

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Pacific Gas & Electric Company**  
**ELC (Corp ID 39)**  
**Status of Advice Letter 4654G/6705E**  
**As of October 19, 2022**

Subject: Pacific Gas and Electric Company's Quarterly Report, Pursuant to D. 22-06-028, Ordering Paragraph 6

Division Assigned: Energy

Date Filed: 09-22-2022

Date to Calendar: 09-28-2022

Authorizing Documents: D2206028

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>09-22-2022</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

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**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**

September 22, 2022

**Advice 4654-G/6705-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Pacific Gas and Electric Company's Quarterly Report, Pursuant to D. 22-06-028, Ordering Paragraph 6**

**Purpose**

Pacific Gas and Electric Company (PG&E) hereby submits this Tier 1 Advice Letter ("AL") in compliance with California Public Utilities Commission ("CPUC") Decision ("D.") 22-06-028, Ordering Paragraph (OP) 6. D.22-06-028, OP 6 requires that within 90 days of issuance of the decision, PG&E shall file and serve a Tier-1 advice letter filing summarizing all activities that have been undertaken in implementing its updated Regionalization Proposal and all remaining activities that will be undertaken through the end of Phase III of its updated Regionalization Proposal.

**Background**

On June 24, 2022, the CPUC issued D.22-06-028, resolving PG&E's application (A. 20-06-011) for approval of its Updated Regionalization Proposal and two separate settlement agreements, one between PG&E and South San Joaquin Irrigation District and a second Multi-Party Settlement Agreement (MPSA) between PG&E and most other parties to the proceeding.

This AL addresses the requirements included in OP 6 of D.22-06-028, which requires that:

*Within 90 days of issuance of the decision, Pacific Gas and Electric Company (PG&E) shall file and serve a Tier-1 advice letter filing summarizing all activities that have been undertaken in implementing its updated Regionalization Proposal and all remaining activities that will be undertaken through the end of Phase III of its updated Regionalization Proposal. The Tier 1 filing shall include sufficient detail on PG&E's plans that a stakeholder can understand 1) organizational changes being made, 2) new, increased, or decreased operations because of the Regionalization effort, 3) a timeline, and 4) impact of the foregoing items on improving utility safety. PG&E shall serve the plan on the service list for this proceeding as well as serving the Director of the Commission's Energy Division.*

In addition to OP 6 of D.22-06-028, the MPSA requires PG&E to prepare quarterly reports summarizing updates to its implementation of regionalization, including (i) anticipated milestones, goals, and targets for the then upcoming quarter as they become available; and (ii) except for the first report, a summary of PG&E's performance as measured against the then previous quarter's milestones, goals, and targets.

### **Discussion**

PG&E has included as Attachment A to this Tier 1 AL, its first Quarterly Report on its Updated Regionalization Proposal to comply with OP 6 of D.22-06-028 and the quarterly reporting requirement in the MPSA.

The Quarterly Report covers all activities that PG&E has undertaken in implementing its Updated Regionalization Proposal and all remaining activities that will be undertaken through the end of Phase III.

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than October 12, 2022, which is 20 days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be electronically sent to PG&E via E-mail at the address shown below on the same date it is electronically delivered to the Commission:

Sidney Bob Dietz II  
Director, Regulatory Relations  
c/o Megan Lawson  
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 and 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 1** advice submittal become effective upon date of submittal, which is **September 22, 2022**.





# 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 (U 39 M)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Stuart Rubio

Phone #: (415) 973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: SHR8@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) #: 4654-G/6705-E

Tier Designation: 1

Subject of AL: Pacific Gas and Electric Company's Quarterly Report, Pursuant to D. 22-06-028, Ordering Paragraph 6

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 #: D.22-06-028

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: N/A

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: 9/22/22

No. of tariff sheets: 0

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

California Public Utilities Commission  
Energy Division Tariff Unit Email:  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility/Entity Name: Pacific Gas and Electric Company  
  
Telephone (xxx) xxx-xxxx: (415)973-2093  
Facsimile (xxx) xxx-xxxx:  
Email: PGETariffs@pge.com

Contact Name:  
Title:  
Utility/Entity Name:  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

CPUC  
Energy Division Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Clear Form

**PACIFIC GAS AND ELECTRIC COMPANY**

**ATTACHMENT A**

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)**

**UPDATED REGIONALIZATION PROPOSAL QUARTERLY REPORT**

**PACIFIC GAS AND ELECTRIC COMPANY  
QUARTERLY REPORT FOR PG&E'S UPDATED  
REGIONALIZATION PROPOSAL NO. 01-2022  
IN COMPLIANCE WITH CPUC DECISION 22-06-028  
SUBMITTED ON SEPTEMBER 22, 2022**

PACIFIC GAS AND ELECTRIC COMPANY  
ATTACHMENT A  
PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)  
UPDATED REGIONALIZATION PROPOSAL QUARTERLY REPORT

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**PACIFIC GAS AND ELECTRIC COMPANY  
ATTACHMENT A  
PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 E)  
UPDATED REGIONALIZATION PROPOSAL QUARTERLY REPORT**

**A. Introduction**

Decision (D.) 22-06-028 resolved Pacific Gas and Electric Company's (PG&E or the Company) application for approval of its Updated Regionalization Proposal (Updated Proposal) and two separate settlement agreements, one between PG&E and South San Joaquin Irrigation District and a second Multi-Party Settlement Agreement between PG&E and most other parties to the proceeding.<sup>1</sup> PG&E submits this document to fulfill its quarterly reporting requirement as required by the Multi-Party Settlement Agreement approved in D.22-06-028. In this first quarterly report (Quarterly Report) PG&E presents a summary of the activities it has undertaken to implement its Updated Proposal.<sup>2</sup>

**1. Overview**

Regionalization—what PG&E now refers to as its Regional Service Model (RSM)<sup>3</sup>—represents a shift to improve how the Company operates. The RSM complements the previous central-enterprise approach to operations with a regional hometown approach. Where each community experiences PG&E differently—not as a distant corporation in Oakland—but as their hometown utility.

The RSM began with the preparation and submission of PG&E's Regionalization Proposal in June 2020 and Updated Proposal in February 2021. This established the framework for this new operating model. PG&E developed regional boundaries coincident with county boundaries and realigned the Company around these new regions to provide better visibility into and

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<sup>1</sup> D.22-06-028 Ordering Paragraphs 1 and 7.

<sup>2</sup> PG&E's Updated Regionalization Proposal. Filed February 26, 2021.

<sup>3</sup> PG&E uses the term Regional Service Model in internal and external communications because it better captures the Company's desire to establish a new operating model.

ability to act on local issues and operations. In each region, PG&E established leadership presence, led by a Regional Vice President and supported by a Regional Safety Director, to better understand and act quickly on the needs of communities, problem solve challenging local issues, and improve the way PG&E works.

These two elements—the regions and regional leaders—are complemented by two parallel improvements: enhancing functional specialization by realigning the Utility organization along functional lines to increase technical expertise and improve accountability; and the implementation of a Lean Operating System to improve visibility into performance, rapidly respond and solve problems, and standardize operations on a regional and functional level, leading to better outcomes for customers and communities.

## **2. Implementation Progress**

The RSM represents a change to the Company's operating model with the Updated Proposal describing the framework for and work to design and stand up that new operating model. Once fully enabled, each element of the operating model is incorporated into how PG&E runs the business, with the focus shifting to maturity and continuous improvement. PG&E's phased implementation timeline, as summarized below, staggered this design and enablement work into three phases to pace the change for the Company. As described below, PG&E is on track to implement its Updated Proposal and has entered Phase III of its phased implementation plan.

Phase 1 covered the detailed design and transition plan for the RSM. PG&E indicated that Phase 1 began in June 2020 with the filing of PG&E's Regionalization Application and extended to June 2021 with the hiring of the regional leaders. Phase 2 covered establishing the regional boundaries, the regional leaders and their organizations and adopting the Lean Operating System in the regions. Phase 2 began in July 2021 and ended in June 2022. Finally, Phase III was established as a deliberate period of refinement, as needed, and stabilization for the RSM to ensure the sustainability of key processes. Phase III began in July 2022 and ends in July 2023.

As described in detail in this Quarterly Report, PG&E has completed all Phase 1 and Phase 2 activities. As of June 2022, PG&E entered Phase III of its phased implementation plan.

### 3. Quarterly Report Scope and Outline

This Quarterly Report covers all activities that have been undertaken in implementing the Updated Proposal and all remaining activities that will be undertaken through the end of Phase III. This includes, either directly or by reference to the Updated Proposal, organizational changes being made; new, increased or decreased operations because of the RSM; a timeline; and the impact of the foregoing items on improving utility safety. PG&E also includes herein anticipated milestones, goals, and targets for the upcoming quarter, as they become available.

As described above, the RSM represents a change to the Company's operating model with the Updated Proposal describing the work to design and stand up that new operating model. Once fully enabled, each element of the operating model is incorporated into how PG&E runs the business, with the focus shifting to maturity and continuous improvement as the following step. PG&E considers an activity to be complete when the design and standing-up work is accomplished. However, once stand-up is complete, the work to run these new processes, mature them and engage in continuous improvement will be ongoing and distinct from its updated proposal.

The Quarterly Report provides an update on the following sections of PG&E's Updated Proposal:

- **Approach to Regionalization (Section II)** summarizes PG&E's implementation of Section III of its Update Proposal, which describes the methods used to develop PG&E's Regionalization Proposal;
- **Regional Boundaries (Section III)** summarizes PG&E's implementation of Section IV of its Updated Proposal, which describes the characteristics used to determine the boundaries of the five regions;
- **Regional Leaders (Section IV)** describes PG&E's implementation of Section V, which describes the regional leadership's goals and the tools they will use to achieve them; and

- **LEAN Operating System (Section V)** describes PG&E's implementation of Section VII of its Updated Proposal, including the LEAN operating system, and metrics and evaluation.

## **B. Approach to Regionalization**

Section III of the Updated Proposal described the Company's approach to the RSM, including:

- How the Company developed and evolved the approach to regionalization;
- The strengths, weaknesses and lessons learned from past PG&E organizational models;
- Learnings incorporated from the organizational models of similarly sized utilities; and
- How coworker and community feedback was incorporated into the design.

### **1. Implementation Progress**

PG&E has completed all activities related to its approach to the regionalization during Phase 1. At this time, PG&E does not forecast any additional milestones or activities for this section of its Updated Proposal, including during Phase III. Table 1 summarizes activities related to Section III of the Updated Proposal and Figure 1 shows this graphically with other implementation activities. In its Updated Proposal, PG&E addresses how its approach to regionalization would improve safety and any organizational changes.

**TABLE 1**  
**SUMMARY OF ACTIONS FOR SECTION II—REGIONAL SERVICE MODEL FRAMEWORK**

Line No.	Action	Benefits	Phase	Status (7/9/21)	Status (9/21/22)
1	Develop the design criteria for Regionalization	Provides structure and goals for how to develop an effective model for regionalization	1	Complete	Complete
2	Evaluate the effectiveness of PG&E's historical organization models	Learn from past organizational models to incorporate lessons learned in the design and transition to regionalization	1	Complete	Complete
3	Evaluate current performance of PG&E's operational groups	Establish a baseline understanding of PG&E's performance in comparison to its peers.	1	Complete	Complete
4	Solicit customer and community feedback	Provides understanding of key stakeholder perspectives to inform design and delivery of regionalization	1	Complete	Complete
5	Solicit coworker feedback	Provides understanding of employee perspectives on how to effectively implement regionalization	1	Complete	Complete

### **C. Regional Boundaries**

Section IV of the Updated Proposal described the regional boundaries, including:

- An overview of the current divisional and regional structure;
- The methods used to define the new regions;
- A map and description of the proposed new regional boundaries;
- PG&E's consideration of stakeholder input on the regional boundaries; and
- The impact regional changes will have on divisional boundaries for Gas and Electric distribution.

#### **1. Implementation Progress**

PG&E has completed all activities related to its approach to the proposed regions during Phases 1 and 2. PG&E describes implementation of items 11, 12, and 13 below, which it indicated were still in progress as of the filing of its Summary of the Updated Proposal filed with the Commission on July 9, 2021. PG&E also provides an update on implementation of item 10 below. At this

time, PG&E does not forecast any additional milestones or activities as part of Phase III. Table 2 summarizes activities related to Section IV of PG&E's Updated Proposal and Figure 1 shows this graphically with other implementation activities. In its Updated Proposal, PG&E addresses how it's regional boundaries would improve safety and any organizational changes.

**TABLE 2  
SUMMARY OF ACTIONS FOR SECTION II—REGIONAL BOUNDARIES**

Line No.	Action	Benefits	Phase	Status (7/9/21)	Status (9/21/22)
6	Develop design criteria and approach for regional boundaries	Creates regional boundaries that allow local teams to serve customers safely, quickly, and effectively	1	Complete	Complete
7	Align regions to county boundaries	Improves coordination and establish specific points of communication with local governments and other agencies	1	Complete	Complete
8	Align regions by operational risk, safety, and customer commonality	Regional leaders develop expertise in the unique local needs of their respective regions to better respond to the specific issues of the region and establish a deeper level of engagement	1	Complete	Complete
9	Align regions to CAL FIRE units	Improves safety and wildfire mitigation efforts in the regions	1	Complete	Complete
10	Align existing regions and divisions to regions to organize operations internally within regions	Promotes efficient work, efficient use of resources, and better coordination of services to similar customer base	2 4	Complete	Complete
11	Define operational teams to be aligned to regional boundaries	Identifies operational teams whose work has significant local impact and would need to be aligned to the regions.	2	In progress	Complete
12	Reconfigure operational teams to new regional boundaries with support from IT, Real Estate, and Finance	Allows regional leadership to have visibility and accountability for local work by having working groups clearly aligned to the regional boundaries they oversee to ensure that customer issues do not slip through the cracks or PG&E's responsiveness in the regions is not delayed	2	In progress	Complete
13	Establish a framework for the new reporting relationship between regional leadership and regional teams	Enables regional leadership to partner with working groups and be embedded within operations to increase safety, efficiency, and reliability of operations in the regions	2	In Progress	Complete

## 2. Aligning Regions and Divisions

As described in the Updated Proposal,<sup>5</sup> a large portion of PG&E's workforce operates locally and is organized through PG&E's existing divisions and regions.

As indicated in its Updated Proposal, the division boundaries did not align to county boundaries and, as a consequence, a number of division boundaries needed to be modified to align to county boundaries, where they cross regional boundaries. This would enable the divisions to be wholly contained within a region. Because different naming conventions are utilized for the different boundaries—i.e., headquarters and divisions—PG&E refers to the entire set of these boundaries as “operational boundaries”.

Initially, PG&E identified only “a small number of division boundaries” that needed to be modified.<sup>6</sup> However, subsequent to its Updated Proposal and Summary of its Updated Proposal, PG&E conducted a deeper review of the conflicts between the regions and division with its Geographic Information Systems (GIS) department. Through that process PG&E uncovered a total of 56 conflicts between the region and division. PG&E also gained a deeper understanding of the information technology (IT) scope necessary to update its systems to reflect the new boundaries.

As it stands, PG&E has completed its review and resolution of the region-to-division conflicts. Table 5, in the Appendix, lists the conflicts by function. Among the proposed resolutions, PG&E highlights that it will be revising the conflict between its North Coast Division — which spans Regions 1 and 2 in the communities of Napa, Vallejo, Fairfield and Vacaville — by moving Solano County from Region 2 to Region 1 and moving portions of the Sacramento Division into North Valley Division. Figure 2, in the Appendix, shows the proposed resolution.

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<sup>4</sup> PG&E initially marked this as complete in Phase 1. However, after working with GIS, PG&E identified additional conflicts that were addressed in Phase 2.

<sup>5</sup> See p. 23-24.

<sup>6</sup> Updated Proposal, p. 34.

As a consequence of this adjustment, PG&E is modifying the regional boundaries. Previously, PG&E had proposed keeping Sacramento and Solano counties together in the North Valley and Sierra region because Solano County receives operational support from Yolo. However, upon further evaluation, moving Solano to North Coast and redrawing the Regional Boundary around it will lead to better alignment for our customers. Doing so would help overcome geographical limitations, which alleviates operational constraints and improves response time and service for our customers. Additionally, PG&E is standing up a regional service center, slated to become operational in 2023, in American Canyon (Napa County) which will serve both, Napa and Solano Counties. Figure 3, in the Appendix, shows the modified regional boundaries.

### **3. Aligning Functional Teams to Regions**

As described in PG&E's Updated Proposal, in past regional models, functional teams reported directly to regional leaders. However, in the Updated Proposal, it proposed instead that local work groups, such as gas and electric, would continue to report centrally and be organized functionally.<sup>7</sup> This is intended to capture the benefits of specialization, standardization, and scale, while the work of the regional leaders will elevate the tactical resolution typically performed by local operations teams, while also addressing more strategic local challenges that require additional influence and authority to affect change over time.

In the Updated Proposal, as part of Phase 2, PG&E indicated that it would define the functional teams to be aligned to the five-region model, reconfigure functional teams to new regional boundaries, and establish a framework for the new reporting relationship. PG&E describes this process in greater detail below. Additionally, and also as described in the Updated Proposal, separate from regionalization, PG&E organized itself to a structure based on discrete functions (e.g., operations, engineering), moving away from an organizational structure based on business units.

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<sup>7</sup> Updated Proposal, p. 37.

PG&E first focused on defining the functional teams to be aligned with the five-region model. PG&E selected functional groups based on how they structured their work. Specifically, it selected functions responsible for the local execution of work (e.g., distribution operations) or locally based support for execution (e.g., local permitting). These decentralized functional teams represent the parts of operations and operations support closest to the customer and the local community, and thus important to align to the regional model. Table 6, in the Appendix, shows the selected functional teams.

Among those functional teams responsible for local execution, PG&E identified the following teams whose work has significant local impact and would need to be aligned to the regions. For Utility Operations, the teams include Electric Distribution Operations, Gas Distribution Operations, General Construction and Contractors, and Electric Transmission and Substation, Gas Distribution Operations, Gas Transmission and Distribution Construction, Vegetation Management, and Public Safety Specialists. For Engineering, Planning and Strategy, this includes Service Planning and Design.

PG&E established a structure where two groups—Electric Distribution Operations and Gas Distribution Operations—would act as strong functional leads for gas and electric respectively. Electric Distribution Operations and Gas Distribution Operations were both moved to a five region model to match the regional boundaries.

The leaders of Electric Distribution Operations and Gas Distribution Operations as the leads for Electric Operations and Gas Operations act as a primary interface with the Regional Vice Presidents as part of their operating review cadence. In addition, they would be responsible for key, local operational functions. Electric Distribution Operations is responsible for the operations of the electric distribution system, including field operations and resources management. Gas Distribution Operations is responsible for the operations of the gas distribution system, including leak survey, construction, corrosion, and field services and resources management.

Note that the functions responsible for local execution, do not always have five leaders and thus cannot be matched on a one-to-one basis with the five

regions without adding additional positions. Moreover, there may also be operational constraints that require these functions to organize themselves in a manner that differs from the five regions. PG&E analyzed each function individually to decide on the best approach to alignment.

Finally, PG&E indicated that it would establish a framework for the new reporting relationship between regional leadership and regional teams. This framework is the operating review structure established in the regions. See Section V, Lean Implementation, for further discussion on this framework.

#### **D. Regional Leaders**

Section V of PG&E's Updated Proposal describes the regional leaders and the assignment of responsibilities to the new regions, including:

- PG&E's upcoming organizational changes as it shifts from a company organized by commodity to a company organized by the activities of each team (functions);
- The roles and responsibilities of the proposed regions, including the Regional Vice President and Regional Safety Director; and
- How the Lean Operating System will help regional teams collaborate effectively and continually focus on safety and performance improvements.

##### **1. Implementation Progress**

PG&E has completed all activities from the Updated Proposal related to the regional leaders and assignment of responsibilities to the new regions in Phases 1 and 2. PG&E provides an update on implementation of items 18,19, 20, 21, 22 and 23 below. PG&E does not forecast any additional milestones or activities as part of Phase III. Table 3 summarizes activities related to Section V of the Updated Proposal and Figure 1 shows this graphically with other implementation activities. In its Updated Proposal, PG&E addresses how the regional leaders would improve safety and any organizational changes.

**TABLE 3  
SUMMARY OF ACTIONS FOR SECTION IV—REGIONAL LEADERS**

Line No.	Action	Benefits	Phase	Status (7/9/21)	Status (9/21/22)
14	Define role and responsibilities of regional leadership	Establishes a clear vision for how regionalization will be implemented and the role the regional leaders will play to ensure the objectives of regionalization are realized	1	Complete	Complete
15	Conduct a wide search for talent that attracts a diverse set of candidates	Ensures that the Company finds the right leaders to support safer, more responsive operations	1	Complete	Complete
16	Hire five Regional Vice Presidents	Establishes officer-level leadership in region to drive local accountability across regional teams for delivering high-quality, safe, responsive, and reliable service to customers	1	Complete	Complete
17	Hire five Regional Safety Directors	Establishes and appoints safety leadership for local accountability across regional teams for monitoring and improving safety across the regions	1	Complete	Complete
18	Define the capabilities and responsibilities of the regional leadership's direct reports	Provides an initial framework for the team of direct reports to the regional leadership to ensure they receive adequate support in their roles.	2	In progress	Complete
19	Hire regional leadership direct reports	Creates a support team for regional leadership to increase capacity to respond to customer concerns in the regions.	2	In progress	Complete
20	Communicate changes to regional teams and develop collective support	Enables collective buy-in for regionalization with frontline coworkers and clarifies how regional leadership will engage with teams	2	In progress	Complete
21	Develop internal communication plan for the regionalization	Creates a thoughtful approach for sharing PG&E's commitment to regionalization and the new roles and responsibilities	2	Complete	Complete
22	Communicate regional structure and benefits to customers	Informs customers and communities about the resource they have in regional leadership for escalating issues and getting timely, responsive support	2	In progress	Complete
23	Develop external communication plan for the regionalization	Creates a thoughtful approach for communication regarding regionalization and inviting feedback from customers and communities on their needs from regional leadership	2	Complete	Complete

## **2. Regional Vice Presidents**

In the Updated Proposal, PG&E indicated that each Regional Vice President will manage a team of approximately three to five Regional Program Managers who will provide logistical support to enable cross-functional collaboration. In 2021, the Regional Vice Presidents renamed the Regional Program Manger role as a Principal Regional Operations Specialist (PRO) and hired one PRO under each Regional Vice President. The responsibilities of the PRO are consistent with the responsibilities of the Regional Program Managers presented in the Updated Proposal. The Regional Vice Presidents will hire additional PROs and support positions, as needed, to support regional operations and core work.

Additionally, the Regional Vice Presidents assumed responsibility for the Division Leadership Teams (DLT), a pre-existing customer group. Division Teams that provide local customer service and issue resolution in support of core gas and electric operational work, lead cross functional engagement to solve customer and community issues at the city and county level, manage relationships with local customers such as cities, counties, and schools, and facilitate PG&E's cross-functional DLT.

## **3. Regional Safety Directors**

In the Updated Proposal, PG&E did not describe the direct reports of the Regional Safety Directors. The Regional Safety Directors each manage a team of field safety specialists. The team is the first point of contact for all regional safety concerns up to and including, serious and preventable motor vehicle incidents, days away and restricted time, OSHA related incidents. In addition, each Regional Safety Director is the point-of-contact for a functional group with Region 1 responsible for Electric Operations and IT, Region 2 responsible for power generation, Region 3 for Enterprise Health and Safety, Region 4 responsible for Gas Operations, Customer and Communications, and Shared Services, and Region 5 responsible for Vegetation Management.

#### **4. Internal and External Communications**

Since the Regional Vice Presidents and Regional Safety Directors were introduced in July of 2021, they have each had the opportunity to engage both internally and externally across their respective region. Their first 100 days in office were devoted to listening and learning with both coworkers and stakeholders to establish a solid foundation of regional knowledge.

External engagement included local agency, tribal, public safety, community and leaders, and customers in their regions to build local connections, identify key focus areas and opportunities for enhanced coordination and partnership. Internally, this included interactions at all levels and across all different lines of business to strengthen relationships and discuss how the regional leaders could assist and improve operational and safety outcomes across the company.

#### **E. LEAN Operating System**

Sections V, VI, and VII of PG&E's Updated Proposal describes the lean operating system, metrics, and evaluation, including:

- How the Lean Operating System will help regional teams collaborate effectively and continually focus on safety and performance improvements;
- The approach for evaluating the effectiveness of regionalization with performance metrics;
- How the Lean Operating System will be used in the region to review performance and customer satisfaction;
- The goals and stages for implementing the Lean Operating System; and
- How PG&E will incorporate ongoing feedback from coworkers and the community to improve the RSM.

##### **1. Implementation Progress**

PG&E has completed all activities related to the Section VII of the Updated Proposal in Phases 2. PG&E describes implementation of items 24-36 below, which it indicated were still in progress as of the filing of its Summary of the Updated Proposal. PG&E does not forecast any milestones or activities as part of Phase III. Table 4 summarizes activities related to Section VII of PG&E's Updated Proposal and Figure 1 shows this graphically with other

implementation activities. In the Updated Proposal, PG&E addresses how it's the regional leaders would improve safety and any organizational changes.

**TABLE 4  
SUMMARY OF ACTIONS FOR SECTION IV—LEAN OPERATING SYSTEM**

Line No.	Action	Benefits	Phase	Status (7/9/21)	Status (9/21/22)
24	Define detailed plan and execution for implementing the Lean Operating System across the regions	Will improve internal communication, coordination and problem solving that will result in better and timelier customer responsiveness and service	2	In progress	Complete
25	Train coworkers on the Lean Operating System	Ensures that coworkers throughout PG&E have the knowledge and skills to improve communication, operations, and delivery of service within their working groups and across multiple teams	2	In progress	Complete
26	Define representatives from each working group to attend cross-functional Operating Reviews	Clarifies the regional leadership's point of contact for daily performance review sessions with each team	2	In progress	Complete
27	Pilot a regional leader's Operating Reviews, held with representatives across all local working groups	Enables successful delivery of daily cross-team review sessions by testing and refining the approach in a single region	2	In progress	Complete
28	Implement all regional leader's Operating Reviews, held with representatives across all local working groups	Creates visibility into the performance of working groups and allows regional leadership to partner with teams to resolve issues early and quickly	2	In progress	Complete
29	Continue more advanced Lean Operating System training	Develops a more advanced set of problem-solving skills for coworkers	2	In progress	Complete
30	Identify enterprise-wide metrics and non-enterprise metrics that are tracked and maintained to at the regional level	Provides data to track progress of regional goals, identify gaps in local performance, and inform important decisions needed to support safety, customer experience, and reliability	2	Ongoing	Complete
31	Conduct ongoing customer, community, and coworker surveys and compare results to initial survey	Creates awareness of the effectiveness of the regionalization by tracking responses from impacted groups	2	Ongoing	Complete
32	Evaluate survey results and compare with other forms of feedback	Informs regional and company priorities and identify areas for improvement	2	Ongoing	Complete

## **2. Visual Management and Operating Review**

The Lean Operating System at PG&E is organized into 4 Lean Plays: visual management, operating reviews, problem solving and standard work. Through the application of Lean, a proven and consistent method for driving horizontal/cross-functional and vertical alignment and performance, the RSM and the Regional Vice Presidents and Regional Safety Directors act as a hub to ensure that: (1) enterprise key performance indicators are tracked regionally; (2) visibility, transparency and control of leading and lagging indicators are assessed and acted on a daily, weekly and monthly basis; (3) there is ongoing alignment (visibility, transparency and control) from the field to executive management; (4) real-time (daily) mitigation of key risks to the system and field-based escalations from the five PG&E regions are addressed daily; and (5) our co-workers closest to the work and the customer are included in and have a voice in the problem solving process.

As it pertains to the Operating Review Process, the five Regional Vice Presidents participate both functionally, as leaders of the Customer and Communications organization and cross-functionally, as individual leaders that pull regional operational leaders (Gas, Electric, Generation, etc.) together daily, weekly, and monthly to confirm that local performance is in line with action plans and address any escalations that put risk into the system.

Problem Solving is the standardized process through which the enterprise, and RSM, Regional Vice Presidents and Regional Safety Directors by extension, address deviation from a performance target or operational standard. The Regional Vice Presidents and Regional Safety Directors have been trained on the Lean Problem Solving standard—i.e., to drive immediate containment followed by sustained countermeasure around key risk areas that arise ad-hoc and through the Operating Review Process. As a part of the countermeasure process, the Regional Vice Presidents and Regional Safety Directors work cross-functionally to address the deviation at the root cause, standardize the solution and share learnings vertically and horizontally across the company.

The three Lean Plays described above are Standardized across the enterprise with the RSM and Regional Vice Presidents as key leverage points

to drive top-down / bottoms-up, cross-functional and cross-regional visibility, control and predictability into the system.

### **3. Training**

As of August 2023, all PG&E coworkers involved in the installation and adoption of the RSM have been trained in the standard use of the four Lean Plays: (1) Visual Management, (2) Operating Reviews, (3) Problem Solving and (4) Standardization, with an emphasis on Plays 1, 2 and 3. As the voice of the customer in operations, the Regional Vice Presidents and Regional Safety Directors play a pivotal role in connecting all aspects of the system.

The Regional Vice Presidents and Regional Safety Directors have been trained by the Enterprise Lean Office to consistently apply the 4 Lean Plays as outlined in PG&E's Lean Operating System Playbook. The Lean Operating System Playbook and associated training program ensures that coworkers throughout PG&E have the knowledge and skills to improve communication, operations, and delivery of service within their working groups and across multiple teams. As standards change or are adjusted through continuous improvement, the Regional Vice Presidents and Regional Safety Directors are retrained and coached around the new standard by the Enterprise Lean Office.

### **4. Metrics and Key Performance Indicators**

As mentioned above, visual management and operating reviews are core aspects of the Lean Operating System and bring rapid attention and action to metrics that are off track. In 2022, PG&E adopted a new business planning process that begins with companywide planning and strategy objectives. The new planning process focuses on creating aggressive and achievable annual and long-term performance objectives, and plans that support the delivery of safe, reliable and affordable energy.

Regional Vice Presidents and Regional Safety Directors are included in core aspects of the planning process, including the:

- Continual alignment of the operational plans to the overall company objectives;
- Functional and cross-functional target setting process;

- Validation of the in-year and multi-year plans; and
- Functional, cross-functional, and regional deployment of metrics and plans

Through this process, regional targets (and associated regional views of the plan) are set collaboratively with operations leadership and based on risk, prior year performance and enterprise focus for the coming operating cycle. These metrics are then made visible and monitored via the operating review process defined above. PG&E's Safety and Operational Metrics (SOMs) are not distinct from PG&E's safety, delivery, quality, cost, and morale metrics and exist within the same metric review framework; these are visualized, monitored and actioned through the operating review process.

Among the 21 metrics being monitored at the enterprise level, the Regional Vice Presidents are monitoring 17 in their operating reviews. These metrics are provided in Table 7 in the Appendix.

In addition to the top-level enterprise metrics established through the planning process, each Regional Vice Presidents and Regional Safety Director work with key regional operations and support leaders to identify, visualize and monitor leading indicators that represent local operations per region.

## **5. Customer, Community, Coworker Surveys**

In order to gain additional feedback on the RSM, PG&E began conducting a series of surveys to local community leaders as well as PG&E coworkers that are based in each region. PG&E has used and will continue to use the survey results to inform the regionalization implementation and improvement process, and to enhance the design and responsiveness of the operating model. PG&E has committed to conducting the survey three times between 2021 and the end of 2022.

The survey consists of approximately 20 questions, most answered using a sliding scale with an opportunity to provide written comments. The questions are centered around safety, reliability, customer service and emergency response.

The external audience is primarily local government officials, local and regional agency leads with which PG&E has regular contact, tribes, district

directors for state and federal elected officials, and Community Based Organizations.

PG&E coworkers based in the regions who interact with (or whose work directly impacts) customers within the region were also surveyed.

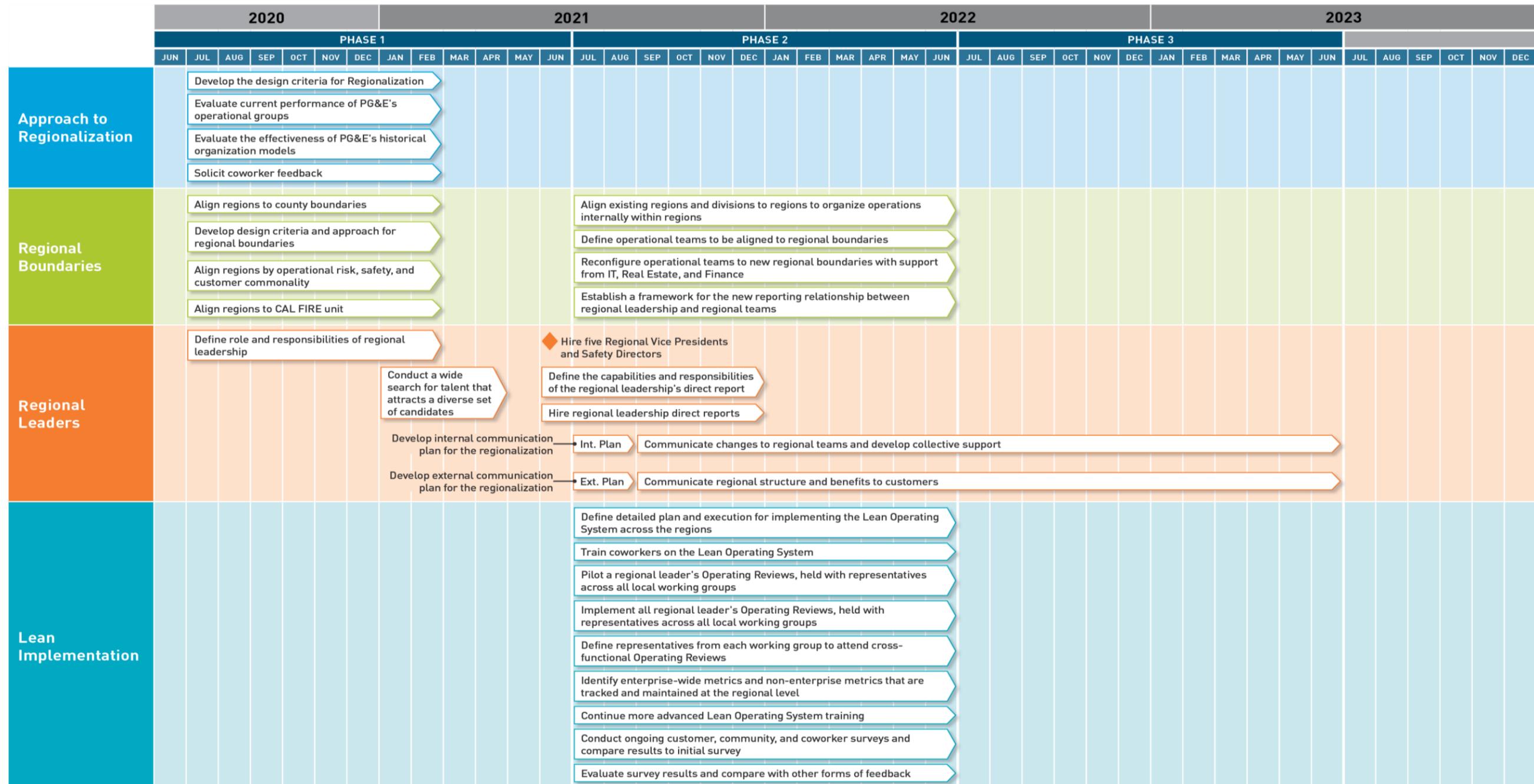
The first survey launched in Q2 2021, the second in Q1 2022, and the third is planned to launch in Q4 2022. At the conclusion of the third survey, the company will evaluate the response rate and feedback to determine whether this survey method is the best option for continued community and coworker feedback.

## **F. Conclusion**

PG&E is pleased to submit its first Quarterly Report summarizing the activities undertaking to implement the Updated Proposal.

## **APPENDIX**

**FIGURE 1  
TIMELINE OF ACTIVITIES IN UPDATED PROPOSAL**

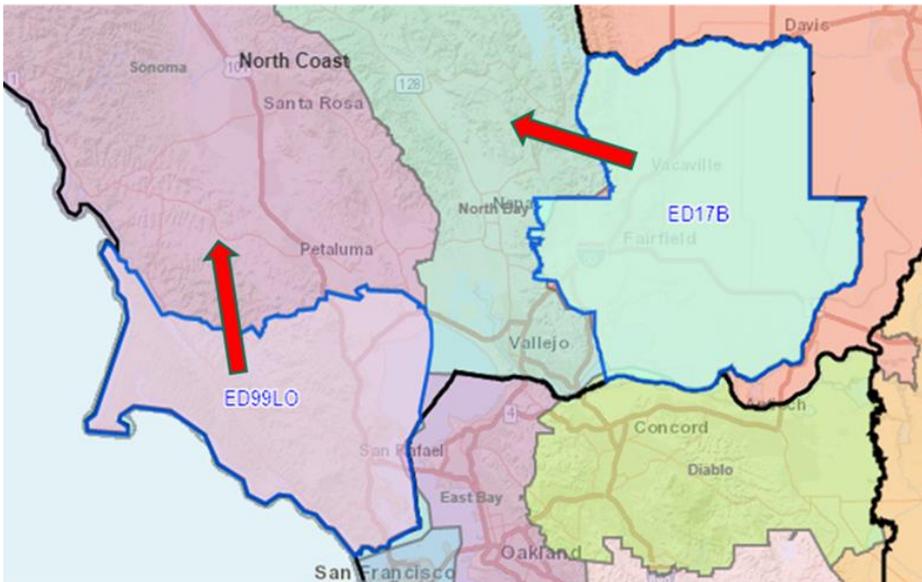


**FIGURE 2  
PROPOSED RESOLUTION FOR SOLANO COUNTY**

### Current Region/Division Breakout

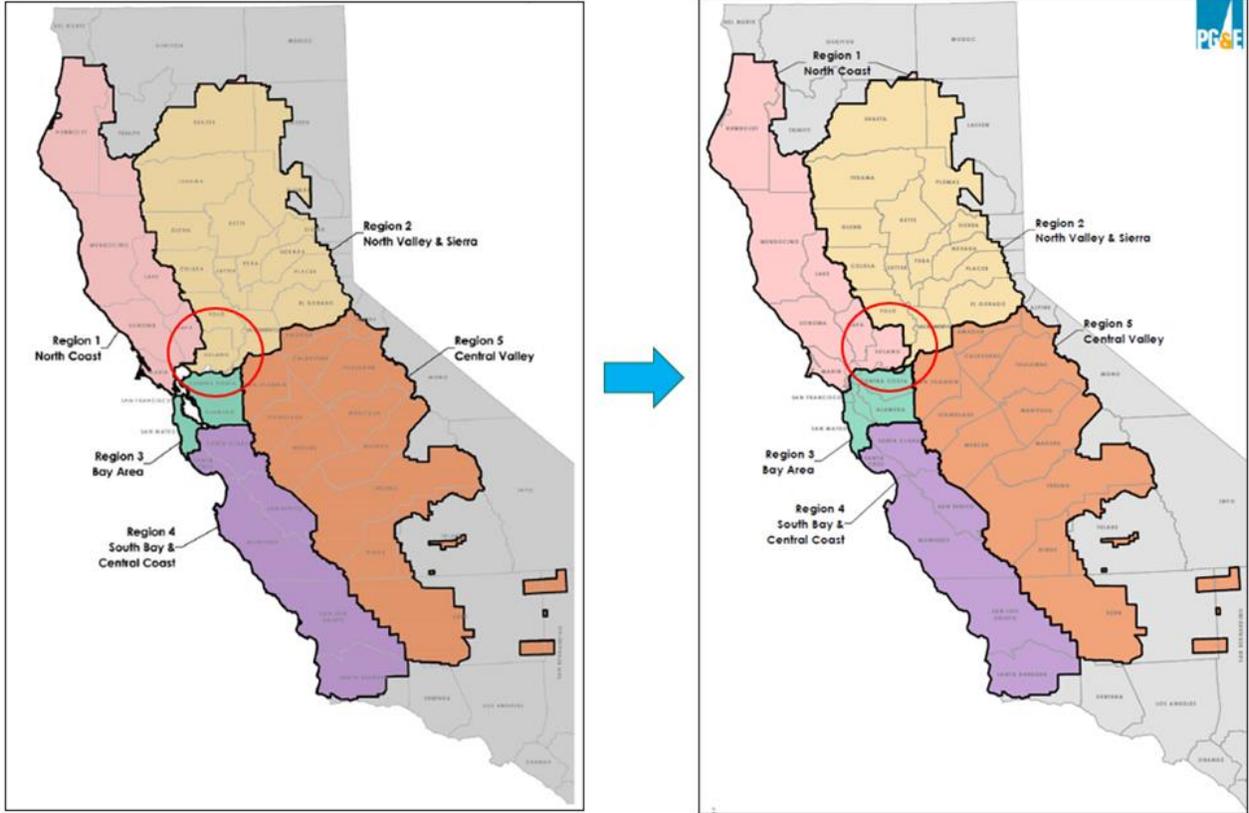


### Future Region/Division Breakout



- Solano County moving from Sacramento Division to North Bay Division (From North Valley-Sierra Region to North Coast Region)
- Marin County moving from North Bay Division to Sonoma Division (No change to Region)

**FIGURE 3  
MODIFIED REGIONAL BOUNDARIES**



**TABLE 5  
LIST OF CONFLICTS BY LINE OF BUSINESS**

Polygon IDs	County	Electric		Gas		Total
		Distribution	Transmission	Distribution	Transmission	
7	Mendocino / Siskiyou				3	3
15	Napa	1				1
21	Contra Costa	3	1			4
28	San Mateo	1				1
29	Santa Cruz	1				1
37	Sacramento	1				1
38	San Joaquin	1				1
99	Marin	1	1	1	1	4
1_9	Trinity	1	1	1	1	4
10_27	Santa Clara	1	1	1	1	4
17_6	Sacramento / Yolo / Solano	2	2	2	2	8
22_201	Alameda / Contra Costa / San Joaquin	5	1	3	1	10
44_202	Kern / San Luis Obispo / Santa Barbara	9	3	1	1	14
	<b>Total</b>	27	10	9	10	56

**TABLE 6  
DECENTRALIZED FUNCTIONS**

Organization	Functional Team
Corporate Affairs	Local Government Affairs
Customer & Communications	Business Energy Solutions
	Communications
	Customer and Communications
Engineering Planning & Strategy	Asset Planning
	Automation Engineering & Specialists
	Civil/Owner's Engineering
	Corrective and Compliance
	GIS Asset Data Maintenance
	LT&D Planning
	Pipeline Services
	Protection, Test and Automation
	Service Planning and Design
	Station Services
	System Protection
	T&S Substation Engineering
	TIMP In-Line Inspection & Direct Assessment
	T-Line Engineering
	T-Line Estimating & Design
Ethics & Compliance	ERIM Field Support
General Counsel	Claims
Information Technology	IT Field Operations

**TABLE 6  
DECENTRALIZED FUNCTIONS  
(CONTINUED)**

Organization	Functional Team
Operations	Central Distribution Control Centers
	Compliance Operations
	Construction Management
	Construction Traffic Control
	Cross Bore & Field Support
	Dam Safety Program
	DGO Automation & Maintenance
	EDSO BA Support
	Electric Distribution Operations
	Electric Field Training
	Electric Incident Investigations
	Enterprise Permitting
	Execution Support
	Field Metering
	Field Operations
	Gas T&D Operations
	GC Distribution
	GC Spoils
	GC Spoils and Technology
	GC Transmission
	GC Transmission Construction
	GC Transmission TPCO
	GPOM Backbone
	GPOM Local Transmission
	Grid Control Center Operations
	GT GC Field Engineering
	Hydro General Construction
	Inspections & Execution
	Inspections Program T/S
	LNG/CNG Operations

**TABLE 6  
DECENTRALIZED FUNCTIONS  
(CONTINUED)**

Organization	Functional Team
	Locate & Mark
	Major Programs & Projects Delivery
	Municipal Projects & Programs
	Power Gen Operations
	Quality Control
	Quality Management (Field and Data)
	Quality Scheduling & Reporting
	Quality Verification Trans Sub Dist
	Safety and Infrastructure Protection Team
	SO&C Operations Engineering
	Substation Construction Management
	Substation M&C
	Support Services
	T&D Construction Management
	T&D Contract Construction
	T&D General Construction
	T&S Portfolio & Work Management
	T&S Project and Portfolio & Work Management
	Temporary Generation
	T-Line M&C
	Transmission Operations Engineering
	Veg Mgmt Quality Verification
	Vegetation Execution
	Vegetation Management Inspector
	Work Execution
	Work Verification

**TABLE 6  
DECENTRALIZED FUNCTIONS  
(CONTINUED)**

Organization	Functional Team
Safety & Risk	Safety Directors
Shared Services	CRESS Portfolio Planning & Delivery
	Env Management Distribution & Shared Services
	Env Mgmt Facility Compliance
	Facilities Services
	Fleet Operations
	Land Rights
	Land Rights 2
	Land Surveying & Eng Support
Supply Chain	Materials Distribution Operations

**TABLE 7  
KEY PERFORMANCE INDICATORS**

Metric	Abbreviated	Full Definition
Serious Injury or Fatality	Count of life threatening or altering work-related injuries or illnesses	<p>A work-related high-energy incident from work at/ for PG&amp;E that results in any of the following to employees, contractors, or directly supervised contractors:</p> <p>A life-threatening injury or illness that required immediate life-preserving action that if not applied immediately would likely have resulted in the death of that person;</p> <p>A life-altering injury or illness that resulted in a permanent and significant loss of a major body part or organ function.</p> <p>Includes both Employee and Contractor incidents.</p> <p>Includes all incidents with event dates in current year.</p>
Wildfire Risk Reduction	Count of fire ignitions that result in fires $\geq 100^*$ acres in HFTD reportable to the CPUC	<p>The metric measures the count of Fire Ignitions that result in fires equal to or greater than 100* acres in PG&amp;E's High Fire Threat District (HFTD) and reportable to the CPUC per D.14-02-015.</p> <p>A reportable fire ignition per D.14-02-015 is a fire event that meets the following criteria: (1) ignition is associated with PG&amp;E powerlines (both transmission and distribution), (2) something other than PG&amp;E facilities burned, and (3) the resulting fire travelled more than one meter from the ignition point.</p> <p>Reportable Fire Ignitions that result in fires <math>\geq 100</math> acres in PG&amp;E's HFTD for which PG&amp;E submits an Electric Incidents report (EIR) are counted. If the ignition source for a fire <math>\geq 100</math> acres in PG&amp;E's HFTD is unknown or disputed, it will also be counted if PG&amp;E records a financial reserve associated with that ignition. The PG&amp;E Board of Directors will retain discretion to determine and make final STIP awards related to the performance of the Wildfire Risk Reduction metric.</p> <p>If the information related to the acreage of CPUC reportable Fire Ignitions is not available from the responding agency (e.g., CalFire), PG&amp;E's meteorology department will make an estimated determination of the burned acreage.</p>

**TABLE 7  
KEY PERFORMANCE INDICATORS  
(CONTINUED)**

Metric	Abbreviated	Full Definition
Reportable Fire Ignitions in HFTD	Powerline-involved fire incidents in HFTD reportable to the CPUC	<p>Fire incidents that meet the following criteria:</p> <p>Occur within a PG&amp;E High Fire Threat District (HFTD)</p> <p>Reportable to the CPUC per D.14-02-015.</p> <p>A reportable fire incident includes all the following: (1) Ignition is associated with PG&amp;E overhead distribution circuits, (2) something other than PG&amp;E facilities burned, and (3) the resulting fire travelled more than one meter from the ignition point.</p>
Total Gas Dig-in Rate	Count of gas dig-ins from 1st, 2nd, or 3rd party per 1,000 USA tickets	<p>This metric tracks the number of gas dig-ins per 1,000 Underground Service Alert (USA) tickets. The dig-in component tracks all Dig-ins to PG&amp;E gas subsurface installations. The Company participates in a one-call "811" public service program administered by Underground Service Alert (USA). USA provides the Company notification of activities that could be damaging to the Company's facilities. These notifications are referred to as USA Tickets. Per California Government Code 4216 (t), a ticket means an excavation location request issued a number by the regional notification center. The ticket component of this metric includes PG&amp;E tickets received from all parties (i.e., 1st, 2nd and 3rd parties).</p> <p>A gas or electric dig-in refers to damage which occurs during excavation activities (impact or exposure) and results in a repair or replacement of an underground gas or electric facility.</p>
Preventable Motor Vehicle Incidents (PMVI)	Count of PMVI in any vehicle driven for company business	<p>A Preventable Motor Vehicle Incident (PMVI) is any incident where the PG&amp;E driver could have but failed to take reasonable steps to prevent the incident. Includes company, rental and personal vehicles driven for company business.</p>
DCPP Reliability & Safety Indicator	Rolling score representing composite of 10 performance industry indicators	<p>The year-end combined (average) score for Unit 1 and Unit 2, representing a composite of 10 performance indicators for nuclear power generation developed by the nuclear industry and applied to all U.S. nuclear power plants. Indicator performance periods range from 18 months (rolling) to 36 months (rolling). Maximum number of points is 100.</p>
Enhanced Vegetation Management Effectiveness	Count of circuit miles cleared per EVM scope	<p>Completed circuit miles of vegetation cleared consistent with the EVM program scope within high-fire risk areas to reduce Wildfire Risk through (1) achieving 12' recommended radial clearance (2) removing identified abate trees as identified through the tree assessment tool (TAT) or a subsequent approved hazard tree assessment process (3) removing overhangs above and within 4 feet of power lines (4) reducing vegetative fuels under and adjacent to powerlines on targeted basis. This work is performed in HFTD Tiers 2/3 and Tier 1 HFRA.</p>

**TABLE 7  
KEY PERFORMANCE INDICATORS  
(CONTINUED)**

Metric	Abbreviated	Full Definition
Safe Dam Operating Capacity (SDOC)	Measure of operating capability for equipment used as main control to prevent risk of a large uncontrolled water release	Measure of operating capability of mechanical equipment used as main control to reduce enterprise risk of a Large Uncontrolled Water Release (LUWR). Revised in 2022 to remove prior exclusion for planned and maintenance outages that aren't mitigated.
EO 911 Emergency Response	% of time PG&E arrives on site within 60 min of a 911 call	This metric measures the percentage of time that PG&E personnel respond (are on site) within 60 minutes after receiving a 911 call, with onsite defined as arriving at the premises where the 911 agency personnel are waiting. Our ability to respond quickly to these instances will accomplish two things: it will reduce public safety risks associated with a confirmed hazard and enable public agencies to respond to other emergency situations.
Gas Emergency Response Time	Avg time (min) for PG&E to arrive on site following a gas odor or emergency call	The average response time for immediate response (IR) orders for the performance period.  When PG&E receives a customer call or notification reporting a gas odor or gas emergency, it generates an emergency order that requires immediate response by the Company. The goal of this metric is to respond quickly to emergency orders.  The response time by PG&E is measured from the time PG&E is notified to the time a Gas Service Representative (GSR) or a qualified first responder arrives onsite to the emergency location (including Business Hours and After Hours). PG&E notification time is defined as when a gas emergency order is created and timestamped.
Customers Experiencing Multiple Interruptions (CEMI-5 / CEMI-10)	# of customers with 5 / 10 or more unplanned interruptions >5min in 12-month period	CEMI-5 is the total number of customers experiencing 5-9 sustained interruptions (planned/unplanned) and CEMI-10 is the total number of customers experiencing 10 or more sustained interruptions (planned/unplanned); Both metrics are reported as a YTD measure for a rolling 12-month period.
Customer Satisfaction Score (CSS)	Customer satisfaction as measured by a third-party survey	Customer satisfaction as measured by an ongoing survey conducted by a third party retained by PG&E. The score is based on customer responses to a single overall question: "How would you rate the products and/or services offered by PG&E?"
System Average Interruption Duration Index (SAIDI)	Total minutes of sustained outages that the avg customer experiences annually	Total number of minutes associated with sustained outages that the average customer experiences in a year on both the T&D system, including planned/unplanned outages and transformer-only outages

**TABLE 7  
KEY PERFORMANCE INDICATORS  
(CONTINUED)**

Metric	Abbreviated	Full Definition
System Hardening Effectiveness	Count of circuit miles hardened within HFRA	<p>Count of circuit miles worked under System Hardening program within high-fire risk areas to reduce wildfire risk through either (1) rebuild of overhead circuitry to current hardening design standards (2) undergrounding (3) removal of overhead circuitry (line removal) (4) enablement for remote grid. This work is performed in HFTD Tiers 2/3 and Tier 1 HFRA.</p> <p>The metric includes Fire Rebuild work and any work associated with Public Safety Power Shutoff (PSPS) that is consistent with the 4 above mitigations.</p> <p>The following conditions must be met or LTIP score for this metric will be 0:</p> <p>Condition 1: 80% of system hardening miles must be high-risk miles over the three-year reporting period. High-risk risk areas are defined as:</p> <p>Top 20% of approved risk model buydown curve</p> <p>Fire rebuild miles</p> <p>PSPS mitigation miles</p>
PSPS Notification Accuracy	% of customers impacted by PSPS that received notification prior to shutoff	The percentage of PG&E electric customers affected by PSPS who receive notifications in advance of a PSPS outage, calculated as a weighted average for cumulative customers impacted by PSPS over the course of the 3-year period.
Quality Pass Rate	Index that tracks the quality of four core wildfire mitigation programs	<p>Equally weighted index that tracks the quality of four core Wildfire Mitigation programs as measured by:</p> <p>25% - percentage of Distribution Inspections performed in HFTD that pass the field Quality Verification reviews and contain no critical defects</p> <p>25% - percentage of Transmission Inspections performed in HFTD that pass the field Quality Verification reviews on and contain no critical defects</p> <p>25% - percentage of the completed EVM work that passes the Quality Verification field reviews</p> <p>25% - percentage of the completed Routine Vegetation Management in HFTD work that passes the Quality Verification reviews</p>

**TABLE 8  
COMPLIANCE WITH DECISION AND SETTLEMENT**

Directive Reference	Requirement	Status
D.22-06-028 OP5	Pacific Gas and Electric Company’s (PG&E) regional leadership shall hold quarterly town hall meetings in each of their respective regions, as shown on the map in this decision, until the completion of Phase III of the regionalization plan or the end of 2024, whichever is later, and report back to the service list and Director of the Commission’s Energy Division on these town hall meetings no later than 45 days following the end of a quarter. PG&E shall also submit the quarterly townhall report to Energy Division at energydivisioncentralfiles@cpuc.ca.gov.	On-going
D.22-06-028 OP6	Within 90 days of issuance of the decision, Pacific Gas and Electric Company (PG&E) shall file and serve a Tier-1 advice letter filing summarizing all activities that have been undertaken in implementing its updated Regionalization Proposal and all remaining activities that will be undertaken through the end of Phase III of its updated Regionalization Proposal. The Tier 1 filing shall include sufficient detail on PG&E’s plans that a stakeholder can understand (1) organizational changes being made, (2) new, increased, or decreased operations because of the Regionalization effort, (3) a timeline, and (4) impact of the foregoing items on improving utility safety. PG&E shall serve the plan on the service list for this proceeding as well as serving the Director of the Commission’s Energy Division.	Complete
SSJID SA	PG&E shall ensure that PG&E and the PMO shall separate by work category and functionally any work or activity related to any PG&E efforts to oppose SSJID’s municipalization efforts from PG&E’s implementation of regionalization. The PMO shall document in writing the steps taken to implement and maintain this separation, and shall make such documentation available to the Commission or SSJID upon request.	In-progress
MPSA	PG&E will support the formation of a regionalization stakeholder group (“Regionalization Stakeholder Group”) as described in Sections 2 through 34 below.	In-progress
MPSA	PG&E shall prepare quarterly reports summarizing updates to its implementation of regionalization and serve the reports on the service list for the Proceeding. The first report will be served in the calendar quarter immediately following the quarter in which a final decision by the Commission adopting this Settlement Agreement is issued. If such decision is issued on a date that is fewer than forty-five (45) days prior to the end of the quarter, PG&E will serve its first report in the quarter after the following quarter, e.g., if the decision is issued fewer than forty-five (45) days prior to the end of the first quarter, PG&E will serve its first report in the third quarter.	On-going

**TABLE 8  
COMPLIANCE WITH DECISION AND SETTLEMENT  
(CONTINUED)**

Directive Reference	Requirement	Status
MPSA	PG&E will prepare an expanded narrative of its previous experience with different regional models based on interviews with employees. PG&E will include such expanded narratives in a future quarterly report that will include a more detailed description and analysis of PG&E's history of various regional organizational structures and a table identifying materials consulted (e.g., former organizational charts, prior internal or consultant evaluation structure, etc.) and individuals interviewed.	In-progress
MPSA	PG&E will develop metrics that will be reported regionally to the Regionalization Stakeholder Group, including but not limited to the Safety Performance Metrics and SOMs adopted in Rulemaking 20-07-013, by the conclusion of Phase II of the implementation schedule for the regionalization plan. Nothing in this Settlement Agreement prevents PG&E from adding, removing, or otherwise modifying the metrics developed in compliance with this Section	Complete
MPSA	The Regional Vice Presidents will, at least once every General Rate Case ("GRC") cycle, establish public goals, metrics, and priorities for their respective regions.	On-going
MPSA	The Regional Vice Presidents will solicit stakeholder input, including input from Community Based Organizations ("CBO"), as part of their external outreach, including the process described in Section 7.	On-going
MPSA	PG&E will convene at least one meet and confer within thirty (30) days of a final decision by the Commission adopting this Settlement Agreement to discuss the scope, schedule, and agendas for the Regionalization Stakeholder Group.	Complete
MPSA	PG&E will not move operations under the direct control of either the Regional Vice Presidents, Regional Safety Directors, or their successors, for a period of two years from the date of the Commission decision adopting this Settlement Agreement. Operations is defined as PG&E's electric, gas, or power generation business. PG&E specifies that the electric business includes but is not limited to electric distribution and transmission operation	On-going
MPSA	Upon the expiration of the two year period described in Section 13, if PG&E moves operations under the direct control of either the Regional Vice Presidents, Regional Safety Directors, or their successors, PG&E will provide advance notice to the parties for an additional three years.	On-going

**TABLE 8  
COMPLIANCE WITH DECISION AND SETTLEMENT  
(CONTINUED)**

Directive Reference	Requirement	Status
MPSA	Beginning in the year 2022 and continuing through completion of Phase III of the implementation schedule for the regionalization plan ("Phase III"), PG&E agrees to host two public workshops each year regarding the status of its regionalization efforts, including how it is meeting its milestones and objectives. PG&E will coordinate the workshops with Commission staff. If feasible, PG&E will record meetings and agrees to make notes and/or recordings of the meetings available publicly.	On-going
MPSA	PG&E will facilitate and the Regionalization Stakeholder Group members will participate in at least four in-depth meetings per year to coincide on or about the close of each calendar quarter to provide updates on its implementation of the Updated Regionalization Proposal and to receive perspectives from the Regionalization Stakeholder Group. The first such meeting shall be convened in the calendar quarter following the quarter in which a final decision by the Commission is issued approving this Settlement Agreement. If such decision is issued on a date that is fewer than forty-five (45) days prior to the end of the quarter, PG&E will serve its first report in the quarter after the following quarter, e.g., if the decision is issued fewer than forty-five (45) days prior to the end of the first quarter, PG&E will serve its first report in the third quarter. Any public meeting hosted by PG&E or the Commission pursuant to Section 10 in any quarter shall be deemed to satisfy the need for a meeting as contemplated by this Section for that quarter.	On-going
MPSA	During the period described in Section 33, PG&E will support other reasonable engagements with the Regionalization Stakeholder Group, including, as needed and upon the written request of any Regionalization Stakeholder Group member to meet and confer to attempt to resolve issues that may be raised by the Regionalization Stakeholder Group not otherwise resolved or resolvable during the quarterly meetings at a time and in a manner reasonably agreed to by PG&E and the requesting Party.	On-going

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

AT&T  
Albion Power Company

Alta Power Group, LLC  
Anderson & Poole

Atlas ReFuel  
BART

Barkovich & Yap, Inc.  
Braun Blasing Smith Wynne, P.C.  
California Cotton Ginners & Growers Assn  
California Energy Commission

California Hub for Energy Efficiency  
Financing

California Alternative Energy and  
Advanced Transportation Financing  
Authority  
California Public Utilities Commission  
Calpine

Cameron-Daniel, P.C.  
Casner, Steve  
Center for Biological Diversity

Chevron Pipeline and Power  
City of Palo Alto

City of San Jose  
Clean Power Research  
Coast Economic Consulting  
Commercial Energy  
Crossborder Energy  
Crown Road Energy, LLC  
Davis Wright Tremaine LLP  
Day Carter Murphy

Dept of General Services  
Don Pickett & Associates, Inc.  
Douglass & Liddell

East Bay Community Energy Ellison  
Schneider & Harris LLP  
Engineers and Scientists of California

GenOn Energy, Inc.  
Goodin, MacBride, Squeri, Schlotz &  
Ritchie  
Green Power Institute  
Hanna & Morton  
ICF  
International Power Technology

Intertie

Intestate Gas Services, Inc.  
Kelly Group  
Ken Bohn Consulting  
Keyes & Fox LLP  
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated  
Waste Management Task Force  
MRW & Associates  
Manatt Phelps Phillips  
Marin Energy Authority  
McClintock IP  
McKenzie & Associates

Modesto Irrigation District  
NLine Energy, Inc.  
NRG Solar

OnGrid Solar  
Pacific Gas and Electric Company  
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority  
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions  
San Diego Gas & Electric Company

SPURR

San Francisco Water Power and Sewer  
Sempra Utilities

Sierra Telephone Company, Inc.  
Southern California Edison Company  
Southern California Gas Company  
Spark Energy  
Sun Light & Power  
Sunshine Design  
Stoel Rives LLP

Tecogen, Inc.  
TerraVerde Renewable Partners  
Tiger Natural Gas, Inc.

TransCanada  
Utility Cost Management  
Utility Power Solutions  
Water and Energy Consulting Wellhead  
Electric Company  
Western Manufactured Housing  
Communities Association (WMA)  
Yep Energy