

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 As discussed below, the statute that authorized the implementation of these accounts was repealed and the accounts each carry a zero balance.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, 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
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



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 proposed¹: N/A

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

¹Discuss 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

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

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

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

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



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Rules, Maps, Contracts and Deviations	35195-G	
Sample Forms	34229,32986,32987,32886,34953,32888-G	

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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
Part DR	Hydrostatic Station Testing Memorandum Account (HSTMA)	33084-G
Part DS	Work Required by Others Balancing Account (WROBA)	33477-G
Part DT	Critical Document Program Memorandum Account (CDPMA).....	32812-G
Part DU	Z-Factor Memorandum Account (ZFMA-G)	33478,33479-G
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 EC	Emergency Consumer Protections Memorandum Account (WCPMA-G)	34677,35128-G
Part EE	Wildfire Expense Memorandum Account (WEMA-G)	34367-G
Part EG	Dairy Biomethane Pilots Balancing Account (DBPBA)	34715-G
Part EH	Dairy Biomethane Pilots Memorandum Account (DBPMA)	34716-G
Part EC	Emergency Consumer Protections Memorandum Account - Gas (ECPMA-G)	35470, 35471,35472-G
Part FD	California Consumer Privacy Act Memorandum Account – Gas (CCPAMA-G)	35320-G
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Rule 02	Description of Service	23062,23063,23064,23065,23066,33824-G
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Rule 05	Special Information Required on Forms.....	30088,32872,32873-G
Rule 06	Establishment and Reestablishment of Credit	22126,30687,34524-G
Rule 07	Deposits.....	31330,28655-G
Rule 08	Notices.....	31924,17580,31925,30689,31926-G
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Advice 5767-E
Decision

Issued by
Robert S. Kenney
Vice President, Regulatory Affairs

Submitted
Effective
Resolution

February 19, 2020



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**PG&E Gas and Electric
Advice Submittal List
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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	SCE
BART	Green Charge Networks	SDG&E and SoCalGas
	Green Power Institute	
Barkovich & Yap, Inc.	Hanna & Morton	SPURR
P.C. CalCom Solar	ICF	San Francisco Water Power and Sewer
California Cotton Ginners & Growers Assn	IGS Energy	Seattle City Light
California Energy Commission	International Power Technology	Sempra Utilities
California Public Utilities Commission	Intestate Gas Services, Inc.	Southern California Edison Company
California State Association of Counties	Kelly Group	Southern California Gas Company
Calpine	Ken Bohn Consulting	Spark Energy
	Keyes & Fox LLP	Sun Light & Power
Cameron-Daniel, P.C.	Leviton Manufacturing Co., Inc. Linde	Sunshine Design
Casner, Steve	Los Angeles County Integrated	Tecogen, Inc.
Cenergy Power	Waste Management Task Force	TerraVerde Renewable Partners
Center for Biological Diversity	Los Angeles Dept of Water & Power	Tiger Natural Gas, Inc.
	MRW & Associates	
Chevron Pipeline and Power	Manatt Phelps Phillips	TransCanada
City of Palo Alto	Marin Energy Authority	Troutman Sanders LLP
	McKenzie & Associates	Utility Cost Management
City of San Jose	Modesto Irrigation District	Utility Power Solutions
Clean Power Research	Morgan Stanley	Utility Specialists
Coast Economic Consulting	NLine Energy, Inc.	
Commercial Energy	NRG Solar	Verizon
County of Tehama - Department of Public Works	Office of Ratepayer Advocates	Water and Energy Consulting Wellhead Electric Company
Crossborder Energy	OnGrid Solar	Western Manufactured Housing Communities Association (WMA)
Crown Road Energy, LLC	Pacific Gas and Electric Company	Yep Energy
Davis Wright Tremaine LLP	Peninsula Clean Energy	
Day Carter Murphy		
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		