

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



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 4461G/6241E
As of August 20, 2021

Subject: 2021 Affiliate Transaction Rules Compliance Plan

Division Assigned: Energy

Date Filed: 06-30-2021

Date to Calendar: 07-02-2021

Authorizing Documents: D9712088

Authorizing Documents: D0612029

Disposition:	Accepted
Effective Date:	06-30-2021

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Stuart Rubio

415-973-4587

PGETariffs@pge.com

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- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)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



**Pacific Gas and
Electric Company®**

Sidney Bob Dietz II
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B13U
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-1448
Sidney.Dietz@pge.com

June 30, 2021

Advice 4461-G/6241-E

(Pacific Gas and Electric Company U 39 M)

Public Utilities Commission of the State of California

Subject: 2021 Affiliate Transaction Rules Compliance Plan

Purpose

In accordance with Rule VI.A of the California Public Utilities Commission's (the CPUC or Commission) Affiliate Transaction Rules adopted in Decision (D.) 97-12-088, as modified by D.06-12-029, Pacific Gas and Electric Company (PG&E) hereby submits its 2021 Affiliate Transaction Rules Compliance Plan.

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

Protests

*****Due to the COVID-19 pandemic, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com*****

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than **July 20, 2021**, 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:

Sidney Bob Dietz II
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

Pursuant to General Order (GO) 96-B, Rule 5.1, this advice letter is submitted with a Tier 1 designation. PG&E requests that this Tier 1 advice submittal become effective upon date of submittal, which is **June 30, 2021**.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for **R.05-10-030**. Because this advice letter discusses PG&E's compliance with the requirement in the Commission's decision on PG&E's Plan of Reorganization, D.20-05-053, that PG&E's CEO serve on its Board (see pp. 33-35), and also references the requirement that regional executive officers report to the PG&E CEO and President, we are serving it on the service list for **I.19-09-016** and **A.20-06-011**. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com.

Advice letter submittals can also be accessed electronically at:
<http://www.pge.com/tariffs/>.

/S/

Sidney Bob Dietz II
Director, Regulatory Relations

Attachments

cc: Dorothy Duda, Program Manager, Market Structure, Cost and Natural Gas,
dot@cpuc.ca.gov.

Franz Cheng, Supervisor, Electric Costs, Energy Division,
franz.cheng@cpuc.ca.gov.

Michael Conklin, PURA V, Electric Costs, Energy Division,
michael.conklin@cpuc.ca.gov.

Service List R.05-10-030

Service List I.19-09-016

Service List A.20-06-011



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) #: 4461-G/6241-E

Tier Designation: 1

Subject of AL: 2021 Affiliate Transaction Rules Compliance Plan

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.97-12-088 and D.06-12-029

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

Summarize differences between the AL and the prior withdrawn or rejected AL: 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: 6/30/21

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 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: Sidney Bob Dietz II, 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:

Clear Form



**Pacific Gas and Electric Company
2021 Affiliate Transaction Rules (Affiliate Rules)
Compliance Plan**

For Rules Adopted in D.06-12-029

June 2021

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INTRODUCTION

Pacific Gas and Electric Company (PG&E, or Utility) submits the following Compliance Plan (Plan) to comply with Rule VI.A of the Affiliate Transaction Rules (Rules) adopted by the California Public Utilities Commission (CPUC) in Decision (D.) 97-12-088 and as subsequently amended, and pursuant to the directives of D.06-12-029. PG&E's Plan includes mechanisms for implementation and compliance with these Rules, which when taken as a whole, provide a comprehensive approach to affiliate rules compliance. PG&E intends to comply with all Rules through one or more of the following implementation methods:

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

This Plan is implemented by PG&E's State & Regulatory Affairs (S&RA), Risk and Compliance Team in collaboration with various departments within PG&E. The S&RA Risk and Compliance team reports to PG&E's Vice President of Regulatory and External Affairs and is staffed with personnel experienced in training, monitoring, and enforcing compliance.

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

The most recent annual enterprise-wide communication was issued on July 29, 2020 and a reminder sent on August 5, 2020. A new communication will be issued to all employees by August 2021. PG&E also communicates with specific categories of employees about the specific Rules relevant to their work activities.

A copy of the full Compliance Plan is available to all Utility and PG&E Corporation employees on PG&E's Affiliate Rules Issued by CPUC internal intranet site at <http://pgeweb/topics/affiliaterules/>.

In the following pages, each Rule is shown in bold type. Following each Rule, in normal type, is PG&E's Plan.

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

PG&E Corporation functions as the following:

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

However, PG&E recognizes that, where explicitly provided, the Rules apply to PG&E Corporation and all PG&E affiliates, whether they are covered by Rule II.B or not.

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

1. Employees of PG&E Corporation and its subsidiaries governed by these Rules receive regular notice of the documents that describe these Rules and their obligations hereunder.
2. PG&E's compliance program is governed by the following standards and their implementing procedures, which are available in PG&E's Guidance Document Library:
 - CUST-4504S, Non-Tariffed Products & Services Accounting & Reporting Standard.
 - FIN-3150S, Affiliated Company Transactions Accounting Standard.
 - GOV-7101S, Enterprise Records and Information Management Standard.
 - GOV-8001S, Privacy Standard.
 - GOV-8002S, Third Party Requests for Customer Information.
 - HR-9300S, Position Posting and Internal Mobility Standard.
 - HR-9701S, Temporary Assignment to Non-Rule II.B. Affiliates Standard.
 - RISK-4301S, Affiliate Rules Compliance Program Standard.
 - SEC-3006S, Identity and Access Management Standard.
3. Employees of PG&E Corporation who provide permitted corporate support or shared services and who have access to non-public Utility information are required to sign a statement that:
 - They will follow all written policies about limitations on the use of non-public Utility information; and
 - Failure to observe these limitations will result in discipline.
4. All support personnel, services, physical plant, equipment, supplies, and other overhead owned by PG&E and used by PG&E Corporation are charged to PG&E Corporation as required by D.96-11-017 per internal guidance document titled FIN-3150S, Affiliated Company Transactions Accounting Standard.
5. All permitted corporate support services rendered by PG&E employees to affiliates are charged to the affiliates receiving the services per internal guidance document titled FIN-3150S, Affiliated Company Transactions Accounting Standard.
6. Periodic training or targeted communications are provided to employees of PG&E, PG&E Corporation, and their subsidiaries. PG&E Corporation Officers and

employees are directed to protect confidential Utility information from reaching an affiliate. PG&E communicates with targeted employee groups to sensitize them to the Rules relevant to their work activities, including the need to protect confidential Utility information. Online affiliate rules trainings are available on PG&E's training platform, My Learning, using Smart Search: "affiliate".

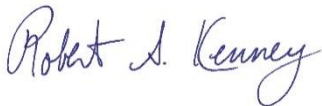
7. PG&E Corporation continues to lease space in Utility facilities for PG&E Corporation employees, as approved in D.00-02-061.
8. Employee transfers to other companies in the corporate family are tracked by PG&E's HR/SAP system to ensure they conform to the Rules.
9. PG&E has a process to ensure that a one-time 25 percent transfer fee is paid for each non-clerical employee departing the Utility and commencing work at an affiliate. This 25 percent fee is paid only once for any individual employee.
10. PG&E has a process to ensure that a Utility employee who transfers to a Rule II.B affiliate cannot return to the Utility until at least twelve months from the employee's last day of employment with the Utility, unless the provisions of Rule V.G.2.b. are met.
11. PG&E elected not to share key Officers under Rule V.E. and so notified the Commission in a letter dated May 25, 2007.
12. PG&E's standard consulting and procurement contract forms contain language restricting contractors from transmitting confidential Utility information to third parties, including affiliates.

PG&E has reviewed the specific mechanisms and procedures described above, which are intended to ensure that:

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

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

Respectfully submitted on June 30, 2021,



Robert Kenney
Vice President, Regulatory and
External Affairs
Pacific Gas and Electric Company



David S. Thomason
Vice President and Controller, PG&E
Corporation
Vice President, Chief Financial Officer
and Controller, Pacific Gas and Electric
Company

Affiliate Transaction Rules Applicable to Large California Energy Utilities

I. Definitions

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

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

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

Examples include but are not limited to specific mechanisms and procedures to assure the Commission that the utility will not use the holding company, another utility affiliate not covered by these Rules, or a consultant or contractor as a vehicle to (1) disseminate information transferred to them by the utility to an affiliate covered by these Rules in contravention of these Rules, (2) provide services to its affiliates covered by these Rules in contravention of these Rules or (3) to transfer employees to its affiliates covered by these Rules in contravention of these Rules. In the compliance plan, a corporate Officer from the utility and holding company shall verify the adequacy of these specific mechanisms and procedures to ensure that the utility is not utilizing the holding company or any of its affiliates not covered by these Rules as a conduit to circumvent any of these Rules. Regulated subsidiaries of a utility, defined as subsidiaries of a utility, the revenues and

expenses of which are subject to regulation by the Commission and are included by the Commission in establishing rates for the utility, are not included within the definition of affiliate. However, these Rules apply to all interactions any regulated subsidiary has with other affiliated entities covered by these rules.

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

II. Applicability

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

Appendix B is a table of all entities that meet the Rule I.A. definition of "affiliate" for PG&E. The table identifies the following:

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

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

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

3. Be used as a conduit to provide non-public information to a utility's affiliate.

This Rule is covered in an internal guidance document titled RISK-4301S, Affiliate Rules Compliance Program Standard. This document describes requirements, roles, and responsibilities to manage the affiliate rules compliance program, which is intended to ensure compliance with the letter and spirit of the CPUC's affiliate transaction rules.

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

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

III. Non-Discrimination

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

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

PG&E's internal guidance document titled RISK-4301S, Affiliate Rules Compliance Program Standard states that the Utility must not do the following:

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

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

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

Documents that include these guidelines are found in the Customer Service Knowledge Force application using keyword "Corporate Affiliates."

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

- All affiliate rules training courses stress no preferential treatment for Rule II.B affiliates.
- Customer contact employees provide customer information to energy providers in a non-discriminatory manner, following procedures identified for Corporate Affiliates in Knowledge Force. PG&E does not currently have any affiliates that participate in the Core Aggregation and Transport Program or the Direct Access Program.

- PG&E's voice-activated response system does not provide preferential treatment to any customers.
- PG&E does not pay invoices to affiliates in a preferential way.
- PG&E does not provide for its affiliates any billing inserts, advertisements, space in its billing envelopes, or endorsements.

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

PG&E's internal guidance document titled FIN-3150S, Affiliated Company Transactions Accounting Standard describes limitations on and pricing for transactions between the Utility and affiliates, which ensure nondiscriminatory transactions.

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

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

- Tariffed products and services – PG&E implements tariffs in a nondiscriminatory fashion. Tariff discretions are addressed in Rule III.B.4.
- Open competitive bidding process – PG&E makes the opportunity and process available to all market participants.
- Information made generally available by PG&E to all market participants.
- Commission-approved resource procurement – as described under Rule III.B.1.
- Shared services – as described under Rules V.D and V.E.
- Non-tariffed products and services.

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

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

specifically or through the delegation of authority to Commission staff or (b) after the effective date of this Rule, if authorized by the Commission generally or specifically or through the delegation of authority to Commission staff.

This Rule is covered in an internal guidance document titled RISK-4301S, Affiliate Rules Compliance Program Standard.

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

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

Similarly:

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

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

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

This Rule is covered in an internal guidance document titled RISK-4301S, Affiliate Rules Compliance Program Standard.

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

Since this Rule imposes CPUC requirements on intra-state transactions, PG&E contemporaneously posts and maintains any required information on intra-state transactions on PG&E's Affiliate Transactions Internet site (https://www.pge.com/en_US/about-pge/company-information/regulation/affiliate-

[transactions/affiliate-transactions.page](#)) per internal guidance document titled RISK-4301P-04, Affiliate Transaction Internet Posting Procedure.

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

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

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

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

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

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

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

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

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

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

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

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

PG&E contemporaneously posts individual transactions with affiliates on the PG&E Affiliate Transactions Internet site (https://www.pge.com/en_US/about-pge/company-information/regulation/affiliate-transactions/affiliate-transactions.page), which is available to all market participants.

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

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

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

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

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

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

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule. In addition, training for Call Center represented employees is administered annually via a platform called Intradem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the Read & Learn, generally around July every year. Once the training is complete, the system logs completion.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Salesforce platform called Customer Service Knowledge Force using keyword "Corporate Affiliates".

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

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

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule. In addition, training for Call Center represented employees is administered annually via a platform called Intradem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the Read & Learn, generally around July every year. Once the training is complete, the system logs completion.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Salesforce platform called Customer Service Knowledge Force using keyword "Corporate Affiliates".

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

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

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

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule. In addition, training for Call Center represented employees is administered annually via a platform called Intradem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the Read & Learn, generally around July every year. Once the training is complete, the system logs completion.

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

1. Provide leads to its affiliates;

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule. In addition, training for Call Center represented employees is administered annually via a platform called Intradem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the Read & Learn, generally around July every year. Once the training is complete, the system logs completion.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Salesforce platform called Customer Service Knowledge Force using keyword "Corporate Affiliates".

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

PG&E also implements this Rule through an internal guidance document titled GOV-8002S, Third Party Requests for Customer Information. This standard describes the requirements, roles, and responsibilities for releasing personal customer information to third parties who request that information. Information is released either with the specified customer's explicit written consent or the use of a standard customer information release form titled, "Authorization to Receive Customer Information or Act Upon a Customer's Behalf" found using these links on PG&E's website:

https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_FORMS_79-1095.pdf
https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_FORMS_79-1095.pdf

2. Solicit business on behalf of its affiliates;

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

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with these Rules. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule. In addition, training for Call Center represented employees is administered annually via a platform called Intradem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the Read & Learn, generally around July every year. Once the training is complete, the system logs completion.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Salesforce platform called Customer Service Knowledge Force using keyword "Corporate Affiliates."

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

PG&E does not interpret Rule III.E.3 as applying to activities permissible under Rule V.E.

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

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

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

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

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

PG&E implements this Rule using an internal guidance document titled GOV-8002S, Third Party Requests for Customer Information which describes the requirements, roles, and responsibilities for releasing personal customer information to third parties who request that information.

Information is released either with the specified customer's explicit written consent or the use of a standard customer information release form found on the internet using the following links:

https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_FORMS_79-1095.pdf
https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_FORMS_79-1095.pdf

An e-signature version of the form also is available on PG&E's internet site:
https://www.pge.com/en_US/residential/save-energy-money/analyze-your-usage/energy-data-hub/residential-data-access-tools-and-programs.page?WT.mc_id=Vanity_thirdpartyoptions

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

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Customer Service Knowledge Force application using key words "Authorized Third Party Customer Authentication" and "Information Release Form Request for Inquiries from Third Parties".

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

See also Compliance Plan for Rule IV.A.

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

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule.

In addition, training for Call Center represented employees is administered annually via a platform called Intradiem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the Read & Learn, generally around July every year. Once the training is complete, the system logs completion.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Salesforce platform called Customer Service Knowledge Force using keyword "Corporate Affiliates".

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

7. Give any appearance that the affiliate speaks on behalf of the utility.

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

This requirement is covered in internal guidance document titled RISK-4301S, Affiliate Rules Compliance Program Standard.

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

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

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

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

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

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

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

- Affiliate Transactions Internet site:
https://www.pge.com/en_US/about-pge/company-information/regulation/affiliate-transactions/affiliate-transactions.page
- California Gas Transmission Pipe Ranger Internet site, Recent News section:
<http://www.pge.com/pipeline/>

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

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

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

IV. Disclosure and Information

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

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

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

- Gas Rule 27
 - Internet:
https://www.pge.com/tariffs/assets/pdf/tariffbook/GAS_RULES_27.pdf
- Electric Rule 27
 - Internet:
https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_RULES_27.pdf
- PG&E Privacy Policy
 - Internet:
<http://www.pge.com/en/about/company/privacy/customer/index.page>
- Guidance Document Library - Utility Standards:
 - GOV-8001S, Privacy Standard
 - GOV-8002S, Third Party Requests for Customer Information
- Customer Service Knowledge Force Application using keyword: “Corporate Affiliates”

Thus, PG&E’s requirement is that customer information is not provided to any person or entity, except the customer, without that customer’s prior written consent. The use of PG&E’s standard customer release information form or an equivalent written consent is mandatory, except in the following situations:

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

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

Pursuant to resolution E-3540, PG&E posts on its Internet site (https://www.pge.com/en_US/about-pge/company-information/regulation/affiliate-transactions/affiliate-transactions.page) transactions where customer information was released to an affiliate. These postings do not include customer-specific information or identification.

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

Internal guidance document HR-2030F-01, Departing Personnel Checklist Procedure and Forms helps supervisors ensure that employees who leave PG&E do not maintain access authorizations (e.g., building or network), intellectual property, or utility property upon their departure. The checklist is referenced in the online process to separate a Utility, PG&E Corporation, or PG&E Corporation Support Services II, Inc., employee from employment. HR-9710P, Non-Utility Position Review Procedure also describes the scope of information that employees may access when transferring. This procedure documents the steps and checkpoints necessary to confirm that positions created or filled in affiliates of the Utility conform to these Rules, the PG&E Corporation Holding Company formation decisions, and to assure that the Utility is not using PG&E Corporation or another affiliate not covered by these Rules as a conduit to circumvent the Rules.

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

- B. Non-Customer Specific Non-Public Information: A utility shall make non-customer specific non-public information, including but not limited to information about a utility's natural gas or electricity purchases, sales, or operations or about the utility's gas-related goods or services and electricity-related goods or services, available to the utility's affiliates only if the utility makes that information contemporaneously available to all other service providers on the same terms and conditions, and keeps the information open to public inspection. Unless otherwise provided by these Rules, a utility continues to be bound by all Commission-adopted pricing and reporting guidelines for such transactions. A utility is also permitted to exchange proprietary information on an exclusive basis with its affiliates, provided the utility follows all Commission-adopted pricing and reporting guidelines for such transactions, and it is necessary to exchange this information in the provision of the corporate support services permitted by Rule V E below. The affiliate's use of such proprietary information is limited to**

use in conjunction with the permitted corporate support services, and is not permitted for any other use. Nothing in this Rule precludes the exchange of information pursuant to D.97-10-031. Nothing in this Rule is intended to limit the Commission's right to information under Public Utilities Code Sections 314 and 581.

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

PG&E's internal guidance document titled, FIN-3150S, Affiliated Company Transactions Accounting Standard, provides CPUC-adopted pricing rules.

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

PG&E contemporaneously posts individual transactions with affiliates on the PG&E Affiliate Transactions Internet site (https://www.pge.com/en_US/about-pge/company-information/regulation/affiliate-transactions/affiliate-transactions.page), which is available to all market participants.

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

- Tariffed products and services – PG&E implements its tariffs in a nondiscriminatory fashion. Tariff discretions are addressed in Rule III.B.4.
- Open competitive bidding process – PG&E makes the opportunity and process available to all market participants.
- Information made generally available by PG&E to all market participants.
- Commission-approved resource procurement – as described under Rule III.B.1.
- Shared services – as described under Rules V.D and V.E.
- Non-tariffed products and services.

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

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

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule. In addition, training for Call Center represented employees is administered annually via a platform called Intradiem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the Read & Learn, generally around July every year. Once the training is complete, the system logs completion.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Salesforce platform called Customer Service Knowledge Force using keyword “Corporate Affiliates”.

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

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

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

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

This Rule is addressed in internal guidance document titled, RISK-4301S, Affiliate Rules Compliance Program Standard.

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule. In addition, training for Call Center represented employees is administered annually via a platform called Intradiem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the Read & Learn, generally around July every year. Once the training is complete, the system logs completion.

PG&E Corporation's internal guidance document titled CDT-1002S, Sourcing Code of Conduct Standard provides additional requirements regarding ethical business practices and conflicts of interest for all Sourcing Department employees engaged in any aspect of the Sourcing function, and any Supply Chain employees interfacing with PG&E Suppliers.

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

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

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule. In addition, training for Call Center represented employees is administered annually via a platform called Intradiem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the Read & Learn, generally around July every year. Once the training is complete, the system logs completion.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Salesforce platform called Customer Service Knowledge Force using keyword "Corporate Affiliates".

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

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

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

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

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

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

PG&E requires record-keeping for all tariff or contract provisions. PG&E's records management program is governed by internal guidance document titled GOV-7101S, Enterprise Records and Information Management Standard. This document establishes requirements governing the identification, control, management, retrieval and retention of records for PG&E Corporation and its subsidiaries, including PG&E.

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

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

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

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

2. Each employee who engages in a transaction with an affiliate must complete an Affiliate Transaction Report (ATR), for each day or for each affiliate transaction in which that employee took part. In the case of a transaction that may cover a period of time, the employee is required to submit only one ATR for the transaction. The ATR is to include a summary of the transaction and indicate who participated at the affiliate and Utility.
3. Each ATR, except where the transaction noted in that ATR was subject to legal privilege, is to be sent electronically to the ARC Information mailbox managed by the S&RA, Risk and Compliance team as soon as practicable.
4. PG&E retains the ATR record as required by this Rule and the December 1, 2014, letter from Edward F. Randolph, Director, CPUC Energy Division.
5. The S&RA, Risk and Compliance team ensures that postings to the PG&E Internet site (https://www.pge.com/en_US/about-pge/company-information/regulation/affiliate-transactions/affiliate-transactions.page) are completed as required under Rules III.B and III.F.
6. Each employee who engages in a transaction with an affiliate is responsible for retaining additional records about the transaction, including records of negotiation with affiliates as required by Rule IV.F, which are to be made available to the S&RA, Risk and Compliance team upon request.

Record-keeping is addressed in the following internal documents:

- FIN-3150S, Affiliated Company Transactions Accounting Standard
- Sourcing Process Guide (2017) - Section 2, Contract Process

Records are made available as follows:

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

Pacific Gas and Electric Company
S&RA, Risk and Compliance
77 Beale Street
P.O. Box 770000 Mail Code B29K
San Francisco, CA 94177

2. Summaries of individual transactions will be made available to third parties for review. The summary will contain sufficient information for the third party to determine that the subject matter of the transaction was permitted and the cost, if any.
3. If an affiliate was charged for a document or information, a third party will be charged the same amount if they request the same document or information.

4. Third parties will not be granted access to any confidential customer information that may have been properly provided to an affiliate, unless PG&E has received prior written authorization from the customer.
5. Third parties will not be granted access to any confidential or proprietary affiliate information that was shared with the Utility or to any non-public information shared with an affiliate in connection with a permitted corporate support service.
6. PG&E interprets “72 hours” to mean that the information must be available by the third business day following the request and “24 hours” to be one business day. PG&E interprets “contemporaneous” to mean monthly for billings and other transactions between PG&E and its affiliates that are recorded on a monthly basis. Summaries will be made available following the monthly closing of accounts.

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

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

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

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

PG&E uses SAP/Ariba as the system of record for contracts and Power Advocate for related bids.

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

PG&E has processes and procedures in place to maintain compliance with its relevant FERC requirements.

V. Separation

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

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

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

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

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

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

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

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

C. Sharing of Plant, Facilities, Equipment or Costs: A utility shall not share office space, office equipment, services, and systems with its affiliates, nor shall a utility access the computer or information systems of its affiliates or allow its affiliates to access its computer or information systems, except to the extent appropriate to perform shared corporate support functions permitted under Rule V E of these Rules. Physical separation required by this rule shall be accomplished preferably by having office space in a separate building, or, in the alternative, through the use of separate elevator banks and/or security-controlled access. This provision does not preclude a utility from offering a joint service provided this service is authorized by the Commission and is available to all non-affiliated service providers on the same terms and conditions (e.g., joint billing services pursuant to D.97-05-039).

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

PG&E Corporation employees are currently located in Utility space, and the Utility tracks PG&E Corporation employee movement in Utility space. Before the beginning of each calendar year, the Utility calculates and budgets the facility charge for PG&E Corporation-occupied space per FIN-1123P-02, Corporate Real Estate Base Facility Procedure. Annually, the Utility charges the facility charge to PG&E Corporation. The Utility does not adjust those charges to reflect movement of employees during the year because the administrative cost to do so would be burdensome.

Physical access to Utility space is controlled by approved access ID cards. Utility, PG&E Corporation, and “non-Rule II.B” affiliate employees are issued access ID cards that identify their employer. PG&E Corporation and “non-Rule II.B” affiliate employees have access to Utility space to the extent appropriate to perform shared corporate support functions permitted under Rule V.E.

“Rule II.B” affiliate employees are not issued access ID cards and do not have independent access to Utility space.

Physical access is maintained in accordance with the SEC-2001P-01, Physical Access Request Procedure, which provides instructions on how to request physical access to PG&E facilities when access is required for business purposes. Physical access is controlled by the issuance of approved access ID cards by the Corporate Security Department. The procedure applies to all personnel who require physical access to PG&E facilities and those involved in the physical access request process.

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

When a Utility employee either resigns or is terminated, the employee’s supervisor or other manager initiates a Personnel Change Request (PCR). The process to terminate the employee in SAP is detailed in HR-2030F, Departing Personnel Checklist Procedure and Forms, within the Separation Procedure and action No. 1 of the Prior to Employee’s Final Day of Employment checklist. The PCR triggers a transaction in SAP to terminate the employee, which in turn triggers an automatic notification to MyElectronicAccess (MEA), the enterprise identity governance administration tool, with the termination date. The notification to MEA, triggers an automated process to disable the employee’s network identification account, which prevents the person from logging into the Utility network to access Utility systems.

PG&E’s SEC-3006S, Identity and Access Management Standard outlines the requirements for ensuring identities and associated access permissions are appropriately managed based on employee lifecycle events (e.g., hire, job change, leave of absence, termination, and rehire).

The MyElectronicAccess Technical Standard describes the Utility's centralized system that manages network and email access based on HR/IT system updates. The standard identifies specific HR/IT triggers such as a Utility employee-to-PG&E Corporation transfer and subsequent access changes.

If an employee terminating from the Utility is immediately employed by PG&E Corporation or a "non-Rule II.B" affiliate to perform shared corporate support functions permitted under Rule V.E, (considered a transfer) the employee retains Utility computer system access appropriate to perform those functions. However, the employee relinquishes Utility assets (e.g., mobile phone and computer) and is issued similar assets by PG&E Corporation or the "non-Rule II.B" affiliate.

If an employee terminating from the Utility is immediately employed by a "Rule II.B" affiliate (considered a transfer), the employee only retains limited computer system access to employee benefits, pay, and other employee-specific information, consistent with Rule V.E. However, the employee relinquishes Utility assets (e.g., mobile phone and computer) and is issued similar assets by the "Rule II.B" affiliate.

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

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

PG&E's FIN-3150S, Affiliated Company Transactions Accounting Standard describes requirements for the following:

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

PG&E maintains a list of permitted and non-permitted joint purchases in internal guidance document RISK-4301S, Affiliate Rules Compliance Program Standard, Attachment 1.

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

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

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

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

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

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

PG&E's internal guidance document FIN-3150S, Affiliated Company Transactions Accounting Standard provides pricing rules for all permitted corporate support services. On a monthly basis, PG&E charges PG&E Corporation and affiliates for the costs of corporate services provided by PG&E. PG&E Corporation also is entitled to charge PG&E for services and support it provides to PG&E.

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

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

1. Corporate oversight and governance
2. Use of financial and cash management and payroll systems software
3. Payroll advice and services, including printing and distribution of paychecks
4. Corporate budget preparation and monitoring
5. Corporate communications, public relations, and charitable contributions
6. Tax advice and services
7. Treasury functions
8. Investor relations and shareholder services
9. Consolidated business planning (other than market analyses)
10. Financial services, including the following:
 - a. Accounts payable
 - b. Accounting
 - c. Banking services not including customer transactions
 - d. Cash management
 - e. Planning, analysis, negotiation, and workout (e.g., analytical support for various subsidiary projects and for long-range planning)
 - f. Risk management (which includes approval of and monitoring compliance with policies and procedures; each subsidiary has its own risk management committee to manage its hedging, financial derivative, and arbitrage activities as they relate to energy products; the Corporation in its oversight role may also review and approve certain transactions involving PG&E or the affiliates)
 - g. Reporting
11. Internal auditing
12. Insurance advice, services, and procurement

13. State, federal, and local lobbying and regulatory affairs
14. Analysis of regulatory or legislative actions
15. Legal services and support
16. Legal and regulatory compliance, including affiliate transactions rules compliance
17. Compliance and ethics activities
18. Environmental and safety
19. Corporate development
20. Computer, telecommunications, and technical systems support and maintenance (PG&E employees may have access to affiliate systems while providing support and maintenance on those systems. PG&E support may include Internet routing. Affiliate employees will only be allowed to provide support and maintenance for PG&E if they will not have access to any non-public PG&E information contained in a computer or information system, e.g., limited hardware maintenance or software development.)
21. Human resources planning and development services, including succession planning
22. Compensation and benefit services and plan procurement and management
23. Pension management
24. Development, interpretation, and application of employment policies
25. Creation and maintenance of employee records
26. Limited day or overnight use of PG&E meeting rooms or facilities (Rule II.B. affiliate employees would only be in attendance if their presence was necessary to perform shared corporate support functions and they had been invited by the entity hosting the meeting.)
27. Printing of documents for permitted shared services and corporate support functions
28. Corporate communications and public relations
29. Fleet services
30. Corporate security

The preceding list of permitted corporate support services is included in an internal guidance document titled RISK-4301S, Affiliate Rules Compliance Program Standard, Attachment 2, "Permitted and Non-Permitted Corporate Support Services."

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

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

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

Rule V.E. takes a functional approach: as long as the individuals who carry out the functions of the enumerated Officers for PG&E do not also carry out the same functions for PG&E Corporation, then PG&E and PG&E Corporation can share regulatory affairs, lobbying and legal services.¹

PG&E does not currently have an Officer with the title of either CEO or President. The PG&E Board has elected three Executive Vice Presidents who collectively carry out the functions of PG&E's president and Chief Executive Officer: (1) PG&E's Executive Vice President, Operations and Chief Operating Officer; (2) PG&E's Executive Vice President and Chief Customer Officer; and (3) PG&E's Executive Vice President, Engineering, Planning, and Strategy.²

Each of these executive vice presidents reports to the CEO of PG&E Corporation, and each serves at the pleasure of the PG&E Board — just as PG&E's President reported to the PG&E Corporation CEO and served at the pleasure of the PG&E

¹ *Id.* See also D.06-12-029 at 6 (noting that “key corporate Officers” consist of “the Chair of the entire corporate enterprise, the President at the utility and at the holding company, the chief executive Officer at each, the chief financial Officer at each, the chief regulatory Officer at each – *or the functional equivalent, where other titles are used.*”) (emphasis added).

² This management structure is reflected in PG&E's Amended Bylaws, which provide as follows:

If there be no President, one or more Executive Vice Presidents, as designated by the Board from time to time, will each serve as a general manager and chief executive Officer of the Utility, and may each exercise the duties, responsibilities, authority, and powers of such offices as and to the extent delegated by the Board . . . Unless otherwise specified by the Board, such chief executive Officer authority shall be allocated among the Executive Vice Presidents responsible for operations, customer care, and engineering, planning and strategy, to the extent such positions are filled.”

See Bylaws of PG&E Amended as of May 20, 2021, at Art. III, Para. 6. The California Corporations Code recognizes a corporation's right to adopt in its articles or bylaws a management structure that does not contemplate a president or chairperson of the board as “the general manager and chief executive Officer of the corporation.” See Cal. Corp. Code § 312(a).

Board in D.09-09-021.³ These three individuals collectively are the “functional equivalent” of the PG&E CEO and President. Rule V.E does not require a single individual to carry out the functions of the key Officers, but instead provides that “any and all” Officers who are the functional equivalents may not be shared with the parent.

The Commission has previously affirmed that PG&E complies with Rule V.E by having Officers who carry out the functions of the key Officers, regardless of whether they have the enumerated titles. In D.09-09-021, the Commission granted PG&E’s request to terminate an application seeking a limited exemption from Rule V.E. so that PG&E Corporation’s Chairman of the Board, CEO, and President could also serve as PG&E’s President and CEO while the companies continued to share regulatory affairs, lobbying and legal services. The Commission concluded that upon PG&E’s appointment of a president who also served as the functional equivalent of PG&E’s CEO even though he did not have that title, “PG&E and PG&E Corporation no longer formally nor functionally share a Chief Executive Officer” and were therefore “in compliance with Rule V.E.”⁴

For purposes of Rule V.E., PG&E considers each of the executive vice presidents identified above to be a key Officer of PG&E, in addition to PG&E’s chief financial Officer and chief regulatory Officer. Because none of these five key Officers of PG&E carries out the same functions as an Officer at PG&E Corporation, and consistent with the Commission’s determinations in D.09-09-021, PG&E’s current management structure complies with Rule V.E.

Further, in light of PG&E’s current management structure, PG&E has undertaken reasonable and practical measures to comply with the requirements adopted by the Commission in D.20-05-053 that refer to PG&E’s CEO and/or President. One such requirement is the requirement that PG&E’s Board of Directors “should be comprised of the same Directors as PG&E Corporation’s board of Directors plus one additional Director who should be the CEO of PG&E.”⁵ PG&E interprets this requirement, consistent with Rule V.E, to permit the designation of one of the individuals who is the functional equivalent of the PG&E CEO to be seated on the PG&E Board, in the absence of a CEO of PG&E. Accordingly, based on totality of the circumstances at the time of the vacancy on PG&E’s Board of Directors, PG&E Corporation’s Board of Directors, in exercise of its business judgment, determined that best choice to serve on the Utility Board was Adam Wright, who currently serves

³ See D.09-09-021 (Decision Closing Proceeding).

⁴ See *id.* at 5-6 (Conclusion of Law 2).

⁵ See Assigned Commissioner’s Ruling at 5 (setting forth proposal for “Composition of the Boards of Directors”), as adopted by the Commission in D.20-05-053. See D.20-05-053 at 25 (“The composition of the boards as proposed in ACR Proposal 4 is adopted.”).

as PG&E's Executive Vice President, Operations and Chief Operating Officer; thus Mr. Wright was elected to PG&E's Board of Directors effective as of February 1, 2021, the date on which this Officer joined PG&E. D.20-05-053 permits PG&E's Board of Directors to include only one Officer of PG&E, and Mr. Wright was selected to be that Officer based on consideration of factors including, for example, the need to place a PG&E Officer on PG&E's Board, and Mr. Wright's responsibility for overseeing electric and gas operations, which provide him with insight into PG&E's capital needs, risk mitigation, PSPS performance, and other matters that are important to the PG&E Board. In other contexts, another Officer might be more suitable. For example, another requirement set forth in D.20-05-053 is that PG&E take steps "to appoint regional executive Officers to manage each region and report directly to the CEO and President of PG&E."⁶ As set forth in PG&E's Updated Regionalization Proposal being reviewed by the Commission in A.20-06-011, PG&E seeks to comply with this requirement by having regional executive Officers report to the Executive Vice President and Chief Customer Officer.⁷

F. Corporate Identification and Advertising:

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

⁶ D.20-05-053 at 52.

⁷ See A.20-06-011, Pacific Gas and Electric Company's (U 39M) Updated Regionalization Proposal, filed February 26, 2021, at 6-7.

PG&E implements this Rule as follows:

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

The Internet site also includes PG&E’s Corporate Identity Guidelines publication, which provides specific instructions related to affiliates.

2. PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule.
3. PG&E does not interpret this Rule to cover situations where individuals unaffiliated with PG&E, its affiliates, and PG&E Corporation, remove the required disclaimers from materials circulated by affiliates or fail to include the disclaimer after being so notified by us.
4. The disclaimer is included either on the first page of the materials within an envelope or on the envelope.
5. PG&E in all cases interprets and applies this Rule to written material circulated in California by an affiliate for which potential customers of the affiliate are the intended or reasonably foreseeable recipients. The Rules are interpreted to also require the disclaimer to be used on technical and operational correspondence, and billing and invoices with an existing customer.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

- Package of golf tees
- Box of golf balls
- Flashlights and squeeze lights
- Clocks
- Notepad blocks of paper
- Lucite cubes
- Stuffed animals
- Key chain knives
- Ink pens or mechanical pencils
- Cups or mugs
- Bottles of wine
- Plastic night lights
- Foam rubber light bulbs
- Fanny packs, sacks or tote bags
- T-shirts and Polo shirts
- Caps and hats

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

11. Use of the disclaimer for direct mail marketing. The Rules are interpreted to require the use of the disclaimer on either the envelope or the first sheet of the first item in the envelope which uses the name or logo, for direct mail sent to California addresses. The disclaimer is required to be legible, printed in the same direction as the other material on the page, and be no smaller than the larger of (a) ½ of the size of the font used in printing the name that accompanies the logo, or (b) 6 point type. PG&E interprets the Rules not to require printing the disclaimer on every page, on other attachments in a direct mail package.
12. Authorized use of the name/logo by third parties. If an affiliate authorizes the use of the name or logo by a third party within California to advertise or market the affiliate's products and services, use of the name or logo is conditioned on the use of the appropriate disclaimer. The affiliate is required to take prompt action upon discovery of unauthorized or inappropriate use of the name or logo in the marketing or advertising of products and services by a third party, to stop the unauthorized or inappropriate use. Unauthorized use by a third party is not considered a violation. Other third party uses of the name or logo are not required to include the disclaimer.
13. Affiliate Press Releases. In the spirit of the Rules, affiliate press releases to the media within California, or where California customers are the primary audience for a wire service press release, are required to include the following or similar instructions to the media:

Please do not use "Pacific Gas and Electric" or "PG&E" when referring to [affiliate name]. [Affiliate Name] is not the same company as Pacific Gas and Electric Company and is not regulated by the California Public Utilities Commission and customers of Pacific Gas and Electric Company do not have to purchase products or services from [affiliate name] to continue receiving quality regulated service from Pacific Gas and Electric Company.
14. PG&E Corporation Press Releases. PG&E Corporation press releases are required to include the disclaimer only if they mention an affiliate using the PG&E name and the products and services offered for sale by the affiliate using the PG&E name.
15. Media interviews and inquiries. In the spirit of the Rules, representatives of the affiliates interviewed by the press within California, or where the resulting article is likely to appear in California, are required to remind news media representatives as appropriate about the relationship between PG&E and its affiliates, prior to the interview or inquiry either orally or in writing that the affiliate is separate from PG&E, and caution them to use the full name of the affiliate, and not to refer to the affiliate as PG&E or Pacific Gas and Electric Company. The Rules are interpreted as not requiring the affiliate representative to recite the disclaimer during the interview.

16. Use of the disclaimer in building signage. The Rules are interpreted to allow normal signage on the outside of buildings owned or utilized by the affiliates in California, without use of the disclaimer on the signage. Normal signage is limited to the company name, logo and address, and has the primary purpose of identifying the business location. The Rules are interpreted to require the disclaimer on any disproportionately large sign, such as a billboard.
17. Institutional advertising by PG&E Corporation. PG&E Corporation may from time to time communicate with the public and security holders using, among other media, paid print or broadcast media advertising. PG&E Corporation does not sell products or services and does not have a marketing function; therefore PG&E interprets the Rules as not requiring the use of the disclaimer in such communications because of the investor relations nature of the communications and the non-affiliate status of the communicating entity.

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

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

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

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

18. The disclaimer is not required on communications with governmental bodies, where the parties involved either know or have reason to know, the legal status of the interrelationship of the Utility and affiliates, and the communications are not related to product and service sales. The situations included in this item include financial reports to security holders and other members of the investment community, legal or regulatory proceedings, written communications with governmental bodies regarding actual or proposed legislation, and written communications to federal, state or

municipal agencies which relate to an agency requirement or power (other than the power of the agency to buy products and services).

19. The disclaimer is not required on internal written communications between the holding company, the Utility, and any of the affiliates covered by the Rules, provided that the internal communications are not also sent to third parties outside of the company.

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

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

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, all Business Energy Solutions customer representative managers will receive an annual communication by July 30, 2021 that describes this Rule. In addition, training for Call Center represented employees is administered annually via a platform called Intradem. The information provided in this training is updated annually by the Training & Quality Compliance Team. Employees receive the training directly at their workstations and are required to complete the "Read & Learn," generally around July every year. Once the training is complete, the system logs completion.

PG&E also covers this Rule when training newly hired customer service representatives and through ongoing instructions in its Salesforce platform called Customer Service Knowledge Force using keyword "Corporate Affiliates."

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

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

All content for billing inserts and advertising is coordinated by employees in PG&E's Corporate Relations organization. PG&E's bill package is protected by the First Amendment as intellectual property. PG&E does not, under any circumstance, allow third-party, or affiliate companies, to add messaging or other content in the bill package.

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. Guidance is also included in an internal document titled the Bill Package Process Guide owned by the Customer Communications team.

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

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

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

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

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

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

PG&E uses annual training and targeted communication to ensure affected employees remain familiar with this Rule. For example, in the distribution of a Gas Operations Bi-weekly Brief newsletter, there is language that states, "This information is for PG&E's internal use only and must not be distributed to other organizations including subsidiaries and affiliates."

G. Employees:

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

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

The following individuals serve concurrently as Officers or Directors of PG&E Corporation and PG&E:

OFFICERS

Julius Cox	Executive Vice President, People, Shared Services, and Supply Chain (PG&E Corporation and Pacific Gas and Electric Company)
Francisco Benavides	Senior Vice President and Chief Safety Officer (PG&E Corporation and Pacific Gas and Electric Company)
Sumeet Singh	Senior Vice President and Chief Risk Officer (PG&E Corporation and Pacific Gas and Electric Company)
Margaret K. Becker	Vice President and Treasurer
Stephen J. Cairns	Vice President and Chief Audit Officer (PG&E Corporation and Pacific Gas and Electric Company)
David S. Thomason	Vice President and Controller (PG&E Corporation) Vice President, Chief Financial Officer, and Controller (Pacific Gas and Electric Company)
Brian M. Wong	Vice President, Deputy General Counsel, and Corporate Secretary (PG&E Corporation) Vice President, General Counsel, and Corporate Secretary (Pacific Gas and Electric Company)
J. Ellen Conti	Assistant Corporate Secretary (PG&E Corporation and Pacific Gas and Electric Company)
Lisa J. Crawford	Assistant Corporate Secretary (PG&E Corporation and Pacific Gas and Electric Company)
Monica Klemann	Assistant Treasurer (PG&E Corporation and Pacific Gas and Electric Company)
Sujata Pagedar	Assistant Corporate Secretary (PG&E Corporation and Pacific Gas and Electric Company)

DIRECTORS

Rajat Bahri	Director (PG&E Corporation and Pacific Gas and Electric Company)
Cheryl F. Campbell	Director (PG&E Corporation and Pacific Gas and Electric Company)
Kerry W. Cooper	Director (PG&E Corporation and Pacific Gas and Electric Company)
Jessica L. Denecour	Director (PG&E Corporation and Pacific Gas and Electric Company)
Mark E. Ferguson, III	Director (PG&E Corporation and Pacific Gas and Electric Company)
Robert C. Flexon	Director (PG&E Corporation and Pacific Gas and Electric Company)
W. Craig Fugate	Director (PG&E Corporation and Pacific Gas and Electric Company)
Arno L. Harris	Director (PG&E Corporation and Pacific Gas and Electric Company)
Michael R. Niggli	Director (PG&E Corporation and Pacific Gas and Electric Company)
Patricia K. Poppe	Director (PG&E Corporation and Pacific Gas and Electric Company)
Dean L. Seavers	Director (PG&E Corporation and Pacific Gas and Electric Company)
William L. Smith	Director (PG&E Corporation and Pacific Gas and Electric Company)
Oluwadara (Dara) J. Treseder	Director (PG&E Corporation and Pacific Gas and Electric Company)
Benjamin F. Wilson	Director (PG&E Corporation and Pacific Gas and Electric Company)

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

PG&E will notify the Commission's Energy Division and parties of the service list of R.05-10-030 (which replaced R.97-04-011/I.97-04-012) no later than 30 days following any addition to these lists. Internal guidance document RISK-4301P-06, Affiliate Rules New Shared Officer or Director Notification is PG&E's procedure to notify the Commission of any new shared Officer or Director.

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

The following internal guidance documents provide direction for employee transfers between the Utility and affiliates.

- HR-2030F-01, Departing Personnel Checklist Procedure and Forms.
- HR-9300S, Position Posting and Internal Mobility Standard.
- HR-9710P, Non-Utility Position Review Procedure.
- RISK-4301S, Affiliate Rules Compliance Program Standard.

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

PG&E will continue to report employee movement in its Annual Affiliate Transaction Report, as required by this Rule using internal guidance document titled, FIN-3150S, Affiliated Company Transactions Accounting Standard.

- b. Once an employee of a utility becomes an employee of an affiliate, the employee may not return to the utility for a period of one year. This Rule is inapplicable if the affiliate to which the employee transfers goes out of business during the 1-year period. In the event that such an employee returns to the utility, such employee cannot be retransferred, reassigned, or otherwise employed by the affiliate for a period of two years. Employees transferring from the utility to the affiliate are expressly prohibited from using information gained from the utility in a discriminatory or exclusive fashion, to the benefit of the affiliate or to the detriment of other unaffiliated service providers.

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

- HR-9300S, Position Posting and Internal Mobility Standard
- HR-9710P, Non-Utility Position Review Procedure
- RISK-4301S, Affiliate Rules Compliance Program Standard

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

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

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

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

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

An automated monthly report from HR alerts Accounting of employee movement that would require payment of the fee under this Rule.

Internal direction for compliance with this Rule is in the following internal guidance documents:

- FIN-3150S, Affiliated Company Transactions Accounting Standard.
- FIN-3150P-01, Employee Transfer Fee Procedure.
- HR-9701S, Temporary Assignment to Non-Rule II.B. Affiliates Standard.
- RISK-4301S, Affiliate Rules Compliance Program Standard.

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

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

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

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

Internal guidance document HR-2030F-01, Departing Personnel Checklist Procedure and Forms helps supervisors ensure that employees who leave PG&E do not maintain access authorizations (e.g., building or network), intellectual property, or utility property upon their departure. The checklist is referenced in the online process to separate a Utility, PG&E Corporation, or PG&E Corporation Support Services II, Inc., employee from employment. HR-9710P, Non-Utility Position Review Procedure also describes the scope of information that employees may access when transferring between companies. This procedure documents the steps and checkpoints necessary to confirm that positions created or filled in affiliates of the Utility conform to these Rules, the PG&E Corporation Holding Company formation decisions, and to assure that the Utility is not using PG&E Corporation or another affiliate not covered by these Rules as a conduit to circumvent the Rules.

Employee transfers between the Utility and Affiliates follow the processes and standards for terminations as described in the response to Rule V.C.

- e. A utility shall not make temporary or intermittent assignments, or rotations to its energy marketing affiliates. Utility employees not involved in marketing may be used on a temporary basis (less than 30 percent of an employee's chargeable time in any calendar year) by affiliates not engaged in energy marketing only if:**
- i. All such use is documented, priced and reported in accordance with these Rules and existing Commission reporting requirements, except that when the affiliate obtains the services of a non-executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 10 percent of direct labor cost, or fair market value. When the affiliate obtains the services of an executive employee, compensation to the utility should be priced at a minimum of the greater of fully loaded cost plus 15 percent of direct labor cost, or fair market value.**

- ii. **Utility needs for utility employees always take priority over any affiliate requests;**
- iii. **No more than 5 percent of full time equivalent utility employees may be on loan at a given time;**
- iv. **Utility employees agree, in writing, that they will abide by these Affiliate Transaction Rules; and**
- v. **Affiliate use of utility employees must be conducted pursuant to a written agreement approved by appropriate utility and affiliate Officers.**

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

- FIN-3150S, Affiliated Company Transactions Accounting Standard.
- HR-9701S, Temporary Assignment to Non-Rule II.B. Affiliate Standard.
- RISK-4301S, Affiliate Rules Compliance Program Standard.

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

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

PG&E’s internal guidance document titled, FIN-3150S, Affiliated Company Transactions Accounting Standard, provides guidance for compliance with all of Rule V.H.

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

- 1. Transfers from the utility to its affiliates of goods and services produced, purchased or developed for sale on the open market by the utility will be priced at fair market value.**

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

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

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

See Compliance Plan for Rule IV.H.

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

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

VI. Regulatory Oversight

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

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

PG&E filed its most recent Compliance Plan on June 29, 2020, (4267-G/5863-E) in compliance with this Rule and can be found on PG&E's Advice Letter Index Internet site https://www.pge.com/tariffs/assets/pdf/adviceletter/GAS_4267-G.pdf. Appendix B to that plan lists all affiliates in accordance with this Rule.

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

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

PG&E's process for updating and filing the annual compliance plan is described in internal guidance document RISK-4301P-02, Affiliate Rules Compliance Plan Procedure.

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

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

PG&E has a process to immediately notify the CPUC of the creation of any new affiliate and post notice on its electronic bulletin board at Internet <http://www.pge.com/en/about/rates/affiliate/index.page>.

The process is described in internal guidance document titled, RISK-4301P-04, Affiliate Transaction Internet Posting Procedure. PG&E interprets “immediately” as within three business days. From time to time, outside counsel may create an entity in anticipation of PG&E becoming its owner but not immediately transfer ownership to PG&E. If an entity is created in anticipation of ownership by PG&E or one of its affiliates, but it not yet owned by PG&E, PG&E interprets this rule to apply starting at the time when PG&E or one of its affiliates becomes the entity’s owner. Under this interpretation, PG&E will provide notification within three business days of the first date of ownership.

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

In D.20-05-053, the Commission reiterated PG&E’s obligation to continue to notice the creation of new affiliates and to promptly file a compliance plan. The decision also directs PG&E to provide quarterly reports to the Energy Division of the sale or encumbrance of any assets of its affiliates or subsidiaries and requires prior Commission authorization of any sale or encumbrance of assets that have a value over \$5 million of affiliates or subsidiaries over which PG&E or PG&E Corporation has control.

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

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

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

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

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

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

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

The certification will not include violations, if any, already reported to the Commission or publicly posted during the reporting period. Nor will the certification include audits or investigations, if any, in progress at the end of the reporting period. If violations are found in ongoing audits or investigations, they will be posted or reported consistent with this Compliance Plan. PG&E complied with this Rule by submitting the most recent Officer certifications to the Energy Division on March 30, 2021 and will continue to do so annually.

PG&E’s process for obtaining and submitting the Officer certifications is described in internal guidance document titled, RISK-4301P-01, Affiliate Rules Compliance Officer Certification Procedure and coordinated by the S&RA, Risk and Compliance team. Appendix A provides two examples of Officer Certifications completed in March of this year.

VII. Utility Products and Services

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

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

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

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

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

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

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

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

4. **Current information on the proportion of relevant utility assets used to offer each category of product and service.**
- I. **Offering of Non-tariffed Products and Services to Affiliates: Non-tariffed products and services which are allowed by this Rule may be offered to utility affiliates only in compliance with all other provisions of these Affiliate Rules. Similarly, this Rule does not prohibit affiliate transactions which are otherwise allowed by all other provisions of these Affiliate Rules.**

The following internal guidance documents, available in PG&E's Guidance Document Library, provide direction specifically related to the annual report:

- CUST-4504S, Non-Tariffed Products & Services Accounting & Reporting Standard.
- CUST-4504P-01, Non-Tariffed Products & Services External Reporting Procedure.
- RISK-4301S, Affiliate Rules Compliance Program Standard.

PG&E will file its most recent Report on Non-Tariffed Products and Services by August 2021 and will continue to do so annually.

Internal Auditing will perform an audit of the costs allocated to and the revenues derived from non-tariffed products and services generally every three years. The most recent audit occurred in 2019 for 2018 non-tariffed products and services. In the event that the Utility's affiliate structure changes, Internal Auditing will reevaluate the timing of subsequent audits.

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

VIII. Complaint Procedures and Remedies

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

B. Standing:

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

C. Procedure:

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

PG&E has designated an employee in its S&RA, Risk and Compliance team as its Affiliate Compliance Manager. Any complaints received will be logged in, including those reported through PG&E’s enterprise Compliance and Ethics Helpline. Complaints are investigated and managed in compliance with CPUC Decision 06-12-029 as further discussed below.



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

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

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

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

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

D. Remedies

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

- a. Reparations**

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

- b. Fines**

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

Effective deterrence creates an incentive for public utilities to avoid violations. Deterrence is particularly important against violations which could result in public harm, and particularly against those where severe consequences could result. To capture these ideas, the two general factors used by the Commission in setting fines are: (1) severity of the offense and (2) conduct of the utility. These help guide the Commission in setting fines which are proportionate to the violation.

i. Severity of the Offense

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

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

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

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

ii. Conduct of the Utility

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

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

(1) **The Utility’s Actions to Prevent a Violation.** Prior to a violation occurring, prudent practice requires that all public utilities take reasonable steps to ensure compliance with Commission directives. This includes becoming familiar with applicable laws and regulations, and most critically, the utility regularly reviewing its own operations to ensure full compliance. In evaluating the utility’s advance efforts to ensure compliance, the Commission will consider the utility’s past record of compliance with Commission directives.

(2) **The Utility’s Actions to Detect a Violation.** The Commission expects public utilities to monitor diligently their activities. Where utilities have for whatever reason failed to meet this standard, the Commission will continue to hold the utility responsible for its actions. Deliberate as opposed to inadvertent wrong-doing will be considered an aggravating factor. The Commission will also look at the management’s conduct during the period in which the violation occurred to ascertain particularly the level and extent of involvement in or tolerance of the offense by management personnel. The Commission will closely scrutinize any attempts by management to attribute wrong-doing to rogue employees. Managers will be considered, absent clear evidence to the contrary, to have condoned day-to-day actions by employees and agents under their supervision.

(3) The Utility's Actions to Disclose and Rectify a Violation. When a public utility is aware that a violation has occurred, the Commission expects the public utility to promptly bring it to the attention of the Commission. The precise timetable that constitutes "prompt" will vary based on the nature of the violation. Violations which physically endanger the public must be immediately corrected and thereafter reported to the Commission staff. Reporting violations should be remedied at the earliest administratively feasible time. Prompt reporting of violations furthers the public interest by allowing for expeditious correction. For this reason, steps taken by a public utility to promptly and cooperatively report and correct violations may be considered in assessing any penalty.

iii. Financial Resources of the Utility

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

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

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

v. The Role of Precedent

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

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

IX. Protecting the Utility's Financial Health

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

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

PG&E's process for filing the report under this Rule is described in an internal guidance document titled, RISK-4301P-03, Affiliate Rules Necessary Capital Report Procedure. On November 23, 2020, Pacific Gas and Electric Company submitted its most recent report to the Energy Division containing information on necessary capital.

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

On May 12, 2020, the Commission issued D.20-05-005 granting PG&E a temporary waiver from the capital structure requirement set forth in Rule IX.B for charges and costs stemming from the 2017 Northern California Wildfires and the 2018 Camp fire, until such time as the Commission made further determinations in Investigation (I.) 19-09-016 regarding PG&E's authorized capital structure.

On June 1, 2020, the Commission issued D.20-05-053 in I.19-09-016, granting PG&E a waiver from its authorized capital structure for a period of five years from the date of the decision. The waiver applies only to the financing in place upon PG&E's exit from bankruptcy and the decision directs PG&E to file a Tier 1 Advice Letter annually providing the Commission with its current capital structure and deviation from its authorized capital structure, an updated annual forecast for de-leveraging, and its current credit ratings for secured and unsecured debt. In the event PG&E requires a waiver beyond this 5-year period, D.20-05-016 directs PG&E to file an application.

- C. Ring-Fencing. Within three months of the effective date of the decision adopting this amendment to the Rules, a utility shall obtain a non-consolidation opinion that demonstrates that the ring fencing around the utility is sufficient to prevent the utility from being pulled into bankruptcy of its parent holding company. The utility shall promptly provide the opinion to the Commission. If the current ringfencing provisions are insufficient to obtain a non-consolidation opinion, the utility shall promptly undertake the following actions:**
- 1. Notify the Commission of the inability to obtain a non-consolidation opinion;**
 - 2. Propose and implement, upon Commission approval, such ringfencing provisions that are sufficient to prevent the utility from being pulled into the bankruptcy of its parent holding company; and then**
 - 3. Obtain a non-consolidation opinion.**
- D. Changes to Ring-Fencing Provisions. A utility shall notify the Commission of any changes made to its ring-fencing provisions within 30 days.**

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

Appendix A Officer Certifications

KEY OFFICER CERTIFICATION

I, DAVID THOMASON, hold the office of Vice President and Controller of PG&E Corporation, and Vice President, Chief Financial Officer and Controller of Pacific Gas and Electric Company and occupied this position from January 1, 2020 to December 31, 2020.

I hereby certify that I have reviewed the Affiliate Transaction Rules Applicable to Large California Energy Utilities of the California Public Utilities Commission, and I am familiar with the provisions therein. I further certify that for the above period, I followed these Rules and I am not aware of any violations of them, other than the following¹:
None.

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

David Thomason

Executed at San Francisco, County of San Francisco, on March 19, 2021.

¹ This certificate is based upon information and belief. This certificate does not include violations, if any, already reported to the California Public Utilities Commission or publicly posted during the reporting period consistent with Pacific Gas and Electric Company's 2020 Affiliate Transaction Rules Compliance Plan (the "Compliance Plan"). This certificate also excludes audits or investigations, if any, still in progress at the end of the reporting period. If violations are ultimately found, they will be posted or reported consistent with the Compliance Plan.

Appendix A Officer Certifications

KEY OFFICER CERTIFICATION

I, ROBERT S. KENNEY hold the office of Vice President, Regulatory and External Affairs, at Pacific Gas & Electric Company and occupied this position from January 1, 2020 to December 31, 2020.

I hereby certify that I have reviewed the Affiliate Transaction Rules Applicable to Large California Energy Utilities of the California Public Utilities Commission, and I am familiar with the provisions therein. I further certify that for the above period, I followed these Rules and am not aware of any violations of them, other than the following¹: [list or state "none"]. None.

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

 [Signature]

Executed at San Francisco, County of San Francisco, on March 24, 2021.

¹ This certificate is based upon information and belief. This certificate does not include violations, if any, already reported to the California Public Utilities Commission or publicly posted during the reporting period consistent with Pacific Gas and Electric Company's 2020 Affiliate Transaction Rules Compliance Plan (the "Compliance Plan"). This certificate also excludes audits or investigations, if any, still in progress at the end of the reporting period. If violations are ultimately found, they will be posted or reported consistent with the Compliance Plan.

Appendix B
Pacific Gas and Electric Company Affiliates
As of 6/21/2021

Affiliate Name	Business Description	Principal Office Location	Rule II.B
Alaska Gas Exploration Associates	Inactive; 50 percent owned subsidiary of Natural Gas Corporation of California formed to obtain gas reserves to support the South Alaska LNG project.	San Francisco, CA	Yes
Eureka Energy Company	Holds the Marre Ranch property in San Luis Obispo County.	San Francisco, CA	No
Fuelco, LLC	Joint Venture LLC formed between Union Electric Company d/b/a Ameren Missouri and Pacific Energy Fuels Company, for purposes of sharing costs and reducing fuel acquisition costs. (Subject to a number of exemptions from the CPUC affiliate rules through D.05-09-006)	St. Louis, MO	Yes
Midway Power, LLC	A direct subsidiary of Pacific Gas and Electric Company formed to be the ownership entity for real estate and licenses for a suspended development project, pursuant to a purchase and sale agreement dated July 17, 2008.	San Francisco, CA	No
Morro Bay Mutual Water Company	A non-profit mutual benefit corporation. Formed to jointly hold property rights such as easements in connection with the divestiture of the Morro Bay Power Plant.	Morro Bay, CA	No
Moss Landing Mutual Water Company	A non-profit mutual benefit corporation. Formed to jointly hold property rights such as easements in connection with the divestiture of the Moss Landing Power Plant.	Moss Landing, CA	No
Natural Gas Corporation of California	Acts as the vehicle for the amortization of the remaining GEDA (Gas Exploration Development Account) assets.	San Francisco, CA	No
Pacific Energy Capital IV, LLC	Inactive; Formed to establish and manage a portfolio of passive financial investments in growing energy companies. No current investments.	San Francisco, CA	Yes

Appendix B
Pacific Gas and Electric Company Affiliates
As of 6/21/2021

Affiliate Name	Business Description	Principal Office Location	Rule II.B
Pacific Energy Fuels Company	Inactive; A wholly-owned PG&E subsidiary created to own and finance nuclear fuel inventory previously owned by Pacific Energy Trust. (Subject to a number of exemptions from the CPUC affiliate rules through D.05-09-006)	San Francisco, CA	Yes
Pacific Gas and Electric Company	One of the largest combination natural gas and electric utilities in the United States. The company, a subsidiary of PG&E Corporation, delivers energy to 16 million people throughout a 70,000-square-mile service area in Northern and Central California.	San Francisco, CA	No
PCG Capital, Inc.	Formed for the purpose of holding interests in other businesses, financing and other transactions. No current investments.	San Francisco, CA	Yes
PG&E AR Facility, LLC	Purchases and pledges certain accounts receivable as collateral in connection with the Accounts Receivable Facility.	San Francisco, CA	No
PG&E Corporation	An energy-based holding company headquartered in San Francisco. It is the parent company of Pacific Gas and Electric Company. (DUNS# 962416660)	San Francisco, CA	No
PG&E Corporation Support Services, Inc.	Inactive; A wholly-owned subsidiary of PG&E Corporation that provided general corporate support services to PG&E Corporation and certain of its subsidiaries in the past; but has no current activity or employees.	San Francisco, CA	Yes
PG&E Corporation Support Services II, Inc.	A wholly-owned subsidiary of PG&E Corporation that provides permitted shared corporate support services outside the State of California.	San Francisco, CA	No

Appendix B
Pacific Gas and Electric Company Affiliates
As of 6/21/2021

Affiliate Name	Business Description	Principal Office Location	Rule II.B
PG&E National Energy Group, LLC	Inactive; Formed to hold equity interests in prior subsidiaries of PG&E Corporation and has no current activity or assets equity interest in National Energy and Gas Transmission, Inc. (Dissolved through bankruptcy on 10/29/04).	San Francisco, CA	No
PG&E Recovery Funding LLC	To purchase, own and administer recovery property, issue recovery bonds secured by recovery property, and perform activities incidental thereto. PG&E is the sole member.	San Francisco, CA	No
PG&E ShareCo LLC	Holding shares of PG&E Corporation to be exchanged with the PG&E Fire Victim Trust to allow PG&E Corporation to make a grantor trust election for U.S., state, and local income tax purposes.	San Francisco, CA	No
Standard Pacific Gas Line Incorporated	Transportation of natural gas in California; Chevron Pipe Line Company owns 14.29 percent interest.	San Francisco, CA	No
STARS Alliance, LLC	An alliance of Pacific Gas and Electric Company and three other nuclear plant operators. Formed to increase efficiency and reduce costs related to the operation of the member's nuclear generation facilities. (Subject to a number of exemptions from the CPUC affiliate rules through D.12-05-010.)	Goodyear, AZ	Yes

06/2021

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2021 Affiliate Rules Compliance Plan

**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.
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
Cenergy Power
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 Energy
Management Service
Engineers and Scientists of California

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

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Semptra Utilities

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