

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



March 30, 2020

**Advice Letter 4220-G/5767-E**

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

**SUBJECT: Closing the Executive Compensation Memorandum Account (ECMA-E and ECMA-G) as Replaced by Officer Compensation Memorandum Account**

Dear Mr. Jacobson:

Advice Letter 4220-G/5767-E is effective as of March 20, 2020.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division

February 19, 2020

**Advice 4220-G/5767-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Closing the Executive Compensation Memorandum Account (ECMA-E and ECMA-G) as Replaced by Officer Compensation Memorandum Account**

**Purpose**

Pacific Gas and Electric Company (PG&E) submits this advice letter to close and retire the Gas Preliminary Statement Part DY, *Executive Compensation Memorandum Account* (ECMA-G) and the Electric Preliminary Statement Part HE, *Executive Compensation Memorandum Account* (ECMA-E). As discussed below, the statute that authorized the implementation of these accounts was repealed and the accounts each carry a zero balance. The affected tariff sheets are listed on the enclosed Attachment 1.

**Background**

On October 8, 2015, Assembly Bill (AB) 1266 was approved by the Governor, adding Section 706 to the Public Utilities Code. Generally, Section 706 placed certain restrictions on electrical and gas corporations with respect to paying or seeking in recovery in rates of excess compensation for certain officers after the occurrence of a triggering event as defined in the statute. Among other things, Section 706 stated that in every decision on a general rate case, the Commission shall require all authorized executive compensation to be placed in a balancing account, memorandum account, or other appropriate mechanism so that this section can be implemented without violating any prohibition on retroactive ratemaking.

The Commission implemented Section 706 for PG&E in PG&E's 2017 General Rate Case (GRC) as follows. On September 1, 2015, PG&E filed its 2017 GRC Application (A.15-09-001). On August 3, 2016, PG&E and 14 other parties, the "Settling Parties," filed with the CPUC a Settlement Agreement. On May 11, 2017, the CPUC issued D. 17-05-013 approving the Settlement Agreement with certain modifications. In Ordering Paragraph 13 that decision, the Commission ordered the establishment of a memorandum account to track executive compensation costs pursuant to Section 706. In compliance with OP

13 of D.17-05-013, within 45 days of the Decision, PG&E submitted a Tier 2 advice letter (Advice 5102-E/3856-G) to establish a new Executive Compensation Memorandum Account (ECMA-E and ECMA-G). The advice letter was approved on July 20, 2017, effective as of January 1, 2017.

On August 31, 2018, the California Legislature passed SB 901, and Governor Edmund Brown Jr. signed it into law on September 21, 2018. SB 901 repeals the language in Public Utilities Code Section 706, and adds new language prohibiting an electrical or gas corporation from recovering from ratepayers any annual salary, bonus, benefits, or other consideration of any value, paid to an officer of the electrical corporation or gas corporation, and requires that compensation instead be funded solely by shareholders of the utility. Revised Section 706 states: (a) For purposes of this section, “compensation” means any annual salary, bonus, benefits, or other consideration of any value, paid to an officer of an electrical corporation or gas corporation. (b) An electrical corporation or gas corporation shall not recover expenses for compensation from ratepayers. Compensation shall be paid solely by shareholders of the electrical corporation or gas corporation.

In accordance with SB 901, on October 26, 2018, the Commission issued draft Resolution E-4963 which proposed the establishment of the Officer Compensation Memorandum Account (OCMA), which includes two subaccounts: the “Authorized Compensation Sub-Account” and the “Paid Compensation Sub-Account.” PG&E submitted its compliance advice letter and new tariffs - Preliminary Statement Part HT - *Officer Compensation Memorandum Account* (OCMA-E) and Preliminary Statement Part EI - *Officer Compensation Memorandum Account* (OCMA-G) - on December 24, 2018. In ordering the establishment of the OCMA, the Commission denied closure of existing officer compensation memorandum accounts for all utilities in this resolution [the ECMA accounts for PG&E] as premature, stating that there may be a chance that those accounts will carry non-zero balances and would be closed prematurely.

PG&E’s ECMA-E and ECMA-G each carry zero balances. Those zero balances will remain as the pre-SB 901 version of Section 706 has now been repealed. For those reasons, PG&E submits this advice submittal to retire the ECMA-E and ECMA-G accounts and will continue tracking executive compensation in its OCMA-E and OCMA-G accounts that replace the pre-SB 901 version pursuant to Section 706 as enacted by SB 901 currently in effect.

This submittal would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than March 10, 2020, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> 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  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-3582  
E-mail: PGETariffs@pge.com

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

### **Effective Date**

PG&E requests that this Tier 2 advice submittal become effective on regular notice, March 20, 2020 which is 30 calendar days after the date of submittal.

### **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. 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](mailto:Process_Office@cpuc.ca.gov). Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

\_\_\_\_\_  
/S/

Erik Jacobson  
Director, Regulatory Relations

Attachments



# ADVICE LETTER 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       WATER  
 PLC       HEAT

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: AMHP@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4220-G/5767-E

Tier Designation: 2

Subject of AL: Closing the Executive Compensation Memorandum Account (ECMA-E and ECMA-G) as Replaced by Officer Compensation Memorandum Account

Keywords (choose from CPUC listing): Compliance,

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

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:

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date: 3/20/20

No. of tariff sheets: 4

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: See Attachment 1

Service affected and changes proposed<sup>1</sup>: N/A

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

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Erik Jacobson, c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility Name: Pacific Gas and Electric Company  
Address: 77 Beale Street, Mail Code B13U  
City: San Francisco, CA 94177  
State: California Zip: 94177  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx: (415)973-3582  
Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: District of Columbia Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
46210-E	ELECTRIC TABLE OF CONTENTS Sheet 1	46129-E
46211-E	ELECTRIC TABLE OF CONTENTS Sheet 17	46131-E

<b>Cal P.U.C. Sheet No.</b>	<b>Title of Sheet</b>	<b>Cancelling Cal P.U.C. Sheet No.</b>
35672-G	GAS TABLE OF CONTENTS Sheet 1	35670-G
35673-G	GAS TABLE OF CONTENTS Sheet 6	35525-G*



**ELECTRIC TABLE OF CONTENTS**

Sheet 1

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<b>SCHEDULE</b>	<b>TITLE OF SHEET</b>	<b>CAL P.U.C. SHEET NO.</b>	
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Preliminary Statements.....	45406,44687,42856*,46130,41723,40591,44724,	<b>46211-E</b>	(T)
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Maps, Contracts and Deviations.....		37960-E	
Sample Forms....	40925*,37631,45743,41573*, 37632,41152*,41153,37769,44035,40671,37169-E		

(Continued)

Advice 5767-E  
Decision

Issued by  
**Robert S. Kenney**  
Vice President, Regulatory Affairs

Submitted February 19, 2020  
Effective \_\_\_\_\_  
Resolution \_\_\_\_\_



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Part GC	California Energy Systems for the 21 <sup>st</sup> Century Balancing Account.....	40561-E
Part GD	Smart Grid Pilot Deployment Project Balancing Account.....	32540,32541, 32542-E
Part GE	Statewide Marketing, Education and Outreach Expenditure Balancing Account.....	37728-E
Part GF	Customer Data Access Balancing Account – Electric.....	33136-E
Part GH	Mobile Home Park Balancing Account - Electric.....	41091,41092-E
Part GI	Energy Data Center Memorandum Account – Electric.....	33940-E
Part GJ	Major Emergency Balancing Account (MEBA).....	40563-E
Part GK	SmartMeter™ Opt-Out Program Balancing Account - Electric (SOPBA-E).....	35625,35626,35627-E
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Part GM	Nuclear Regulatory Commission Rulemaking Balancing Account (NRCRBA).....	40565-E
Part GN	San Francisco Incandescent Streetlight Replacement Account.....	34364-E
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Part GT	Assembly Bill 802 Memorandum Account - Electric.....	40573-E
Part GU	Z-Factor Memorandum Account (ZFMA-E).....	40574-E
Part GV	Distribution Interconnection Memorandum Account (DIMA).....	40575-E
Part GY	Electric Vehicle Program Balancing Account (EVPBA).....	40576-E
Part GZ	Distributed Energy Resources Distribution Deferral Account.....	43656,43657,43658-E
Part HA	Avoided Cost Calculator Memorandum Account.....	40000-E
Part HB	Distribution Resources Plan Demonstration Balancing Account.....	40577-E
Part HC	Rule 20A Balancing Account.....	41736-E
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Part HG	Emergency Consumer Protections Memorandum Account - Electric (WCPMA-E).....	43007,44720,44215-E
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*Advice* 4220-G  
*Decision*

*Issued by*  
**Robert S. Kenney**  
*Vice President, Regulatory Affairs*

*Submitted*  
*Effective*  
*Resolution*

February 19, 2020



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Part DQ	Engineering Critical Assessment Balancing Account (ECABA) .....	32809-G
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Part DS	Work Required by Others Balancing Account (WROBA) .....	33477-G
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Part DZ	New Environmental Regulations Balancing Account (NERBA) .....	34675,33812-G
Part EA	Natural Gas Leak Abatement Program Balancing Account (NGLAPBA) .....	33695-G
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Part EG	Dairy Biomethane Pilots Balancing Account (DBPBA) .....	34715-G
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Part FD	California Consumer Privacy Act Memorandum Account – Gas (CCPAMA-G) .....	35320-G
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**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	
	Energy Management Service	
Alta Power Group, LLC	Engineers and Scientists of California	Redwood Coast Energy Authority
Anderson & Poole	Evaluation + Strategy for Social Innovation	Regulatory & Cogeneration Service, Inc.
	GenOn Energy, Inc.	SCD Energy Solutions
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz & Ritchie	
BART	Green Charge Networks	SCE
	Green Power Institute	SDG&E and SoCalGas
Barkovich & Yap, Inc.	Hanna & Morton	
P.C. CalCom Solar	ICF	SPURR
California Cotton Ginners & Growers Assn	IGS Energy	San Francisco Water Power and Sewer
California Energy Commission	International Power Technology	Seattle City Light
California Public Utilities Commission	Intestate Gas Services, Inc.	Sempra Utilities
California State Association of Counties	Kelly Group	Southern California Edison Company
Calpine	Ken Bohn Consulting	Southern California Gas Company
	Keyes & Fox LLP	Spark Energy
Cameron-Daniel, P.C.	Leviton Manufacturing Co., Inc. Linde	Sun Light & Power
Casner, Steve	Los Angeles County Integrated	Sunshine Design
Cenergy Power	Waste Management Task Force	Tecogen, Inc.
Center for Biological Diversity	Los Angeles Dept of Water & Power	TerraVerde Renewable Partners
	MRW & Associates	Tiger Natural Gas, Inc.
Chevron Pipeline and Power	Manatt Phelps Phillips	
City of Palo Alto	Marin Energy Authority	TransCanada
	McKenzie & Associates	Troutman Sanders LLP
City of San Jose	Modesto Irrigation District	Utility Cost Management
Clean Power Research	Morgan Stanley	Utility Power Solutions
Coast Economic Consulting	NLine Energy, Inc.	Utility Specialists
Commercial Energy	NRG Solar	
County of Tehama - Department of Public Works	Office of Ratepayer Advocates	Verizon
Crossborder Energy	OnGrid Solar	Water and Energy Consulting Wellhead Electric Company
Crown Road Energy, LLC	Pacific Gas and Electric Company	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	Peninsula Clean Energy	Yep Energy
Day Carter Murphy		
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		