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PACIFIC GAS AND ELECTRIC COMPANY

2017 GENERAL RATE CASE

LATE FILED EXHIBIT ON EXECUTIVE COMPENSATION AND SAFETY

EXHIBIT (PG&E-43)



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TABLE OF CONTENTS

Chapter	Title	Witness
	EXECUTIVE COMPENSATION AND SAFETY	John Lowe
Attachment A	EXHIBIT (PG&E-40) PACIFIC GAS AND ELECTRIC COMPANY EXECUTIVE COMPENSATION	
Attachment B	SAFETY METRICS IN PG&E'S SHORT TERM INCENTIVE PLAN (STIP)	
Attachment C	STIP SCORECARDS 2010 – 2016	
Attachment D	2015 STIP PERFORMANCE MEASURES & TARGETS	
Attachment E	PG&E CORPORATION LONG TERM INCENTIVE PLAN 2011 – 2016 PAYOUT CALCULATION	
Attachment F	PG&E'S STOCK PERFORMANCE COMPARED TO THE COMPARATOR GROUP FROM SEPTEMBER 2009 THROUGH JULY 2016	

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TABLE OF CONTENTS

A. Introduction.....	1
B. Procedural Background for This Late Filed Exhibit.....	2
C. Overview of Executive Compensation	3
1. Foundational Compensation	4
2. At-Risk Compensation	4
a. STIP.....	5
1) How STIP Safety Metrics Are Established and Evaluated	5
2) How Safety Affects STIP Payout.....	6
b. LTIP	7
D. Public Utilities Code Section 321.1.....	9

**PACIFIC GAS AND ELECTRIC COMPANY
LATE FILED EXHIBIT ON
EXECUTIVE COMPENSATION AND SAFETY**

A. Introduction

This late filed exhibit provides additional documentation and explanation of Pacific Gas and Electric Company's (PG&E or the Company) executive compensation plans and programs in accordance with Administrative Law Judge (ALJ) Stephen C. Roscow's request during the September 1, 2016 evidentiary hearing.¹

In the Assigned Commissioner's Scoping Memo, the California Public Utilities Commission (Commission) President Michael Picker stated that "this proceeding will document and review how PG&E finances safety efforts, particularly how the Commission evaluates compensation of PG&E's executive leadership around questions of safety."² In order to advance that objective, the purpose of this exhibit is to further document (i) the structure of compensation for PG&E's executives, including the role that safety plays in PG&E's at-risk compensation, (ii) how safety metrics included in that compensation are established and evaluated, and (iii) what portions of executive compensation are included in PG&E's 2017 General Rate Case (GRC) forecast.

In accordance with the ALJ's request, PG&E worked with the Commission's Safety and Enforcement Division (SED) to determine the documentation that should be included in this exhibit as well as the organization of the report. The SED asked that PG&E include a section in this testimony pertaining to Section 321.1 of the Public Utilities Code.

Finally, as directed by the ALJ, a draft of this exhibit was circulated on September 23, 2016, to all parties, as well as staff of the Energy Division and SED. SED staff, The Utility Reform Network (TURN), Collaborative Approaches to Utility Safety Enforcement (CAUSE) and the National Diversity

¹ See Transcript (Tr.) Vol. 12, 972:14 – 974:14.

² Scoping Memo, p. 7.

Coalition (NDC) provided comments on the draft which have been reflected in this final version.³

B. Procedural Background for This Late Filed Exhibit

On September 15, 2015, PG&E filed its GRC Application. Among other things, PG&E's Application discussed the Company's compensation plans and programs generally. PG&E also addressed particular programs such as the Short-Term Incentive Plan (STIP), which include specific safety components that apply both to executive and non-executive employees. Some parties offered testimony on PG&E's STIP metrics or on executive compensation generally. In its GRC Application, PG&E sought rate recovery of STIP for non-executive employees only. PG&E did not seek rate recovery of STIP for executive employees or the costs of its Long-Term Incentive Plan (LTIP) for any Company employees.

As mentioned in the Introduction, on December 1, 2015, Commissioner Picker issued the Scoping Memo, addressing the scope of the proceeding and other procedural matters. The Scoping Memo stated that "this proceeding will document and review how PG&E finances safety efforts, particularly how the Commission evaluates compensation of PG&E's executive leadership around questions of safety."⁴

On August 3, 2016, PG&E and the other settling parties filed a Joint Motion for Adoption of Settlement Agreement that settled all issues in the case with the exception of two contested issues.

On August 30, 2016, Commissioner Picker and ALJ Roscow held a workshop to discuss, among other things, "[h]ow does the Settlement comply with the intent of the Scoping Memo that 'this proceeding will document and

³ CAUSE has asked PG&E to include the following statement with this testimony: "CAUSE observes that Exhibits A, C and D disclose elements of discretion, subjectivity, and limits on data quality that were not apparent in earlier testimony. Since the metrics influence employee compensation, CAUSE is concerned that this discretion and subjectivity could adversely affect how management analyzes data regarding safety risks and how comprehensively these risks are communicated to the Board. These concerns do not qualify CAUSE's support for the settlement. However, CAUSE asks that the Commission, in assessing and mitigating the effect of approving the settlement on safety, avoid a determination that the current executive compensation scheme provides the appropriate incentive to promote safety, so that the issue can be examined without prejudice in future proceedings."

⁴ Scoping Memo, p. 7.

1 review how PG&E finances safety efforts, particularly how the Commission
 2 evaluates compensation of PG&E's executive leadership around questions of
 3 safety'?" At the workshop, PG&E addressed the Commissioner and ALJ's
 4 safety and compensation-related questions. PG&E also provided a 5-page
 5 written presentation, which discussed the structure of executive compensation
 6 generally, as well as the role that safety plays.⁵

7 On September 1, 2016, the Commission held an evidentiary hearing on
 8 various settlement items. With respect to the Commission's stated intent that
 9 this "proceeding will document and review how PG&E financed the safety
 10 efforts, particularly how the Commission evaluates compensation of PG&E's
 11 executive leadership around questions of safety," the Commission noted that the
 12 workshop "went a long way" toward enhancing that documentation.⁶ The
 13 Commission also noted, however, that the record would benefit from additional
 14 material with respect to executive compensation.⁷ Therefore, the Commission
 15 ordered PG&E and the settling parties to jointly prepare a late filed exhibit
 16 providing that documentation and to work with the Commission's SED on the
 17 details of the organization of the exhibit.⁸ As the ALJ instructed, PG&E has
 18 attempted to keep this document factual and avoid argument in explaining the
 19 way the Company's executive compensation programs work.⁹

20 On September 3, 2016, ALJ Roscow issued a ruling admitting PG&E's
 21 August 30, 2016 Workshop materials into the evidentiary record as
 22 Exhibit (PG&E-40).

23 **C. Overview of Executive Compensation**

24 A general overview of the structure of PG&E's executive compensation can
 25 be found in PG&E's August 30, 2016 Workshop materials entitled, "Pacific Gas
 26 and Electric Company Executive Compensation."¹⁰ Generally, PG&E's

5 This document is included as Attachment A. It was entered into the evidentiary record as Exhibit (PG&E-40) by ALJ Roscow's September 3, 2016 email ruling.

6 Tr. Vol. 12, 973:5-12.

7 Tr. Vol. 12, 973:12-17.

8 Tr. Vol. 12, 973:18 to 974:5.

9 The record reflects disagreement among parties over the extent to which PG&E safety metrics serve as effective incentives to increase management focus on safety.

10 This document is included as Attachment A.

executive compensation consists of two distinct categories—“foundational” and “at-risk” compensation.

1. Foundational Compensation

As defined by PG&E, foundational compensation includes an employee’s base pay, as well as pension and benefits.¹¹ This is the portion of an employee’s compensation designed to provide a stable income, as well as health, wellness and retirement benefits.¹² Foundation pay, by design, is not meant to be at-risk.¹³ For executive employees, the foundational piece constitutes about 40 percent of their overall compensation.¹⁴ Most of the costs of foundational compensation for all PG&E employees (including executives) are included in PG&E’s 2017 GRC revenue requirement.¹⁵

2. At-Risk Compensation

As defined by PG&E, at-risk compensation is designed to be conditioned on one or more aspects of the employee’s and/or the Company’s level of performance against set goals.¹⁶ For executive employees, there are two main at-risk components of compensation—the STIP and the LTIP.¹⁷ Together, these at-risk components of compensation constitute about 60 percent of compensation for executives.¹⁸ Costs of at-risk compensation for executives are shareholder funded and are not included in PG&E’s 2017 GRC revenue requirement.¹⁹

¹¹ See Attachment A, p. 2.

¹² *Ibid.*

¹³ See Attachment A, p. 2; Tr. Vol. 11, 98:12-20.

¹⁴ See Attachment A, p. 3.

¹⁵ *Ibid.*

¹⁶ See Attachment A, p. 2; *See generally*, Tr. Vol. 11, 98:21 to 101:10.

¹⁷ *Ibid.*

¹⁸ See Attachment A, p. 3.

¹⁹ *Ibid.*

1 **a. STIP**

2 STIP is PG&E's variable pay program tied to annual company
3 performance.²⁰ As described in PG&E's Opening Testimony, STIP is
4 comprised of Financial, Customer, and Safety metrics.²¹ Weight given
5 to safety measures now constitutes 50 percent of the total STIP
6 program.²² It consists of nine individual, public and employee safety
7 measures.²³ The other 50 percent of PG&E's STIP is made up of a
8 financial metric that constitutes 25 percent of the total program, and
9 two customer measures that together comprise another 25 percent of
10 the program.²⁴

11 **1) How STIP Safety Metrics Are Established and Evaluated**

12 STIP metrics are established each calendar year (Plan Year) by
13 the Compensation Committee of the PG&E Corporation Board of
14 Directors (Compensation Committee).²⁵ To be included as a STIP
15 metric, the metric must be benchmarkable and auditable.²⁶

16 The process begins with PG&E's Integrated Planning process,
17 through which lines of business identify safety issues and potential

20 At the August 30, 2016 Workshop, PG&E stated that there were approximately 6,000 non-executive, STIP-eligible employees consisting of non-represented employees. (See Tr. Vol. 11, 126:1-12.) The number of non-executive, STIP-eligible employees is closer to 10,000 and also includes some employees represented by the Engineers and Scientists of California and the International Brotherhood of Electrical Workers, Local 1245.

21 Exhibit (PG&E-8), Human Resources, pages 3-11 through 3-18.

22 *Ibid.*; See Attachment A, p. 4. See also Attachment B for a chart showing the measures included in the Safety metric over time and PG&E's performance relative to target from those measures. Please note that over time, some measures have been added or removed from the program; in addition, some measures could reasonably be categorized in more than one way. CAUSE, for example, would consider the System Average Interruption Duration Index (SAIDI) reliability metric to be a Safety measure, while PG&E currently includes it within its Customer metric. Attachment C provides STIP Scorecards from 2010-2016, which show the individual measures, their weighting and categorization for each year.

23 See Attachment A, p. 5 for a list and description of PG&E's current safety metrics included in STIP.

24 See Attachment D, p. 5-6, provided to NDC in discovery (DR_NDC 002-Q10Atch01) and also included PG&E's workpapers Exhibit (PG&E-8), WP 3-11 through 3-16.

25 Exhibit (PG&E-8), Human Resources, p. 3-12, lines 3-5.

26 Tr. Vol. 11, 105:2-12.

metrics to the Company's senior leadership.²⁷ The Company sets specific goals for the metrics, which are based on historical performance, benchmarking data, and other relevant information.

Typically, the Company's senior leadership makes recommendations on which safety metrics should be included in the STIP in the first quarter of each year. (Many metrics beyond those ultimately included in the STIP become part of the Business Plan Review (BPR) process and are monitored by the Company's senior leadership on a monthly basis.) The STIP metric recommendations move along parallel tracks to the Nuclear, Operations, and Safety (NOS) Committee and to the Compensation Committee of the PG&E Corporation Board. The NOS Committee reviews the metrics and provides feedback to the Compensation Committee about the metrics that should be included in the STIP. Ultimately, the Compensation Committee makes final decisions about which metrics will be included in the STIP for all executives.

The Company evaluates its performance against the goals each month, and the annual result is used as the basis for the STIP payout. Goals for the following year are established using the same process described above.²⁸ PG&E has provided STIP Scorecards for each plan year 2010 through 2016 as Attachment C to this exhibit. Each Scorecard provides key pieces of information about the metrics that make up the program for the year, including the weighting of each metric; the threshold, target and maximum payout target performance goals; the results (i.e., PG&E's actual performance for the metric); and the overall STIP score for the year.

2) How Safety Affects STIP Payout

As discussed above, STIP costs for executive employees are shareholder funded and are not included in PG&E's 2017 GRC revenue requirement forecast. However, the same safety metrics

²⁷ See Tr. Vol. 11, 105:2 to 107:3 for a general overview of the metric setting and review process.

²⁸ Tr. Vol. 11, 110:8 to 111:10.

1 apply to executive and non-executive employees. With respect to
 2 safety, both an executive and non-executive employee's STIP
 3 payout is affected by the Company's STIP score (i.e., Company
 4 performance against established safety metrics). The Company's
 5 final STIP performance score is determined by evaluating
 6 achievement of business performance measures based on the
 7 rating scales and standards established at the beginning of each
 8 Plan Year. The STIP Score can range from 0 percent to
 9 200 percent of target each year. Before the final STIP score is
 10 calculated, the Compensation Committee reviews and approves the
 11 results. Notwithstanding the Company performance score, the
 12 Compensation Committee has ultimate discretion when approving
 13 STIP each year for all employees, other than those holding a
 14 President or CEO position. For example, in 2011, the
 15 Compensation Committee of the Board exercised its discretion and
 16 reduced executives' 2010 STIP payout to 0 percent, and the
 17 appropriate full Boards exercised the same discretion and reduced
 18 the 2010 payout to 0 percent for the President and CEO as a result
 19 of the San Bruno accident.²⁹

20 Additionally, both an executive and non-executive employee's
 21 STIP payout is impacted by the individual employee's performance
 22 on competencies and individual goals.³⁰ In addition to affecting the
 23 employee's STIP payout, individual performance can also affect the
 24 amount of an employee's annual base pay or "merit" increase and,
 25 therefore, the amount of the employee's base pay for the following
 26 year.

27 **b. LTIP**

28 LTIP is PG&E's long-term variable pay program. LTIP consists of
 29 two components—Performance-based shares (Performance Shares)
 30 and Restricted Stock Units (RSU). Performance Shares pay out in a
 31 range from zero to 200 percent based predominantly on how well

²⁹ See Attachment A, p. 3; Tr. Vol. 11, 99:28 to 100:6.

³⁰ See Tr. Vol. 11, 124:12-27.

PG&E's stock performs compared to a comparator group over a 3-year period. While LTIP performance is tied primarily to long-term company value, it also includes a 5 percent safety metric.³¹ While the safety metric accounts for only 5 percent of LTIP, long-term company value, the primary driver of LTIP performance, can also be affected by safety issues.³² For example, following the San Bruno accident, for the respective 3-year periods corresponding to 2012-2014 payouts, PG&E's stock underperformed the comparator group, resulting in a zero payout of Performance Shares in those years.³³ Performance Shares paid out at 35 percent and 50 percent respectively in 2015 and 2016—significantly below target.³⁴

As requested by SED, this exhibit includes additional documentation of how the LTIP Performance Share payout is calculated. Specifically, PG&E has provided documentation of the actual calculation of Performance Share payouts for each year 2011-2016.³⁵ For each year, that documentation shows the companies in the Performance Comparator Group, the 3-year performance for each company, PG&E's performance by percentile compared to the Performance Comparator Group, the payout schedule by ranking, and PG&E's actual payout based on its performance. Also attached to this exhibit is a graph, showing PG&E's stock performance compared to the Performance Comparator Group from September 2009 through July 2016.³⁶

Unlike Performance Shares, RSUs pay out each year notwithstanding the Company's performance against the Performance Comparator Group. However, the value of those shares is also affected by the performance of the Company's stock.

³¹ See Attachment A, p. 2, 3.

³² See Tr. Vol. 11, 100:7-19.

³³ See Attachment A, p. 3.

³⁴ *Ibid.* Attachment E includes documentation of the Performance Share payout for each year, 2011-2016.

³⁵ See Attachment A, p. 3.

³⁶ See Attachment F for a graph showing PG&E's stock performance compared to the comparator group from September 2009 through July 2016.

D. Public Utilities Code Section 321.1

In pertinent part, Section 321.1 of the California Public Utilities Code states:

- (a) It is the intent of the Legislature that the commission assess the consequences of its decisions, including economic effects, and assess and mitigate the impacts of its decision on customer, public, and employee safety, as part of each ratemaking, rulemaking, or other proceeding, and that this be accomplished using existing resources and within existing commission structures. ...
- (b) The commission shall take all necessary and appropriate actions to assess the economic effects of its decisions and to assess and mitigate the impacts of its decisions on customer, public, and employee safety.

At the August 30, 2016 Workshop, Commissioner Picker and ALJ Roscow asked PG&E's panel of witnesses a question on a similar point regarding how the Settlement Agreement would affect PG&E's operations.³⁷ PG&E explained that the Settlement Agreement is expected to enable the Company to continue to improve safety performance and that the level of funding should be sufficient for PG&E to achieve its safety goals.³⁸ Despite the reductions in some operational areas made by the Settlement Agreement, PG&E would be authorized funding above historic levels in nearly all safety-related Major Work Categories.³⁹ (Those that are not above historic levels are either new areas of work or areas for which a historic comparison is not appropriate.)⁴⁰

PG&E's performance expectation is made explicit in the Settlement Agreement itself in Section 3.2.8.2. It states:

PG&E agrees that this Agreement should enable PG&E to comply with its obligations under Public Utilities Code Section 451 to "furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment and facilities...as are necessary to promote the safety, health, comfort and convenience of its patrons, employees, and the public."

³⁷ Tr. Vol. 12, pp. 74-78.

³⁸ Tr. Vol. 12, 78:13-21.

³⁹ Exhibit (PG&E-38), pp. 15-16, 18-20, and 22.

⁴⁰ See Exhibit (PG&E-38), pages 16 (Other Support) and 18 (MWC Capacity Programs).

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT A
EXHIBIT (PG&E-40) PACIFIC GAS AND ELECTRIC COMPANY
EXECUTIVE COMPENSATION

Pacific Gas and Electric Company

Executive Compensation

Dinyar Mistry,
Senior Vice President Human Resources
Pacific Gas and Electric Company

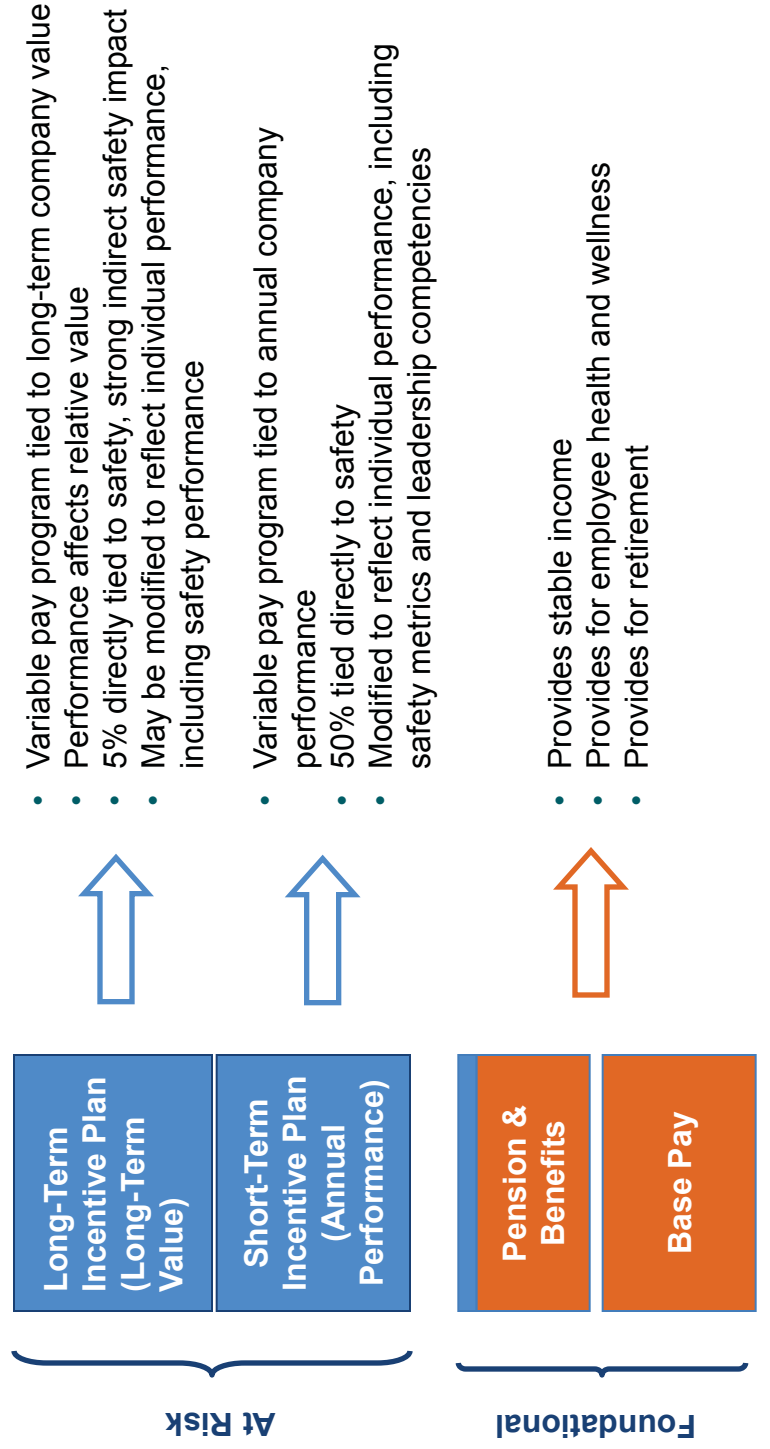
August 30, 2016



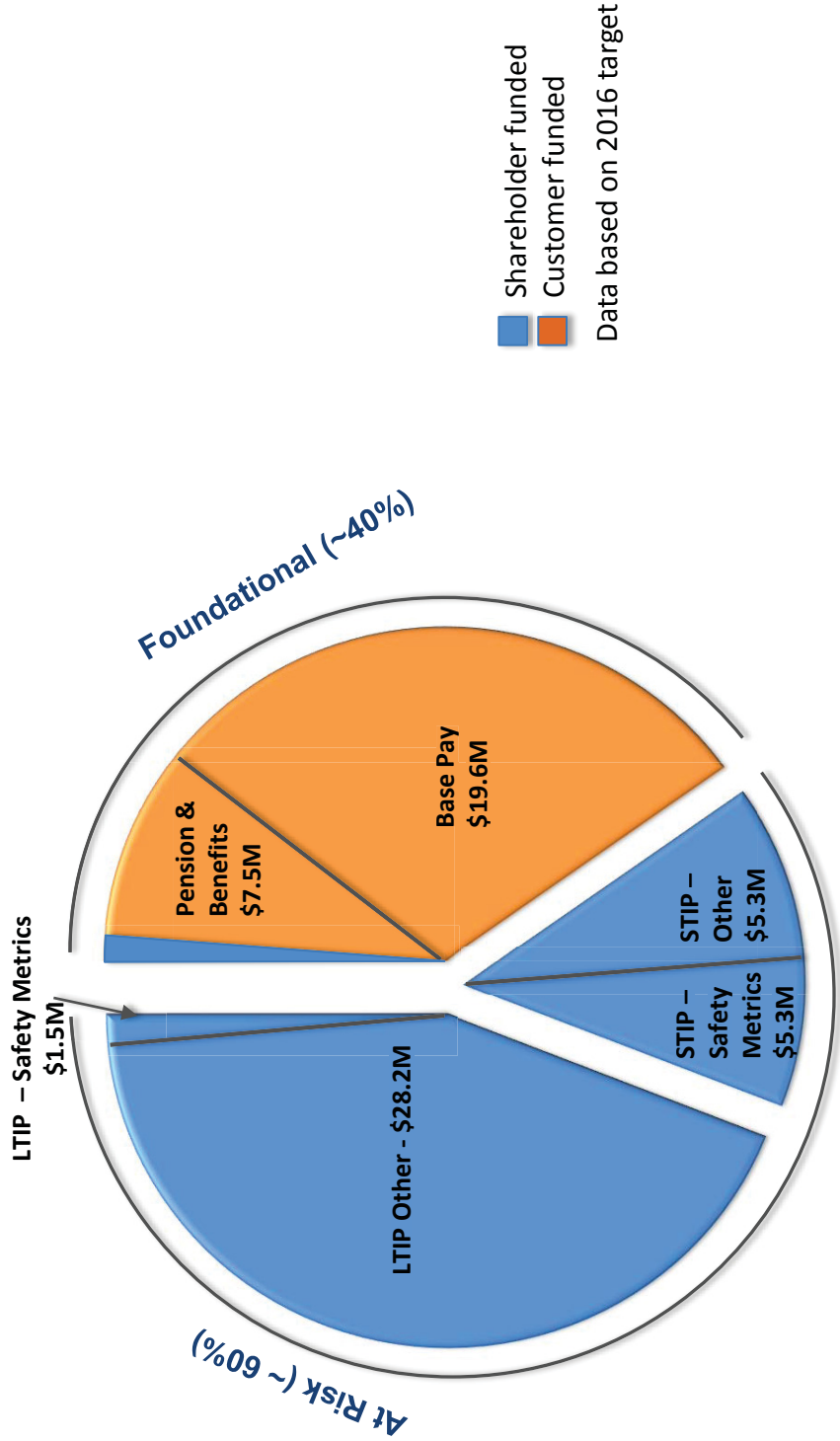
NOTE: Original filing was made in color.

PG&E Executive Compensation

Executive compensation provides a competitive package of compensation and benefits. The package is market-based and reflects the location where PG&E employees work, the type of work they perform, and provides appropriate performance incentives – including safety.



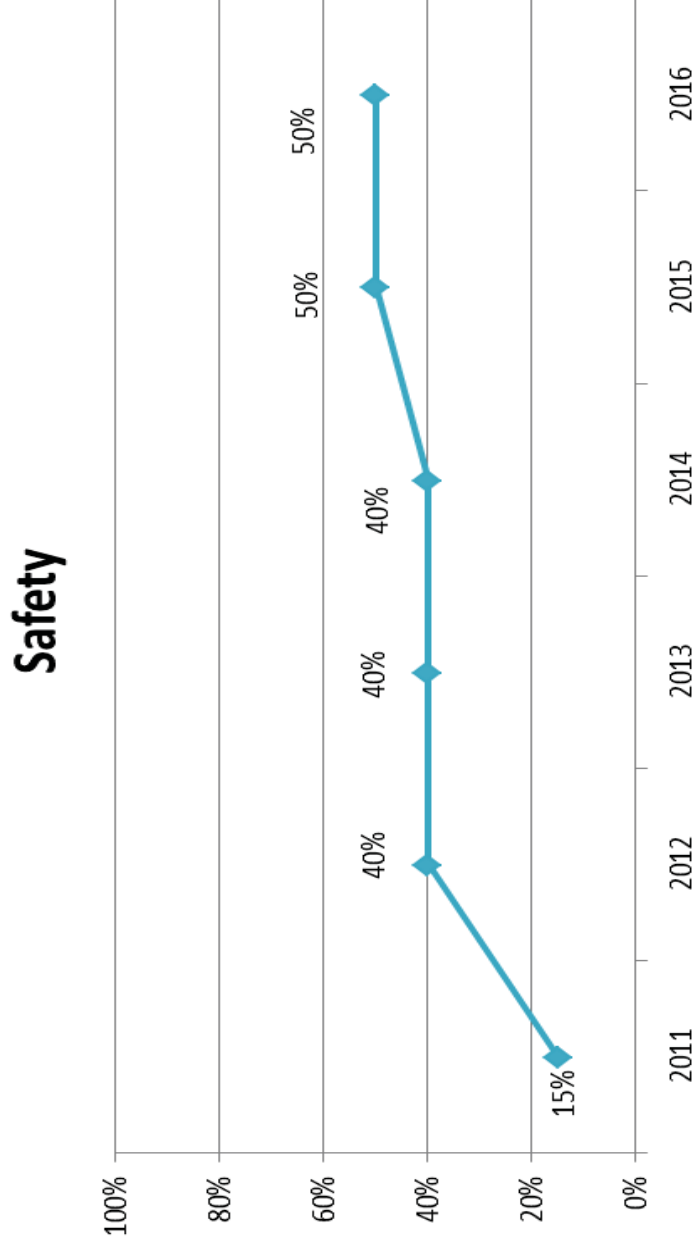
PG&E Executive Compensation



At Risk Compensation – Actual Payout	2011	2012	2013	2014	2015	2016
STIP (payout for the prior year's performance)	0	0.607	1.372	1.116	1.352	1.217
LTIP –Performance Based (payout for performance over the three prior years)	200%	0	0	0	35%	50%
LTIP - RSUs	100%	100%	100%	100%	100%	100%

(PG&E-43)

STIP Safety Weighting Trend



STIP Category – Safety (50% Weighting)

Measures both the public and employee safety of our operations and demonstrates our commitment to serving our communities. PG&E's overall safety performance will be measured primarily by our achievement of the metrics defined below. The Compensation Committee of the PG&E Corporation Board of Directors, which is ultimately responsible for reviewing and approving our year-end STIP score, will also take into consideration the overall impact our business operations had on public and employee safety.

2016 STIP Measures		Weight	Definition	What's New in 2016	
Public Safety	Nuclear Operations	Diablo Canyon Power Plant (DCPP) Reliability and Safety Indicator Units 1 & 2	8%	The year-end score as reported to INPO for PG&E's Diablo Canyon Power Plant (DCPP) Units 1 and 2 (equally weighted) based on 12 performance indicators for nuclear power generation, including unit capability, radiation exposure, and safety accident rate.	Same measure and definition as 2015
	Electric Operations	Transmission & Distribution (T&D) Wires Down	5%	The number of instances where an electric wire is down resting on the ground or a foreign object (e.g., trees, vehicles, fences, structures).	Same measure and definition as 2015
		911 Emergency Response	5%	The percentage of time that PG&E personnel respond to a 911 call (electric) within 60 minutes.	Same measure and definition as 2015
	Gas Operations	Gas In-Line Inspection and Upgrade Index	6%	PG&E's ability to complete planned in-line inspections and pipeline retrofit projects. Includes two equally weighted components: In-Line Inspections and In-Line Upgrades.	Same measure and definition for 2015
		Gas Dig-ins Reduction <i>Revised definition exclusions to align with benchmarks</i>	5%	The total number of third-party dig-ins to PG&E's gas assets per 1,000 Underground Service Alert (USA) tickets. A dig-in refers to any damage (impact or exposure) that result in a repair or replacement of an underground facility as a result of an excavation. Minor definition adjustment for 2016: exclusions now include all damages to below-ground facilities that are not from the act of excavation, or if already exposed.	Same measure as 2015 with minor change to definition exclusions to align with benchmarks
		Gas Emergency Response	5%	The average response time that a Gas Service Representative or a qualified first responder (e.g., Gas Crew, Leak Surveyor) takes to respond to the site of an immediate response gas emergency order.	Same measure and definition as 2015
	Lost Workday (LWD) Case Rate	6%	The number of LWD cases incurred per 200,000 hours worked, or for approximately every 100 employees.	Same measure and definition as 2015; weight decreased from 8% to 6%	
Employee Safety	Serious Preventable Motor Vehicle Incident (SPMVI) Rate	6%	The total number of SPMVIs that the PG&E driver could have reasonably avoided, per 1 million miles driven. SPMVIs involve significant human error or misconduct, or vehicle damage. Minimum vehicle damage limit is \$5,000.	Same measure and definition as 2015; weight decreased from 8% to 6%	
	Timely Reporting of Injuries <i>New measure for 2016</i>	4%	Percentage of work-related injuries reported to the 24/7 Nurse Report Line within one day of the incident.	New measure for 2016	

(PG&E-43)

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT B
SAFETY METRICS IN PG&E'S SHORT TERM INCENTIVE PLAN
(STIP)

Safety Metrics in PG&E's STIP Program

Category	Metric	2010	2011	2012	2013	2014	2015	2016
Public Safety	Diablo Canyon Reliability & Safety							
	Unit 1			1.51	0.00	0.00	2.00	x
	Unit 2			2.00	0.00	0.64	2.00	x
	T&D Wires Down			0.00	2.00	0.64	0.79	X
	911 Emergency Response			1.66	2.00	1.35	2.00	X
	Gas In-Line Inspection & Upgrade (Customer metric in 2014)					1.56	1.52	X
	Gas Emergency Response (Reliable Energy Delivery metric in 2011)		1.50	2.00	1.37	2.00	1.67	X
	Gas System Integrity Work (Reliable Energy Delivery metric in 2010)	1.50						
	Leak Repair Performance			2.00	2.00			
	Execute Pipeline Safety Work Index (Customer metric in 2013-14)					0.92		
	Dig In Reduction (Customer metric in 2013)				0.00	2.00	0.90	X
	Lost Workday Case Rate			0.00	0.00	0.00	0.00	X
Employee Safety	OSHA Recordable Rate	1.78	0.00					
	Serious Preventable Motor Vehicle Incident rate (Motor Vehicle Incident Rate in 2010 & 2011, Preventable Motor Vehicle Incident Rate in 2012)	0.92	0.00	2.00	0.00	0.00	0.61	X
	Timely Reporting of Injuries							X

Did Not Meet Threshold (Score between 0.0 up to and including 0.5)

Target +/- .5 (Score greater than 0.5 up to an including 1.5)

Exceeded Target (Score greater than 1.5, up to maximum 2.0)

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT C
STIP SCORECARDS 2010 – 2016

Overall 2010 STIP Score: 0.864

2010 STIP Measures	Weight	2010 Performance Scales			2010 Results	2010 STIP Score
		Threshold 0.500	Target 1.000	Maximum 2.000		
1. Earnings from Operations (\$m)	50.0%				1,330.5	0.944
2. Customer Satisfaction and Brand Health Index	15.0%	77.4	77.7	78.3	74.6	0.000
3. Reliable Energy Delivery Index	15.0%	0.500	1.000	2.000	0.902	0.902
System Average Interruption Frequency Index (SAIFI)	(35%)	1.122	1.066	1.002	1.108	0.627
Customer Average Interruption Duration Index (CAIDI)	(35%)	119.70	113.80	109.60	117.77	0.663
Gas System Integrity Work	(30%)	0.980	1.000	NA	1.501	1.501
4. Safety Index	10.0%	0.500	1.000	2.000	1.000	1.000*
OSHA Recordable Rate	(75%)	2.143	2.025	1.786	1.839	1.779
Motor Vehicle Incident Rate	(25%)	2.51	2.37	2.09	2.39	0.915
5. Premier Survey Employee Index	5.0%	67.7	68.7	70.7	69.3	1.300
6. Environmental Leadership Index	5.0%	0.500	1.000	2.000	1.842	1.842
Notice of Violation (NOV) Rate	(50%)	2.25	1.68	1.35	1.10	2.000
Energy Use Reduction	(16.66%)	3.5	4.0	6.0	4.3	1.150
Water Use Reduction	(16.66%)	3.5	4.0	6.0	7.1	2.000
Solid Waste Diversion	(16.66%)	4.0	6.0	8.0	7.8	1.900
Overall 2010 STIP Score	100.0%					0.864

*As a result of the two on-the-job fatalities in 2010 and in line with the formula for this measure, the Safety Index score was capped at 1.0.



STIP 2011 Scorecard

2011 STIP Measures	Weight	2011 STIP Annual Performance Scales			2011 Scorecard	
		Threshold 0.5	Target 1.0	Maximum 2.0	Year End	
					Results	Score
1. Earnings from Operations ⁽¹⁾	50.00%					0.695
2. Operational Excellence Index	25.00%	0.5	1.0	2.0		0.891
<i>Electric Reliable Energy Delivery</i>						1.436
System Average Interruption Frequency Index (SAIFI)	20.00%	1.108	1.052	0.997	0.967	
Customer Average Interruption Duration Index (CAIDI)	20.00%	117.8	111.9	107.7	113.4	
<i>Gas Reliable Energy Delivery</i>						1.582
Gas Transmission and Distribution Leak Survey Quality	10.00%	2.34	1.87	0.93	1.34	
Gas Emergency Response Time	10.00%	96.5	97.0	98.0	97.6	
<i>Safety Performance ⁽²⁾</i>						0.000
Occupational Safety and Health Act (OSHA) Recordables Rate	30.00%	1.747	1.600	1.416	1.621	
Motor Vehicle Incident (MVI) Rate	10.00%	2.27	2.15	1.91	2.10	
3. Customer Satisfaction and Brand Health Index	15.00%	75.0	75.3	76.1	73.0	0.000
4. Employee Engagement Index	5.00%	68.59	69.59	71.59	67.23	0.000
5. Environmental Leadership Index	5.00%	0.5	1.0	2.0		0.730
<i>Environmental Compliance</i>						0.000
Notice of Violations (NOVs)	50.00%	8	7	4	10	
<i>Operational Footprint</i>						1.460
Administrative Waste Diversion	16.67%	53.0	55.0	60.0	59.5	
Energy Use Reduction	16.67%	3.2	4.2	7.2	4.8	
Water Use Reduction	16.67%	4.7	5.7	8.7	6.0	
Overall 2011 STIP Score						0.607

- (1) Our EFO target is not publicly reported but is consistent with the guidance range originally provided for 2011 EPS from operations of \$3.65 to \$3.80. The publicly disclosed lowered guidance range for 2011 EPS from operations is \$3.45 to \$3.60. Unbudgeted items impacting comparability (such as changes in accounting methods) will be excluded.
- (2) The Safety Performance component was given a zero score due to the company's overall safety performance in 2011. While there was improvement in our performance in the MVI rate and OSHA recordables rate, we missed the mark in the most important areas of employee safety with three employee fatalities in 2011.

The Compensation Committee of the PG&E Corporation Board of Directors has complete discretion to determine and pay all STIP awards to officers and non-officer employees.

2012 STIP Performance Targets & Results

2012 STIP Measures		Weight	2012 STIP Year-End Performance Targets			2012 Year-End	
			Threshold	Target	Maximum	Results	Score
Safety		40%	0.5	1.0	2.0		1.316
<i>Public Safety</i>	Institute of Nuclear Power Operations (INPO) Performance						
	Unit 1	4%	2 nd Quartile Midpoint	1 st Quartile Minimum	99.0 or 1 st Decile		1.506
	Unit 2	4%	2 nd Quartile Midpoint	1 st Quartile Minimum	99.0 or 1 st Decile		2.000
	Transmission & Distribution (T&D) Wires Down	4%	2,728	2,687	2,604	3054	0.000
	911 Emergency Response	4%	74.5%	77.0%	87.8%	84.1%	1.656
	Leak Repair Performance	4%	90% by Dec. 31	100% by Dec. 31	100% by Oct. 31	100% by Oct 31	2.000
	Gas Emergency Response						
	Within 30 minutes	2%	60% in 4 th Quarter	75% in 4 th Quarter	75% in 3 rd & 4 th Quarters	85.3% in 3rd & 4th Quarters	2.000
	Within 60 minutes	2%	98% in 4 th Quarter	99% in 4 th Quarter	99% in 3 rd & 4 th Quarters	99.2% in 3rd & 4th Quarters	2.000
	Lost Workday Case Rate	8%	0.251	0.240	0.221	0.319	0.000
<i>Employee Safety</i>	Preventable Motor Vehicle Incident (MVI) Rate	8%	1.994	1.952	1.889	1.787	2.000
Customer		30%					1.547
	Customer Satisfaction Score	10%	73.7	74.1	75.1	74.5	1.400
	System Average Interruption Duration Index (SAIDI)	10%	137.7	133.1	126.5	131.5	1.242
	Gas Asset Mapping	10%	35	30	20	20	2.000
Financial		30%					1.272
	Earnings from Operations (\$M) ⁽¹⁾						
2012 STIP Score							1.372

(1) Our EFO target is not publicly reported but is consistent with the guidance range provided for 2012 EPS from operations of \$3.10 to \$3.30. Unbudgeted items impacting comparability (such as changes in accounting methods) will be excluded.



STIP 2013 Scorecard

2013 STIP Measures		Weight	2013 STIP Year-End Performance Targets			2013 Year-End Results	
			Threshold 0.5	Target 1.0	Maximum 2.0	Results	Score
Safety		40%					0.295
Public Safety	Institute of Nuclear Power Operations (INPO) Performance						
	Unit 1	4%	2 nd Quartile Median	1 st Quartile Minimum	99.0 or 1 st Decile	93.0	0.000
	Unit 2	4%	2 nd Quartile Midpoint	1 st Quartile Minimum	96.7 or 1 st Decile	85.3	0.000
	Transmission & Distribution (T&D) Wires Down ⁽¹⁾	4%	2,998	2,938	2,778	2,400	2.000
	911 Emergency Response	4%	86.2%	88.3%	91.2%	92.2%	2.000
	Leak Repair Performance ⁽¹⁾	4%	1,500	1,000	500	151	2.000
	Gas Emergency Response	4%	23.50	22.00	20.00	21.26	1.370
Employee Safety	Lost Workday Case Rate ⁽¹⁾	8%	0.296	0.240	0.223	0.326	0.000
	Serious Preventable Motor Vehicle Incident (SPMVI) Rate	8%	0.300	0.280	0.250	0.381	0.000
Customer		35%					0.408
Customer Satisfaction Score		10%	74.8	75.2	76.0	75.4	1.250
Gas & Electric Dig-ins Reduction		5%	4.11	3.90	3.41	4.46	0.000
System Average Interruption Duration Index (SAIDI) ⁽¹⁾		10%	128.9	121.6	115.5	116.8	1.789
Gas Asset Mapping Duration		5%	100.00	90.00	60.00	89.0	1.033
Execute Gas Pipeline Safety Work Index		5%	0.50	1.00	2.00	1.04	1.040
Financial		25%					0.413
Earnings from Operations (\$M) ⁽²⁾							
2013 STIP Score						1.116	

(1) Our EFO target is not publicly reported but is consistent with the guidance range provided for 2013 EPS from operations of \$2.55 to \$2.75. Unbudgeted items impacting comparability (such as changes in accounting methods) will be excluded.

The Compensation Committee of the PG&E Corporation Board of Directors has complete discretion to determine and pay all STIP awards to officers and non-officer employees. This includes discretion to reduce the final score on any and all measures downward to zero.



2014 YEAR END - STIP Scorecard

2014 STIP Measures	Weight	STIP Performance Targets			Results		
		Threshold 0.5	Target 1.0	Maximum 2.0	Results	Quartile	Unweighted Score
Safety	40%						0.266
Transmission & Distribution (T&D) Wires Down	4%	2,700	2,400	2,250	2,615	1st	0.642
911 Emergency Response	4%	92.2%	93.6%	95.0%	94.09%	2nd	1.350
Gas Emergency Response	4%	21.30	21.00	20.00	19.95	1st	2.000
Gas Dig-ins Reduction	4%	2.74	2.60	2.47	2.42	1st	2.000
DCPP Performance Indicator – Unit 1	4%	90.000	94.000	98.000	84.220	4th	0.000
DCPP Performance Indicator – Unit 2	4%	83.000	88.000	93.000	84.430	4th	0.643
Lost Workday Case Rate	8%	0.310	0.271	0.245	0.376	3rd	0.000
Serious Preventable Motor Vehicle Incident (SPMVI) Rate	8%	0.235	0.221	0.214	0.274	- -	0.000
Customer	35%						0.598
Customer Satisfaction Score	10%	75.5	75.7	76.0	76.5	2nd	2.000
In-Line Inspection (ILI) Inspection and Upgrade Index	5%	0.500	1.000	2.000	1.560	- -	1.560
Execute Gas Pipeline Safety Work Index	5%	0.500	1.000	2.000	0.920	- -	0.920
System Average Interruption Duration Index (SAIDI)	10%	116.80	115.00	108.50	110.21	2nd	1.737
Gas Asset Mapping Duration	5%	34	32	30	28.93	1st	2.000
Financial	25%						0.488
Earnings from Operations (\$M)							0.488
2014 STIP Score	100.00%						1.352

Our EFO target is not publicly reported. Unbudgeted items impacting comparability (such as changes in accounting methods) will be excluded.

The Compensation Committee of the PG&E Corporation Board of Directors has complete discretion to determine and pay all STIP awards to officers and non-officer employees. This includes discretion to reduce the final score on any and all measures downward to zero.

PG&E (43)



2015 Year-End STIP Update

Key Points

We were successful in hitting our year-end targets for **six of our eleven** Short-term Incentive Plan (STIP) measures. As a result of our performance, the overall PG&E 2015 STIP score is 1.217. A detailed interpretation of the STIP 2015 Scorecard follows with an explanation of our final results.

STIP 2015 Scorecard

2015 STIP Measures	Weight	STIP Performance Targets			Results			
		Threshold 0.5	Target 1.0	Maximum 2.0	Results	Quartile	Unweighted Score	Weighted Score
Safety	50%							0.568
DCPP Reliability and Safety Indicator – Unit 1	4%	91.200	94.200	97.200	99.44	1st	2.000	0.080
DCPP Reliability and Safety Indicator – Unit 2	4%	91.200	94.200	97.200	99.83	1st	2.000	0.080
Gas In-Line Inspection (ILI) and Upgrade Index	6%	0.500	1.000	2.000	1.52	- -	1.520	0.091
Gas Dig-ins Reduction	5%	2.30	2.06	1.94	2.11	2nd	0.896	0.045
Gas Emergency Response	5%	21.50	21.00	20.00	20.33	1st	1.670	0.084
Transmission & Distribution (T&D) Wires Down	5%	2,615	2,540	2,400	2,572.0	1st	0.787	0.039
911 Emergency Response	5%	94.1%	95.0%	96.0%	97.14%	1st	2.000	0.100
Lost Workday Case Rate 0.25 may be added for zero serious incidents	8%	0.376	0.330	0.305	0.000	3rd	0.000	0.000
Serious Preventable Motor Vehicle Incident (SPMVI) Rate	8%	0.274	0.239	0.218	0.266	- -	0.614	0.049
Customer	25%							0.200
Customer Satisfaction Score	15%	76.7	77.2	77.7	75.5	3rd	0.000	0.000
System Average Interruption Duration Index (SAIDI)	10%	110.20	106.60	102.60	96.33	2nd	2.000	0.200
Financial	25%							0.449
Earnings from Operations (\$M)	25%							0.449
Overall YTD 2015 STIP Score	100.00%							1.217

Our EFO target is not publicly reported. Unbudgeted items impacting comparability (such as changes in accounting methods) will be excluded.

The Compensation Committee of the PG&E Corporation Board of Directors has complete discretion to determine and pay all STIP awards to officers and non-officer employees. This includes discretion to reduce the final score on any and all measures downward to zero.

2016 STIP Performance Targets

(PG&E-43)

Weight	2016 STIP Measure	2016 STIP Performance Targets		
		Threshold 0.5	Target 1.0	Maximum 2.0
50%	Safety			
	<i>Public Safety</i>			
	<i>Nuclear Operations</i>			
	Diablo Canyon Power Plant Reliability and Safety Indicator			
4%	DCPP Unit 1 Score	94.20	98.70	100.00
4%	DCPP Unit 2 Score	94.20	98.70	100.00
	<i>Electric Operations</i>			
5%	Transmission & Distribution (T&D) Wires Down	3,000	2,572	2,400
5%	911 Emergency Response	95.0%	97.5%	98.5%
	<i>Gas Operations</i>			
6%	Gas In-Line Inspection and Upgrade Index	0.500	1.000	2.000
5%	Gas Dig-ins Reduction	2.18	2.03	1.96
	<i>Definition exclusions adjusted slightly to align with benchmarks</i>			
5%	Gas Emergency Response	22.0	21.0	20.0
	<i>Employee Safety</i>			
6%	Lost Workday (LWD) Case Rate	0.353	0.320	0.275
6%	Serious Preventable Motor Vehicle Incident (SPMVI) Rate	0.252	0.239	0.226
4%	Timely Reporting of Injuries <i>New metric for 2016</i>	64.0%	67.1%	70.2%
25%	Customer			
15%	Customer Satisfaction Score	75.5	75.7	76.3
10%	System Average Interruption Duration Index (SAIDI)	101.10	96.30	93.90
25%	Financial			
25%	Earnings from Operations (EFO) (\$M)	--	--	--

Changes from 2015 highlighted in red.

- (1) Scores are evenly distributed (linear) between the points on the scales above, except EFO which utilizes the performance scale
- (2) Our EFO target is not publicly reported but is consistent with the guidance range for 2016 EPS from operations. Unbudgeted items impacting comparability (such as changes in accounting methods) will be excluded.

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT D
2015 STIP PERFORMANCE MEASURES & TARGETS

2015 Short Term Incentive Plan (STIP) Performance Measures & Targets

AtchD-1

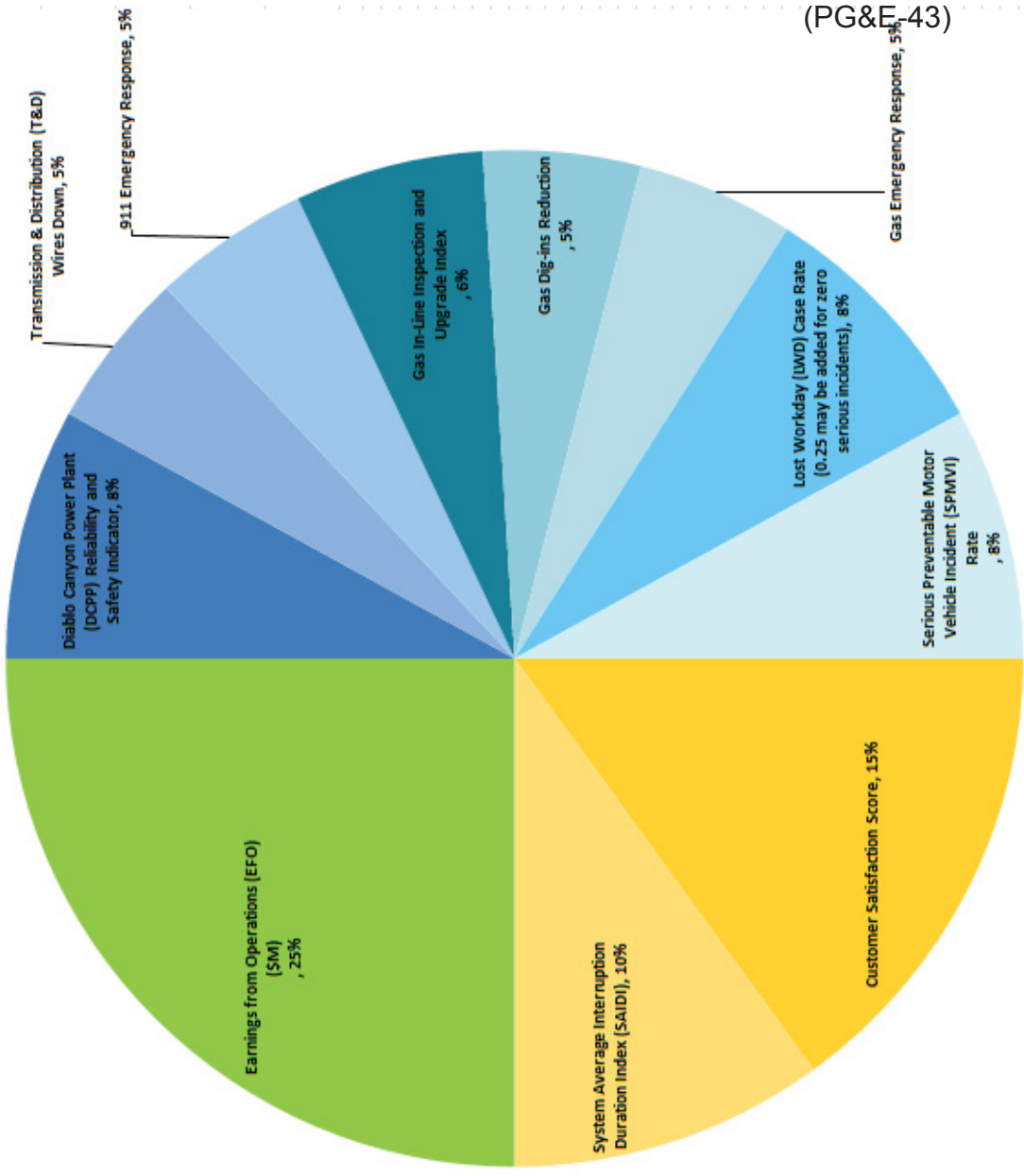


(PG&E-43)
These performance measures and targets have been approved by the Compensation Committee of the PG&E Corporation Board of Directors, which retains complete discretion to determine and pay all STIP awards to officers and non-officer employees.

2015 STIP Structure

- Further emphasize our focus on improving public and employee safety, and customer satisfaction
- Category weighting:
 - ✓ Safety - 50 percent
 - Public
 - Employee
 - ✓ Customer - 25 percent
 - Customer Satisfaction
 - Power Reliability
 - ✓ Financial - 25 percent
- Targets are established to continue our drive for 1st quartile performance
- STIP is an at-risk component of our pay that rewards us annually for company and individual performance
- Contact your leader or HR Business Partner with questions.

AtchD-2



(PG&E 43)

2015 STIP Performance Targets

(PG&E-43)

Weight	2015 STIP Measures	2015 STIP Performance Targets ⁽¹⁾		
		Threshold 0.5	Target 1.0	Maximum 2.0
50%	Safety			
	<i>Public Safety</i>			
	<i>Nuclear Operations</i>			
	Diablo Canyon Power Plant Reliability and Safety Indicator			
4%	DCPP Unit 1 Score	91.2	94.2	97.2
4%	DCPP Unit 2 Score	91.2	94.2	97.2
	<i>Electric Operations</i>			
5%	Transmission & Distribution (T&D) Wires Down	2,615	2,540	2,400
5%	911 Emergency Response	94.1%	95.0%	96.0%
	<i>Gas Operations</i>			
6%	Gas In-Line Inspection and Upgrade Index	0.500	1.000	2.000
5%	<i>Customer Metric in 2014</i>			
5%	Gas Dig-ins Reduction	2.30	2.06	1.94
5%	Gas Emergency Response	21.5	21.0	20.0
	<i>Revised definition for 2015</i>			
	<i>Employee Safety</i>			
8%	Lost Workday (LWD) Case Rate	0.376	0.330	0.305
8%	<i>0.25 may be added for zero serious incidents</i>			
	Serious Preventable Motor Vehicle Incident (SPMVI) Rate	0.274	0.239	0.218
25%	Customer			
15%	Customer Satisfaction Score	76.7	77.2	77.7
10%	System Average Interruption Duration Index (SAIDI)	110.2	106.6	102.6
25%	Financial			
25%	Earnings from Operations (EFO) (\$M) ⁽²⁾			

- (1) Scores are evenly distributed (linear) between the points on the scales above, except EFO which utilizes a specific performance scale
- (2) Our EFO target is not publicly reported but is consistent with the guidance range for 2015 EPS from operations. Unbudgeted items impacting comparability (such as changes in accounting methods) will be excluded.

Measures both the public and employee safety of our operations and demonstrates our commitment to serving our communities. PG&E's overall safety performance will be measured primarily by our achievement of the metrics defined below. The Compensation Committee of the PG&E Corporation Board of Directors, which is ultimately responsible for reviewing and approving our year-end STIP score, will also take into consideration the overall impact our business operations had on public and employee safety.

2015 STIP Measures		Weight	Definition	What's New in 2015	
Public Safety	Nuclear Operations	Diablo Canyon Power Plant (DCPP) Reliability and Safety Indicator Units 1 & 2	8%	The year-end score as reported to INPO for PG&E's Diablo Canyon Power Plant (DCPP) Units 1 and 2 (equally weighted) based on 12 performance indicators for nuclear power generation, including unit capability, radiation exposure, and safety accident rate.	Same measure and definition as 2014
	Electric Operations	Transmission & Distribution (T&D) Wires Down	5%	The number of instances where an electric wire is down resting on the ground or a foreign object (e.g., trees, vehicles, fences, structures).	Same measure and definition as 2014
		911 Emergency Response	5%	The percentage of time that PG&E personnel respond to a 911 call (electric) within 60 minutes.	Same measure and definition as 2014
	Gas Operations	Gas In-Line Inspection and Upgrade Index	6%	PG&E's ability to complete planned in-line inspections and pipeline retrofit projects. Includes two equally weighted components: In-Line Inspections and In-Line Upgrades.	Same measure and definition for 2014 Move from Customer Metric in 2014
		Gas Dig-ins Reduction	5%	The total number of third-party dig-ins to PG&E gas assets per 1,000 Underground Service Alert (USA) tickets. A dig-in refers to any damage (impact or exposure) that result in a repair or replacement of an underground facility as a result of an excavation.	Same measure and definition as 2014
		Gas Emergency Response Revised definition for 2015	5%	The average response time that a Gas Service Representative or a qualified first responder (e.g., Gas Crew, Leak Surveyor) takes to respond to the site of an immediate response gas emergency order.	Revised definition for 2015
	Employee Safety	Lost Workday (LWD) Case Rate 0.25 may be added for zero serious incidents	8%	The number of LWD cases incurred per 200,000 hours worked, or for approximately every 100 employees. For threshold or greater performance, the final score to be increased 0.25, up to a maximum of 2.0, if zero serious incidents (as defined by Cal/OSHA regulations) occur in 2015.	Same measure and definition as 2014 (PG&E-43)
		Serious Preventable Motor Vehicle Incident (SPMVI) Rate	8%	The total number of SPMVIs that the PG&E driver could have reasonably avoided, per 1 million miles driven. SPMVIs involve significant human error or misconduct, or vehicle damage. Minimum vehicle damage limit is \$5,000.	Same measure and definition as 2014

Measures customer satisfaction with our services and the reliability of our gas and electric operations.

2015 STIP Measures		Weight	Definition	What's New in 2015
Customer	Customer Satisfaction Score	15%	The overall satisfaction of customers with the products and services offered by PG&E, as measured through an ongoing quarterly survey.	Same measure and definition as 2014
	System Average Interruption Duration Index (SAIDI)	10%	The total time that the average customer is without electric power during a given time period (measured in number of minutes). Includes all planned and unplanned sustained outages.	Same measure and definition as 2014

Measures the financial performance of our ongoing core operations.

2015 STIP Measures		Weight	Definition	What's New in 2015
Financial	Earnings from Operations (EFO) (\$M)	25%	Net income excluding items impacting comparability, which represent income or expenses associated with events or circumstances considered unusual and not part of ongoing core operations. The measurement is non-GAAP.	Same measure and definition as 2014

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT E
PG&E CORPORATION LONG TERM INCENTIVE PLAN
2011 – 2016 PAYOUT CALCULATION

CALCULATION OF 2011 PERFORMANCE SHARE PAYMENTS

<u>Performance Comparator Group</u>	<u>Cumulative Three-Year TSR¹ (2008-2010)</u>	<u>Rank</u>	<u>Payout Scale</u>		
			<u>Rank</u>	<u>Performance Percentile</u>	<u>Rounded Payout</u>
PG&E Corporation	25.53%	1	1	100%	200%
TECO Energy	22.08%	2	2	92%	170%
Xcel Energy Inc.	20.49%	3	3	83%	130%
Consolidated Edison	19.94%	4	4	75%	100%
Pinnacle West Capital	17.33%	5	5	67%	90%
Southern Company	14.86%	6	6	58%	75%
NiSource Inc.	12.85%	7	7	50%	65%
CenterPoint Energy, Inc.	8.41%	8	8	42%	50%
Progress Energy Inc.	7.89%	9	9	33%	35%
American Electric Power	-10.52%	10	10	25%	25%
NextEra Energy, Inc. ²	-14.76%	11	11	17%	0%
Entergy Corporation	-33.71%	12	12	8%	0%
Ameren Corporation	-37.36%	13	13	0%	0%

Sample Calculation

2008 performance shares vest on March 1, 2011		1,000
Percent of vested shares to be paid	x	200
Average closing price for the last 30 calendar days of 2010	x	\$47.7367
Performance share payment		\$95,473
Accrued dividend equivalents (total of \$5.06 per share for the three-year period)		\$10,120
Total payment		\$105,593

¹ TSR: Total Shareholder Return² Previously called FPL Group.

CALCULATION OF 2012 PERFORMANCE SHARE PAYMENTS

<u>Performance Comparator Group</u>	Cumulative Three-Year TSR		<u>Payout Scale</u>		
	<u>(2009-2011)</u>	<u>Rank</u>	Performance		Rounded
			<u>Rank</u>	<u>Percentile</u>	<u>Payout</u>
NiSource Inc.	159.75%	1	1	100%	200%
CenterPoint Energy, Inc.	86.77%	2	2	92%	170%
Consolidated Edison	86.25%	3	3	83%	130%
TECO Energy	82.07%	4	4	75%	100%
Pinnacle West Capital	77.69%	5	5	67%	90%
Xcel Energy Inc.	70.87%	6	6	58%	75%
Progress Energy Inc.	69.05%	7	7	50%	65%
Southern Company	45.77%	8	8	42%	50%
American Electric Power	44.84%	9	9	33%	35%
NextEra Energy, Inc. ³	35.73%	10	10	25%	25%
PG&E Corporation	20.65%	11	11	17%	0%
Ameren Corporation	18.66%	12	12	8%	0%
Entergy Corporation	0.12%	13	13	0%	0%

³ Previously called FPL Group.

CALCULATION OF 2013 PERFORMANCE SHARE PAYMENTS

<u>Performance Comparator Group</u>	<u>Cumulative Three-Year TSR (2010-2012)</u>	<u>Rank</u>	<u>Payout Scale</u>		
			<u>Rank</u>	<u>Performance Percentile</u>	<u>Rounded Payout</u>
NiSource Inc.	86.23%	1	1	100%	200%
Pinnacle West Capital	61.08%	2	2	92%	170%
Progress Energy/Duke ⁴	59.67%	3	3	83%	130%
CenterPoint Energy, Inc.	52.22%	4	4	75%	100%
Southern Company	47.86%	5	5	67%	90%
NextEra Energy, Inc.	47.15%	6	6	58%	75%
Xcel Energy Inc.	42.67%	7	7	50%	65%
American Electric Power	42.02%	8	8	42%	50%
Consolidated Edison	40.22%	9	9	33%	35%
Ameren Corporation	29.09%	10	10	25%	25%
TECO Energy, Inc.	19.65%	11	11	17%	0%
PG&E Corporation	2.11%	12	12	8%	0%
Entergy Corporation	-10.43%	13	13	0%	0%

⁴ TSR represents the combined return for Progress Energy (pre-merger) and Duke (post-merger).

CALCULATION OF 2013 PERFORMANCE SHARE PAYMENT(For Anthony Earley's September 13, 2011 Award, Vesting December 31, 2013)⁵

<u>Performance Comparator Group</u>	<u>Cumulative TSR 9/13/2011 through 12/31/2013</u>	<u>Rank</u>	<u>Payout Scale</u>		
			<u>Rank</u>	<u>Performance Percentile</u>	<u>Rounded Payout</u>
NiSource Inc.	68.95%	1	1	100%	200%
DTE Energy	49.58%	2	2	92%	170%
Wisconsin Energy Corp.	45.04%	3	3	83%	130%
American Electric Power	39.13%	4	4	75%	100%
Northeast Utilities	37.65%	5	5	67%	90%
Pinnacle West Capital	37.27%	6	6	58%	75%
Progress Energy/Duke ²⁶	36.94%	7	7	50%	65%
Duke Energy	35.27%	8	8	42%	50%
SCANA Corp.	34.34%	9	9	33%	35%
Xcel Energy Inc.	28.56%	10	10	25%	25%
PG&E Corporation	10.50%	11	11	17%	0%
Southern Company	9.67%	12	12	8%	0%
Consolidated Edison	8.77%	13	13	0%	0%

⁵ Mr. Earley received an additional grant of performance shares on September 13, 2011 that will vest on September 13, 2014.

⁶ TSR represents the combined return for Progress Energy (pre-merger) and Duke (post-merger).

CALCULATION OF 2014 PERFORMANCE SHARE PAYMENTS

<u>Performance Comparator Group</u>	<u>Cumulative Three-Year TSR (2011-2013)</u>	<u>Rank</u>	<u>Payout Scale</u>		
			<u>Rank</u>	<u>Performance Percentile</u>	<u>Rounded Payout</u>
NiSource Inc.	109.58%	1	1	100%	200%
DTE Energy	66.25%	2	2	92%	170%
Progress Energy/Duke ⁷	60.22%	3	3	83%	130%
Wisconsin Energy Corp.	55.47%	4	4	75%	100%
American Electric Power	49.22%	5	5	67%	90%
Duke Energy	49.20%	6	6	58%	75%
Northeast Utilities	47.39%	7	7	50%	65%
Pinnacle West Capital	45.18%	8	8	42%	50%
Xcel Energy Inc.	33.67%	9	9	33%	35%
SCANA Corp.	31.90%	10	10	25%	25%
Consolidated Edison	26.65%	11	11	17%	0%
Southern Company	23.02%	12	12	8%	0%
PG&E Corporation	-4.27%	13	13	0%	0%

⁷ Ibid.

CALCULATION OF 2014 PERFORMANCE SHARE PAYMENT**(For Anthony Earley's September 13, 2011 Award, Vesting September 13, 2014)⁸**

<u>Performance Comparator Group</u>	<u>Cumulative Three-Year TSR (9/13/2011- 9/13/2014)</u>	<u>Rank</u>	<u>Payout Scale</u>		
			<u>Rank</u>	<u>Performance Percentile</u>	<u>Rounded Payout</u>
NiSource Inc.	104.80%	1	1	100%	200%
DTE Energy	74.89%	2	2	92%	170%
American Electric Power	60.95%	3	3	83%	130%
Wisconsin Energy Corp.	58.95%	4	4	75%	100%
Pinnacle West Capital	51.49%	5	5	67%	90%
Progress Energy/Duke ⁹	49.83%	6	6	58%	75%
Northeast Utilities	48.56%	7	7	50%	65%
Duke Energy	48.01%	8	8	42%	50%
SCANA Corp.	47.29%	9	9	33%	35%
Xcel Energy, Inc.	46.72%	10	10	25%	25%
PG&E Corporation	29.80%	11	11	17%	0%
Southern Company	19.90%	12	12	8%	0%
Consolidated Edison	14.90%	13	13	0%	0%

	<u>Performance Shares Granted 9/13/2011</u>	<u>Payout Percentage</u>	<u>Performance Shares Vested 9/13/2014²</u>
Anthony F. Earley, Jr.	86,245	0%	0

⁸ Mr. Earley received an additional grant of performance shares on September 13, 2011 that vested on December 31, 2013.

⁹ TSR represents the combined return for Progress Energy (pre-merger) and Duke (Post-Merger).

CALCULATION OF 2015 PERFORMANCE SHARE PAYMENTS

<u>Performance Comparator Group</u>	<u>Cumulative Three-Year TSR (2012-2014)</u>	<u>Payout Scale</u>		
		<u>Rank</u>	<u>Performance Percentile</u>	<u>Rounded Payout</u>
NiSource Inc.	96.47%	1	100%	200%
DTE Energy	77.95%	2	92%	170%
CMS Energy	76.41%	3	83%	130%
Wisconsin Energy Corp.	67.05%	4	75%	100%
American Electric Power	66.86%	5	67%	90%
Northeast Utilities	64.83%	6	58%	75%
Pinnacle West Capital	60.03%	7	50%	65%
SCANA Corp.	51.85%	8	42%	50%
PG&E Corporation	46.18%	9	33%	35%
Xcel Energy Inc.	45.89%	10	25%	25%
Duke Energy	44.74%	11	17%	0%
Southern Company	21.42%	12	8%	0%
Consolidated Edison	20.82%	13	0%	0%

Sample Calculation

2012 performance shares granted and outstanding	1,000 shares
Percentage of shares to be paid	x 35%
Performance share payment	350 shares
Accrued dividend equivalents (total of \$5.46 per share for the three-year period)	\$1,911

CALCULATION OF 2016 PERFORMANCE SHARE PAYMENTS

<u>Performance Comparator Group</u>	<u>Cumulative Three-Year TSR (2013-2015)</u>	<u>Payout Scale</u>		
		<u>Rank</u>	<u>Performance Percentile</u>	<u>Rounded Payout</u>
NiSource Inc.	117.91%	1	100%	200%
CMS Energy	64.55%	2	92%	170%
Wisconsin Energy Corp.	54.60%	3	83%	130%
American Electric Power	53.74%	4	75%	100%
Xcel Energy Inc.	50.76%	5	67%	90%
SCANA Corp.	49.89%	6	58%	75%
DTE Energy	49.12%	7	50%	65%
PG&E Corporation	48.68%	8	42%	50%
Eversource Energy	44.94%	9	33%	35%
Pinnacle West Capital	42.15%	10	25%	25%
Consolidated Edison	31.36%	11	17%	0%
Duke Energy	27.43%	12	8%	0%
Southern Company	25.75%	13	0%	0%

Sample Calculation

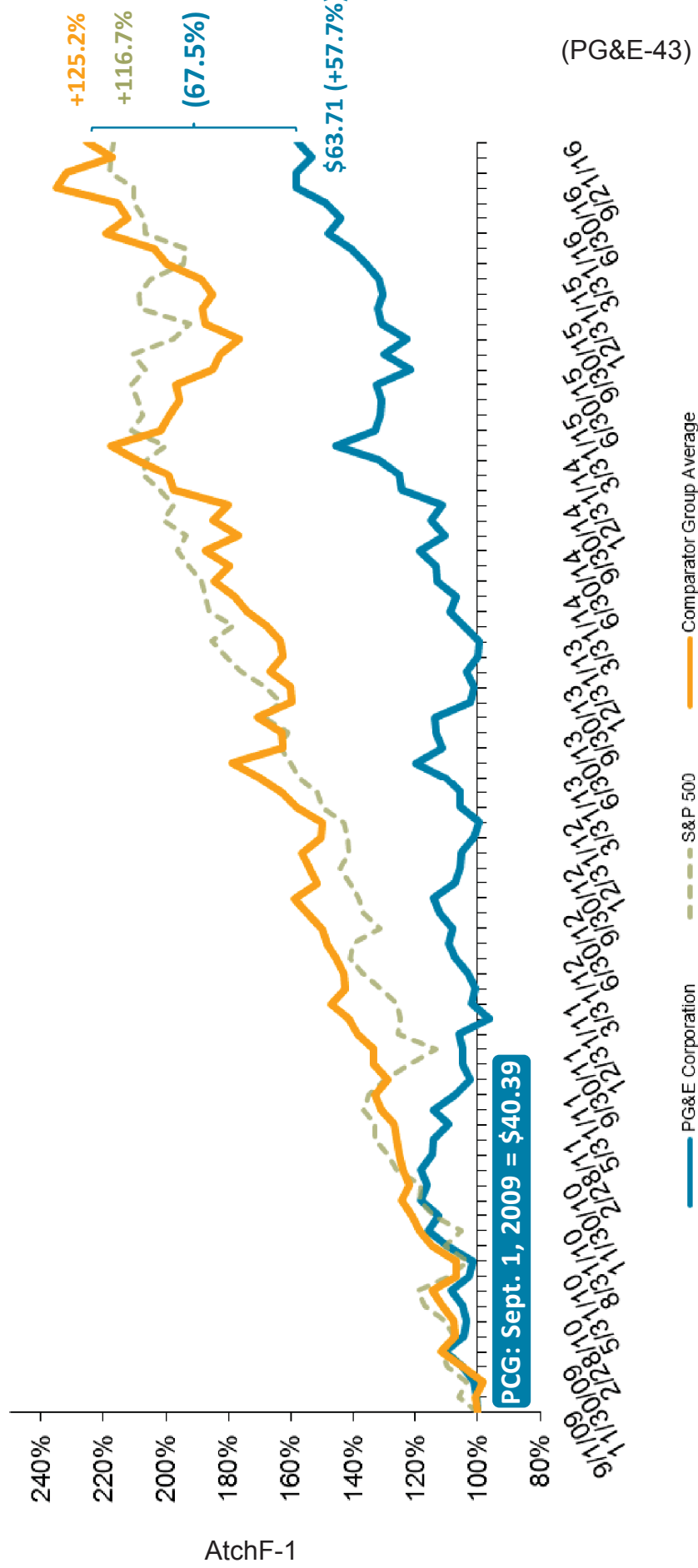
2013 performance shares granted and outstanding	1,000 shares
Percentage of shares to be paid	x 50%
Performance share payment	500 shares
Accrued dividend equivalents (total of \$5.46 per share for the three-year period)	\$2,730

PACIFIC GAS AND ELECTRIC COMPANY
ATTACHMENT F
PG&E'S STOCK PERFORMANCE
COMPARED TO THE COMPARATOR GROUP FROM
SEPTEMBER 2009 THROUGH JULY 2016



PCG Stock Relative to Comparator Group*

PG&E Stock Relative to Comparator Group, 9/1/2009 - 9/21/16



Market Cap Differential: \$13.5 billion
(PCG versus Comparator Group Performance)

*Based on 2016 comparator group