT APPROVER

Albert Torres, Vice President, Customer Operations (Chief Privacy Officer)

DOCUMENT OWNER

Cliff Gleicher, Sr. Director, Customer Operations Regulatory Strategy

DOCUMENT CONTACT

Jennifer Andrews, Principal Operations Specialist, Customer Operations Regulatory Strategy

Customer Privacy Mailbox: pgeprivacy@pge.com

REVISION NOTES

Where?	What Changed?
New	New standard to replace USP 23 – Third Party Requests for Information

Exhibit 11

Customer Service General Reference Guide – Authorized Third Party Customer
Authentication

Topics

- Accounts Customer Types Customer Authentication
- Start/Stop Residential Start / Stop Customer Authentication

2 more

[Full Screen](#)

Authorized Third Party Customer Authentication

- [E-mail This Article](#)
- [Add To Favorites](#)

Authorized Third Party Customer Authentication

- **Customer** of Record (COR) has signed an **Authorization to Receive Customer Information or Act on a Customer's Behalf** form **authorizing** information to be released
 - This is the [Information Release Request for Inquiries from Third Parties](#) option
 - It is NOT
 - The [Third Party Notification Program](#)
 - The [Property Managers Authorization](#)
- The account will be noted with
 - What information can be released to the **third party** AND
 - An expiration date
 - [After 4/25/04, look for](#)
 - Person Record created for **third party** person
 - **AND** an INFO **AUTHORIZATION** ON FILE... Alert
 - [Prior to 4/25/04, look for](#)
 - **Customer** Contact
- Caller [Authenticated](#)
 - **CAN DISCUSS/REQUEST**

- Specific information noted on **Customer** Contact/Alert
- [If ALL is noted](#)
- **CANNOT DISCUSS/REQUEST**
 - Change of Address
 - A [Request for Change of Mailing Address to a Third Party Address form](#) must be completed unless the **authorized Third Party** is family member, OR Legal Guardian for COR OR both the COR and the **Third Party** are on the phone
 - Pay Plans
 - Pilot Relight
 - Remote RLNP
 - Start / Stop or Transfer Service
 - Including Merge/Unmerge requests
 - Offer [Interim Service Agreement](#) for Clean and Show situations

Article Rating

Was this article useful?



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Related Articles

[master Customer Authentication](#) Updated 04/10/2015

[SSN or Tax ID - Addition or Correction or Deletion or Revision](#) Updated 04/10/2015

[Non Customer of Record](#) Updated 09/26/2014

[Executor of Estate or Trustee Customer Authentication](#) Updated 02/17/2012

[Customer Authentication Method](#) Updated 03/25/2015

[View All](#)

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Exhibit 12

Customer Service General Reference Guide – Information Release Form Request
for Inquiries from Third Parties

Topics

- Accounts Account Components Information Release

Full Screen

Information Release Form Request for inquiries from Third Parties

- E-mail This Article
- Add To Favorites

Information Release Form Request for inquiries from Third Parties

Form Request	<p>Customers can download the form at www.pge.com/brochures</p> <ul style="list-style-type: none">Available in both residential and business sections on pge.com<ul style="list-style-type: none">Form samples<ul style="list-style-type: none">English: 3rd Party Information Release Authorization (79-1095)Spanish: 3rd Party Information Release Authorization (79-1096)Instructions for completing and returning the form are included on the cover page<ul style="list-style-type: none">Both customer and THIRD PARTY must sign the formForm must state what information COR is authorizing be released
	<p>Customer does not have access to a computer</p> <ul style="list-style-type: none">Use Literature Request<ul style="list-style-type: none">Application / Forms3rd Party Info Release AuthorizationConfirm Mailing Address
Options to submit or send Completed Forms	<p>Email</p> <ul style="list-style-type: none">To expedite process, signed, completed forms can be emailedScan form and email to a centralized email<ul style="list-style-type: none">CorrespondenceManag@pge.comAdvise customer<ul style="list-style-type: none">Information will be noted on the account within 10 business days <p>Fax</p> <ul style="list-style-type: none">To expedite process, signed, completed forms can be faxed to any of the following numbers:<ul style="list-style-type: none">916-375-5102

	<ul style="list-style-type: none"> ○ 916-375-5105 ○ 916-375-5110 ○ 415-973-2194 • Advise customer <ul style="list-style-type: none"> ○ Information will be noted on the account within 10 business days <hr/> <ul style="list-style-type: none"> • Mailing Address Pacific Gas and Electric Company Correspondence Mgmt Center PO Box 997310 Sacramento, CA 95899-7310 • Advise customer <ul style="list-style-type: none"> ○ Information will be noted on the account within 10 business days
Processing Completed Forms	<ul style="list-style-type: none"> • Correspondence Management Center (CMC) will <ul style="list-style-type: none"> ○ Receive completed forms, review for accuracy and note account within 10 business days <ul style="list-style-type: none"> ▪ What information can be released to the third party ▪ Expiration date <ul style="list-style-type: none"> • After 4/25/04 <ul style="list-style-type: none"> ○ Person Record created for third party person ○ AND an INFO AUTHORIZATION ON FILE... Alert • Prior to 4/25/04 <ul style="list-style-type: none"> ○ Customer Contact ○ Proactively request renewal of authorizations when they expire
Form Information	<p>Authorization to Receive Customer Information or Act On a Customer's Behalf Form authorizes</p> <ul style="list-style-type: none"> • Customer can request ongoing authorization (3 year maximum) • One-time written information <ul style="list-style-type: none"> ○ Example: owner requests a rate analysis be sent to contractor • OR Customer selects some or all of the categories to be discussed with Third Party <ul style="list-style-type: none"> ○ Items noted on Alert / Customer Contact OR ○ Seven Items / Categories <ul style="list-style-type: none"> ▪ 1. Billing records, billing history and all meter usage data used for bill calculation for all of my account (s)

	<ul style="list-style-type: none"> ▪ 2. Copies of correspondence concerning <ul style="list-style-type: none"> • Verification of rate, date of rate change, and related information • Contracts and Service Agreements • Previous or proposed issuance of adjustments/credits • Other previously issued or unresolved/disputed billing adjustments ▪ 3. Investigation of Utility bill (s) ▪ 4. Special metering, and the right to access interval usage and other metering data on my account (s) ▪ 5. Rate analysis ▪ 6. Rate change ▪ 7. Verification of balances on my account (s) and discontinuance notices • Form DOES NOT authorize <ul style="list-style-type: none"> ○ Changes to Mailing Address ○ Pay Plans ○ Requesting a Pilot Relight ○ Stop/Start/Transfer of Service <ul style="list-style-type: none"> ▪ Including Merge/Unmerge requests
--	---

Attachments

- [Spanish3rdPartyInformationReleaseAuthorization.pdf](#)

Article Rating

Was this article useful?

Yes
 No

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Related Articles

[master Information Release](#) Updated 06/15/2015

[Authorized Third Party Requesting Information](#) Updated 09/16/2013

Information Release Unauthorized Caller Updated 11/17/2014

Information Release for inquiries from Third Parties Cancel Authorization Updated
11/17/2014

**Information Release Request for Change of Mailing Address To A Third Party
Address** Updated 11/17/2014

[View All](#)

Exhibit 13

Checklist for Departing Employees



Checklist for Departing Employees and Employees Approved for Long-Term Disability (LTD)

To be completed by supervisor or authorized PG&E representative

Employee Personnel Number:

EMPLOYEE NAME:	LAST DAY OF EMPLOYMENT:
SUPERVISOR NAME:	EMPLOYEE DEPARTMENT:

Check One:

- Resignation:** Obtain written confirmation of resignation, either via e-mail or via hard copy, and forward to Human Resources promptly.
- Discharge:** Consult with Human Resources and Corporate Security prior to terminating any employee.
- Retirement:** Refer the employee to the HR Service Center at 415-973-HELP (415-973-4357).
- Severance:** Consult with Human Resources prior to severing any employee. Review the Supervisor's Tool Kit for complete instructions.
- Transfer:** Consult with Human Resources regarding any special requirements.
- Contractors:** Starred (*) items are the only ones that apply to contractors.

Contact Corporate Security at 415-973-6920 prior to the involuntary termination of any employee or the end of a contract assignment for cause.

See the [HR contact list](#) for additional contact information.

1. PRIOR TO FINAL DAY OF EMPLOYMENT		
Completed By	Date	Item
		Personnel Change Request (PCR): Use SAP Manager Self Service (MSS) to prepare appropriate PCR.
		<p>For resigning, retiring, or transferring employees: Determine if employee is part of the FR Clothing Program. If yes, inform employee they have the option of keeping PG&E logo'd FR clothing items or turning them in to their immediate supervisor.</p> <p>For employees wishing to keep their logo'd FR clothing items, inform them that when they do decide to dispose of the garment, they should:</p> <ol style="list-style-type: none"> 1. Cut-out the PG&E logo 2. Once the logo is removed, cut the logo into smaller pieces so as not to be easily repaired or re-used 3. Cut the garment in half (either way is acceptable) so it cannot easily be repaired and a wearer cannot be mistaken as a PG&E employee 4. Dispose as you would any Non- FR clothing (Regular trash is OK unless it is soiled with some other type of hazardous material.)
		Determine if employee has ever handled or removed asbestos during the course of their job duties while employed at PG&E. If yes, complete Attachment B.
		Confirm employee has no outstanding Tuition Refund Plan debts. If yes, obtain a check for any payments employee is no longer eligible for (contact the Help Line at company extension 8-270-2775 or externally at 925-270-2755). Forward the check, as it applies, to the Tuition Refund Plan office promptly at 1850 Gateway Blvd., 7 th floor, Concord, CA 94520.
		Determine if employee received a signing bonus or relocation assistance. If no, this item is not applicable (N/A). If yes, review job offer letter to determine if bonus or relocation obligations were met. If met, no action required. If not met, contact the Payroll department at company extension 8-223-3767 or externally at 415-973-3767 to discuss obtaining outstanding monies owed the company for the signing bonus. For Relocation recovery contact 415-817-8298.
		Confirm disposition of final paychecks: <ul style="list-style-type: none"> <input type="checkbox"/> Hand Deliver <input type="checkbox"/> Certified Mail

"N/A" in this space indicates that the initialing person has determined that the requirement does not apply to this employee



Checklist for Departing Employees and Employees Approved for Long-Term Disability (LTD)

To be completed by supervisor or authorized PG&E representative

		Document Current and Future Home Address and Contact Info: Current _____ _____ Future (effective date _____) _____ _____ E-mail / Phone _____ _____
--	--	--

"N/A" in this space indicates that the initialing person has determined that the requirement does not apply to this employee



CHECKLIST FOR DEPARTING EMPLOYEES and EMPLOYEES APPROVED FOR LONG TERM DISABILITY (LTD)

To be completed by supervisor or authorized PG&E representative

2. FINAL DAY – AT TIME OF EMPLOYEE DEPARTURE		
Completed By	Date	Item
		*Obtain PG&E access card.
		*Obtain PG&E pager and cancel service.
		*Obtain PG&E cell phone and cancel service.
		*Obtain PG&E-owned computer equipment from home; reassign or return all computer equipment located in company office and other remote company office locations; modem; mobile devices (laptop, tablet PC, PDA, Blackberry); CITRIX fob, fax machines, home phone used.
		Obtain PG&E company vehicle.
		Obtain PG&E ID card, credit cards, telephone calling card, procurement card, etc. Ensure all outstanding receipts are accounted for and expenses have been submitted. Return all cards to the proper department for deactivation.
		*Obtain all PG&E keys.
		*Obtain all PG&E software or other intangible property.
		REQUIRED: For terminated employees. NO EXCEPTIONS. OPTIONAL: For resigning, retiring, or transferring employees. *Obtain all PG&E logo'd FR Clothing Items from employee, then: <ol style="list-style-type: none"> 1. Cut-out the PG&E logo 2. Once the logo is removed, cut the logo into smaller pieces so as not to be easily repaired or re-used 3. Cut the garment in half (either way is acceptable) so it cannot easily be repaired and a wearer cannot be mistaken as a PG&E employee 4. Dispose as you would any Non- FR clothing (Regular trash is OK unless it is soiled with some other type of hazardous material.)
		*Obtain all PG&E-owned books, publications, manuals that the employee has in his or her possession. Cancel magazine subscriptions, memberships, etc.
		*Obtain any other PG&E-owned property in employee's possession. (List separately in space below or on back of this checklist (such as safety equipment, hardhat, accident rules or flashlights).
		*Review all files, computer files and disks and logs, electronic mail, documents, binders and other recorded information that employee proposed to take; retain those items containing PG&E or PG&E customer proprietary or confidential information.
		Document and log materials employee takes with him or her upon departure. Complete Attachment A.
		Review with employee what types of information are proprietary, confidential or privileged, and the employee's obligations with respect to such information.
		Advise employee that the Benefits Service Center will mail benefits information to the employee's home address. Advise employee to contact a Benefits Service Center representative toll-free at 1-800-788-2363 for more information.
		Review treatments of PG&E Short-Term Incentive Plan (STIP): <ul style="list-style-type: none"> <input type="checkbox"/> Resignation: not STIP eligible (Note: Can be STIP eligible if resigned after the first of the year for previous year) <input type="checkbox"/> Discharge: not STIP eligible <input type="checkbox"/> Long-Term Disability: not STIP eligible <input type="checkbox"/> Retirement: eligible for prorated STIP <input type="checkbox"/> Severance: eligible for prorated STIP after serving six consecutive months in a plan year

"N/A" in this space indicates that the initialing person has determined that the requirement does not apply to this employee



CHECKLIST FOR DEPARTING EMPLOYEES and EMPLOYEES APPROVED FOR LONG TERM DISABILITY (LTD)

To be completed by supervisor or authorized PG&E representative

		<p>*Disable LAN ID for employee and remove from all LAN ID lists. E-mail request to TSC - Online Administration mailbox. Include the employee's name, employee's LAN ID, and date and time to cancel account.</p>
		<p>*Cancel all computer authorization: List authorizations:</p> <ul style="list-style-type: none"> <input type="checkbox"/> SAP, TP, CorDaptix, Exchange/Outlook or other applicable programs <input type="checkbox"/> CITRIX <input type="checkbox"/> ISTS <input type="checkbox"/> HRIS for HR employees <input type="checkbox"/> Other Department Software <p>E-mail request to TSC - Computer Requests mailbox to cancel. Include the employee's name, employee's LAN ID, and date and time to cancel.</p>

3. OTHER TASKS TO COMPLETE ON FINAL DAY		
Completed By	Date	Item
		*Remove employee access to any other PG&E secured area or system. (List separately in space below)
		*Obtain password for voice messaging system and immediately change the password or disable the mailbox.
		Cancel employee Accounts Payable authorization. Download company form 01-1697 from: \\go260\netprograms\TEMPLATE\01-1697.dot and follow instructions.
		Remove employee from all local phone and pager lists.
		Remove employee from emergency notification lists (DO, MDSS contact field, department specific).

I, _____, hereby affirm that I have been employed by Pacific Gas and Electric Company, a public utility, and am now departing from such employment. I affirm that I have reviewed this completed checklist, and that I have returned all PG&E owned property (both tangible and intangible), including any "works for hire" or other intellectual property I created and which PG&E owns. I affirm that I have disclosed and turned over to PG&E's authorized representative for review, all files, documents and other information belonging to PG&E or its customers (whether written or electronic) in my possession. I agree that I will not use or disclose any utility proprietary and confidential information (including privileged and customer information) in the course of my future employment.

Signature of Employee

Date

Employee Name

Employee Personnel Number

If employee is transferring to an affiliate or to the Holding Company, please indicate below name of affiliate (including Holding Company) and expected start date of employment.

Name of Affiliate (If applicable): _____ Start date: _____

"N/A" in this space indicates that the initialing person has determined that the requirement does not apply to this employee



CHECKLIST FOR DEPARTING EMPLOYEES and EMPLOYEES APPROVED FOR LONG TERM DISABILITY (LTD)

To be completed by supervisor or authorized PG&E representative

DISTRIBUTION:

- SEND COMPLETED CHECKLIST AND ALL ATTACHMENTS TO HUMAN RESOURCES FOR INCLUSION IN THE EMPLOYEE FILE:

BY EMAIL: HRAppointments@pge.com or BY FACSIMILE: 925-279-2879

- IF EMPLOYEE IS GOING TO AN AFFILIATE OR TO THE HOLDING COMPANY, PLEASE SEND COPY OF COMPLETED FORM (PAGE 4) TO Compliance and Ethics, 245 Market MC N4F
- IF ATTACHMENT B IS COMPLETED, Scan and e-mail completed Attachment B to: SHCScorecard@exchange.pge.com (external e-mail) or "Safety Incident Info" (internal e-mail).

"N/A" in this space indicates that the initialing person has determined that the requirement does not apply to this employee

Attachment B

PG&E ASBESTOS PROGRAM EXIT EXAMINATION

DIRECTIONS FOR PG&E SUPERVISOR:

- Offer Attachment B only to employees you have determined meet the requirements (see SH&C website; SH&C 227 Asbestos Program; "Asbestos Exit Exam Process").
- Ask the qualifying employee to read, fill out the Statement of Employee portion and return Attachment B to you
- Scan and e-mail completed Attachment B to: SHCScorecard@exchange.pge.com (external e-mail) or "Safety Incident Info" (internal e-mail).
- If the employee elects to accept the Asbestos Exit Medical Exam, a Safety Data Coordinator will contact the employee and provide them with the necessary forms, instructions and local clinic information so that an medical examination appointment can be set up.
- Asbestos Exit Exams will be charged to the departing department; please include your pcc to be charged below
- Attach original of Attachment B to the Checklist for Departing Employees and retain in LOCAL DEPARTMENT FILE
- If any questions call the Safety Help Line at 415-973-8700 option 3 (co. 8-223-8700 option 3)

Employee's Supervisor (Print) _____ Work Phone _____
Supervisor's Corporate ID: _____ PCC: _____

NOTICE TO EMPLOYEE:

You are being offered an Asbestos Exit Medical Examination because you have indicated that you have handled or removed asbestos containing material as part of your job duties while employed at PG&E. The provision of this medical examination is based on your performance of Class I, II, or III asbestos work or other asbestos-related work and is not an indication of exposure at or above the permissible exposure limit.

Under Cal/OSHA Asbestos regulations, Title 8, California Code of Regulations, Sections 1529 and 5208, an employee must be offered an asbestos exit medical examination when:

- *He or she has performed Class I, II or III asbestos work for 30 or more days in any year during employment with PG&E, or*
- *He/she has been exposed to airborne asbestos levels at or above the Cal/OSHA permissible exposure limit and/or excursion limit.*

This examination must occur within 30 calendar days before or after termination of employment with PG&E (unless a similar examination was performed within the previous 12 months). A company-designated physician will perform the exam at no charge to the employee.*

STATEMENT OF EMPLOYEE:

I have read and understand this notice.

I choose to accept an Asbestos Exit Medical Examination.

I choose to decline to participate in an Asbestos Exit Medical Examination.

Employee Name: (Print) _____ Lan ID: _____

Employee Signature: _____ Date: _____

Employee Personnel # _____ Termination Date: _____

Employee's Organization: _____ Current Work Phone: _____

Home Address (Next 60 days): _____

_____ Home/Cell Phone: _____

**The company's current medical provider of asbestos medical surveillance exams (under contract to SH&C) will be used for the asbestos exit exam.*



**CHECKLIST FOR DEPARTING EMPLOYEES and
EMPLOYEES APPROVED FOR LONG TERM DISABILITY (LTD)**
To be completed by supervisor or authorized PG&E representative

Attachment C
SUPPLEMENTAL CHECKLIST FOR DEPARTING PERSONNEL
Use only if employee is assigned to Diablo Canyon Power Plant
To be completed by supervisor or authorized PG&E representative

1. PRIOR TO FINAL DAY OF EMPLOYMENT		
Completed by	Date	Item
		*ECP (Employee Concerns Program): Supervisor <i>must</i> contact ECP Staff (691-4994) directly to arrange for an ECP Exit Interview. Note below date and time scheduled: _____ / _____
		*Access: <input type="checkbox"/> Notify the DCPD Access Department by sending an e-mail to DCPD Security Term that the employee will be terminated and unescorted access (keycard) needs to be pulled. Provide the following information: <i>Name, User ID, Termination Date and Time and whether access terminated favorable (yes or no and the name of the supervisor who has made the access termination determination).</i> <input type="checkbox"/> Remove from SSI Access by contacting the DCPD Security Manager's office. Give name and date individual no longer needs SSI access.
		Lead Blood Test: Must be offered to employees who took one when they were hired and are leaving the company. To schedule, contact Medical Facility (691- 4441). Note below date and time scheduled: _____ / _____
		* Whole Body Count: A departing Radiation Worker must be scheduled for a Whole Body Count on his/her last day (691-3170/3136): Note below date and time scheduled: _____ / _____
2. FINAL DAY – TO COMPLETE WITH DEPARTING EMPLOYEE		
Initial	Date	Item
		*Property: <input type="checkbox"/> Pager, Cell Phone, Car Phone: Obtain and cancel service. Send an e-mail to DCPD IS TCOM Requests and provide the following information: <i>Name, LAN ID, DCPD Telephone Extension, Date of Departure.</i> (Also request removal from phone and pager lists.) All items should be returned to DCPD IS. DO NOT CONTACT TSC. <input type="checkbox"/> Key Card: Instruct departing individual to deposit in "last day" badge drop box. <input type="checkbox"/> Vehicle Pass: Instruct departing individual to drop off at front gate when leaving site. <input type="checkbox"/> Keys: Obtain all keys to desk, office, or other plant locations or property. Return office and building keys to Security (691-3704 or 691-4019) <input type="checkbox"/> Computers/Software: Obtain all PG&E-owned computer hardware and software employee may have taken home or other intangible property (such as PC Workstations, laptops, Citrix Keyfob or PDA). All items should be returned to DCPD IS).
		* Controlled Documents/Library and/or Training Materials: <input type="checkbox"/> Verify that all specifications, drawings and documents were returned or reassigned (Controlled Copy Procedures – Procedure Services; Controlled Copy Drawings – Document Services). <input type="checkbox"/> Delete access to Engineering Subsystem Access <input type="checkbox"/> Verify all Library documents have been returned or reassigned.
		Work in Progress: Review work (ARs, QEs, AEs or other work activities) for which individual was responsible and verify that it has either been completed or turned over to another person.
3. FINAL DAY – OTHER ITEMS		
Initial	Date	Item
		Emergency Response Organization (ERO): <input type="checkbox"/> Notify Emergency Plan Supervisor's Office if employee is a member of ERO.
		* Information Systems: <input type="checkbox"/> Notify Information Systems by sending an e-mail to DCPD IS Termination of the departing individual. Provide the following information: <i>LAN ID, Department, Date of Departure, and whether individual is leaving PG&E.</i> (If transfer within PG&E, include location transferring to.) Also note if access needs to be deleted for RMS or RIP.
		Reactor Operator Licensee/Senior Reactor Operator Licensee: <input type="checkbox"/> Notify Regulatory Services Manager's Office of termination of licensee.

"N/A" in this space indicates that the initialing person has determined that the requirement does not apply to this employee

Exhibit 14


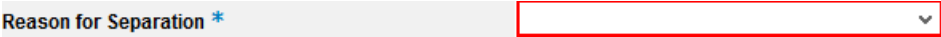
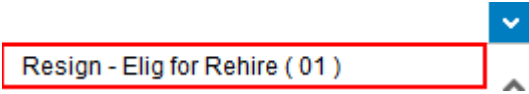
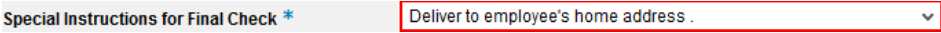
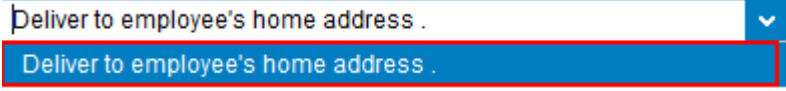



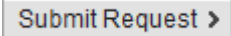
Personnel Change Request – Request for Separation



Request for Separation

Step	Action										
1.	Complete this form when an employee leaves PG&E due to resignation, lay-off or termination.										
2.	You can access all PCR forms on the My Staff menu. My Staff > Personnel Change Requests > Personnel Change Requests										
3.	Chiefs and delegates who represent more than one org unit must first select a unit of responsibility. Click the Unit of Responsibility list item. <table border="1"> <thead> <tr> <th>Unit of Responsibility</th> <th>Org. Unit</th> </tr> </thead> <tbody> <tr> <td> Delegate for: Brenda UPK-Test - UPK Org 2 (73400330)</td> <td>73400330</td> </tr> </tbody> </table>	Unit of Responsibility	Org. Unit	Delegate for: Brenda UPK-Test - UPK Org 2 (73400330)	73400330						
Unit of Responsibility	Org. Unit										
Delegate for: Brenda UPK-Test - UPK Org 2 (73400330)	73400330										
4.	Click the Org Unit list item. <table border="1"> <thead> <tr> <th>Org Assignment (Structure)</th> <th>Object ID</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> UPK Org 2</td> <td>73400330</td> </tr> </tbody> </table>	Org Assignment (Structure)	Object ID	<input type="checkbox"/> UPK Org 2	73400330						
Org Assignment (Structure)	Object ID										
<input type="checkbox"/> UPK Org 2	73400330										
5.	Click the Employee list item. <table border="1"> <thead> <tr> <th>Employee</th> <th>Object ID</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> UPK Org 2</td> <td>73400330</td> </tr> <tr> <td> Henry UPK-Test</td> <td>70240053</td> </tr> <tr> <td> Irene UPK-Test</td> <td>70240054</td> </tr> <tr> <td> John UPK-Test</td> <td>70240055</td> </tr> </tbody> </table>	Employee	Object ID	<input type="checkbox"/> UPK Org 2	73400330	Henry UPK-Test	70240053	Irene UPK-Test	70240054	John UPK-Test	70240055
Employee	Object ID										
<input type="checkbox"/> UPK Org 2	73400330										
Henry UPK-Test	70240053										
Irene UPK-Test	70240054										
John UPK-Test	70240055										
6.	Click the Request for Separation link. <table border="1"> <thead> <tr> <th colspan="2">Available Personnel Change Requests</th> </tr> </thead> <tbody> <tr> <td>Change in Basic Pay</td> <td>Automatic Progression/Passed Test</td> </tr> <tr> <td>Transfer Person</td> <td>Request for Separation</td> </tr> <tr> <td>Start of Temporary Assignment</td> <td>Start of Temp Assignment out of Org Unit</td> </tr> </tbody> </table>	Available Personnel Change Requests		Change in Basic Pay	Automatic Progression/Passed Test	Transfer Person	Request for Separation	Start of Temporary Assignment	Start of Temp Assignment out of Org Unit		
Available Personnel Change Requests											
Change in Basic Pay	Automatic Progression/Passed Test										
Transfer Person	Request for Separation										
Start of Temporary Assignment	Start of Temp Assignment out of Org Unit										
7.	Enter or select the date. For example, enter 03/15/2015. The date of separation is the day <u>after</u> the employee's last day. Chiefs must complete the employee Separation Checklist prior to the employee leaving. Enter the desired information into the Date of Separation field. Enter " 03/15/2015 " or leave blank. <table border="1"> <tr> <td>Date of Separation *</td> <td><input type="text" value=""/></td> </tr> </table>	Date of Separation *	<input type="text" value=""/>								
Date of Separation *	<input type="text" value=""/>										



Step	Action
8.	Click the Refresh form button. 
9.	Click the View Workflow Routing button to see how your request will be routed, including approvals.
10.	Click the Reason for Separation list. 
11.	Refer to the Reason Code List (http://pgeweb/services/Documents/OrganizationalAndPersonnelChangeRequests/ReasonCodesList.pdf) for more information on selection options. Click the Reason for Separation list item. 
12.	Click the Special Instructions for Final Check list. 
13.	Click the Special Instructions list item. 
14.	Attach any applicable Termination documents. Click in the Termination documents field. 
15.	Attach the Separation Checklist. Click in the Separation Check List field. 
16.	For benefits purposes, indicate the date that the employee gave notice to leave PG&E. Enter comments for legal documentation and to assist approvers in completing requests quickly and correctly. Click in the Notes field. 
17.	Click the Submit Request button. 



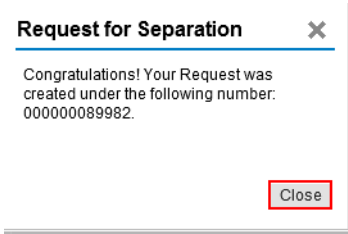
Step	Action
18.	<p>Note your request number on the Confirmation window. You can view the status of your request on the Track Change Requests form, accessed from the My Staff tab.</p> <p>Click the Close button.</p>  <p>The screenshot shows a window titled "Request for Separation" with a close button (X) in the top right corner. The main text reads: "Congratulations! Your Request was created under the following number: 00000089982." At the bottom right of the window, there is a red-bordered button labeled "Close".</p>
19.	End of Procedure.

Exhibit 15

GOV-7101S – Records Management Standard

Records Management Standard

Summary

This standard establishes the requirements governing the identification, control, management, retrieval and retention of records for PG&E Corporation and its subsidiaries, including Pacific Gas and Electric Company (together, "PG&E").

Information is created everyday by business operations at PG&E, whether computerized or by the use of paper documents. Not all information constitutes a record. Information may be working copies, drafts, or preliminary or outdated versions of a document that do not constitute records. Documentation of purely administrative activities (e.g., appointment setting) does not constitute the creation of records. Information that does not constitute a record may be retained for current business use or to comply with regulatory or legal requirements, or as long as it supports a valid business, regulatory or legal need and no longer.

A **record** is information created, received, and maintained for a business purpose or to comply with regulatory or legal requirements, including the documentation of a specific action, a transaction, a decision, regulatory compliance requirement, or legal commitment made by PG&E during the course of its business activity. Examples include documentation of construction, repair, maintenance, and inspection activities; documentation of compliance with legal requirements; and documentation of personnel actions. Record types and associated retention periods are documented in the PG&E Enterprise Records Retention Schedule, which will replace current Line of Business Records Retention Schedules on approximately October 1, 2012. Employees should work with their line of business Records Manager/Records Coordinator and the Records Management Department to identify information that does and does not constitute a record.

Target Audience

This standard applies to employees, members of the Boards of Directors, contingent workers, and contractors who create or possess PG&E records, regardless of format.

Safety

NA

Records Management Standard

Table of Contents

Subsection	Title	Page
1	Information Created at PG&E.....	2
2	Records as a Subset of Information	2
3	Organizational Structure.....	3
4	Applicability of This Standard	3
5	Objectives of the Records Management Program	3
6	Program Requirements	3

Requirements

1 Information Created at PG&E

- 1.1 Information is created everyday by business operations at PG&E, whether computerized or by the use of paper documents.
- 1.2 Not all information constitutes a record.
 - 1. Information may include working copies, drafts, or preliminary or outdated versions of a document that do not constitute records.
 - 2. Documentation of purely administrative activities (e.g., appointment setting) does not constitute the creation of records.
 - 3. Information that does not constitute a record may be retained for current business use or to comply with regulatory or legal requirements, or as long as it supports a valid business, regulatory, or legal need and no longer.

2 Records as a Subset of Information

- 2.1 A **record** is information created, received, and maintained for a business purpose or to comply with regulatory or legal requirements, including the documentation of a specific action, a transaction, a decision, regulatory compliance requirement, or legal commitment made by PG&E during the course of its business activity.
- 2.2 Examples include documentation of the following:
 - 1. Construction, repair, maintenance, and inspection activities;
 - 2. Compliance with legal requirements; and
 - 3. Personnel actions.

Records Management Standard

3 Organizational Structure

- 3.1 The Records Management Policy, standards, training, and procedures are developed by the General Counsel of PG&E Corporation or the General Counsel's designee.
- 3.2 The execution of these standards and procedures will be the responsibility of each line of business through a designated Records Manager or Records Analyst/Coordinator. This function in the line of business will be accountable for processes that support the execution of the records management program as drafted by the Records Management Department.

4 Applicability of This Standard

- 4.1 This standard applies to all records created, modified, maintained, stored/archived, retrieved, or transmitted during the course of PG&E business, regardless of format.

5 Objectives of the Records Management Program

- 5.1 The objectives of the records management program are to:
 - 1. Facilitate the creation of records that are accurate, complete, and verifiable;
 - 2. Enable records access and retrieval by the appropriate organizations and individuals;
 - 3. Satisfy applicable legal and regulatory requirements;
 - 4. Achieve the proper level of security and privacy;
 - 5. Systematically retain records only as long as necessary;
 - 6. Systematically dispose of PG&E records pursuant to all applicable retention periods; and
 - 7. Facilitate recovery and survival of vital records in the event of a disaster.

6 Program Requirements

- 6.1 Each person is responsible for PG&E information that the person creates, receives, manages, and retains in the course of performing PG&E work. This information is owned by PG&E.
- 6.2 Information must be systematically reviewed to determine if it is a record. Records must then be managed, retained, and disposed of in a systematic manner. Review must occur at least annually during the Records Management Compliance Certification process, but also can happen upon business process closure, such as the end of construction or the end of a project.

Records Management Standard

- 6.3 All vendors selected to store PG&E records must be approved and documented by the Records Management Department.
- 6.4 The preferable storage medium for records is electronic, except where otherwise required.
- 6.5 PG&E records must reside in a PG&E business location or a documented PG&E storage site.
1. PG&E records may not be maintained for record-keeping purposes on personal or home computers.
 2. Information (whether or not constituting a record) belonging to PG&E may not be permanently stored at the homes of any employees, members of the Boards of Directors, contingent workers or contractors. Information used in the normal course of business may be located temporarily at non-PG&E business locations to support business process needs.
- 6.6 PG&E record types and mandated retention periods will be set forth in the PG&E Enterprise Records Retention Schedule expected to be published on October 1, 2012. Until such publication, the current Line of Business Records Retention Schedules will dictate retention periods.
- 6.7 Retention schedules and any other requirement calling for the disposal of information or records may be superseded by the directive of the Law Department. Until such time as this directive is lifted, records within the scope of the directive may not be destroyed.
- 6.8 Employees are expected to manage PG&E records, whether paper or electronic, as company assets.
- 6.9 Records deemed confidential, restricted, privileged, or under specific confidentiality regulation (e.g., Personally Identifiable Information, Health Insurance Portability and Accountability Act ("HIPAA")) must be safeguarded and may be disclosed to parties outside of PG&E only upon proper authorization by the company pursuant to the applicable company's policies and standards governing such disclosure or pursuant to a court order or subpoena or other applicable law.
- 6.10 Any subpoena received by employees or questions regarding the release of PG&E Records must be directed to the Law Department Subpoena Desk before the release of such records.
- 6.11 Records generated, stored, or maintained by third-parties during the course of PG&E business are owned by PG&E. Third-parties that manage PG&E records are required to be under appropriate contractual arrangements that meet the requirements of PG&E's Records Management Policy and other applicable information management policies and standards. The retention of PG&E records on third-party equipment or third-party locations does not modify PG&E's control or responsibility of these records.

Records Management Standard

- 6.12 Upon an employee's exit from PG&E, all electronic and paper information generated, retained, and managed by the exiting employee must be reviewed for records identification. Information not designated a record can be disposed of pursuant to the PG&E Records Management Policy and other applicable PG&E information management policies and standards. An employee's supervisor is responsible for identifying records from the information population and handling them in accordance with this standard.
- 6.13 Normally, information generated in email messages, instant messaging, and social media is considered transient communications and should not constitute a record. Nor should these media be used to create records. However, if a particular communication on these media does constitute a record, it must be handled in accordance with this standard.
- 6.14 All records are to be assigned an information security level consistent with applicable PG&E information classification standards.
- 6.15 The Records Management Department is responsible for developing a training module, which all employees and contingent workers are to complete annually.
- 6.16 Each line of business or support organization shall, by October 1, 2012, submit a records management compliance plan setting forth the specific steps that it plans to take to implement the Records Management Policy and Standard and the dates by when those steps will be completed.
1. The plans will be reviewed by the Enterprise Content Management Executive Steering Committee or its successor (the "Steering Committee"), after which they will be reviewed and approved by (i) the relevant organization's Executive Vice President or Senior Vice President and (ii) the General Counsel.
 2. The submission of an approved records management compliance plan to the Steering Committee will replace the Annual Certification of Records Management compliance formerly submitted to the Corporate Secretary's Office on September 1st of each year.
 3. The approved records management compliance plans will be aggregated and documented by the Corporate Information Management Compliance Department. Organizations that submit compliance plans are in compliance with the Records Management Policy and this standard which will be communicated through an email notification from the Information Management Compliance Department.
 4. Responsibility for the Records Management certification process, formerly administered by the Corporate Secretary, now resides with the Information Management Compliance Department.
 5. If a plan is not fully implemented by October 1, 2013, the relevant business or support organization shall, by October 1, 2013, submit to the Steering Committee an updated records management compliance plan, which shall be approved as described above, defining the remaining steps that it plans to take to implement the Records Management Policy and this standard and the dates by when those steps will be completed.

Records Management Standard

END of Requirements

Definitions

None.

Implementation Responsibilities

The PG&E Law Department will be accountable for the development and implementation of the Records Management Policy and the records management standards that implement the Policy.

The Law Department will work with:

- (1) line of business Records Managers/Analysts/Coordinators who will be responsible for records management program execution within their line of business and
 - (2) departments responsible for Regulatory Affairs, Risk, and Compliance and Ethics to identify proposed and adopted legislation, rules, or company policy that may impact PG&E's records management program.
-

Governing Document

Corporation Policy: GOV-01 Records Management Policy

Compliance Requirement/Regulatory Commitment

The California Public Utilities Commission, Internal Revenue Service, Securities and Exchange Commission ("SEC"), and other government regulatory agencies and auditors have established guidelines for maintaining specific, identified records. To ensure that PG&E complies with these requirements, record types identified by specific regulations and the number of years that records need to be maintained from the point of creation to the final disposition are set forth in the PG&E Records Retention Schedules that accompany this Standard and are expected to be published as of October 1, 2012. Until such publication, the current Line of Business Records Retention Schedules dictate retention periods.

Reference Documents**Developmental References:**

None

Supplemental References:

- GOV-7101P-01 – Shipping Records to the Records Center Procedure
-

Records Management Standard

- GOV-7101P-02 – Requesting Records from the Records Center Procedure
- Records Transmittal Form
- PG&E Enterprise Records Retention Schedule (expected to be available as of October 1, 2012). Until such publication, the current Line of Business Records Retention Schedules will dictate retention periods.

Appendices

Attachments

NA

Document Recission

GOV-7001S Record Retention and Disposal Standard (10/01/2010)

Approved By

Hyun Park, Senior Vice President and General Counsel

Sanford Hartman, Vice President and Managing Director, Law
Pacific Gas and Electric Company

Document Owner

Leslie Banach, Director, Information Management Compliance
Pacific Gas and Electric Company Law Department

Document Contact

Leslie Banach, Director, Information Management Compliance
Pacific Gas and Electric Company Law Department

Revision Notes

Date	Comments
New: 09/15/2012	Cancels and supersedes GOV-7001S Record Retention and Disposal Standard (10/01/2010).

Exhibit 16

Procurement Manual – Contract Process

Pacific Gas and Electric Company

Requisition To Pay Procurement Manual

CONTRACT PROCESS

Filename: Exh 16 Procurement Manual – Contract Process.doc	Revision #: 7
Created: RTP Team	Last Update: 1/1/2010

Table of Contents



OVERVIEW OF PROCESS: CONTRACTERROR! BOOKMARK NOT DEFINED.

Contract Overview Error! Bookmark not defined.



OVERVIEW OF PROCEDURE 3a. Negotiate & Execute AgreementsERROR! BOOKMARK NOT DEFINED.



PROCEDURE 3A KEY ACTIVITIES.. ERROR! BOOKMARK NOT DEFINED.

- 3.a.1 Prepare for Negotiations..... Error! Bookmark not defined.
 - 3.a.1.1 Re-Trading (Re-Negotiation)..... Error! Bookmark not defined.
- 3.a.2 Accept Supplier(s) for Negotiation and Conduct Negotiations.... Error! Bookmark not defined.
- 3.a.3 Award Contract to a Supplier – Reject other Bids/Proposals Error! Bookmark not defined.
- 3.a.4 Route Final Contract Documents for Contract Award Approval & SigningError! Bookmark not defined.



OVERVIEW OF PROCEDURE 3b. Implement AgreementsERROR! BOOKMARK NOT DEFINED.



PROCEDURE 3B KEY ACTIVITIES.. ERROR! BOOKMARK NOT DEFINED.

- 3.b.1 Create SRM Contract in SAP SRM..... Error! Bookmark not defined.
- 3.b.2 Plan Contract Implementation..... Error! Bookmark not defined.



OVERVIEW OF PROCEDURE 3c. Manage & Change Contracts ERROR! BOOKMARK NOT DEFINED.



PROCEDURE 3C KEY ACTIVITIES.. ERROR! BOOKMARK NOT DEFINED.

- 3.c.1 Determine the Nature of the Change and the Type of Contract . Error! Bookmark not defined.

3.c.2 Prepare Contract Change Order Document Error! Bookmark not defined.

3.c.3 Determine Appropriate Approval / Signature Levels and Route for ApprovalsError! Bookmark not defined.

3.c.4 Change SRM Contract in SAP SRM Error! Bookmark not defined.

DOCUMENT REVIEW HISTORY ERROR! BOOKMARK NOT DEFINED.

Exhibit 17

FIN-1107P-01, Corporate Real Estate - Base Facility Chargeback Procedure

Corporate Real Estate Base Facility Chargeback

Summary This procedure defines the annual Corporate Real Estate (CRE) base facility chargeback, how it is applied and calculated. This procedure also provides instructions for submitting the information needed for these chargebacks.

Facility allocations achieve the following goals:

- Assignment of costs based on space occupied is charged to areas using specific spaces.
- Annual determination of base facility chargeback.

Tenants occupying CRE managed facilities absorb a share of the facility costs.

Level of Use: Informational Use

Target Audience This procedure is applicable to all employees who are responsible for or support Corporate Real Estate allocations for Provider Cost Centers and Orders.

Safety N/A

Before You Start Obtain the following data:

- Occupancy information from Archibus, a CRE space planning tool.
- Up to date Cost Center Mapping.
- Verification from Business Finance as single point of contact (SPOC) for represented FA.
- Approved annual facility budget.

Table of Contents

Subsection	Title	Page
1	Occupancy Data	2
2	Occupancy Validation	3
3	Facility Budget	3
4	Facility Rate Setting	4



Corporate Real Estate Base Facility Chargeback

5	Plan Submission	6
---	-----------------------	---

Procedure Steps

1 Occupancy Data

1.1 Request data from CRE's alliance partner, Cushman & Wakefield (C&W)-Space Planning department for occupancy information from Archibus.

1. Ensure data from CRE's alliance partner includes the following:

- a. Site Id
- b. Building Id
- c. Floor Id
- d. Room Id
- e. Tenant Cost Center
- f. Room Category
- g. Room Type
- h. Space Prorate
- i. Area square feet (sq.ft.)
- j. Chargeable Area sq. ft.
- k. Site Name
- l. Tenant Functional Area
- m. Tenant Functional Area Level 2



Corporate Real Estate Base Facility Chargeback

2 Occupancy Validation

- 2.1 Post data to Business Finance Shared Services SharePoint (<http://wss/sites/Finance/BusinessFinance/Shared%20Services/Chargeback%20Allocations/Forms/AllItems.aspx?View=%7b>).
- 2.2 Send request for occupancy data validation to all Business Finance (BF).
 1. Refer to Attachment 1, Facility Planning Communication Sample.
- 2.3 Instruct the Line of Business (LOB) to update occupancy information.
 1. Find the form named “PCC Update forms and Guideline for Space Planning” on Business Finance Shared Services SharePoint with occupancy data (<http://wss/sites/Finance/BusinessFinance/Shared%20Services/Chargeback%20Allocations/Forms/AllItems.aspx?RootFolder=%2fsites%2fFinance%2fBusinessFinance%2fShared%20Services%2fChargeback%20Allocations%2f2013%20CRE%20Chargeback%20Planning&FolderCTID=&View=%7b6B0C24DE%2dC4D4%2d42E6%2d9A67%2dA29AF9162456%7d>).
 - a. Use form to submit changes

3 Facility Budget

- 3.1 Acknowledge base facility budget components consist of the following:
 1. Rent
 2. Repairs and Maintenance
 3. Utilities
 4. Building Management
 5. Cleaning
 6. Security
 7. Facility Projects
 8. Roads & Grounds
 9. Miscellaneous (e.g., fixed fee, lease administration fees)
- 3.2 Use approved base facility budget provided by Planning, Forecasting, and Planning Department, AND C&W for detailed plan categories outlined in Step 3.1 on Page 3.



Corporate Real Estate Base Facility Chargeback

4 Facility Rate Setting

4.1 Request updated occupancy data after data validation process is completed in Step 2 from C&W.

1. Identify spaces associated with Corporate usage.
2. Identify space associated with Utility usage.
 - a. Use the following LOB rate types to identify the space:
 - (1) Electric Operations
 - (2) Gas Operations
 - (3) Energy Supply
 - (4) Shared Services
 - (5) Corporate Services
 - (6) Customer Care
 - (7) Information Technology (IT)
 - (8) General Office (GO).
 - b. Ensure all portfolio locations are comprised of space occupied by employees, along with vacant work spaces and common spaces; e.g. hallways, bathrooms.
 - (1) Ensure all facility costs are captured, including the time it takes to clean, manage, etc. the square footage for any unclaimed spaces.
 - Each PCC receives a proration of these costs added to base square footage.
 - (2) Example: Location X. has two tenants that occupy 100sq.ft. each.
 - Location also has one 50 sq.ft. bathroom and a 50 sq.ft. hallway.
 - Since both PCC's have an equal share of the space, each will be charged equivalent of 150 sq.ft. NOT just 100 sq.ft. actually occupied.
3. Calculate facility charge for Corporate as follows:
 - a. Multiply total Corporate occupied square feet by Corporate Facility rate prior year rate, plus Consumer Price Index (CPI).



Corporate Real Estate Base Facility Chargeback

4.1.3. (a) (Continued)

- (1) Refer to Attachment 2 for Utility and Corporate agreement on space usage.
- b. Refer to Table 1 below.

Table 1. Consumer Price Index Escalation for Affiliate rate

Series Id: CUUSA422SA0,CUURA422SA0				
Not Seasonally Adjusted				
Area: San Francisco-Oakland-San Jose, CA				
Item: All items				
Base Period: 1982-84=100				
Year	Annual CPI (in Aug)	Annual Rent/SQFT *	Monthly Rent/SQFT	Actual Rates/SQF T
1997	160.4			
1998	165.5	41.28		
1999	172.5	42.59	3.55	
2000	180.2	44.39	3.70	
2001	189.9	46.38	3.86	
2002	193	48.87	4.07	
2003	196.4	49.67	4.14	
2004	198.8	50.54	4.21	4.26
2005	202.7	51.16	4.26	4.28
2006	209.2	52.17	4.35	4.35
2007	216.048	53.84	4.49	4.48
2008	222.767	55.60	4.63	4.60
2009	225.801	57.33	4.78	4.70
2010	227.469	58.11	4.84	4.84
2011	234.608	58.54	4.88	4.89
2012	239.806	60.38	5.03	
2013	X	62.97	5.25	
			FACCHG	
*(CPI Present-CPI Last)/CPI Last				

4. Calculate facility charge for Utility as follows:

- a. Take the total cost of each site divided by total square footage at that site.

- (1) Prorate each site by the Line of Business (LOB) using the space.
- (2) Calculate LOB rate by dividing total cost by the total square footage for that LOB.



Corporate Real Estate Base Facility Chargeback

4.1.4. (a) (Continued)

- (3) Ensure planned collection from Corporate has been subtracted, see Step 4.1.2.
- b. Example: Electric Operations: \$25,058,621 prorated costs - \$0 planned collection from Corp / 1,910,281 sq. ft.) = \$13.12 per sq. ft.
 - Corporate collection is currently planned in the GO rate only.
 - Square footage used in calculation includes all common space proration.
- c. Refer to Table 2 below.

Table 2. Facility rate calculation

	#1 Elec Ops
Amount	\$ 25,058,621.05
Actual PCCs	14501
Sqft	1,910,280.78
Allocation PCC's	14501
State Key Figure	FAC-P1
Monthly Amount	\$2,088,218.42
Rate	\$13.12

5 Plan Submission

5.1 Calculate planning rate AND planning quantity for the system as follows:

1. Take the total approved base budget minus planned collection from the Corporate Space Usage(see Step 4.1.2) divided by total chargeable square feet to Utility, divided by 12 = Monthly rate.
2. Multiple the monthly rate times 1000 to get system planning rate.

5.1 (Continued)

3. Divide the total square footage by 1000 to obtain system planning quantity.
4. Refer to Table 3 below:



Corporate Real Estate Base Facility Chargeback

Table 3. KB31 Table for upload

	Cost	Sqft
Full Request	\$ 99,974,027	6,892,523.880
Corp Space Usage	\$ 636,528	10,108.440
Total Charge to Utility	\$ 99,337,498	6,882,415.440
Monthly Rate	Planning Rate(x1000)	Planning Quantity(/1000)
1.20	\$ 1,202.79	6,882.42

5.2 Send the fixed rate AND monthly billing quantity for Base Facility Cost Center 13960 to Cost Accounting.

1. Ensure submission includes the following data, (refer to Table 4 below):

- a. Provider Cost Center (PCC): 13960
- b. Billing cost element/activity type:
 - (1) Utility: BFACPL
 - (2) Holding: FACCHG
- c. Rates from Step 4 and 5
- d. Monthly planning quantity from January-December

Table 4. Fixed Rate submission to Cost Accounting

PCC	Activity Type	2014 Rate	14-Jan	14-Feb	14-Mar
13960	BFACPL	\$1,202.80	6,882.415	6,882.415	6,882.415
13960	FACCHG	\$5.25	10,110.250	10,110.250	10,110.250

5.3



Corporate Real Estate Base Facility Chargeback

Submit KB31 to upload the Stat Key plan for tenant square footage.

1. Refer to Table 5.

Table 5. KB31 Table for upload

Actual Statistical Key Figure (KB31)			
Posting Date:		8/23/2013	
Cost Center	Order	Statistical Key Figure	Quantity (3 decimal max)
5	12	6	13
10235		FAC-P0	5968.280
10237		FAC-P0	1250.219
10239		FAC-P0	872.734
10245		FAC-P0	11761.997
10247		FAC-P0	7881.839
10250		FAC-P0	846.773
10255		FAC-P0	71.512
10304		FAC-P0	2084.901
10305		FAC-P0	419.185
10306		FAC-P0	548.258
10309		FAC-P0	1115.659
10311		FAC-P0	2004.438
10313		FAC-P0	1698.363
10314		FAC-P0	6097.028

END of Instructions



Corporate Real Estate Base Facility Chargeback

Definitions	<p>Base Facility Charge: A monthly fixed allocation charged directly to client cost centers based on square footage used, both occupied and shared.</p> <p>Cost Element: The basic carriers of costs which categorize costs into a standard set of accounts in SAP to be used for reporting purposes.</p> <p>Provider Cost Center: Partner Cost Center (PCC)'s supply services to Receive Cost Centers (RCC) and reflect the organizational / functional structure of the company.</p> <hr/>
Implementation Responsibilities	<p>Business planning document owner ensures this procedure is addressed and communicated.</p> <hr/>
Governing Document	<p>FIN-1107S Chargeback Standard</p> <hr/>
Compliance Requirement/Regulatory Commitment	<p>N/A</p> <hr/>
Reference Documents	<p>Developmental References:</p> <p>N/A</p> <p>Supplemental References:</p> <p>N/A</p> <hr/>
Appendices	<p>N/A</p> <hr/>
Attachments	<p>Attachment 1 – Facility Planning Communication Sample</p> <p>Attachment 2 – Utility and Corporate agreement on space usage</p> <hr/>

Corporate Real Estate Base Facility Chargeback

Document Recision N/A

Approved By Sara McCune, Director – Business Finance Shared Services

Document Owner James Merriman, Supervisor – Business Finance Shared Services

Document Contact Cassie King, Associate Financial Analyst – Business Finance Shared Services
 Andrew Teel, Financial Analyst – Business Finance Shared Services

Revision Notes

Where?	What Changed?
N/A	Chargeback Methodology changed from a single, company-wide rate to an eight rate system with a unique rate for each LOB. Edited and clarified in Sections 4 and 5 accordingly.

Exhibit 18

Information Technology Change Management Process Manual

- [Tech Library](#)
- [Home](#)
- [Site Map](#)

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[Plans & Strategies](#)
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[Presentations](#)
[Procedures](#)
[Process Manuals](#)
[Standards](#)
[Configuration Manual](#)


Process Manual—Change Management

Number	Title	Released/Last Date Reviewed	Associated Documents
PM0004	Mainframe DB2 Change Management PM	05/18/06	
PM0006	UNIX Change Management PM Ver 1.5	08/28/06	
PM0007	Externally Facing Shared Web Environment Change Management PM	09/19/06	
PM0008	Active Directory Change Management PM	04/1/09	
PM0010	Windows Server Change Management PM	04/1/09	
PM0036	IT Electric SCADA T&D Change Management	03/30/09	
PM0039	Network Infrastructure Change Management	06/08/10	
PM0040	ISTS ODN Windows Server Infrastructure Applications	10/15/09	
PM0041	IT Hydro SCADA Change Management	11/30/09	

Exhibit 19

Attachment 1 “Permitted and Non-Permitted Joint Purchases” of RISK-4301S,
Affiliate Rules Compliance Program Standard

Permitted and Non-Permitted Joint Purchases

Following are examples of permitted and non-permitted joint purchases for goods and services by Pacific Gas and Electric Company, PG&E Corporation, and one or more affiliates.

Permitted Joint Purchases

1. Office supplies (pens, paper, pencils, scissors, etc.)
2. Computers, printers and other office equipment (computers must be of a standard configuration readily available in the marketplace)
3. Computer software used for general business purposes (Windows, Word, Excel, SAP, SQL etc.)
4. Office and ergonomic furniture
5. Express mail and shipping services
6. Passenger vehicles, including fuels, oils and lubricants
7. Bulk or generic chemicals (used for a variety of processes, including water treatment)
8. Travel services and travel (airline, hotel, rental car)
9. Hand and power tools readily available in the marketplace (hammers, screwdrivers, wrenches, drills etc.)
10. Copier or fax maintenance and lease
11. Health and safety products
12. Temporary staffing/clerical support
13. Telephone services (local, long distance, cell phone and pager)
14. Legal, tax and auditing services as well as all other permitted corporate support services

Permitted and Non-Permitted Joint Purchases

Non-permitted joint purchases (applicable to Rule II.B affiliates)

1. Electricity (commodity, transmission, distribution, etc.)
2. Gas (commodity, transmission, parking, lending, etc.)
3. Equipment used on the utility gas or electrical system (transformers, pipe, wire, insulators, concrete, etc.)
4. Vehicles used in utility system operations and maintenance (line trucks, backhoes, etc.)
5. Tools that must be special ordered or built for utility use
6. Specialized computers used for engineering or system operations
7. Computer software specifically developed for utility functions (transmission scheduling, generation asset optimization, etc.)
8. Engineering services
9. Marketing services
10. Employee recruiting services

Exhibit 20

Attachment 2, “Permitted and Non-Permitted Corporate Support Services” of
RISK-4301S, Affiliate Rules Compliance Program Standard

Permitted and Non-Permitted Corporate Support Services

Following are examples of permitted and non-permitted corporate support services by Pacific Gas and Electric Company, PG&E Corporation, and one or more affiliates:

Permitted Corporate Support Services

1. Corporate oversight and governance
2. Use of financial and cash management and payroll systems software
3. Payroll advice and services, including printing and distribution of paychecks
4. Corporate budget preparation and monitoring
5. Corporate communications, public relations, and charitable contributions
6. Tax advice and services
7. Treasury Functions
8. Investor relations and shareholder services
9. Consolidated business planning (other than market analyses)
10. Financial services including:
 - a. Accounts payable;
 - b. Accounting;
 - c. Banking services not including customer transactions;
 - d. Cash management;
 - e. Planning, analysis, and negotiation and workout (e.g. analytical support for various subsidiary projects and for long-range planning);
 - f. Risk management (which includes approval of and monitoring compliance with policies and procedures; each subsidiary has its own risk management committee to manage its hedging, financial derivative and arbitrage activities as they relate to energy products; the Corporation in its oversight role may also review and approve certain transactions involving PG&E or the affiliates); and
 - g. Reporting.
11. Internal auditing

Permitted and Non-Permitted Corporate Support Services

Permitted Corporate Support Services (continued)

12. Insurance advice, services, and procurement
13. State, federal, and local lobbying and regulatory affairs
14. Analysis of regulatory or legislative actions
15. Legal services and support
16. Legal and regulatory compliance, including affiliate transactions rules compliance
17. Compliance and ethics activities
18. Environmental and safety
19. Corporate development
20. Computer, telecommunications, and technical systems support and maintenance (PG&E employees may have access to affiliate systems while providing support and maintenance on those systems. PG&E support may include Internet routing. Affiliate employees will only be allowed to provide support and maintenance for PG&E if they will not have access to any non-public PG&E information contained in a computer or information system; e.g. limited hardware maintenance or software development)
21. Human resources planning and development services, including succession planning
22. Compensation and benefit services and plan procurement and management
23. Pension management
24. Development, interpretation, and application of employment policies
25. Creation and maintenance of employee records
26. Limited day or overnight use of Pacific Gas and Electric Company meeting rooms or facilities (Rule II.B. affiliate employees would only be in attendance if their presence was necessary to perform shared corporate support functions and they had been invited by the entity hosting the meeting.)
27. Printing of documents for permitted shared services and corporate support functions
28. Corporate communications and public relations
29. Fleet services
30. Corporate security

Non-permitted Corporate Support Services (applicable to Rule II.B affiliates)

1. Employee recruiting
2. Engineering
3. Hedging and financial derivatives and arbitrage services
4. Gas and electric purchasing for resale
5. Purchasing of gas transportation and storage capacity
6. Purchasing of electric transmission
7. System operations
8. Marketing

Exhibit 21

Procedure for Temporary Assignments



Policy/Procedure for Temporary Assignments of Pacific Gas and Electric Company employees to PG&E Corporation or PG&E Corporation Support Services II

Background: PG&E Corporation, PG&E Corporation Support Services II and other entities (contact the Compliance and Ethics Department (see Attachment A, List of Affiliated Companies at [the C&E website](#)) to determine the status of a specific company) are not Affiliates under the rules adopted by the CPUC (hereafter they are referred to as Corporate Services Entities) and as such temporary assignments are permitted. Assignments to these entities shall be documented in accordance with these procedures.

Temporary assignments to a Corporate Services Entity may not be used as a means of providing a service to an Affiliate that is not otherwise permissible under the affiliate rules. Services provided to Affiliates by Pacific Gas and Electric Company employees shall be conducted and priced in accordance with the rules and procedures applicable to the specific affiliate involved.

Definition of Temporary Assignment: A temporary assignment is defined as a short term or intermittent assignment where the employee's work is for the sole benefit of the Corporate Services Entities *or* for the shared benefit of Pacific Gas and Electric Company and the Corporate Services Entities. The employer continues to be Pacific Gas and Electric Company for the duration of the assignment.

A transfer occurs when the employee moves to and accepts a position with a Corporate Services Entity and the Corporate Services Entity becomes the employer. The new employer will be billed a transfer fee based on the Pacific Gas and Electric Company employee's final compensation at Pacific Gas and Electric Company after a transfer has occurred (see the Affiliated Company Transaction Procedures issued by the Controller for more information on the transfer fee.)

Employees Eligible for Temporary Assignments to PG&E Corporation: All Pacific Gas and Electric Company employees are eligible for temporary assignment to a Corporate Services Entity.

Temporary Assignment Agreements: A Temporary Assignment agreement, signed by the responsible Pacific Gas and Electric Company manager, Corporate Services Entity supervisor, and the employee is *to be completed prior to the start of the assignment*. The executed agreement should be sent to the Compliance and Ethics Department. The agreement must include at a minimum the following provisions:

- The starting and ending dates of the assignment;
- The purpose of the assignment;
- Employee's pay rate for the duration of the assignment;
- Work location of the employee during the assignment. If the employee will be located in Pacific Gas and Electric Company space the cost of the space and support systems must be identified and billed to the Corporate Services Entity;
- A requirement that Pacific Gas and Electric Company needs shall take precedence over those of the Corporate Services Entity; and
- Confirmation that the employee understands the Affiliate Rules, including the provision that they will not transfer confidential Pacific Gas and Electric Company information to Affiliates while on assignment to a Corporate Services Entity.

A sample agreement is attached to this policy. The document may only be changed by revising the original agreement and obtaining all signatures and submitting the revised agreement to the Compliance and Ethics Department.



Policy/Procedure for Temporary Assignments of Pacific Gas and Electric Company employees to PG&E Corporation or PG&E Corporation Support Services II

Billing for Temporary Assignments: To ensure that assignments are correctly billed, employees who are on assignment to another entity will remain tagged to their Pacific Gas and Electric Company cost center within SAP. It is the responsibility of the Pacific Gas and Electric Company manager to ensure that an Order has been established by Affiliate Accounting and that all appropriate time and costs for the employees on Temporary Assignments are charged to the corresponding Orders. The form to request an Order is available from the Controller's Intranet site <http://pgeatwork/Finance/Controller/AT/>. Employees will continue to receive paychecks and benefits from Pacific Gas and Electric Company during their assignments.

Cost of Employee to PG&E Corporation: If the purpose and work is for the sole benefit of the Corporate Services Entity, that entity is to be billed the fully loaded cost for the employee. If the purpose and work performed is for the shared benefit of the Pacific Gas and Electric Company and the Corporate Services Entities, only the appropriate proportionate amount of the fully loaded cost will be billed to the Corporate Services Entity. The form to request an Order is available on the Controller's intranet site.



Policy/Procedure for Temporary Assignments of Pacific Gas and Electric Company employees to PG&E Corporation or PG&E Corporation Support Services II

SAMPLE CORPORATE SERVICES ENTITY TEMPORARY ASSIGNMENT AGREEMENT

(Actual Agreement may vary in form and substance; however the minimum requirements identified in the Temporary Assignment Policy must be included.)

The undersigned agree to the following conditions for the temporary assignment of *{employee}* from Pacific Gas and Electric Company to *{receiving employer}*.

- The temporary assignment will begin on or about *{start date}* and end on or about *{end date}*.
- For the duration of the assignment, *{employee}* will maintain his/her Pacific Gas and Electric Company status and corresponding salary. The Pacific Gas and Electric Company will continue to pay *{employee}* and bill *{receiving employer}* according to adopted transfer pricing rules (See PG&E's Affiliated Company Transaction Procedures).
- The objective of the assignment is to provide *{description of purpose and work}*.
- During the past six months *{employee}* has held the following position at the Pacific Gas and Electric Company: *{insert position title}*.
- If the purpose and work is for the sole benefit of the *{receiving entity}*, *{receiving entity}* will be billed the fully loaded cost for *{employee}* for time spent on *{receiving employer}* work. If the purpose and work is for the shared benefit of the Company and the Corporate Services Entities, only the proportionate amount of the fully loaded cost will be billed.
- *{Employee}* will report to *{receiving supervisor}* at *{receiving employer}*. *{Receiving supervisor}* may change this reporting relationship at any time during this assignment based on business and operational needs.
- For the duration of the assignment, *{employee}* will continue to receive the Short-Term Incentive Plan (STIP) rating associated with their department at Pacific Gas and Electric Company. All provisions of Pacific Gas and Electric Company's STIP Guidelines in effect at that time will apply.
- *{Receiving employer}'s {Department Name}* will be billed for *{Employee's}* expenses incurred in carrying out this assignment (for example, meals or lodging). To the extent possible all such expenses shall be directly charged to *{Receiving Employer}* by the employee or the vendor providing the service.
- Due to continued restructuring in the company, [*sending Pacific Gas and Electric Company department*] or [*receiving Affiliate department*] may decide to reorganize its work force. Nothing in this agreement precludes the implementation of such changes in either department for the duration of the assignment. In the event this occurs and [*employee*] is impacted by the change, [*he or she*] will receive all considerations offered to eligible employees under the work force management provisions in effect at the time of the impact.
- Either Company may choose to terminate this assignment prior to the end date based on operational needs. The needs of Pacific Gas and Electric Company shall take precedence over those of the *{Receiving Company}*. Pacific Gas and Electric Company will have sole discretion in determining the needs of Pacific Gas and Electric Company. Should Pacific Gas and Electric Company terminate the assignment prior to the end of the assignment, *{Pacific Gas and Electric Company manager}* will notify *{receiving supervisor}* of the termination. Upon such notification, *{employee}* shall be informed of the termination of the assignment and shall be expected to return to his/her base Pacific Gas and Electric



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Company position the workday immediately after the end of the assignment but no later than *{ending date}*. The minimum notice for termination is two business days unless otherwise agreed to by both parties. *{Receiving supervisor}* will give *{employee}* two weeks' notice prior to official termination of assignment.

- All changes to this agreement must be made in writing and authorized by the Pacific Gas and Electric Company manager, manager of receiving employer, and the employee prior to their effective date.

Pacific Gas and Electric Company Manager - *{Manager Name}*

Date

Manager of *{receiving employer}* - *{Manager Name}*

Date

I have read and signed the attached confidentiality agreement. I affirm that I am not taking any PG&E-owned property (tangible or intangible), including any "works for hire" or other intellectual property, which I created and which Pacific Gas and Electric Company owns, or any files, documents and other information belonging to PG&E or its customers, with me while on assignment to *{Receiving Company}*. **I agree that while on assignment to *{Receiving Company}*, I will not perform any work for any other affiliate.**

Employee

Date

A copy of the signed agreement should be received by the Compliance and Ethics Department (Mail Code N4F, 245 Market or fax 415-973-1183) at least two business days prior to the start of the assignment.

Pacific Gas and Electric Company manager must also submit an Order Request Form to the Affiliate Accounting section in the Management Reporting Department.



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Confidentiality Agreement

As an employee on assignment to *{Receiving Company}*, you may have access to confidential Pacific Gas and Electric Company or customer data.

{Receiving Company} has the following policy with regard to confidential information: Each employee maintains the confidentiality of proprietary and other confidential information acquired in the course of his or her employment with *{Receiving Company}*. Further, confidential Pacific Gas and Electric Company or customer information may only be released to third parties, including Pacific Gas and Electric Company Affiliates, (1) with the prior written consent of the customer, and (2) on an equal basis as among Affiliates and non-affiliates. And finally, California Public Utilities Commission affiliate transaction rules strictly limit the circumstances under which confidential Pacific Gas and Electric Company information may be shared with Affiliates. If you receive or have access to confidential Pacific Gas and Electric Company information, you may not provide that information to any third party, including any Affiliate of Pacific Gas and Electric Company, nor to employees of third parties or Affiliates. Affiliates include, among others (see Attachment A, List of Affiliated Companies at [the C&E website](#) for most current list), Fuelco LLC, Pacific Connector Gas Pipeline, LP, Pacific Connector Gas Pipeline, LLC, Pacific Energy Fuels Company, PG&E Corporation Support Services, Inc., PCG Capital, and PG&E Strategic Capital, Inc. Please note that *{Receiving Company}* is not an "Affiliate" for purposes of these rules; however, *{Receiving Company}* employees may not be used as a conduit to circumvent the rules.

Covered information may bear the following label (or something similar) either on the information itself or in the cover letter attached to the information:

"May contain confidential Pacific Gas and Electric Company information, which may be shared with the holding company, but not with affiliates."

I affirm that I am not taking any Pacific Gas and Electric owned property (tangible or intangible), including any "works for hire" or other intellectual property, which I created and which Pacific Gas and Electric owns, or any files, documents and other information belonging to Pacific Gas and Electric Company or its customers with me while on assignment to *{Receiving Company}*. **I agree that while on assignment to *{Receiving Company}*, I will not perform any work for an Affiliate.**

If you have any questions about this requirement you should discuss them with your director or manager, or contact the Compliance and Ethics Department at 1-888-231-2310. Please sign one copy of this memorandum where indicated below and return it to Compliance and Ethics Department, Mail Code **N4F, 245 Market**.

I have read the above and will comply with all written policies regarding limitations on the use of confidential Pacific Gas and Electric Company information and understand that failure to observe these limitations in the future will result in subjecting me to corporate discipline policies.

Signature of Employee

Print Employee Name

Date



Policy/Procedure for Temporary Assignments of Pacific Gas and Electric Company employees to PG&E Corporation or PG&E Corporation Support Services II

Policy/Procedure for Temporary Assignments with Rule II.B Affiliates

Background: Temporary Assignments of Pacific Gas and Electric Company employees to non-energy marketing Rule II.B. Affiliates (Affiliates (see Attachment A, List of Affiliated Companies at [the C&E website](#) for most current list)) are permitted, with certain restrictions, under the Affiliate Transaction Rules adopted by the CPUC. All assignments to Affiliates (PG&E Corporation and PG&E Corporation Support Services II and certain other Entities are not Rule II.B. Affiliates) must follow the guidelines and procedures described below. Failure to follow the guidelines and procedures outlined below may result in significant penalties being imposed on Pacific Gas and Electric Company. Contact the Compliance and Ethics Department to determine the status of a specific company.

Definition of Temporary Assignments: A Temporary Assignment is defined as a short term or intermittent assignment where an employee works at or under the direction of an Affiliate. The employer continues to be Pacific Gas and Electric Company for the duration of the assignment.

A Transfer occurs when the employee moves to an Affiliate and accepts a position with the Affiliate. The Affiliate becomes the employer when a transfer has occurred. Employees who Transfer to an Affiliate are subject to rules which require a minimum length of service at an Affiliate before the employee can return to the Pacific Gas and Electric Company (Temporary Assignments on the other hand have a maximum duration). Affiliates are billed a transfer fee when a Pacific Gas and Electric Company employee Transfers to an Affiliate.

Pacific Gas and Electric Company has defined work which requires five or more consecutive days of service at the Affiliate's work location or at a non-Pacific Gas and Electric Company facility under the direction or sponsorship of an Affiliate to be an assignment covered by this policy. This includes assignments which might otherwise be covered under corporate support. Work assignments which are performed entirely at Pacific Gas and Electric Company facilities or which require less than five consecutive days at an Affiliate's facilities *must be* permitted corporate support. Authorization under the appropriate Continuing Services Agreement (CSA) or a work order executed pursuant to a CSA is required. A work order is not required for Temporary Assignments. A description of permitted corporate support can be found in the Affiliate Company Transaction Procedures or in the Affiliate Rules Compliance Plan on the Compliance and Ethics Intranet site.

Ineligible Affiliates: Energy marketing affiliates may *not* receive employees on Temporary Assignment from Pacific Gas and Electric Company under any circumstance.

Employees Eligible to Rotate to an Affiliate: Employees *not* involved in marketing for Pacific Gas and Electric Company may be assigned to an affiliate. For the purpose of this policy employees involved in marketing include any employee who within the past six months has had one or more of the following types of assignment as a significant proportion of job responsibilities for Pacific Gas and Electric Company:

- Gas or Electric commodity, transportation, or delivery sales;
- Assigned customers with responsibility for sales;
- Market or customer research;
- Customer oriented product or program development or management;



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- Advertising or promotions.

Final determination on whether or not an employee has been involved in marketing within the past six months will reside with the Director of Compliance and Ethics of Pacific Gas and Electric Company.

Length of Temporary Assignments: Temporary Assignments are limited to 30 percent of an employee's chargeable time in a calendar year. For purposes of this rule an employee may not be on assignment to one or more affiliates for more than 78 work days (including vacation, sick and other nonproductive time) excluding holidays recognized by Pacific Gas and Electric Company (for example, New Years Day, Presidents Day or Fourth of July) which occur during the assignment.

The Compliance and Ethics department will maintain records of all Temporary Assignments to ensure that no employee is on assignment to an affiliate for more than the permitted 78 days during a calendar year. The Compliance and Ethics department will provide a reminder to the employee, two weeks prior to their reaching the 78 day maximum, that they must return to Pacific Gas and Electric Company once the maximum is reached. The 78 day maximum is a cumulative number in any one calendar year.

Temporary Assignment Agreements: An Affiliate Temporary Assignment Agreement, signed by the responsible Pacific Gas and Electric Company officer, the Affiliate officer, and the employee *must be completed and submitted to the Compliance and Ethics Department prior to the start of the assignment.* A minimum of two business days in advance is requested to ensure that the agreement meets all requirements. The Compliance and Ethics Department will notify the employee and the Pacific Gas and Electric Company officer once it has reviewed the agreement that the assignment may begin. The Affiliate Temporary Assignment Agreement (see Attachment for a sample agreement) must include at a minimum the following provisions:

- The starting and ending dates for the assignment;
- Pacific Gas and Electric Company job titles held by the employee for the prior six months;
- Work location of the employee during the assignment;
- Upon two business day notice by Pacific Gas and Electric Company that the services of the employee are needed by Pacific Gas and Electric Company, the assignment will end and the employee will report back to Pacific Gas and Electric Company;
- Determination of Fair Market Value for the employee's services (provided by the Controller's organization);
- Confirmation that the employee understands the Affiliate Rules and agrees to abide by them.

Agreements may only be changed by revising, in writing, the original agreement and obtaining all signatures and submitting the revised agreement to Compliance and Ethics Department prior to the end of the original agreement. In no case may an extension cause an employee to exceed the maximum 78 days in a calendar year.

Maximum Number of Pacific Gas and Electric Company Employees who may be assigned to Affiliates: At any one time no more than five percent of the total number of Pacific Gas and Electric Company employees may be on assignment to affiliates. Should the Pacific Gas and Electric Company reach the maximum number of permitted assignments no further assignments will be allowed. Pacific Gas and Electric Company officers in consultation with PG&E Corporation



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will determine priorities for assignments when Pacific Gas and Electric Company is near the maximum number of temporary assignments. The Compliance and Ethics department will maintain records of all employees' currently on assignment and shall notify Pacific Gas and Electric Company officers and Pacific Gas and Electric Corporation when the number of assignments is near the maximum number allowed.

Billing for Temporary Assignments: To ensure that temporary assignments are correctly billed, employees who are on assignment to an affiliate will remain tagged to their Pacific Gas and Electric Company cost center within SAP. It is the responsibility of the Pacific Gas and Electric Company manager to ensure that an order has been established by Affiliate Accounting and that all time and costs for the employee on assignment are charged to that order. The employee will continue to receive paychecks and benefits from Pacific Gas and Electric Company during the assignment. All personal expenses shall be reimbursed to the employee by the affiliate for the duration of the assignment.

Cost of Employee to Affiliates: The Affiliate will be billed at the greater of the fully loaded cost plus 10% of direct labor costs or fair market value for all non-executive employees. Executives (managers and officers) on assignment to an Affiliate will be billed at the greater of fully loaded cost plus 15% of direct labor or fair market value. The Controller of Pacific Gas and Electric Company or his delegate shall make the final determination of fair market value.

Employee Checklist: Employees who are on assignment to an Affiliate shall have their Pacific Gas and Electric Company access to information and systems suspended, terminated, or otherwise not available during the period of their Assignments. The Pacific Gas and Electric Company supervisor should ensure that the departing employee checklist is completed on the employee's last day with Pacific Gas and Electric Company and the completed checklist sent to the Compliance and Ethics Department. For shorter assignments the Pacific Gas and Electric Company supervisor may keep access and identification cards and ensure that the employees' passwords to Pacific Gas and Electric Company systems are changed and the new passwords not provided to the employee until the Assignment has finished. Once the assignment ends the Pacific Gas and Electric Company employee may be granted access to Pacific Gas and Electric Company information and systems as required.



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SAMPLE AFFILIATE TEMPORARY ASSIGNMENT AGREEMENT

(Actual Agreement may vary in form and substance; however the minimum requirements identified in the appropriate Temporary Assignment Policy must be included.)

The undersigned officers agree to the following conditions for the temporary assignment of [employee] from Pacific Gas and Electric Company to [receiving affiliate].

- The assignment period will begin on [date] and end on [date].
- For the duration of the assignment, [employee] will be Band [Band], with a salary of [\$ amount]. Pacific Gas and Electric Company will continue to pay the employee and bill the affiliate according to adopted transfer pricing rules (See PG&E's Affiliated Company Transaction Procedures).
- The objective of the assignment is to provide [employee] with a developmental opportunity to meet the following business need(s):

[Describe]

[employee] has not been involved in marketing within the past six months. During the past six months [employee] has held the following positions at the Pacific Gas and Electric Company: [list all]

- The hourly market rate for [employee's Pacific Gas and Electric Company classification] is [fair market value approved by Corp Accounting].
- [Affiliate] will be billed the higher of the fully loaded cost of the employee plus 10 percent [15 percent if an executive] of direct labor costs or the fair market value determined above.
- [Employee] will report to [receiving affiliate supervisor] at [affiliate work location]. [Receiving department supervisor] may change this reporting relationship at any time during this assignment based on business and operational needs.
- For the duration of the assignment, [employee] will continue to receive the Short-Term Incentive Plan (STIP) rating associated with [the sending Pacific Gas and Electric Company department]. All provisions of Corporate Compensation's STIP Guidelines in effect at that time will apply.
- [Receiving affiliate department] will directly reimburse the employee's expenses incurred due to the acceptance of this assignment (for example, meals or lodging).
- Either Department may choose to terminate this assignment prior to the end date based on operational needs. The needs of Pacific Gas and Electric Company shall take precedence over those of the Affiliate. Pacific Gas and Electric Company will have sole discretion in determining the needs of Pacific Gas and Electric Company. Should Pacific Gas and Electric Company terminate the assignment prior to the end of the assignment, [Pacific Gas and Electric Company officer] will notify [affiliate officer] of the termination. Upon such notification, the employee shall be informed of the termination of the assignment and shall



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be expected to return to his/her base Pacific Gas and Electric Company position the workday immediately after the end of (*the termination date*). The minimum notice for termination is two business days unless otherwise agreed to by both parties. [*Receiving supervisor*] will give [*employee*] and [*sending department manager*] two weeks notice prior to official termination of assignment.

- Due to continued restructuring in the company, [*sending Pacific Gas and Electric Company department*] or [*receiving Affiliate department*] may decide to reorganize its work force. Nothing in this agreement precludes the implementation of such changes in either department for the duration of the assignment. In the event this occurs and [*employee*] is impacted by the change, [*he or she*] will receive all considerations offered to eligible employees under the work force management provisions in effect at the time of the impact.
- This agreement is not a guarantee of employment for the prescribed period of the assignment. During the assignment, employee shall be subject to all applicable conduct and work performance policies.
- All changes to this agreement must be made in writing and authorized by the officer of Pacific Gas and Electric Company, the officer of the Affiliate, and the employee prior to their effective date.

Officer of Pacific Gas and Electric Company

Date

Officer of Receiving Affiliate

Date

By signing this agreement I acknowledge that I have read and agree to follow all rules, policies and procedures, including the CPUC rules last updated in D. 06-12-029, regarding affiliate transactions during my Assignment to [*Affiliate Company*]. I agree that I will not use or disclose any Pacific Gas and Electric Company proprietary and confidential information (including privileged and customer information) in the course of my assignment with the affiliate. I affirm that I am not taking any Pacific Gas and Electric Company owned property (tangible or intangible), including any “works for hire” or other intellectual property, which I created and which Pacific Gas and Electric Company owns, or any files, documents and other information belonging to Pacific Gas and Electric Company or its customers with me while on assignment to [*Affiliate*]. I agree that while on Assignment to [*Affiliate*] I will not perform any work for Pacific Gas and Electric Company.

Employee

Date

A copy of the signed agreement must be received by the Compliance and Ethics Department (Mail Code N4F, 245 Market or fax 415-973-1183) at least two business days prior to the start of the assignment.

Pacific Gas and Electric Company manager must also submit an Order Request Form to the Affiliate accounting section of the Management Reporting Department.



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Pacific Gas and Electric Company employees to
PG&E Corporation or PG&E Corporation Support Services II**

Exhibit 22

RISK-4301P-02, Affiliate Rules Compliance Plan Procedure

Affiliate Rules Compliance Plan Procedure

SUMMARY

This procedure describes the steps to update Pacific Gas and Electric Company's (PG&E's) affiliate rules compliance plan and file the plan with the California Public Utilities Commission (CPUC) by June 30 of each year. This filing is required under Rule VI.A of the Affiliate Transaction Rules (Rules) adopted by the CPUC in Decision 06-12-029.

The timeline described in this procedure is optimal to file the compliance plan with the CPUC by June 30. The timeline may be adjusted if needed, as long as filing with the CPUC is done by June 30.

Level of Use: Information Use

TARGET AUDIENCE

Compliance and Ethics Department employee who oversees enterprise compliance with CPUC Affiliate Rules.

SAFETY

NA

BEFORE YOU START

- 1.1 Ensure access to folder and sub-folders for last Affiliate Rules Compliance Plan filing (e.g., 2014 Compliance Plan on Compliance and Ethics network drive:
\\go301\rasc&e\regulatory_compliance\affiliate_rules\compliance_plan)
- 1.2 Create folder and sub-folders for current year compliance plan (e.g., 2015 Compliance Plan) where all documents and critical email messages are saved throughout this procedure.

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Affiliate Rules Compliance Plan Procedure

PROCEDURE STEPS

1 Compliance Plan Preparation

- 1.1 No later than early May each year, locate previous year's Affiliate Rules Compliance Plan (plan) folder on Compliance and Ethics network drive.
- 1.2 Refer to this folder throughout this procedure for documents and email messages that might be helpful in preparing current year plan.
- 1.3 Do the following:
 1. Review previous year's plan, including the following:
 - Review any affiliate rule changes issued by the CPUC since filing previous year's plan.
 - Determine if improvements are needed, such as for clarity, due to audit findings, or based on benchmarking with other utilities' compliance plans.
 - Determine if there are changed processes or documents.
 - Test Intranet and Internet hyperlinks.
 - Note if website pages have changed from previous year's plan.
 2. Edit a Word copy of plan.
 - Make non-substantive edits without tracking changes.
 - Make substantive edits by tracking changes.
 3. Save marked Word copy of the plan in current year folder on network drive.
- 1.4 Locate on Compliance and Ethics network drive previous year's Excel spreadsheet of subject matter experts (SMEs) who reviewed and commented on each section of plan.
- 1.5 Do the following:
 1. Review list of SMEs
 2. IF SMEs are known to be no longer responsible for reviewing the plan,

THEN update list to reflect current SMEs who should review and comment on each section of current year's draft plan.
 3. Save clean version in current year folder on network drive.

Affiliate Rules Compliance Plan Procedure

- 1.6 IF an email message related to subsection 1 will be helpful in preparing next year's plan,
THEN save a copy in current year folder on network drive.

2 Subject Matter Expert Review

- 2.1 Approximately the third week in May, send email message, with marked draft plan and SME spreadsheet attached, to current year SMEs, asking them to review plan and provide feedback within two weeks.
- 2.2 Save copy of the email in current year folder on network drive.
- 2.3 Follow up with SMEs to ensure each provides feedback no later than end of first week in June.
- 2.4 Incorporate SME feedback into the draft plan, including any updated hyperlinks.

3 Attorney and Director Review

- 3.1 Approximately June 8, prepare email message, including list of substantive plan changes, asking the following people to review plan and provide feedback within one week:
- Law Department attorney (attorney) who provides advice on affiliate rules matters
 - Director, Compliance and Ethics (Director)
- 3.2 Attach the following to email message:
- Updated marked draft plan
 - Updated draft plan with changes accepted
 - SME spreadsheet
- 3.3 Send the email message AND save a copy in current year folder on network drive.
- 3.4 While awaiting their feedback, do the following:
1. Obtain Intranet link matrix spreadsheet and exhibits from previous year folder on network drive.
 2. Update Intranet link matrix spreadsheet and exhibits to correspond to Intranet hyperlinks in current year draft plan.
 3. Save updated spreadsheet and exhibits in current year folder on network drive
- 3.5 Incorporate feedback from attorney and Director into draft plan.

Affiliate Rules Compliance Plan Procedure

- 3.6 IF an email message related to subsection 3 will be helpful in preparing next year's plan,
THEN save a copy in current year folder on network drive.

4 Officer Review

- 4.1 Approximately June 15, prepare email message, including list of substantive plan changes, asking the following officers to review draft plan and provide feedback within one week:
- Vice President and Controller, PG&E Corporation and Pacific Gas and Electric Company (officer responsible for utility accounting)
 - Vice President Internal Audit and Compliance PG&E Corporation and Pacific Gas and Electric Company (officer responsible for affiliate rules compliance oversight)
- 4.2 Attach the following to email message:
- Updated draft plan with changes accepted
 - SME spreadsheet
- 4.3 Send email message AND save a copy in current year folder on network drive.
- 4.4 While awaiting their feedback, prepare draft cover letter addressed to Energy Division of CPUC, based on letter sent in previous year.
- 4.5 Incorporate officers' feedback into final version.
- 4.6 Upon receiving officers' approval, coordinate with their executive assistants to obtain each officer's signature on single copy of last page of Introduction section.
- 4.7 Upon receiving page with officers' signatures, scan page to create Adobe pdf electronic copy.
- 4.8 Save copy in current year folder on network drive.
- 4.9 IF an email message related to subsection 4 will be helpful in preparing next year's plan,
THEN save copy in current year folder on network drive.

5 Advice Letter Filing with CPUC

- 5.1 Approximately June 23, send email message to representative in Regulatory Affairs who processes the annual Plan Advice Letter sent to CPUC (currently Shirley Wong or Kingsley Cheng), advising the representative of need to file Plan with CPUC by June 30 (or next business day if June 30 falls on weekend).

Affiliate Rules Compliance Plan Procedure

- 5.2 Attach the following to email:
- Draft letter to the Energy Division of the CPUC that was prepared at step 4.4
 - Scanned Adobe pdf of the signature page signed by both officers
 - Final Word version of current year Plan
 - Intranet link matrix spreadsheet and electronic copies of exhibits to the plan
- 5.3 By June 30 (or next business day if June 30 falls on a weekend) Regulatory Affairs does the following:
1. Drafts final Word letter to Energy Division.
 2. Consolidates all files into single Adobe pdf.
 3. Electronically transmits Adobe pdf as Advice Letter Filing to Energy Division.
 4. Delivers hard copy to Energy Division.
- 5.4 Upon receiving copy of the electronic Advice Letter Filing from Regulatory Affairs, save copy in current year folder on network drive.
- 5.5 IF an email message related to subsection 5 will be helpful in preparing next year's plan,
THEN save copy in current year folder on network drive.

END of Instructions

DEFINITIONS

NA

IMPLEMENTATION RESPONSIBILITIES

In early May of each year, Director, Compliance and Ethics, ensures this procedure is reviewed by the Compliance and Ethics employee who oversees Affiliate Rules Compliance.

GOVERNING DOCUMENT

RISK-4301S Affiliate Rules Compliance Standard

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

CPUC D.06-12-029, Rule VI.A – Regulatory Oversight

Affiliate Rules Compliance Plan Procedure

REFERENCE DOCUMENTS

Developmental References:

2014 Affiliate Rules Compliance Plan

Supplemental References:

CPUC Affiliate Rules Intranet site:

<http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>

APPENDICES

NA

ATTACHMENTS

NA

DOCUMENT REVISION

NA

DOCUMENT APPROVER

Megan Janis

Director, Compliance and Ethics

DOCUMENT OWNER

Dean Mortensen

Principal, Compliance and Ethics

DOCUMENT CONTACT

Dean Mortensen

Principal, Compliance and Ethics

Affiliate Rules Compliance Plan Procedure

REVISION NOTES

Where?	What Changed?
Before You Start	Minor clarifying edits
1.3.1	Minor clarifying edits
2.4	Minor clarifying edit
2.5 – 2.9	Separated attorney and Director review from SME review, creating new subsection 3
3.4	New step concerning Intranet link spreadsheet and exhibits
5.1	Updated names
5.2, fourth bullet	Minor clarifying edit

Exhibit 23

RISK-4301P-01, Affiliate Rules Compliance Officer Certification Procedure

Affiliate Rules Compliance Officer Certification Procedure

SUMMARY

This procedure describes the steps to obtain compliance certifications from key PG&E Corporation and Pacific Gas and Electric Company (PG&E) officers and send those certifications to the California Public Utilities Commission (CPUC) by March 31 of each year. This annual certification is required under Rule VI.E of CPUC D.06-12-029.

The key officers certify that they have complied with the CPUC affiliate rules in the preceding calendar year, and they describe any compliance failures not already reported. They base their certifications in part on supporting certifications signed by subordinate officers, senior directors, and directors.

The timeline described in this procedure is optimal to send the compliance certifications to the CPUC by March 31. The timeline may be adjusted if needed, as long as filing with the CPUC is done by March 31.

Level of Use: Information Use

TARGET AUDIENCE

Compliance and Ethics Department (C&E) staff who oversee enterprise compliance with CPUC Affiliate Rules.

SAFETY

NA

BEFORE YOU START

- 1.1 Ensure access to folder and subfolders for last certification filing (e.g., Certification for 2012 folder, created in 2013) on Compliance and Ethics network drive:
\\go301\ras\c&e\regulatory_compliance\affiliate_rules\officer_certification.
- 1.2 Create folder and subfolders for current certification filing for preceding calendar year (e.g., Certification for 2014 folder, created in 2015) where all documents and significant email messages are saved throughout this procedure.

Affiliate Rules Compliance Officer Certification Procedure

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2	Identify Officers, Senior Directors, and Directors Who Will Sign Supporting Certifications	3
3	Send Kickoff Message to Key Officers	3
4	Send Certifications to Supporting Officers and Directors	5
5	Send Certifications to Key Officers	6
6	Collect Key Officers' certifications	7
7	Send certifications to CPUC	7

PROCEDURE STEPS

1 Identify Key Officers Who Will Sign Compliance Certifications

- 1.1 By January 28, access folder for last certification filing (e.g., Certification for 2013 folder, created in 2014) on Compliance and Ethics network drive:
\\go301\ras\c&e\regulatory_compliance\affiliate_rules\officer_certification.

- 1.2 Review list of people who held the following key officer positions for preceding year's filing, e.g., filing in March 2014 for calendar year 2013:
 - PG&E Corporation Chairman, CEO, and President
 - PG&E Corporation CFO
 - PG&E Corporation Chief Regulatory Officer
 - Pacific Gas and Electric Company CEO and President
 - Pacific Gas and Electric Company CFO
 - Pacific Gas and Electric Company Chief Regulatory Officer

The key officers are described in [Rule V.E. of CPUC D.06-12-029](#).

- 1.3 Via email, contact Office of the Corporate Secretary (Ellen Conti as of October 2014) to verify that same people are currently in those key officer positions.

Affiliate Rules Compliance Officer Certification Procedure

1.3 (continued)

1. Copy attorney responsible for advising on affiliate rules issues (attorney) (Doreen Ludemann as of October 2014)

1.4 Incorporate into list any updated information provided by Office of the Corporate Secretary, i.e., any changes in people or their titles in key officer positions.

1. IF a new person is in a key officer position,
THEN indicate on list the date person assumed the position.

1.5 Save list in certification folder.

2 Identify Officers, Senior Directors, and Directors Who Will Sign Supporting Certifications

2.1 By February 1, review table of officers, senior directors, and directors who signed supporting certifications of compliance with affiliate rules for preceding year's filing, e.g., filing in March 2014 for calendar year 2013.

2.2 Determine if there have been any changes in people in those positions, e.g., through searching Who's Who on the PG&E Intranet, consultation with Director, C&E, knowledge of changes in the past year.

2.3 Determine if additional officers, senior directors, or directors should sign supporting certifications, e.g., based on knowledge of compliance areas of focus in the past year.

2.4 Update table, reflecting any changes in people in those positions, i.e., officers, senior directors, and directors who will certify compliance this year for preceding calendar year.

2.5 Save table in certification folder.

3 Send Kickoff Message to Key Officers

3.1 By February 1, do the following:

1. Review kickoff email message sent to key officers during preceding year's filing.
2. Update kickoff email message as a draft for current year's filing, with sender as Vice President, Internal Audit and Compliance.
 - a. Save draft in certification folder.
3. Update preceding year's certification timeline to reflect current year's timeline.
 - a. Save draft in certification folder.

Affiliate Rules Compliance Officer Certification Procedure

3.1 (continued)

4. Prepare draft email message to the Vice President, Internal Audit and Compliance describing certification process for current year's filing.
 - a. Attach the following:
 - Draft table of supporting officers, senior directors, and directors created in step 2.4
 - Draft kickoff email message to key officers created in step 3.1.2, which includes request for key officers to, by February 20, identify additional officers, senior directors, or directors from whom they wish to receive supporting certifications
 - Draft certification timeline created in step 3.1.3

3.2 By February 3, send draft kickoff email and attachments to Director, C&E and attorney for their comments.

3.3 By February 8, do the following:

1. Contact each key officer's assistant to verify officer will be available to sign certifications between March 1 and March 15.
 - a. IF a key officer will not be available,

THEN adjust the timeline to accommodate the officer's schedule.
2. Incorporate comments from Director, C&E and attorney into materials sent to them in step 3.2.
3. Send draft kickoff email message to Vice President, Internal Audit and Compliance for review.
 - a. Copy the Director, C&E and assistant to Vice President, Internal Audit and Compliance.

3.4 By February 14, do the following:

1. Incorporate comments from Vice President, Internal Audit and Compliance into materials sent in step 3.3.3.
 - a. Save copy of all materials in certification folder.

Affiliate Rules Compliance Officer Certification Procedure

3.4 (continued)

2. Coordinate with assistant to Vice President, Internal Audit and Compliance to send approved kickoff email message to key officers from mailbox of Vice President, Internal Audit and Compliance, with copies to the following:
 - Officers, senior directors, and directors who will sign supporting certifications
 - Assistants to key officers and supporting officers, senior directors, and directors
3. Save copy of kickoff email message sent to key officers in certification folder.

4 Send Certifications to Supporting Officers and Directors

4.1 Also by February 14, do the following:

- Update email message and certifications sent the preceding year to supporting officers, senior directors, and directors.
- Prepare any new certifications reflecting the updated table of supporting officers, senior directors and directors created in step 2.4.
- Review and, if needed, update detailed requirements affiliate rules summary found on PG&E's Affiliate Rules Intranet site
<http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>.

4.2 By February 16, do the following:

1. Coordinate with assistant to Vice President, Internal Audit and Compliance to send email message, certifications, and detailed affiliate rules requirements summary (see step 4.1) to each of the supporting officers, senior directors, and directors from mailbox of Vice President, Internal Audit and Compliance, requesting the following:
 - a. By February 20, they identify additional officers, senior directors, or directors from whom they wish to receive supporting certifications.
 - b. By February 24, they print, sign, and return their certifications to assistant to Director, Compliance and Ethics.
2. Request attorney to provide a certification addressed to each of the following:
 - PG&E Corporation Chairman, CEO, and President
 - Pacific Gas and Electric Company CEO and President

4.3 By February 21, forward email and certifications to any additional officers, senior directors, or directors requested by key officers or supporting officers, senior directors, and directors, requesting a return date of February 28.

Affiliate Rules Compliance Officer Certification Procedure

4.4 Ensure all certifications are received by February 28.

5 Send Certifications to Key Officers

5.1 By March 1, do the following:

1. Scan and save as a single Adobe pdf file all signed supporting certifications in certification folder.
2. Update certifications sent the preceding year to key officers.
 - a. Save in certification folder.
3. Review email message and attachments sent to each key officer in preceding year, which includes the following:
 - Affiliate Transaction Rules issued by the CPUC (link)
 - Summary of key affiliate rules requirements (attachment) found on PG&E's Affiliate Rules Intranet site
<http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>.
 - Adobe pdf file of all signed supporting certifications (attachment)
4. Update email message and summary of key affiliate rules requirements (if needed) as drafts for current year, with sender as Vice President, Internal Audit and Compliance.
 - a. Save draft email message and summary of key affiliate rules requirements in certification folder.

5.2 By March 2, send email message to Vice President, Internal Audit and Compliance describing and attaching the following:

- Draft email message to key officers
- Summary of key affiliate rules requirements
- Adobe pdf copy of each signed supporting certification
- Certification key officer is to print, sign and return by March 15 to assistant to Director, Compliance and Ethics

Affiliate Rules Compliance Officer Certification Procedure

5.3 Upon approval of Vice President, Internal Audit and Compliance, of draft email and attachments, AND by March 4, coordinate with assistant to Vice President, Internal Audit and Compliance to send separate email message and attachments to each key officer from mailbox of Vice President, Internal Audit and Compliance.

1. Copy the following:

- Assistants to key officers
- Director, C&E

2. Save copy of each sent email message in certification folder

6 Collect Key Officers' certifications

6.1 By March 12, ask assistant to Director, C&E which certificates have not been returned.

6.2 Determine with assistant to Director, C&E if a reminder is warranted (e.g., the officer has been available, but has not yet signed).

1. IF a reminder is warranted,

THEN assistant to Director, C&E contacts and reminds assistant of any officer who has not yet responded.

7 Send certifications to CPUC

7.1 Upon receiving all certifications, do the following:

1. Scan and save as a single Adobe pdf file all signed key officer certifications in certification folder.

2. Review email message and attached key officer certifications sent to CPUC in preceding year by Director, C&E.

3. Update email message as a draft for current year, with sender as Director, C&E.

4. Save draft email message in certification folder.

5. Send draft email message and Adobe pdf copy of key officer certifications to the following for their comment and approval:

- Director, Compliance and Ethics
- Attorney
- Regulatory Relations Director, Energy Supply (Erik Jacobson as of October 2014)

Affiliate Rules Compliance Officer Certification Procedure

- 7.2 Upon receiving their comments or concurrence, assistant to Director, C&E prepares and prints the following:
- Hard copy letter
 - Pdf copy of key officer certifications
- 7.3 Director, C&E signs hard copy letter.
- 7.4 By March 30, Assistant to Director, C&E does the following:
1. Creates combined pdf of cover letter and all key officer certifications for use in step 7.5.
 2. Addresses envelope to Director, Energy Division, California Public Utilities Commission.
 3. Delivers signed letter and original copies of key officer certifications in envelope to office of Vice President, Regulatory Relations (Sally Cuaresma as of October 2014) for hand delivery to the CPUC.
- 7.5 Receive from Regulatory Affairs automated C-Net email requiring status report of officer certification mailing to CPUC.
- 7.6 Follow link in email to update status of activity in C-Net, attaching pdf created in step 7.4.1.
- 7.7 By end of first full week in April, ensure any significant email messages and all final files are saved in certification folder (e.g., Certification for 2012 folder, created in 2013) on Compliance and Ethics network drive: \\go301\rasc&e\regulatory_compliance\affiliate_rules\officer_certification.

END of Instructions

DEFINITIONS

NA

IMPLEMENTATION RESPONSIBILITIES

In early January of each year, Director, C&E ensures this procedure is reviewed by C&E staff who oversee compliance with CPUC Affiliate Rules.

GOVERNING DOCUMENT

NA

Affiliate Rules Compliance Officer Certification Procedure

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

- CPUC D.06-12-029, Rule V.E – Descriptions of Key Officers
- CPUC D.06-12-029, Rule VI.E – Requirement for annual certification by March 31

REFERENCE DOCUMENTS

Developmental References:

- 2013 Affiliate Rules Compliance Plan

Supplemental References:

- CPUC Affiliate Rules Intranet site:

<http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>

APPENDICES

NA

ATTACHMENTS

NA

DOCUMENT REVISION

Affiliate Rules Compliance Officer Certification Procedure, Rev 0, dated 04/22/2013

DOCUMENT APPROVER

Megan Janis, Director, Compliance and Ethics

DOCUMENT OWNER

Dean Mortensen, Compliance Management Consultant, Principal, Compliance and Ethics

DOCUMENT CONTACT

Dean Mortensen, Compliance Management Consultant, Principal, Compliance and Ethics

REVISION NOTES

Where?	What Changed?
Throughout procedure	Minor procedural step changes or clarifications to reflect steps taken during 2014 certification process for calendar year 2013.

Exhibit 24

CUST-4504P-01, Non-Tariffed Products & Services Accounting & Reporting
Procedure

Non-Tariffed Products & Services Accounting & Reporting Procedure

SUMMARY

PG&E, through the New Revenue Development Department (NRD), offers Non-Tariffed Products & Services (NTP&S) to customers according to rules that have been established by both the Federal Energy Regulatory Commission (FERC) and the California Public Utilities Commission (CPUC). NTP&S are developed to utilize spare capacity on existing utility assets, and must meet the criteria of Affiliate Transaction Rule VII. The costs to offer these NTP&S are to be the incremental cost to the utility. NTP&S revenues and expenses are reported to both the FERC and CPUC on both a forecast (rate case) and actual (rate case at FERC, NTP&S Annual Report at CPUC) basis. Net revenues generated from NTP&S are shared between PG&E's customers and shareholders as described in the NTP&S Regulation section below.

Level of Use: Information Use

TARGET AUDIENCE

All Pacific Gas & Electric Company (PG&E) departments who deliver NTP&S as well as those who support NTP&S such as financial and regulatory.

SAFETY

Performing this procedure will not raise the risk of a specific hazard to personnel, the public, or equipment.

BEFORE YOU START

- SAP access
- Understanding of FERC ratemaking
- Understanding of CPUC ratemaking
- Understanding of PG&E accounting system

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SUBSECTION	TITLE	PAGE
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PROCEDURE STEPS

1 NTP&S Accounting

Non-Tariffed Products & Services Accounting & Reporting Procedure

- 1.1 Pursuant to Affiliate Transaction Rule VII.D, NRD must ensure that a mechanism or accounting standard is in place for allocating costs to each NTP&S to prevent cross-subsidization between services PG&E would continue to provide on a tariffed basis and those it provides on a non-tariffed basis.
1. SAP Hierarchy – NRD maintains a unique set of SAP accounting information for NTP&S so that all NTP&S data is separate from the rest of PG&E accounting. The key information that separates NTP&S from the rest of PG&E is:
 - Major Work Category (MWC) – MWC is PG&E’s method to breakdown the work performed for a receiver cost center into meaningful categories. All of NRD’s SAP data uniquely originates in MWC KD and uniquely settles to MWC EL (see 4.5 below).
 - Receiver Cost Center (RCC) – SAP cost object used to identify all expense and revenue activity. NRD’s RCC is 13740.
 - Planning Order – Higher-level SAP object used for budget planning. All orders must be in a planning order. Business Finance manages the creation (or deletion if needed) of planning orders.
 - Order – SAP cost object in which the cost of a discrete piece of work or the revenue billed to an NTP&S customer is collected. NRD manages the creation or deletion of orders.
 - Cost Element (CE) – Defined categories that specify the type of work (e.g. contracts, materials, labor), the service provided (i.e. charges from other PG&E departments), or the classification of income (e.g. revenue, reimbursements). Cost elements are fixed in PG&E’s accounting system, and most SAP entries do not require a decision to be made as to what cost element to use (e.g. outside vendor payments are assigned the appropriate CE through the SRM system, timesheet entries get assigned to the labor cost element, and customer bills get assigned to a revenue cost element). Some SAP entries do require a decision, and for these a Material Code (Mat Code) is required.
 - Mat Code (MAT) – PG&E code associated with work type or material type that represents a complete, distinct sub-process of a MWC.
 - 1.2 NRD Order Management – This work is performed by the Financial Services team in NRD. To get order(s) added, modified, or deleted it is necessary to complete an Order Processing Form, which can be found on NRD’s shared drive at S:\BusDev\Financial\Financial\Orders\Master Order Number Request.xlsx.
 1. 3 types of orders can be specified. One of each can be included on the template.
 - a. Expense (first tab)
 - b. Reimbursement (2nd tab)

Non-Tariffed Products & Services Accounting & Reporting Procedure

- c. Revenue (3rd tab)
 2. 3 types of actions can be specified. Individual requirements are:
 - Add – Select “New” in the drop-down menu for Type, then enter the Line of Business, Order Description, and Planning Order Description using respective drop-down menus.
 - Edit – Select “Edit” in the drop-down menu for Type, enter the order number in the Order field, then enter changes to desired fields.
 - Close – Select “Close” in the drop-down menu for Type, then enter the order number in the Order field.
 3. Submit the completed Order Processing Form to the Financial Services team, currently Marques Brown, as an e-mail attachment. Notification will be provided when the action(s) is(are) complete. The form will be saved as a record of the request.
- 1.3 Transmission / Distribution Split – All orders in MWC KD are assigned percentages for Transmission vs. Distribution (T/D split).
 1. The use of “Distribution” here represents all of PG&E’s system except Electric Transmission. Each line of business within NRD is responsible for determining the appropriate T/D split. The current T/D splits are:
 - Wireless – 86.99% Transmission, 13.01% Distribution (based on number of sites used to provide service to Wireless customers).
 - Fiber Services – 96% Transmission, 4% Distribution (distance-based use of assets to provide service to Fiber customers).
 - New Products
 - Facility Maintenance – 48.69% Transmission, 51.31% Distribution (based on the funding source of the PG&E labor performing the work, i.e. FERC = Transmission, CPUC = Distribution).
 - All Other – 0% Transmission, 100% Distribution (subject to change if any other NTP&S category fits into the Transmission category).
 2. Periodically the T/D splits should be reviewed so they remain current. Typically this will be a review of the most recent annual period actual results.
 - a. If (or when) the T/D split needs to be changed, Business Finance will perform the work.
 - b. NRD provides the order(s) and the new T/D split percentages.

Non-Tariffed Products & Services Accounting & Reporting Procedure

- 1.4 NTP&S Data Entry into SAP – Accounting entries into SAP are performed the same as any other SAP entries in PG&E’s accounting system:
 1. Revenues and Reimbursements – Customers are billed through the Non-Energy Billing System (NEBS). These bills are created by employees on the NRD Financial Services team.
 2. Payments for Materials and Services – Vendors are paid through Supplier Relationship Management (SRM) which links to Accounts Payable. This work is performed by the NRD Admin team.
 3. Labor – Employees, whether NRD or other PG&E departments charging to NTP&S orders, enter timesheet information.
 4. Labor-Related – Employees, whether NRD or other PG&E departments charging to NTP&S orders, enter expense account information.
 5. Journal Entries – Corrections, adjustments, and recurring entries (e.g. monthly accruals of annual revenues) are made using journal entries (JE). The JE process is managed by Business Finance.
- 1.5 Monthly Order Settlement
 1. As part of PG&E’s monthly accounting close, NRD’s MWC KD orders settle to MWC EL.
 - a. Each SAP line item charge for MWC KD orders is reversed (i.e. zeroed out).
 - b. Depending on the embedded T/D split percentages, one or two entries are made into MWC EL in the following:
 - (1) Transmission – Planning Order 5019629, Order 2030565
 - (2) Distribution – Planning Order 5019270, Order 2030566
 - (3) NTBA – Planning Order 5019270 (to be changed), Order 8145595
 2. 100% of the MWC KD dollars settle each month to MWC EL.
 - a. Be aware that from time-to-time an entry can be made directly to MWC EL, and thus result in a difference between MWC KD and MWC EL.
- 1.6 NTP&S Reporting
 1. Typical NRD reports are generated monthly. These include, but are not limited to:
 - a. Income Statement – Profit & loss statement that reports revenues, net expenses, and net revenues for Wireless, Fiber Services, New Products, and total NRD.

Non-Tariffed Products & Services Accounting & Reporting Procedure

- b. Monthly Forecast – Current year income statement showing year-to-date actual results and remainder-of-year forecast by month. This is further reported by the T/D split. The monthly report is submitted to the Financial Analysis & Reporting Department.
 - c. Line of Business reports – Custom reports provided to managers and product managers to meet their requirements.
2. CPUC Affiliate Transaction Rule VII.H requires Periodic Reporting of NTP&S. Specifically, the rule states:

Any utility offering non-tariffed products and services shall file periodic reports with the Commission's Energy Division twice annually for the first two years following the effective date of these Rules, then annually thereafter unless otherwise directed by the Commission. The utility shall serve periodic reports on the service list of this proceeding. The periodic reports shall contain the following information:

VII.H.1 A description of each existing or new category of non-tariffed products and services and the authority under which it is offered;

VII.H.2 A description of the types and quantities of products and services contained within each category (so that, for example, "leases for agricultural nurseries at 15 sites" might be listed under the category "leases of lands under utility transmission lines," although the utility would not be required to provide the details regarding each individual lease);

VII.H.3 The costs allocated to and revenues derived from each category; and

VII.H.4 Current information on the proportion of relevant utility assets used to offer each category of product and service.

3. To comply with this CPUC NTP&S reporting requirement:
- a. On or about February 1 of each year, the Regulatory Affairs cNet system sends a compliance reminder e-mail that the Annual NTP&S Report for the prior calendar year is due in the coming months.
 - b. Most of the NTP&S data is in SAP orders managed by NRD. However, there are exceptions. And for the exceptions, NRD sends e-mail requests to obtain the required data for inclusion in the NTP&S Annual Report. Contact information is:
 - (1) NTP&S Catalogue N.E.1. Facility joint use arrangements – Joint Pole data, Steve Grimes, Joint Utilities Group; Pole Test and Treat data, Mike Pallatroni, Electric Distribution Maintenance Pole Test & Treat Department.

Non-Tariffed Products & Services Accounting & Reporting Procedure

- (2) NTP&S Catalogue N.E.12. Incidental non-utility water sales – John Schuknecht, Power Generation Planning & Regulatory Strategy Department (who will coordinate with various Hydro Gen employees to provide the data).
 - (3) NTP&S Catalogue N.C.4. Short-term use of facilities/real property with associated services – Lynne Kislingbury, Facility Manager, Area 2.
- c. NRD prepares the remaining NTP&S data for the annual report.
- (1) Only Distribution data (from the T/D split) is reported.
 - (2) The Distribution data for Wireless is not reported because Wireless attachments to PG&E assets are covered by CPUC General Order 69C, which is exempt from NTP&S rules (Affiliate Transaction Rule VII.B.3).
 - (3) The Distribution data for Fiber Services is not reported because it is not covered by any of the categories in the NTP&S catalogue. Instead, PG&E has filed Section 851 applications (statutory provision governing encumbrance of utility property) with the CPUC to get approval to offer specific fiber optic services outside of the NTP&S catalogue.
 - (4) For Facility Maintenance jobs, labor charges are checked to see what department performed the work. If the work was performed by a Transmission department, the job is not reported.

For all NTP&S data to be reported, NRD reports the listed products into the NTP&S Catalogue categories:

N.E.1. Facility joint use arrangements – Joint Pole and Pole Test & Treat data collected from Steve Grimes and Mike Pallatroni, respectively.

N.E.2. Infrared scanning for others – not currently used.

N.E.3. Hot-washing of electrical equipment for others – Facility Maintenance (FM) jobs with “hot was” in the order description.

N.E.4. Sale of hourly metered QF data to QFs – not currently used.

N.E.5. Troubleshooting interference and other electrical problems for Telecom, CATV – not currently used.

N.E.6. Repair and maintenance on third party power plants – Applied Technical Services (ATS) and FM jobs that contain power plant owner information in the order description.

N.E.7. Joint nuclear services – not currently used.

Non-Tariffed Products & Services Accounting & Reporting Procedure

N.E.8. Transmission construction and maintenance services – not currently used.

N.E.9. Transmission planning, engineering, and consulting – not currently used.

N.E.10. Customer emergency transformer/generator loans – FM jobs that specify “transformer” in the order description.

N.E.11. UEG pipeline capacity brokering – not currently used.

N.E.12. Incidental non-utility water sales – Hydro Gen data collected from John Schuknecht and team.

N.G.1. Sale of extraction liquids – not currently used.

N.G.2. Pipeline maintenance, excavation, leak detection for others – All Portable Natural Gas (PNG) jobs.

N.G.3. Specialty gas work for others – not currently used.

N.G.4. Meter cabinet construction and extension of customer owned piping – not currently used.

N.C.1. Testing, analysis, evaluation, measurement of customer or third party systems and equipment – All ATS jobs except those that are assigned to N.E.6.

N.C.2 Environmental analysis, assessment, monitoring for others – not currently used.

N.C.3. Wireless attachment to PG&E facilities; installation/maintenance and related land rights services – All Pole Top Attachment (PT) and Street Light Attachment (SLA) jobs.

N.C.4. Short-term use of facilities/real property with associated services – facilities data collected from Lynne Kislingbury.

N.C.5. Testing measurement analysis services supporting research for Industry Association – not currently used.

N.C.6. Sales of Meteorological analysis/modeling – not currently used.

N.C.7. Sales of standards manuals and other publications to third-parties – not currently used.

N.C.8. Laser Alignment service – not currently used.

N.C.9. Business support services – not currently used.

Non-Tariffed Products & Services Accounting & Reporting Procedure

N.C.10. Operation, maintenance, repair, inspection and construction and related land rights service for customer owned or third party facilities – FM jobs not assigned by other criteria to N.E.3, N.E.6, or N.E.10; all Gas Appliance Parts Replacement program (GAR) jobs; all Repair Services (RS) jobs; all LED Turnkey program (SL LED) jobs; Utility Energy Service Contracts (UESC) implementation jobs; and Sustainable Solutions Turnkey (SST) program jobs.

N.C.11. Training for customers and third parties – All Technical Learning Services (TLS) jobs.

N.C.12. Gas pressure regulation and flow analysis. Electric protective relay settings, voltage regulation and capacity studies – not currently used.

Mover Services. Subject to gas and electric NTP&S Balancing Accounts treatment and 50/50 net revenue sharing – All Mover Services (MS) data, which is also identified by NTBA accounting.

N.I.1. Other Consulting Services – not currently used.

N.I.2. Operations services for other utilities, energy service providers – not currently used.

N.I.3. Geographical Information Systems (GIS) Services – not currently used.

N.I.4. Billing and Customer Communication Center Services for Non-ESPs – not currently used.

N.I.5. Energy Efficiency Engineering, Consulting and Technical Services – All Investment Grade Audit (IGA) jobs for the Utility Energy Service Contracts (UESC) and Sustainable Solutions Turnkey (SST) programs.

N.I.6. Use of Utility Software – not currently used.

N.I.7. Use of Utility Held Patents – All Intellectual Property (IP) jobs.

N.I.8. Use of Communications and Computing Systems – not currently used.

- d. The documentation for the CPUC NTP&S Annual Report Filing Standard is contained in Utility Standard: CUST-4501S.
- e. The prepared annual NTP&S report is submitted for review to the New Revenue Development Department Director and to the Law Department NTP&S attorney (currently Stacy Walter).

Non-Tariffed Products & Services Accounting & Reporting Procedure

- f. Once the annual NTP&S report is complete, it is sent to Regulatory Relations (currently, Sally Cuaresma) for submittal to the CPUC Energy Division.
- g. Each completed NTP&S Annual Report and all supporting workpapers, e-mails, and documentation is saved on NRD's shared drive at:
S:\BusDev\Compliance\NTP&S\NTPS PG&E Periodical Reports\YYYY (where YYYY is a folder created for the relevant year).
- h. In its decision approving PG&E's revenue sharing for non-tariffed products and services, the CPUC required PG&E to "maintain auditable work papers at the Product and Service level for three years after each Periodic Report is filed."

END of Instructions

DEFINITIONS

NA

IMPLEMENTATION RESPONSIBILITIES

New Revenue Development and Regulatory Relations are responsible for implementing this procedure.

GOVERNING DOCUMENT

CUST-4504S

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

NA

REFERENCE DOCUMENTS

Developmental References:

NA

Supplemental References:

NA

APPENDICES

NA

ATTACHMENTS

NA

Non-Tariffed Products & Services Accounting & Reporting Procedure**DOCUMENT REVISION**

NA

DOCUMENT APPROVER

Roxanne Fong, Acting Director, New Revenue Development Department

DOCUMENT OWNER

Jill Miller-Robinett, Manager, New Revenue Development Department

DOCUMENT CONTACT

Eric Wirth, New Revenue Development Department

REVISION NOTES

Where?	What Changed?

Exhibit 25

RISK-4301P-03, Affiliate Rules Financial Health Report Procedure

Affiliate Rules Financial Health Report Procedure

SUMMARY

This procedure describes the steps to update Pacific Gas and Electric Company's (PG&E's) affiliate rules financial health report and file the report with the California Public Utilities Commission (CPUC) by the last business day of November each year. This filing is required under Rule IX.A of the Affiliate Transaction Rules (Rules) adopted by the CPUC in Decision 06-12-029.

The timeline described in this procedure is optimal to provide the report to the CPUC by the last business day of November. The timeline may be adjusted if needed, as long as the report is provided to the CPUC by the last business day of November.

Level of Use: Information Use

TARGET AUDIENCE

Compliance and Ethics Department employee who oversees enterprise compliance with CPUC Affiliate Rules.

SAFETY

NA

BEFORE YOU START

- 1.1 Ensure access to folder for last financial health report (e.g., 2013 Financial Health Report on Compliance and Ethics network drive:
\\go301\rasc&e\regulatory_compliance\affiliate_rules\Rule IX – Financial Health Report)
- 1.2 Create folder for current year financial health report (e.g., 2014 Financial Health Report) where all documents are saved throughout this procedure.

Table of Contents

Subsection	Title	Page
1	Documenting Report Preparation Steps	2
2	Initiate Report Preparation.....	2
3	Review Draft Report	3
4	Submit Report to CPUC	4

Affiliate Rules Financial Health Report Procedure

PROCEDURE STEPS

1 Documenting Report Preparation Steps

1.1 IF an email message related to any step in this procedure will be helpful in preparing next year's report,

THEN, when the step is complete, save a copy in the current year folder on the network drive.

2 Initiate Report Preparation

2.1 No later than the last week in October each year, locate the previous year's financial health report (report) folder on the Compliance and Ethics network drive.

2.2 Refer to this folder throughout this procedure for documents and email messages that might be helpful in preparing the current year report.

2.3 Do the following:

1. Prepare an email message to the following people in the Economic & Project Analysis department, confirming that they will be responsible for preparing the current year report, which is due by November xx (the last business day of November):

- Senior Manager, Financial Economics (as of December 2013, Dick Patterson)
- Principal Financial Analyst, Financial Economics (as of December 2013, Brian Forzani)

2. Attach final Word and Adobe pdf versions of previous year's report to the email message

3. Send the email message AND save a copy in the current year folder on the network drive.

2.4 IF they confirm that they will be responsible for preparing the report,

THEN obtain agreement on an expected date for the draft, no later than November 15.

2.5 IF they indicate that they will not be responsible for preparing the report,

THEN obtain their help to do the following:

1. Determine who will be responsible

2. Obtain agreement with that person on an expected date for the draft, no later than November 15.

Affiliate Rules Financial Health Report Procedure

3 Review Draft Report

- 3.1 No later than November 15, receive the draft marked report from Financial Economics Department (or other responsible department)
- 3.2 Review the draft marked report to ensure it includes the following information as required by Rule IX.A:
 - The utility's estimate of investment capital needed to build or acquire long-term assets (i.e., greater than one year), such as operating assets and utility infrastructure, over each of the next five years
 - The utility's estimate of capital needed to meet resource procurement goals over each of the next five years
 - The utility's policies concerning dividends, stock repurchase and retention of capital for each year
 - The names of individuals involved in deciding corporate policies for the utility's dividends, stock repurchase and retention of capital
 - The process by which corporate policies concerning dividends, stock repurchase and retention of capital are implemented
 - How the utility expects or intends to meet its investment capital needs
- 3.3 Clarify any questions with the person who drafted the report.
- 3.4 Upon clarifying any questions and making any edits, prepare an email message to the attorney responsible for advising on affiliate rules matters (Attorney) (as of December 2013, Doreen Ludemann), asking Attorney to review the draft report within one week.
 1. Copy the Director, Compliance and Ethics on the email message
- 3.5 Attach the following to the email message:
 - Updated marked draft report
 - Updated draft report with changes accepted
- 3.6 Send the email message AND save a copy in the current year folder on the network drive.
- 3.7 While awaiting Attorney's feedback, prepare a draft cover letter addressed to the Energy Division of the CPUC, based on the letter sent in the previous year.
- 3.8 Incorporate feedback from Attorney into a final copy of the report.

Affiliate Rules Financial Health Report Procedure

4 Submit Report to CPUC

- 4.1 No later than November 23, prepare an email message to the representative in Regulatory Affairs who processes the annual report sent to the CPUC (as of December 2013, Sally Cuaresma), advising the representative of the need to file the report with the CPUC by November xx (the last business day of November).
- 4.2 Attach the following to the email:
 - Draft cover letter to the Energy Division that was prepared at step 2.7
 - Final Word version of current year report
- 4.3 Send the email message AND save a copy in the current year folder on the network drive.
- 4.4 By the last business day of November, Regulatory Affairs does the following:
 1. Drafts AND signs a final cover letter to the Energy Division
 2. Consolidates the final cover letter and report into a single Adobe pdf
 3. Electronically transmits the Adobe pdf to the Energy Division
 4. Delivers a hard copy to the Energy Division
- 4.5 Upon receiving a copy of the electronic transmittal from Regulatory Affairs, save copy in current year folder on the network drive.

END of Instructions

DEFINITIONS

NA

IMPLEMENTATION RESPONSIBILITIES

In mid-October of each year, Director, Compliance and Ethics, ensures this procedure is reviewed by the Compliance and Ethics employee who oversees Affiliate Rules Compliance.

GOVERNING DOCUMENT

RISK-4301S Affiliate Rules Compliance Standard

COMPLIANCE REQUIREMENT / REGULATORY COMMITMENT

CPUC D.06-12-029, Rule IX.A – Protecting the Utility's Financial Health

Affiliate Rules Financial Health Report Procedure

REFERENCE DOCUMENTS

Developmental References:

2013 Affiliate Rules Financial Health Report

Supplemental References:

CPUC Affiliate Rules Intranet site:

<http://pgeweb/finance/risk/compliance/Pages/affiliaterules.aspx>

APPENDICES

NA

ATTACHMENTS

NA

DOCUMENT REVISION

NA

DOCUMENT APPROVER

Megan Janis

Director, Compliance and Ethics

DOCUMENT OWNER

Dean Mortensen

Principal, Compliance and Ethics

DOCUMENT CONTACT

Dean Mortensen

Principal, Compliance and Ethics

REVISION NOTES

Where?	What Changed?
NA	New Document.

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

AT&T	Division of Ratepayer Advocates	Occidental Energy Marketing, Inc.
Albion Power Company	Douglass & Liddell	Office of Ratepayer Advocates
Alcantar & Kahl LLP	Downey & Brand	OnGrid Solar
Anderson & Poole	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
BART	G. A. Krause & Assoc.	Praxair
Barkovich & Yap, Inc.	GenOn Energy Inc.	Regulatory & Cogeneration Service, Inc.
Bartle Wells Associates	GenOn Energy, Inc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCE
CPUC	Green Power Institute	SDG&E and SoCalGas
California Cotton Ginners & Growers Assn	Hanna & Morton	SPURR
California Energy Commission	In House Energy	Seattle City Light
California Public Utilities Commission	International Power Technology	Sempra Energy (Socal Gas)
California State Association of Counties	Intestate Gas Services, Inc.	Sempra Utilities
Calpine	K&L Gates LLP	SoCalGas
Casner, Steve	Kelly Group	Southern California Edison Company
Cenergy Power	Leviton Manufacturing Co., Inc.	Spark Energy
Center for Biological Diversity	Linde	Sun Light & Power
City of Palo Alto	Los Angeles County Integrated Waste Management Task Force	Sunshine Design
City of San Jose	Los Angeles Dept of Water & Power	Tecogen, Inc.
Clean Power	MRW & Associates	Tiger Natural Gas, Inc.
Coast Economic Consulting	Manatt Phelps Phillips	TransCanada
Commercial Energy	Marin Energy Authority	Utility Cost Management
Cool Earth Solar, Inc.	McKenna Long & Aldridge LLP	Utility Power Solutions
County of Tehama - Department of Public Works	McKenzie & Associates	Utility Specialists
Crossborder Energy	Modesto Irrigation District	Verizon
Davis Wright Tremaine LLP	Morgan Stanley	Water and Energy Consulting
Day Carter Murphy	NLine Energy, Inc.	Wellhead Electric Company
Defense Energy Support Center	NRG Solar	Western Manufactured Housing Communities Association (WMA)
Dept of General Services	Nexant, Inc.	YEP Energy