



# AFFILIATE TRANSACTION RULES PERFORMANCE AUDIT

Pacific Gas & Electric Company

January 1, 2022, through December 31, 2023

Utility Audits, Risk and Compliance Division  
Utility Audits Branch  
September 16, 2025



## **MEMBERS OF THE TEAM**

**Angie Williams, Director**

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**A digital copy of this report can be found at:**

[Audit Reports by Industry \(ca.gov\)](#)

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## PUBLIC UTILITIES COMMISSION

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Transmitted via e-mail

September 16, 2025

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Dear Marlene Santos, Jason Glickman, and Sumeet Singh:

**Final Report Transmittal Letter— Audit of Pacific Gas & Electric Company's  
Affiliate Transaction Rules for the Period of January 1, 2022, Through  
December 31, 2023**

The Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) has completed its audit of Pacific Gas & Electric Company's (PG&E) compliance with Affiliate Transaction Rules for the period of January 1, 2022, through December 31, 2023. The final audit report is enclosed.

We issued the draft audit report on August 19, 2025. PG&E's response to the draft report findings and our evaluation of the response are incorporated into this final report. We will post the final audit report on our website at [Audit Reports by Industry \(ca.gov\)](#).

A Corrective Action Plan (CAP) addressing the findings and recommendations are required. PG&E should submit further detailed CAP information including specific steps and target dates to address the recommendations within 45 calendar days from the issuance of this final audit report to: [UtilityAudits@cpuc.ca.gov](mailto:UtilityAudits@cpuc.ca.gov).

Marlene Santos, Executive Vice President and Chief Customer and Enterprise Solutions Officer  
Jason Glickman, Executive Vice President, Engineering, Planning and Strategy  
Sumeet Singh, Executive Vice President, Operations and Chief Operating Officer  
Pacific Gas & Electric Company  
September 16, 2025  
Page 2

We appreciate PG&E's assistance and cooperation during the engagement, and its willingness to implement corrective actions. If you have any questions regarding this report, please contact Nancy Ta, Supervisor, at (415) 914-4841.

Sincerely,

*Angie Williams*

Angie Williams, Director  
Utility Audits, Risk and Compliance Division

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## EXECUTIVE SUMMARY

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The Utility Audits Branch (UAB) of the California Public Utilities Commission (CPUC) conducted a performance audit of Pacific Gas & Electric Company's (PG&E) compliance with Affiliate Transaction Rules (ATR) for the audit period of January 1, 2022, through December 31, 2023.

Our audit objective was to determine whether PG&E complied with ATRs for the period of January 1, 2022, through December 31, 2023.

Based on our audit objective, procedures performed, samples tested, and evidence gathered, we found instances of inadequate controls and noncompliance with ATRs. These instances are summarized in the Summary Schedule of Audit Results and described in the Findings and Recommendations section of this audit report. The audit findings are as follows:

- **Finding 1: Untimely Notification of Change in Shared Officers' List**  
PG&E notified CPUC of a change in its shared officers' list late, after the 30 days of the effective date of the change.
- **Finding 2: Inaccurate Reporting in 2022 and 2023 Non-Tariffed Products & Services (NTP&S) Report**  
PG&E overreported the allocated cost by \$45,114 in the N.C.4 Short-term use of facilities/real property with associated services category in its 2022 NTP&S report and underreported the number of transactions by one in the N.E.12 Incidental non-utility water sales category in its 2023 NTP&S report.

ATR VIII.D.2.b.ii.3 – The Utility's Actions to Disclose and Rectify a Violation, requires the public utility to report to CPUC any instances when a utility is aware that a violation of the ATR has occurred. During the audit period, PG&E had one self-reported instance, included in this report as Finding 1.

We issued a draft report on August 19, 2025. PG&E responded by letter dated September 3, 2025, providing additional clarification to the executive summary, follow-up on prior audit findings section, and Finding 1. PG&E's response is included in this final report as an attachment in Appendix A—Utility's Response to Draft Audit Report and our evaluation of the response is included in Appendix B—UAB's Evaluation of Utility's Response.



# AUDIT REPORT

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## Background

### *Affiliate Transaction Rules*

In the late 1980s and early 1990s, energy utilities sought approval from CPUC to reorganize under a holding company structure. While CPUC approved applications for several energy utilities, CPUC was concerned with price manipulation and higher charges to consumers through transactions with their unregulated affiliates. To address this, CPUC established the ATRs to ensure utilities (1) meet their public service obligations at the lowest reasonable cost; and (2) do not engage in preferential treatment of their affiliates. As part of Rulemaking 05-10-030, CPUC issued Decision (D.) 06-12-029 which adopted the latest revision to the ATRs.

The ATRs have been designed to:

- ensure that key utility and holding company officers understand the ATRs and their obligations under them;
- provide greater security against the sharing within the corporate family, through improper conduits, of competitively significant, confidential information; and
- ensure a utility's financial integrity is protected from the riskier market ventures of its unregulated affiliates and holding company parent.

The ATRs apply to California's major energy utilities and their holding companies, such as, Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (SoCalGas), and PG&E.

CPUC's D.06-12-029, Appendix A-3 categorizes the ATRs into nine rules (I through IX) with various sub-rules within each rule. CPUC publishes ATR related information at [Affiliate Rules and Holding Company Issues](#).

### *Affiliates*

D.06-12-029, Appendix A-3, ATR I.A defines an affiliate as 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. The utility must ensure that the utility is not utilizing the holding company or any of its affiliates not covered by ATRs as a conduit to circumvent any of the rules.

PG&E's 2022 and 2023 Compliance Plans further classify affiliates as follows:

- [ATR] II.B affiliates engages in the provision of a product that uses electricity or the provision of services that relate to the use of electricity.

- Non-[ATR] II.B affiliates do not provide products or services that use or relate to the use of electricity.

### ***Annual Compliance Plan***

D.06-12-029, Appendix A-3, ATR VI.A requires each utility to file a compliance plan by submitting an advice letter (AL) to CPUC. The compliance plan is required to include:

- A list of all affiliates of the utility, and for each affiliate, its purpose or activities; and
- A demonstration of the procedures in place to assure compliance with ATRs.

PG&E filed its 2022 and 2023 Affiliate Compliance Plan on June 17, 2022, and June 30, 2023, respectively, and reported the following:

<b>Affiliate Type</b>	<b>2022 Compliance Plan (AL-4619-G/6620-E)</b>	<b>2023 Compliance Plan (AL-4770-G/6978-E)</b>
ATR II.B Affiliates	5	4
Non-ATR II.B Affiliates	13	13
Total Affiliates	18	17

### **Audit Authority**

UAB conducted this audit under the general authority outlined in PU Code sections 314.5, 314.6, 581, 582, and 584. Furthermore, D.06-12-029, Appendix A-3: ATR VI.C directs the CPUC's Energy Division to coordinate biennial audits to verify the utilities' compliance with the ATRs.

### **Objective and Scope**

Our audit objective was to determine whether PG&E complied with ATRs for the period of January 1, 2022, through December 31, 2023.

### **Methodology**

In planning our audit, we gained an understanding of the ATRs and PG&E's compliance mechanisms by researching and reviewing relevant PU Code sections, rules, regulations, policies, CPUC decisions, resolutions, advice letters, PG&E's compliance plan, PG&E's policies and procedures, and interviewing PG&E's personnel.

We conducted a risk assessment, including evaluating whether PG&E's key internal controls relevant to our audit objective were properly designed, implemented, and operated effectively. Our assessment included conducting interviews, performing walkthroughs, and testing transactions. Deficiencies in internal control, if identified during our audit and determined to be significant within the context of our audit objective, are included in this report.

Additionally, we assessed the reliability of the data extracted from PG&E's Systems, Applications, & Products (SAP), and excel spreadsheets. Our assessment included examining extracted reports, tracing data between differing report formats to verify completeness, and tracing report data to source documents. We determined the data to be sufficiently reliable to address the audit objective.



Based on the results of our planning, we developed specific methods for gathering evidence to obtain reasonable assurance to address the audit objective. To achieve our audit objective, we:

- Reviewed applicable CPUC decisions, advice letters, resolutions, and proceedings, to gain understanding of the ATRs.
- Reviewed PG&E's Affiliate Compliance Plans, training transcript, and internal policies and procedures related to the administration and implementation of its compliance with ATRs.
- Reviewed the State Controller's Office (SCO's) audit report on PG&E's ATR for the period of January 1, 2016, through December 31, 2017, issued on March 30, 2021. We determined that no additional follow-up was required since follow-up was previously conducted during SCO's subsequent audit of PG&E's ATRs for the period of January 1, 2020, through December 31, 2021, issued on December 3, 2024.
- Reviewed the SCO's audit report on PG&E's ATR for the period January 1, 2020, through December 31, 2021, issued on December 3, 2024. We determined that the audit was relevant to our audit objective but did not disclose findings and, therefore, no further review was performed.
- Reviewed the Klynveld Peat Marwick Goerdeler (KPMG) audit report on PG&E's NTP&S Program for the period of January 1, 2018, through December 31, 2023. We determined that the audit was relevant to our audit objective, however, PG&E has not submitted its corrective action plan, and no further review was performed in this audit. The corrective action plan will be reviewed and tested during the next ATR audit of PG&E.
- Reviewed the following audit reports and determined that the audits were not relevant to our audit objective and, therefore, no further review was performed for:
  - UAB's Energy Efficiency Program performance audit reports issued on August 5, 2019, July 29, 2020, and November 10, 2021, Energy Savings Assistance Program performance audit report issued on May 24, 2023, Balancing Accounts performance audit report issued on April 10, 2024, and Cost Recovery Application 23-06-008 on Gas Safety and Electric Modernization Expenditures performance audit issued on July 11, 2024.
  - UAB's Quarterly Energy Procurement Compliance engagement reports issued on September 30, 2022, December 12, 2022, March 30, 2023, June 16, 2023, September 20, 2023, December 22, 2023, April 17, 2024, and June 28, 2024.
  - Crowe LLC's Wildfire Mitigation Plan Expenditures performance audit issued on September 15, 2021.
  - CPUC's Wildfire Safety Division audit of PG&E's Enhanced Vegetation Management Program issued on February 8, 2021.
  - PG&E's internal audit reports titled, Validation of Second Quarter 2019 Short-Term Incentive Plan (STIP) Metric Calculations (19-043), Audit of Gas Control Management (19-047), Transmission Integrity Management Program (TIMP) – Recordkeeping (20-

028), Controls Review of First Quarter 2020 STIP Metric Calculations (20-040), Operational Review of Burney Gas Compressor Station (20-041), Validation of Second Quarter 2020 STIP Metric Calculations (20-043), TIMP – Direct Assessment (21-042), Controls Review of First Quarter 2021 STIP Metric Calculation (21-046), Validation of Second Quarter 2021 STIP Metric Calculations (21-053), and Audit of Large Overpressure Events Rate Metric for STIP (21-055).

- Assessed significance by performing an analysis of prior audit findings and evaluating the list of ATRs through our risk assessment process.
- Obtained an understanding of PG&E's key internal controls relevant to its ATRs compliance activities, such as policies and procedures, training requirements, and monitoring and compliance oversight, and assessed the design, implementation, and operating effectiveness of selected controls that were significant to the audit objective by:
  - interviewing key personnel;
  - completing an internal control questionnaire;
  - reviewing PG&E's policies and procedures and assessing their implementation pertaining to compliance with selected ATRs;
  - performing walkthroughs of monitoring and compliance oversight of selected ATRs;
  - verifying completed ATR trainings for a selection of PG&E's employees;
  - confirming review and approval of selected deliverables; and
  - assessing reliability of reconciliation reports by tracing reported totals and verifying managerial oversight took place.
- Conducted a risk assessment to determine the nature, timing, and extent of substantive testing.

As mentioned in the Background section, CPUC's D.06-12-029, Appendix A-3 categorizes the ATRs into nine rules (I through IX) with various sub-rules within each rule. We selected a sample of ATRs and sub-rules to perform detailed testing. Below we identify the rules selected for testing and describe the detailed testing performed.

- Performed testing of ATR III.B.1 – Resource Procurement, by inquiring and obtaining confirmation from PG&E to determine whether it engaged in any resource procurements with affiliates during the period. PG&E did not engage in this activity; therefore, no further review was performed.
- Performed testing of ATR IV.A – Customer Information by:
  - obtaining a list of instances in which PG&E provided customer information to its affiliates and unaffiliated entities;

- judgmentally selecting 50 of 1,369 Customer Information Service Request (CISR) transactions recorded in 2022 & 2023, as summarized in the table below:

<b>Year</b>	<b>CISRs Selected for Testing</b>	<b>Total Number of CISRs</b>	<b>Percentage Tested</b>
2022	25	873	2.86%
2023	25	496	5.04%
Total	50	1,369	3.65%

For each selected sample, traced the instance to supporting documentation and determined whether PG&E provided customer information to an affiliate, if a posting to PG&E's website was required, and prior written consent was obtained, and in compliance with applicable CPUC directives, orders, rules, regulations, and PG&E's policies and procedures by:

- verifying whether the third-party receiving customer information was an affiliate. If the third party was an affiliate, confirmed whether PG&E posted a notice of intent to release customer information prior to the release of information;
- confirming customer written authorizations were obtained prior to the release of information to third parties;
- confirming the name of the third party to receive customer information was identified on each customer authorization; and
- evaluating the processing time for completing requests.
- Performed testing of ATR V.D – Joint Purchases by judgmentally selecting 2 of 28 joint purchases, and obtaining supporting documentation to determine whether PG&E costs were accurate by:
  - tracing vendor information and total reported amounts from invoices to provided SAP data; and
  - confirming allocation methodology utilized by internal accounting.
- Performed testing of ATR V.G – Employees by:
  - obtaining a list of all 19 instances of changes in the list of shared officers and confirming date notification submitted to CPUC were within 30 days of the change;
  - selecting 2 of 19 instances of changes in the list of shared officers and tracing to notification filed with CPUC for accuracy; and
  - selecting all four employees transferred to an affiliate and reported in the 2022 and 2023 Annual Affiliate Transaction Report, and determining whether PG&E complied with applicable CPUC directives, orders, rules, regulations, and PG&E's policies and procedures relating to employee movement by:

- recomputing employee transfer fee to determine whether employee transfer fee was correctly calculated;
  - confirming accounting journal entries to ensure transfer fees were properly credited;
  - confirming transferred employees met the residency requirements; and
  - validating whether the 2022 and 2023 Annual Affiliate Transactions Reports included all required information related to each transferred employee in the reports.
- Performed testing of ATR VII.H – Periodic Reporting of NTP&S by confirming the report contained required information.
  - Performed testing of ATR VII.I – Offering of Nontariffed Products by reconciling 2022 and 2023 NTP&S reported total transaction counts, labor costs, and revenues data to SAP for accuracy.

We did not audit PG&E's financial statements. Our audit scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance that PG&E complied with the ATRs during the audit period. We considered PG&E's internal controls only to the extent necessary to plan the audit and achieve our audit objective.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Conclusion

Based on our audit objective, procedures performed, samples tested, and evidence gathered, we found instances of inadequate internal controls and noncompliance with ATRs during the audit period of January 1, 2022, through December 31, 2023. These instances are summarized in the Summary Schedule of Audit Results and described in the Findings and Recommendations section of this audit report.

## Follow-up on Prior Audit Findings

We identified a prior external audit conducted by KPMG, relevant to our audit objective. KPMG's performance audit of the NTP&S program covering the period January 2018 through December 2023, issued on May 15, 2025, identified 16 observations. PG&E has not yet submitted its corrective action plan, therefore, the corrective action plan will be reviewed and tested during the next ATR audit of PG&E.

## Views of Responsible Officials

We issued a draft report on August 19, 2025. PG&E responded by letter dated September 3, 2025, providing additional clarification to the executive summary, follow-up on prior audit findings section, and Finding 1. PG&E's response is included in this final report as an attachment in Appendix A—Utility's Response to Draft Audit Report and our evaluation of the response is included in Appendix B—UAB's Evaluation of Utility's Response.

## Restricted Use

This audit report is intended solely for the information and use of PG&E and CPUC; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this audit report, which is a matter of public record and will be available on CPUC website at [Audit Reports by Industry \(ca.gov\)](https://www.cpuc.ca.gov/Audit-Reports-by-Industry).

*Angie Williams*

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Angie Williams, Director  
Utility Audits, Risk and Compliance Division

## FINDINGS AND RECOMMENDATIONS

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### **Finding 1: Untimely Notification of Change in Shared Officers' List**

**Condition:**

PG&E notified CPUC of a change in its shared officers' list late, after the 30 days of the effective date for 1 of 19 instances that occurred during the audit period.

An officer title was changed on March 27, 2023, from Vice President, Enterprise Health and Safety, Chief Safety Officer to Vice President, Chief Safety Officer for both PG&E Corporation and Pacific Gas & Electric Company. PG&E notified CPUC on April 27, 2023, 31 days after the change.

**Criteria:**

D.06-12-09, Appendix A-3, ATR V.G.1, Employee, states, in part, that:

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 CPUC's Energy Division and the parties on the service list...

PG&E's 2022 and 2023 Compliance Plans include procedures and mechanisms in place to promote compliance with affiliate transaction rules, and states, in part, that:

PG&E will notify the [CPUC's] Energy Division and parties of the service list of R.05-10-030 (...) no later than 30 days following any addition to these lists.

**Cause:**

PG&E lacked adequate procedures and sufficient oversight over reporting to prevent internal delays in communication.

**Effect:**

Failure to timely notify CPUC of changes in shared officers list could hinder the CPUC's ability to effectively carry out its regulatory obligation of ensuring a fair playing ground within the California energy sector, and its ability to monitor officers' movements to prevent officers from being used to circumvent the ATRs.

**Recommendations:**

PG&E should update its policies and procedures and enhance its oversight over reporting to ensure notifications are made within the specified timeframe.

**Finding 2: Inaccurate Reporting in 2022 and 2023 NTP&S Report****Condition:**

PG&E inaccurately reported data in its 2022 and 2023 NTP&S report as follows:

- PG&E overreported the allocated cost by \$45,114 in the N.C.4 Short-term use of facilities/real property with associated services category in its 2022 NTP&S report. PG&E inadvertently reported allocated cost of \$85,166, which included 2021 allocated cost of \$45,114 and 2022 allocated cost of \$40,052. The 2022 NTP&S report allocated costs for N.C.4 Short-term use of facilities/real property with associated services category should have only reported \$40,052 of 2022 allocated cost.

KPMG reported limited controls and procedures for review of the NTP&S annual reporting, which resulted in inaccuracies in the reported revenues and expenses, in its NTP&S Audit Report issued on May 15, 2025, as Observation 14. We noted the same deficiency during our audit as described above. PG&E distributed the KPMG audit report as directed by CPUC D.23-11-069 and has not submitted a corrective action plan to address this finding.

- PG&E underreported the number of transactions in the N.E.12 Incidental non-utility water sales category by one in its 2023 NTP&S report. PG&E reported 11 transactions in its 2023 NTP&S report in the N.E.12 Incidental non-utility water sales category. The underlying support from SAP and PG&E confirmed the number of transactions was 12.

**Criteria:**

PU Code sections 581, 582, & 584 require utilities to provide timely, complete, and accurate data to the CPUC.

PG&E's internal policies and procedures include the NTP&S External Reporting Procedure, and states, in part, that:

3.5: The New Revenue Development business analyst critically reviews the SAP accounts for accurate accounting and reporting of actual revenue and expense to ensure that the correct information is reported...

**Cause:**

PG&E lacked adequate oversight procedures over its reporting process to ensure accurate reporting in its NTP&S report.

**Effect:**

Failure to provide complete and accurate information to CPUC could inhibit transparency to the public and the ability of the CPUC decision makers to make sound decisions and assessments based on reported information.

**Recommendations:**

PG&E should amend its 2022 and 2023 NTP&S reports to correct the misreported information. In addition, PG&E should strengthen its review and oversight procedures over information reporting to ensure accurate and complete reporting to CPUC.



## SUMMARY SCHEDULE OF AUDIT RESULTS

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ATR	Findings Summary
V.G - Change in Shared Officer List	<b>Finding 1:</b>  PG&E notified CPUC of a change in shared officers' list late, after the 30 days of the effective date of the change for 1 of 19 instances.
VII.I – Offering of Nontariffed Products	<b>Finding 2:</b> <ul style="list-style-type: none"> <li>PG&amp;E overreported the allocated cost by \$45,114 for N.C.4 Short-term use of facilities/real property with associated services category in its 2022 NTP&amp;S report.</li> <li>PG&amp;E underreported the number of transactions by one in the N.E.12 Incidental non-utility water sales category in its 2023 NTP&amp;S report.</li> </ul>

## APPENDIX A—UTILITY'S RESPONSE TO DRAFT AUDIT REPORT

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September 3, 2025

Angie Williams  
Director, Utility Audits, Risk and Compliance Division  
California Public Utilities Commission (CPUC)  
Utility Audits, Risk and Compliance Division  
400 R Street, Suite 221  
Sacramento, California 95811

Dear Ms. Williams,

Pacific Gas and Electric Co (PG&E) would like to acknowledge receipt of the draft audit report from the California Public Utilities Commission (CPUC) Utility Audits Branch (UAB) on the 2022-2023 Affiliate Transaction Rules (ATR) compliance program (draft ATR Audit Report).

PG&E appreciates the opportunity to review and provides the following detailed comments on the draft ATR Audit Report:

### Executive Summary:

The "Executive Summary" of the draft ATR Audit Report notes that "PG&E had one self-reported instance, included in this report as Finding 1."<sup>1</sup> PG&E would clarify that KPMG reported its findings from a CPUC-ordered audit which included the discovery of the overreporting of allocated costs in the 2022 Non-Tariffed Products and Services (NTP&S) Report to the CPUC on May 16, 2025. The underreported number of transactions in the 2023 NTP&S report was discovered as part of the 2022-2023 ATR audit. These instances make up Finding 2.

### Follow-up on Prior Audit Findings:

In the "Follow-up on Prior Audit Findings" section, the draft ATR Audit Report notes that the KPMG audit report of the NTP&S program issued on May 2025 was classified as "Follow-up on Prior Audit Findings." PG&E would like to clarify that the follow-up activity referenced in the

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<sup>1</sup> Pacific Gas and Electric Company draft ATR Audit report at p.1

report pertains to the recent KPMG audit, rather than previous CPUC-conducted ATR program audits.

**Findings and Recommendations:**

In the description of Finding 1, the draft ATR Audit Report states that PG&E “did not notify CPUC of change to the shared officers’ list within 30 days of the effective date due to the deadline coinciding with a weekend.”<sup>2</sup> The draft ATR Audit Report refers to a notification filed on September 26, 2022 for a title change that occurred on August 25, 2022. PG&E would clarify that this notification was timely, but a different notification was late.

Rule 1.15 of the CPUC’s Rules of Practice and Procedure permits PG&E the ability to meet a deadline the next business day should the deadline fall on a weekend, holiday or other day when the Commission offices are closed as noted below:

1.15. (Rule 1.15) Computation of Time. When a statute or Commission decision, rule, order, or ruling sets a time limit for performance of an act, the time is computed by excluding the first day (i.e., the day of the act or event from which the designated time begins to run) and including the last day. If the last day falls on a Saturday, Sunday, holiday or other day when the Commission offices are closed, the time limit is extended to include the first day thereafter. If an act occurs after 5:00 p.m., it is deemed as having been performed on the next day.<sup>3</sup>

30 days from August 25, 2022 was September 25, 2022, which was a Sunday. Therefore, the notification filed on September 26, 2022 was timely.

PG&E would additionally like to clarify that there was a sample that PG&E reported to the CPUC and UAB auditors that was inadvertently filed 1 day late. On April 27, 2023, PG&E filed a notification for a title change that occurred on March 27, 2023. This notification indicated that PG&E had inadvertently missed the 30 day deadline and was submitting the notification 31 days after the change.

PG&E would therefore recommend that the reference to the September 26, 2022 notification<sup>2</sup> be updated to refer to the April 27, 2023 notification.

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<sup>2</sup> Pacific Gas & Electric Company draft ATR Audit Report at p.9

<sup>3</sup> CPUC Rules of Practice and Procedure at p.14

Sincerely,

*Maggie Chan*

Maggie Chan  
Senior Manager, Risk and Compliance  
Corporate Affairs  
Pacific Gas and Electric Co

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Cole Chev, Senior Management Auditor, UAB, CPUC  
Jeffrey Walter, Public Utilities Regulatory Analyst III, UAB, CPUC

## APPENDIX B—UAB'S EVALUATION OF UTILITY'S RESPONSE

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We appreciate PG&E's comments submitted on September 3, 2025. We reviewed PG&E's response to the draft audit report. We are providing our assessment of PG&E's responses in the same order listed in the response letter.

### **Executive Summary:**

PG&E provided clarification regarding the self-reported instances, asserting that Finding 2 related to the overreporting of allocated costs was reported in KPMG's NTP&S Audit Report from a CPUC ordered audit, and therefore CPUC has been notified of the finding. We corroborated PG&E's assertion and provided additional clarification in the condition section to Finding 2. However, we maintain that Finding 2 does not constitute a self-reported instance.

Furthermore, the notation in Executive Summary section about self-reported instance relates to PG&E's report to CPUC regarding its untimely notification of change in shared officers' list. We maintain that reference about self-reported instance relates to Finding 1. The Executive Summary remains unchanged.

### **Follow-up on Prior Audit Findings:**

PG&E clarified that the follow-up activity referenced in [UAB] report pertains to the recent KPMG audit, rather than previous CPUC-conducted ATR program audits.

We revised this section to include clarification that we identified a prior external audit conducted by KPMG, relevant to our audit objective.

### **Finding 1:**

PG&E provided clarification and recommended we update the referenced officer notification. PG&E stated that the notification filed on September 26, 2022, was timely, based on Rule 1.15 of the CPUC's Rules of Practice and Procedure. PG&E further clarified that the officer notification filed on April 27, 2023, was inadvertently filed one day late. We corroborated PG&E's assertion and agreed with the requested correction.

We revised the condition, cause, and recommendation elements of Finding 1 to reflect the notification filed on April 27, 2023.

### **Finding 2:**

PG&E did not make any comments on Finding 2, however, based on PG&E's comments provided to the Executive Summary, we provided additional clarification to the condition section of Finding 2. The remainder of Finding 2 remains unchanged.