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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company for Approval of Regionalization
Proposal.

(U39M)

Application No. 20-06-011

**PACIFIC GAS AND ELECTRIC COMPANY'S (U 39 M)
SUMMARY OF THE UPDATED REGIONALIZATION PROPOSAL**

TYSON R. SMITH
MARY A. GANDESBERY
DANIEL S. HASHIMI

Pacific Gas and Electric Company
77 Beale Street, B30A
San Francisco, CA 94105
Telephone: (415) 973-0675
E-Mail: mary.gandesbery@pge.com

Dated: July 9, 2021

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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Pursuant to the *Assigned Commissioner's Amended Scoping Memo and Ruling* ("Amended Scoping Memo"), dated June 29, 2021, Pacific Gas and Electric Company ("PG&E" or "Company") provides a summary of its February 26, 2021 updated Regionalization Proposal ("Updated Proposal"), including the additional information required in the Scoping Memo. This summary includes the following:

- Section I: A summary of PG&E's Updated Proposal, including its major elements, actions and benefits;
- Section II: A summary of the relief PG&E seeks in this proceeding;
- Section III: An estimate of PG&E's incremental regionalization costs; and
- Section IV: PG&E's proposal to report on its actual incurred costs associated with regionalization.

**I. OUTLINE OF MAJOR ELEMENTS, ACTIONS, AND BENEFITS OF PG&E'S
UPDATED PROPOSAL**

PG&E's summary of the major elements, actions, and benefits of PG&E's Updated Proposal is included as Attachment A.

II. SUMMARY OF PG&E'S REQUEST FOR RELIEF

PG&E respectfully requests that the Commission issue a decision approving the Updated Proposal and directing PG&E to implement its regionalization plan in accordance with the phased approach described in the Updated Proposal.¹

PG&E has fulfilled the requirements of the Plan of Reorganization Order Instituting Investigation ("POR OII") Decision of the Commission concerning regionalization² and has addressed

¹ Updated Proposal, pp. 49-53.

² D. 20-05-053, p. 52.

the scoped issues in the *Assigned Commissioner’s Scoping Memo and Ruling* dated October 2, 2020 (“Scoping Memo”). The POR OII required PG&E to submit a regionalization plan to the Commission by June 30, 2020 and to appoint regional executive officers and safety officers by June 1, 2021.³ PG&E has timely accomplished both mandates. PG&E filed its original regionalization proposal by application on June 30, 2020 and appointed regional officers and safety directors for each region by June 1, 2021.

The Scoping Memo listed issues to be addressed by PG&E in its Updated Regionalization Proposal.⁴ PG&E addressed each scoped issue, the details of which are explained in the Updated Proposal and in PG&E’s opening and reply comments on the Updated Proposal.⁵ PG&E’s filings present the Commission with a sufficient record to approve the Updated Proposal.

Following a Commission decision, and to the extent the Commission deems it appropriate, PG&E proposes to provide semiannual reports or informal workshops in years 2022 and 2023 to receive feedback and provide updates to the Commission and stakeholders of its implementation of the Updated Proposal.

III. DETAILED SUMMARY OF REGIONALIZATION-SPECIFIC FORECASTED INCREMENTAL COSTS

A. PG&E’s Estimate of Incremental Costs Associated with Regionalization

The POR OII Decision⁶ indicated that PG&E should address costs associated with regionalization.⁷ Accordingly, PG&E submitted an estimate of incremental costs in both its June 30, 2020 Regionalization Proposal⁸ and in its February 26, 2021 Updated Regionalization Proposal.⁹ PG&E again updated its cost estimates in its opening comments on its Updated Regionalization Proposal.¹⁰ Per the Amended Scoping Memo, PG&E provides here as Attachments B further updates to its estimate of incremental regionalization costs. After submitting the Updated Proposal and Opening Comments,

³ *Id.*

⁴ See Scoping Memo, pp. 5-6.

⁵ See Section III of PG&E’s Opening Comments on the Updated Proposal (April 2, 2021).

⁶ D.20-05-053, pp. 56-57.

⁷ D.20-05-053, pp. 56-57.

⁸ Appendix C to PG&E Regionalization Proposal (June 30, 2020).

⁹ Appendix C to PG&E Updated Regionalization Proposal (February 26, 2021) (“Updated Proposal”).

¹⁰ Appendix C to PG&E Opening Comments to the Updated Proposal (April 2, 2021).

PG&E decided to establish a small Program Management Organization (“PMO”) to oversee the implementation of regionalization. As required in the Amended Scoping Memo, PG&E includes as Attachment B an update to its estimate of incremental regionalization costs, including the costs of the PMO.

As with any estimate, PG&E anticipates that costs may need to be refined at a future time in the following areas: (1) fully standing up regional staff; (2) information technology changes to reflect the individual needs of each regional team to effectively carry-out their functions in the regions; and (3) possible expenditures for regional headquarters or other workplace modifications for each of the proposed five regions.

B. Cost Recovery Mechanisms

In this section, PG&E discusses the timing and proceedings to recover incremental costs related to regionalization. PG&E requested authority to record costs associated with regionalization in a memorandum account in its application. PG&E’s request to establish a memorandum account effective June 30, 2020, was granted by Commission President Batjer in the Scoping Memo.¹¹ The Regional Plan Memorandum Account was approved effective June 30, 2020 through Advice Letter 4385-G/6901-E. Except for costs of the Regional Vice Presidents for the years 2021 and 2022, which will be shareholder funded, PG&E will record all incremental regionalization costs for 2021 to 2022 in the regionalization memorandum account and will request recovery of such costs either in a GRC proceeding or in another subsequent application proceeding.

PG&E is requesting a revenue requirement for certain of the costs associated with regionalization to be incurred from 2023 to 2026 in its 2023 General Rate Case Application (A.) 21-06-021. Specifically, PG&E’s 2023 GRC includes a forecast for the Regional Vice Presidents, Regional Safety Directors, and additional positions reporting to the Regional Vice Presidents. PG&E will continue to record costs not included in the 2023 GRC due to timing constraints, such as information technology improvement costs and costs associated with standing up the small PMO, in the Regional

¹¹ Scoping Memo, p. 10, Ruling 2.

Plan Memorandum Account to preserve its right to potentially seek recovery for these costs at a later date.

IV. REPORTING ON ACTUAL COSTS

Finally, the Amended Scoping Memo instructs PG&E to include “how, when and how frequently PG&E proposes to report on actual cost incurred.”¹² PG&E will include a complete accounting of actual costs in any cost recovery application. Additionally, to the extent the Commission deems it appropriate for PG&E to provide semiannual reports to the Commission on the progress of its implementation of regionalization, PG&E will include data on actual incurred incremental regionalization costs in such reports.

V. CONCLUSION

PG&E appreciates the opportunity to provide additional details on the important elements of its Updated Proposal. PG&E respectfully requests that the Commission provide clear direction for PG&E to continue to implement its regionalization plan by adopting a decision that approves the Updated Proposal.

Respectfully Submitted,

PACIFIC GAS AND ELECTRIC COMPANY

By: /s/ Mary A. Gandesbery

MARY A. GANDESBERY

Pacific Gas and Electric Company

77 Beale Street, B30A

San Francisco, CA 94105

Telephone: (415) 973-0675

E-Mail: mary.gandesbery@pge.com

Dated: July 9, 2021

Attorney for

PACIFIC GAS AND ELECTRIC COMPANY

¹² Amended Scoping Memo, p. 3.

PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT A

**SUMMARY OF THE MAJOR ELEMENTS, ACTIONS, AND
BENEFITS OF PG&E'S UPDATED PROPOSAL**

I. INTRODUCTION

Pursuant to the Assigned Commissioner’s Amended Scoping Memo and Ruling,¹ Pacific Gas and Electric Company (“PG&E” or the “Company”) provides the following summary of its Updated Regionalization Proposal filed with the Commission on February 26, 2021 (“Updated Proposal”).

II. OVERVIEW

Following its plan of reorganization, PG&E committed to profound organizational changes to improve its delivery of safe, reliable, and affordable service to its customers. To fulfill this commitment, PG&E has begun a process to establish both a stronger local presence *and* stronger central operating capability.

The purpose of regionalization is to establish this stronger local presence by developing new regions within our service territory and deploying an accountable, capable, and empowered regional leadership team within each region. The regional leadership teams—each headed by a Regional Vice President—will understand and act quickly on the needs and priorities of local communities. They will leverage their own teams and the larger Company to achieve this goal.

Regionalization cannot accomplish this vision as a stand-alone initiative. PG&E is implementing regionalization while transitioning to a functional structure² and instituting a new way of running its operations company wide—the Lean Operating System.

PG&E’s Updated Proposal presents the following elements to realize this vision:

- **Approach to Regionalization (Section III)** describes the methods used to develop PG&E’s Regionalization Proposal;
- **Proposed Regions (Section IV)** describes the characteristics used to determine the boundaries of the five regions;
- **Assignment of Responsibilities to New Regions (Section V)** describes the regional leadership’s goals and the tools they will use to achieve them;

¹ Amended Scoping Memo, p. 2.

² A “Functional Organization Structure” is a common type of organizational structure in which the organization is aligned along functional areas, such as operations, engineering, IT, power generation, finance, or marketing.

- **Implementation of Regionalization (Section VI)** describes the steps required to establish regionalization; and
- **Evaluating the Effectiveness of Regionalization (Section VII)** describes how PG&E will assess how regionalization is working.

III. PG&E’S APPROACH TO REGIONALIZATION

Section III of PG&E’s Updated Proposal describes:

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

The following table summarizes the actions the Company is taking to design and pursue an organizational model that will best allow the Company to be more responsive to customers and improve safety.

Table 1: Summary of Actions for Section III—Approach to Regionalization

Action	Benefits	Phase	Status
Develop the design criteria for Regionalization	Provides structure and goals for how to develop an effective model for regionalization	1	Complete
Evaluate the effectiveness of PG&E’s historical organization models	Learn from past organizational models to incorporate lessons learned in the design and transition to regionalization	1	Complete
Evaluate current performance of PG&E’s operational groups	Establish a baseline understanding of PG&E’s performance in comparison to its peers.	1	Complete
Solicit customer and community feedback	Provides understanding of key stakeholder perspectives to inform design and delivery of regionalization	1	Complete
Solicit coworker feedback	Provides understanding of employee perspectives on how to effectively implement regionalization	1	Complete

IV. PROPOSED REGIONS

Section IV of PG&E’s Updated Proposal describes:

- An overview of the current divisional and regional structure;
- The methods used to define the new regions;
- A map and description of the proposed new regional boundaries;

- PG&E’s consideration of stakeholder input on the regional boundaries; and
- The impact regional changes will have on divisional boundaries for Gas and Electric distribution.

PG&E proposes five new regions: North Coast, North Valley/Sierra, Bay Area, South Bay/Central Coast, and Central Valley.

The proposed regions offer several benefits. First, the regions are better aligned with the communities PG&E serves and will thus better orient the Company to those communities. The regions are coterminous with county boundaries and bring together adjacent counties with similar customer, geographic, weather, and operational characteristics. This will, for example, clarify the lines of communication with local officials and emergency responders with which PG&E partners.

Second, the proposed regions define the area of responsibility and focus for the new regional leadership. PG&E balanced the size of the regions so that Regional Vice Presidents and Regional Safety Directors could traverse their regions in a single day (i.e., avoiding regions that were too large), while not diluting the importance of these positions or creating consistency challenges through too many regions.

Third, the proposed regions will provide a common framework to organize PG&E’s operating units, which will promote greater efficiency and operational performance.

Today, a large portion of PG&E’s workforce operates locally and is organized through PG&E’s existing divisions and regions. PG&E utilizes these existing operating boundaries to organize the execution of gas and electric work. PG&E will realign these boundaries to the regions.

Table 2: Summary of Actions for Section IV—Proposed Regions

Action	Benefits	Phase	Status
Develop design criteria and approach for regional boundaries	Creates regional boundaries that allow local teams to serve customers safely, quickly, and effectively	1	Complete
Align regions to county boundaries	Improves coordination and establish specific points of communication with local governments and other agencies	1	Complete
Align regions by operational risk, safety, and customer commonality	Regional leaders develop expertise in the unique local needs of their respective regions to better respond to the	1	Complete

Action	Benefits	Phase	Status
	specific issues of the region and establish a deeper level of engagement		
Align existing regions and divisions to regions to organize operations internally within regions	Promotes efficient work, efficient use of resources, and better coordination of services to similar customer base	1	Complete
Align regions to CAL FIRE units	Improves safety and wildfire mitigation efforts in the regions	1	Complete

V. ASSIGNMENT OF RESPONSIBILITIES TO NEW REGIONS

Section V of PG&E’s Updated Proposal describes:

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

The benefit of defining specific regional responsibilities is to assign specific accountability to resolve challenging safety, customer, and operational issues. Regional leadership will coordinate across many working groups (functions) to resolve such challenges. The Lean Operating System will provide the operating framework for the Regional Vice Presidents to coordinate, communicate and address issues in the regions. Regional Vice Presidents and cross-functional teams will meet daily in Operating Reviews to coordinate initiatives across the region, evaluate performance, discuss any concerns about upcoming work, and solve problems.

Table 3: Summary of Actions for Section V—Assignment of Responsibilities to New Regions

Action	Benefits	Phase	Status
Establish recruiting criteria for new regional leadership in accordance with PG&E’s Human Resources process	Ensures the Company is aligned on the capabilities needed for new leaders to execute on the plan	1	Complete
Conduct a wide search for talent that attracts a diverse set of candidates	Ensures that the Company finds the right leaders to support safer, more responsive operations	1	Complete

Action	Benefits	Phase	Status
Hire five Regional Vice Presidents	Establishes officer-level leadership in region to drive local accountability across regional teams for delivering high-quality, safe, responsive, and reliable service to customers	1	Complete
Hire five Regional Safety Directors	Establishes and appoints safety leadership for local accountability across regional teams for monitoring and improving safety across the regions	1	Complete
Define role and responsibilities of regional leadership	Establishes a clear vision for how regionalization will be implemented and the role the regional leaders will play to ensure the objectives of regionalization are realized	1	Complete
Implement Lean Operating System	Establishes a set of processes that enable better coordination and communication among different working groups (functions) and enable faster identification and resolution of issues, both within working groups and by the regional leadership	2	Ongoing

VI. IMPLEMENTATION OF REGIONALIZATION

Section VI of PG&E’s Updated Proposal describes:

- The proposed three phased approach for implementing regionalization;
- The goals and stages for implementing the Lean Operating System; and
- How PG&E will communicate regionalization to coworkers and the community

The benefit of this three-phased approach is that it would incrementally phase the major changes required by regionalization. In this approach, each phase is executed to maximize the effectiveness of the new leaders as they establish deeper relationships in their regions and is driven through the collaborative effort and support of coworkers and regional communities. This approach also provides appropriate time for proper training and establishment of clear directives for the regional teams. It also requires active engagement with communities and stakeholders about the changes PG&E is making to assure that the changes meet the needs of those communities.

Table 4: Summary of Actions for Section VI—Implementation of Regionalization and the Lean Operating System

Action	Benefits	Phase	Status
Define the capabilities and responsibilities of the regional leadership’s direct reports	Provides an initial framework for the team of direct reports to the regional leadership to ensure they receive adequate support in their roles.	2	In progress
Define detailed plan and execution for implementing the Lean Operating System across the regions	Will improve internal communication, coordination and problem solving that will result in better and timelier customer responsiveness and service	2	In progress
Train coworkers on the Lean Operating System	Ensures that coworkers throughout PG&E have the knowledge and skills to improve communication, operations, and delivery of service within their working groups and across multiple teams	2	In progress
Hire regional leadership direct reports	Creates a support team for regional leadership to increase capacity to respond to customer concerns in the regions.	2	In progress
Define operational teams to be aligned to regional boundaries	Identifies operational teams whose work has significant local impact and would need to be aligned to the regions.	2	In progress
Reconfigure operational teams to new regional boundaries with support from IT, Real Estate, and Finance	Allows regional leadership to have visibility and accountability for local work by having working groups clearly aligned to the regional boundaries they oversee to ensure that customer issues do not slip through the cracks or PG&E’s responsiveness in the regions is not delayed	2	In progress
Establish a framework for the new reporting relationship between regional leadership and regional teams	Enables regional leadership to partner with working groups and be embedded within operations to increase safety, efficiency, and reliability of operations in the regions	2	In progress
Develop internal communication plan for the regionalization	Creates a thoughtful approach for sharing PG&E’s commitment to regionalization and the new roles and responsibilities	2	Complete
Communicate changes to regional teams and develop collective support	Enables collective buy-in for regionalization with frontline coworkers and clarifies how regional leadership will engage with teams	2	In progress
Develop external communication plan for the regionalization	Creates a thoughtful approach for communication regarding regionalization and inviting feedback from customers and communities on their needs from regional leadership	2	Complete
Communicate regional structure and benefits to customers	Informs customers and communities about the resource they have in regional leadership for escalating issues and getting timely, responsive support	2	In progress
Define representatives from each working group to attend cross-functional Operating Reviews	Clarifies the regional leadership’s point of contact for daily performance review sessions with each team	2	In progress

Action	Benefits	Phase	Status
Pilot a regional leader's Operating Reviews, held with representatives across all local working groups	Enables successful delivery of daily cross-team review sessions by testing and refining the approach in a single region	2	In progress
Implement all regional leader's Operating Reviews, held with representatives across all local working groups	Creates visibility into the performance of working groups and allows regional leadership to partner with teams to resolve issues early and quickly	2	In progress
Continue more advanced Lean Operating System training	Develops a more advanced set of problem-solving skills for coworkers	2	In progress

VII. EVALUATING THE EFFECTIVENESS OF REGIONALIZATION

Section VII of PG&E's Updated Proposal describes:

- The approach for evaluating the effectiveness of regionalization with performance metrics;
- How the Lean Operating System will be used in the region to review performance and customer satisfaction; and
- How PG&E will incorporate ongoing feedback from coworkers and the community to improve the regional service model.

The benefit of evaluating the effectiveness of the Regionalization is to ensure that PG&E's new approach is leading to improvements in safety, performance, customer responsiveness, and reliability. Daily Operating Reviews will help teams understand where there are gaps in their performance, create a forum for rapid problem solving and improved processes. Regional Vice Presidents will have visibility into issues throughout their respective regions and be able to escalate challenges to the highest levels of the Company. In addition to other in-region engagement, conduct incrementally phased surveys (every nine months) of the communities and coworkers to measure, fine tune and adjust the implementation approach to regionalization as needed based on continuous feedback from the communities and coworkers involved.

Table 5: Summary of Actions for Section VII—Evaluating the Effectiveness of Regionalization

Action	Benefits	Phase	Status
Host workshops with community stakeholders to invite feedback on regionalization	Enables PG&E to incorporate community needs and perspectives into the design of the new operating model	1	Complete
Identify enterprise-wide metrics and non-enterprise metrics that are tracked and maintained to at the regional level	Provides data to track progress of regional goals, identify gaps in local performance, and inform important decisions needed to support safety, customer experience, and reliability	2	Ongoing
Conduct initial customer, community, and coworker surveys	Develops a baseline understanding of customer, community, and coworker perspectives	1	Complete
Conduct ongoing customer, community, and coworker surveys and compare results to initial survey	Creates awareness of the effectiveness of the regionalization by tracking responses from impacted groups	2	Ongoing
Evaluate survey results and compare with other forms of feedback	Informs regional and company priorities and identify areas for improvement	2	Ongoing

PACIFIC GAS AND ELECTRIC COMPANY

ATTACHMENT B

SUMMARY OF INCREMENTAL COSTS AND COST ALLOCATION

Attachment B

Estimates of Incremental Costs of Regionalization

PG&E anticipates most new costs attributable to regionalization will arise in the following areas: (1) Human Resources; (2) Information Technology; and (3) Real Estate. Below, PG&E outlines the drivers of costs, current assumptions, and estimated incremental costs.

(1) Human Resources:

- a. Regional Vice Presidents, Support Staff and Project Management Office (Major Work Category [MWC] OM)
 - i. Regional Vice Presidents: Five new Regional Vice Presidents were appointed by June 1, 2021. These positions will be shareholder funded through 2022. The positions are included for cost recovery in the 2023 GRC at \$349,400¹ annually for each Regional Vice President as a base salary not including PG&E's short-term incentive program (STIP) or long-term incentive program (LTIP). The total annual cost for 2023 is approximately \$1,747,000.

A detailed forecast of 2021 to 2023 costs is included at page B-4.
 - ii. Regional Staff: The office of the Regional Vice Presidents will include Regional Support Staff and two shared Executive Assistants who will support the five Regional Vice Presidents. Certain of these positions may be filled by transferring internal resources. The costs for these positions will be recorded in the Regional Plan Memorandum Account through 2022 and have been included in the 2023 GRC.

PG&E currently estimates the following resources will be required for the regional offices (amounts below do not include benefit burdens, STIP or LTIP):

1. Regional Support Staff: PG&E forecasts 20 principal level regional support staff at approximately \$202,586 each for 2023 without STIP or LTIP, or a total of approximately \$4,051,720.
2. Executive Assistants: PG&E forecasts two executive assistants to serve all five Regional Vice Presidents at approximately

¹ All numbers are approximations unless otherwise noted.

\$132,930 each for 2023 without STIP or LTIP, or a total of approximately \$265,860.

A detailed forecast of 2021 to 2023 costs is included at page B-4.

- iii. Regionalization Program Management Office (PMO): There is a Regionalization PMO with one new director, five new program managers, and one expert business operations specialist. The annual nominal cost for a director is approximately \$223,000, the annual nominal cost for a principal level program manager is approximately \$203,000, and the annual nominal cost for an expert level operations specialist is approximately \$145,000. These 2023 estimates exclude STIP and LTIP. The total estimated annual nominal cost for the Regionalization PMO is \$1,380,000.

A detailed forecast of 2021 to 2023 costs is included at page B-5.

- b. Regional Safety Directors (MWC FL): There are five Regional Safety Directors appointed by June 1, 2020. The annual nominal cost for a director is approximately \$223,000 for 2023 without STIP or LTIP. The costs for these positions will be recorded in the Regional Plan Memorandum Account through 2022 and have been included in the 2023 GRC.

A detailed forecast of 2021 to 2023 costs is included at page B-6.

- c. Total estimate of Human Resource costs: Approximately \$8.6 million annually beginning in 2023.
- d. Cost Allocation:
 - i. MWC OM: Costs would be allocated 55% electric distribution, and 45% gas distribution, which is based on the number of PG&E service agreements across the service area.
 - ii. MWC FL: Costs would be allocated as common costs. PG&E allocates common costs to the functional areas based on the operations and maintenance (O&M) labor factors. The O&M factors were developed using the 2020 recorded data. Using this data currently results in an allocation of approximately 70% of the common costs to the electric function and 30% to the gas function. Results will change as the data is updated.

(2) Information Technology:

- a. Anticipated driver of costs: PG&E currently has 19 Divisions for electric and gas that are subdivided into Districts. Under PG&E's Regional Proposal, PG&E will be organized into 5 regions that are subdivided by County. PG&E uses more than 1300 systems to run its business. The major categories of systems impacted by this change are those that manage assets and work and those that generate reports. IT Leaders reviewed the list of systems and the map of the regions and identified those systems most likely to be impacted by this change. Leaders were also asked to capture any assumptions they made when developing their estimates. Estimates were provided as a number of hours per resource needed to complete the work.
- b. Total estimate: Approximately \$16 to \$24 million. PG&E also notes that this is between a Class 3 and Class 4 estimate range as defined by the Association for Advancement of Costs Engineering (AACE International). Estimates will be revised as decisions are made and requirements are solidified.
- c. Cost allocation: Provided the IT system costs predominantly benefit electric and gas distribution, costs would be allocated 55% electric distribution, and 45% gas distribution, which is based on the number of PG&E service agreements across the service area. This allocation could change depending on the final design of the IT system. The IT costs would be recorded in the Regional Plan Memo Account for later cost recovery.

(3) Real Estate:

- a. Anticipated driver of costs: Expenditures for regional headquarters or other workplace for each of the proposed regions required if PG&E cannot utilize the current portfolio "as-is" and/or utilize enhanced employee mobility (*i.e.*, working remotely). As additional employees are assigned to the regions, PG&E's real estate needs will be reassessed and re-estimated for timeframes beyond 2022.

Pacific Gas and Electric Company
Application of Pacific Gas and Electric Company for Approval of Regionalization Proposal
Application No. 20-06-011
Regional Vice Presidents and Staff
Forecast Expense Walk by Major Work Category
MWC OM (Operational Management)
(Thousands of Nominal Dollars)

Line No.	Year	Cost Driver	MWC OM	Driver Description/Assumption
1	2020	Recorded Adjusted	\$ 0	
2		Executive Assistants and Regional Support Staff	\$ 2,015	Six month total labor cost for (2) Executive Assistants and (20) Regional Support Staff; start date of July 1, 2021
3		Net Change	\$ 2,015	
4	2021	Forecast	\$ 2,015	
5		Labor Escalation	\$ 71	3.52% labor escalation rate
6		Executive Assistants and Regional Support Staff	\$ 4,100	Annual labor cost for (2) Executive Assistants and (20) Regional Support Staff
7		Net Change	\$ 4,171	
8	2022	Forecast	\$ 4,171	
9		Labor Escalation	\$ 147	3.52% labor escalation rate
10		Regional Vice Presidents	\$ 1,747	Annual labor cost for (5) Regional Vice Presidents
11		Net Change	\$ 1,893	
12	2023	Forecast	\$ 6,064	

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Regional Safety Directors
Forecast Expense Walk by Major Work Category
MWC FL (Safety Engineering and OSHA Compliance)
(Thousands of Nominal Dollars)

Line No.	Year	Cost Driver	MWC FL	Driver Description/Assumption
1	2020	Recorded Adjusted	\$ 0	
2		Regional Safety Directors	\$ 810	Nine month total labor cost for (5) Regional Safety Directors; estimated start date of April 1, 2021
3		Net Change	\$ 810	
4	2021	Forecast	\$ 810	
5		Labor Escalation	\$ 24	3% labor escalation rate
6		Regional Safety Directors	\$ 1,080	Annual labor cost for (5) Regional Safety Directors
7		Net Change	\$ 1,104	
8	2022	Forecast	\$ 1,104	
9		Labor Escalation	\$ 33	3% labor escalation rate
10		Regional Safety Directors	\$ 1,080	Annual labor cost for (5) Regional Safety Directors
11		Net Change	\$ 1,113	
12	2023	Forecast	\$ 1,113	

Pacific Gas and Electric Company
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Application No. 20-06-011
Program Management Office
Forecast Expense Walk by Major Work Category
MWC OM (Operational Management)
(Thousands of Nominal Dollars)

Line No.	Year	Cost Driver	MWC OM	Driver Description/Assumption
1	2020	Recorded Adjusted	\$ 0	
2		Program Management Office	\$ 644	Six month total labor cost for (1) Director, (5) Principal Program Managers and (1) Expert Business Operations Specialist; start date of July 1, 2021
3		Net Change	\$ 644	
4	2021	Forecast	\$ 644	
5		Program Management Office	\$ 644	Annual labor cost for (1) Director, (5) Principal Program Managers and (1) Expert Business Operations Specialist
6		Labor Escalation	\$ 45	3.52% labor escalation rate
7		Net Change	\$ 689	
8	2022	Forecast	\$ 1,334	
9		Labor Escalation	\$ 47	3.52% labor escalation rate
10		Net Change	\$ 47	
11	2023	Forecast	\$ 1,380	

Assumptions:

Start date of 7/1 for positions yet to be filled in 2021

2% 2% other and EE-related costs

3.52% 3.52% escalation

	Org / Work	FTE	Avg. Monthly Salary	2021	2022	2023	Annual Salary
1	PMO:						
	Director	1	\$ 17,921	\$ 103,870			215,052
	Principal	5	\$ 16,308	\$ 472,614			195,700
	Expert	1	\$ 11,667	\$ 67,620			140,000
	Total FTE & Salary	7		\$ 644,104			
Stand up	Total			\$ 644,104			
2	PMO						
	Director	1	\$ 17,921		\$ 215,052	\$ 222,622	215,052
	Principal	5	\$ 16,308		\$ 978,500	\$ 1,012,943	195,700
	Expert	1	\$ 11,667		\$ 140,000	\$ 144,928	140,000
	Total FTE & Salary	7		\$ -	\$ 1,333,552	\$ 1,380,493	
Ongoing	Total			\$ -	\$ 1,333,552	\$ 1,380,493	

7/9/21 Filing Calculation of total HR costs:

1,745,000	Regional VPs
3,800,000	Regional Support Staff (20 principals)
246,000	2 EA's
1,080,000	safety directors (5)
216,000	PMO (director)
950,000	Program Managers (5)
140,000	Ops Specialist (Expert)
8,177,000	