PG&E Corp
Form DEF 14A
March 25, 2015

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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ]	Preliminary Proxy Statement	[ ]	Soliciting Material Under Rule 14a-12
[ ]	Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))		
[X]	Definitive Proxy Statement		
[ ]	Definitive Additional Materials		

PG&E Corporation
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X]	No fee required.		
[ ]	Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.		
		1)	Title of each class of securities to which transaction applies:
		2)	Aggregate number of securities to which transaction applies:
		3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
		4)	Proposed maximum aggregate value of transaction:
		5)	Total fee paid:
[ ]	Fee paid previously with preliminary materials:		
[ ]	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.		

1)	Amount previously paid:
2)	Form, Schedule or Registration Statement No.:
3)	Filing Party:
4)	Date Filed:

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PG&E Corporation and Pacific Gas and Electric Company

Joint Notice of 2015 Annual Meetings   Joint Proxy Statement

March 25, 2015

To the Shareholders of PG&E Corporation and Pacific Gas and Electric Company:

You are cordially invited to attend the 2015 annual meetings of PG&E Corporation and Pacific Gas and Electric Company. The meetings will be held concurrently on Monday, May 4, 2015, at 10:00 a.m., at the PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street, San Francisco, California. Entry to the meetings will be through the atrium on Beale Street, between Market Street and Mission Street.

The following Joint Proxy Statement contains information about matters to be considered at both the PG&E Corporation and Pacific Gas and Electric Company annual meetings.

PG&E Corporation and Pacific Gas and Electric Company shareholders will be asked to vote on the following matters: (i) nominees for director, (ii) ratification of the appointment of the independent registered public accounting firm for 2015, and (iii) advisory approval of executive compensation. The Boards of Directors and management of PG&E Corporation and Pacific Gas and Electric Company recommend that you vote FOR each of these items.

PG&E Corporation shareholders also will be asked to vote on a proposal submitted by an individual PG&E Corporation shareholder described in the Joint Proxy Statement. For the reasons stated in the Joint Proxy Statement, the PG&E Corporation Board of Directors and management recommend that PG&E Corporation shareholders vote AGAINST this proposal.

Your vote on these items at the annual meetings is important. For your convenience, we offer you the option of submitting your proxy and voting instructions over the Internet, by telephone, or by mail. Whether or not you plan to attend the annual meetings, please vote as soon as possible so that your shares can be represented at the annual meetings.

Sincerely,

Anthony F. Earley, Jr.
Chairman of the Board, Chief Executive Officer,
and President of PG&E Corporation

Christopher P. Johns
President of
Pacific Gas and Electric Company

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Joint Notice of Annual Meetings of Shareholders
of PG&E Corporation and Pacific Gas and Electric Company

March 25, 2015

To the Shareholders of PG&E Corporation and Pacific Gas and Electric Company:

The annual meetings of shareholders of PG&E Corporation and Pacific Gas and Electric Company will be held concurrently on Monday, May 4, 2015, at 10:00 a.m., at the PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street, San Francisco, California, for the purpose of considering the following matters:

For PG&E Corporation and Pacific Gas and Electric Company shareholders:

To elect the following 12 and 13 individuals, respectively, nominated by the applicable Board of Directors to each serve as director on each Board for the ensuing year:

Lewis Chew	Richard C. Kelly	Rosendo G. Parra
Anthony F. Earley, Jr.	Roger H. Kimmel	Barbara L. Rambo
Fred J. Fowler	Richard A. Meserve	Anne Shen Smith
Maryellen C. Herringer	Forrest E. Miller	Barry Lawson Williams
Christopher P. Johns*		

* Christopher P. Johns is a nominee for director of Pacific Gas and Electric Company only.

To ratify each Audit Committee s appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2015 for each company,

To provide an advisory vote on each company s executive compensation, and

To transact any other business that may properly come before the meetings and any adjournments or postponements of the meetings. If such matters are raised by shareholders, those matters must be properly submitted consistent with the respective company s advance notice Bylaw requirements and other applicable requirements.

For PG&E Corporation shareholders only:

To act upon a proposal submitted by a PG&E Corporation shareholder and described beginning on page 70.

This notice serves as the notice of annual meetings for those shareholders of PG&E Corporation or Pacific Gas and Electric Company who previously elected to receive their proxy materials in paper format. All other shareholders were sent an Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 4, 2015 and Notice of Annual Meeting of Shareholders for PG&E Corporation or Pacific Gas and Electric Company, as applicable.

The Boards of Directors have set the close of business on March 5, 2015 as the record date for determining which shareholders are entitled to receive notice of and to vote at the annual meetings.

By Order of the Boards of Directors of
PG&E Corporation and Pacific Gas and Electric Company,

Linda Y.H. Cheng
Vice President, Corporate Governance and Corporate Secretary of
PG&E Corporation and Pacific Gas and Electric Company

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2015 Proxy Statement Summary

This proxy statement summary highlights information to assist you in your review of this Joint Proxy Statement. The summary does not contain all of the information that you should consider, and you should read the entire Joint Proxy Statement carefully before voting.

PG&E Corporation and Pacific Gas and Electric Company (Utility) are committed to operating with integrity, accountability, and transparency. Adhering to strong corporate governance practices goes hand in hand with this commitment. Our governance policies and practices are detailed in the companies Corporate Governance Guidelines, which are adopted by the Boards of Directors. These guidelines are regularly reviewed against industry best practices by the PG&E Corporation Nominating and Governance Committee and by the Boards of Directors. Since the 2014 joint proxy statement was issued, the Boards and the Compensation Committee of the PG&E Corporation Board took action on the following governance matters:

Improved the depth of financial expertise on the companies Audit Committees by designating one additional committee member as a financial expert, based on Securities and Exchange Commission (SEC) requirements. Four out of the five Audit Committee members are now designated as SEC financial experts.

Refreshed the composition of several Board committees by appointing new chairs to the Audit, Compensation, and Public Policy Committees, and appointing a new member to the Finance Committee.

Selected Pay Governance LLC, a consulting firm with experience in advising regulated utilities, as the Compensation Committee s new independent executive compensation consultant.

Added two companies (based on business model and market capitalization) to the 2015 Performance Comparator Group, bringing the total number of peers in the comparator group to 14 companies. The Performance Comparator Group is used to compare PG&E Corporation s relative total shareholder return (TSR), among other benchmarks.

Adopted a policy on public company board service for PG&E Corporation and Utility directors. Unless otherwise approved by the Boards, (1) a director may not serve on more than three public company boards in addition to the PG&E Corporation and Utility Boards, and (2) a director who is the principal executive officer of a public company may not serve on more than two public company boards in addition to his or her own company board. For these purposes, the boards of PG&E Corporation and the Utility would count as one board.

Elected Anne Shen Smith to the PG&E Corporation and Utility Boards of Directors effective February 18, 2015 and appointed her as a member of the Nuclear, Operations, and Safety Committee, and the Public Policy Committee.

Annual Meetings of Shareholders

Time and Date	10:00 a.m., on Monday, May 4, 2015
Place	PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street, San Francisco, California
Record Date	March 5, 2015
Voting	Shareholders as of the record date are entitled to vote. Each share of PG&E Corporation common stock, Pacific Gas and Electric Company common stock, and Pacific Gas and Electric Company preferred stock is entitled to cast one vote on each of the respective company s director nominees and one vote on each of that company s other proposals.

Admission	All shareholders as of the record date are invited to attend the meeting. Shareholders must have an admission ticket and valid photo identification in order to enter the meeting. Please see the instructions on page 83.

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Meeting Agenda and Voting Recommendations

The following items are expected to be voted on at the annual meetings.

PG&E Corporation

Item	Board s Voting Recommendation	Page Reference (for more detail)
Election of 12 directors	**FOR** all nominees	**2**
Ratification of Deloitte & Touche LLP as independent auditor for 2015	**FOR**	**27**
Advisory vote to approve executive compensation	**FOR**	**32**
Shareholder proposal: independent board chairman	**AGAINST**	**70**

Pacific Gas and Electric Company

Item	Board s Voting Recommendation	Page Reference (for more detail)
Election of 13 directors	**FOR** all nominees	**2**
Ratification of Deloitte & Touche LLP as independent auditor for 2015	**FOR**	**27**
Advisory vote to approve executive compensation	**FOR**	**32**

Director Nominees

We are asking shareholders of each company to vote FOR all of the director nominees listed below. All nominees are current directors who were elected by shareholders at the 2014 annual meeting, with the exception of Anne Shen Smith, who was elected to the PG&E Corporation and Utility Boards effective February 18, 2015. In 2014, each incumbent PG&E Corporation director attended at least 90 percent of the total number of applicable PG&E Corporation Board and Board committee meetings, and each incumbent Utility director attended at least 90 percent of the total number of applicable Utility Board and Board committee meetings. Each director is elected annually by a majority of the votes represented and voting.

Below is summary information about each director nominee.

Nominee	Age	Director Since	Principal Occupation	Current Committee Memberships	Other Public Company Boards
Lewis Chew	52	September 2009	Executive Vice President and Chief Financial Officer, Dolby Laboratories, Inc.	Audit Executive Public Policy	
Anthony F. Earley, Jr.	65	September 2011 (PG&E Corporation); June 2012 (Utility)	Chairman of the Board, Chief Executive Officer, and President, PG&E Corporation	Executive	Ford Motor Company
Fred J. Fowler	69	March 2012	Retired Chairman of the Board, Spectra Energy Partners, LP	Finance Nuclear, Operations, and Safety	DCP Midstream Partners, LP Encana Corporation Spectra Energy Partners, LP
Maryellen C. Herringer	71	October 2005	Retired Executive Vice President, General Counsel, and Secretary, APL Limited	Audit Compensation Executive	ABM Industries Incorporated

				Nominating and Governance
Christopher P. Johns*	54	February 2010	President, Pacific Gas and Electric Company	Executive
Richard C. Kelly	68	June 2013	Retired Chairman and Chief Executive Officer, Xcel Energy Inc.	Audit Nuclear, Operations, and Safety

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Director Nominees

Continued

Nominee	Age	Director Since	Principal Occupation	Current Committee Memberships	Other Public Company Boards
Roger H. Kimmel	68	January 2009	Vice Chairman, Rothschild Inc.	Finance Nominating and Governance Public Policy	Endo International, plc
Richard A. Meserve	70	December 2006	President Emeritus, Carnegie Institution of Washington	Executive Nominating and Governance Nuclear, Operations, and Safety Public Policy	Duke Energy Corporation
Forrest E. Miller	62	February 2009	Retired Group President Corporate Strategy and Development, AT&T Inc.	Audit Compensation	
Rosendo G. Parra	55	September 2009	Retired executive, Dell Inc.	Finance Nominating and Governance Nuclear, Operations, and Safety	Brinker International NII Holdings, Inc.
Barbara L. Rambo	62	January 2005	Chief Executive Officer, Taconic Management Services	Compensation Executive Finance Nominating and Governance	West Marine, Inc.
Anne Shen Smith	61	February 2015	Retired Chairman and Chief Executive Officer, Southern California Gas Company	Nuclear, Operations, and Safety Public Policy	
Barry Lawson Williams	70	September 1990 (Utility); December 1996 (PG&E Corporation)	Retired Managing General Partner and President, Williams Pacific Ventures, Inc.	Audit Compensation Executive Finance	CH2M Hill Companies, Ltd. Navient

* Christopher P. Johns is a nominee for the Utility Board only and a member of the Utility Executive Committee only.

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Corporate Governance Highlights

Substantial majority of independent directors (11 of 12 PG&E Corporation directors and 11 of 13 Utility directors)	**No supermajority vote requirements**
Independent key Board committees (excluding Executive Committees)	**Succession planning for CEO and senior management**
Independent lead director since 2003 (if the Chairman is not independent)	**Executive and director stock ownership guidelines**
Executive sessions of independent directors at each regular Board meeting	**Board oversight of risk management, and proxy statement disclosure on Boards roles and responsibilities with respect to risk management**
Annual evaluation of CEO performance by independent directors	**Board oversight and transparent public disclosure of political activities**
Annual Board and committee self-evaluations	**Policy against obtaining certain types of services from the independent registered public accountant**
Annual election of directors	**No poison pill; shareholder approval required for adoption**
Majority vote for directors, with mandatory resignation policy and plurality carve-out for contested elections	**Confidential voting policy**
One share one vote	**Policy regarding number of other public company board seats held by directors**

Auditors

As a matter of good corporate governance, we are asking shareholders of each company to ratify the selection of Deloitte & Touche LLP (D&T) as each company s independent auditors for 2015. We provide information on fees paid to D&T on page 28.

Advisory Approval of Executive Compensation

We are asking shareholders of each company to approve on an advisory basis the compensation paid to that company s executive officers named in the Summary Compensation Table of this Joint Proxy Statement (Named Executive Officers). Each Board recommends a FOR vote because it believes that the applicable company s compensation policies and practices are effective in achieving the companies goals of rewarding sustained financial and operating performance and excellence, aligning the executives long-term interests with those of our shareholders, and motivating executives to remain with the companies for long and productive careers.

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Executive Compensation Elements

Named Executive Officers received the following types of compensation during 2014.

TYPE	FORM	TERMS
Cash	Salary	Determined annually, though merit increase adjustments may be made mid-year.
	Short-Term Incentive	Based on corporate performance against pre-established operational and performance goals that are set annually.
		The Board and the Compensation Committee have discretion to adjust payments (e.g., for external factors or individual performance) and to reduce awards to zero.
Equity	Restricted Stock Units	Generally have a three-year vesting period (one-third at the end of each year) while employed or after retirement.
	Performance Shares	Generally vest after a three-year performance period.
		Payout is based on Total Shareholder Return relative to 12 peer companies selected by the Compensation Committee.
Retirement	Pension	Benefits are based on final average pay and number of years of service, subject to IRS limits.
		Vested benefits are payable at the later of age 55 or separation from service.
		Benefits may be reduced unless at least 35 years of service or age 65.
	Supplemental Pension	Benefits are based on final average pay plus short-term incentive, and number of years of service.
		Benefits may be reduced unless at least 35 years of service or age 65, and is reduced by amounts payable from the tax-qualified pension plan.
		Vested benefits are payable at later of age 55 or separation from service.
Other	Perquisites	Limited perquisites include safety- and security-based car transportation services for the PG&E Corporation CEO and the Utility President, on-site parking, executive health services, partial subsidy of financial services, and accidental death and dismemberment insurance.
		Lump-sum annual cash stipend paid in lieu of providing broader perquisite benefits.

Also includes the following items that are available to other management employees, although no NEOs received such items in 2014: health club fee reimbursement and relocation services.

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Other Key Compensation Governance Features

Annual say-on-pay vote, and outreach to key institutional investors	Officer severance benefits limited to: One times base salary plus target STIP bonus One year continued vesting of RSUs and pro rata vesting of performance shares
Clawback policy	Policy against granting additional credited service under the Supplemental Executive Retirement Plan
Double trigger for change-in-control severance	No tax gross-ups (except for programs generally available to all management employees)
Policy restricting hedging and pledging of either company s stock	Golden Parachute Restriction Policy
Compensation Committee review of tally sheets	Policy regarding independence of compensation consultant
Shareholder approval required for repricing of options or stock appreciation rights	Consideration of realizable pay
Executive stock ownership guidelines with robust retention requirements	

Shareholder Proposal

The proxy materials contain a proposal submitted by an individual PG&E Corporation shareholder pertaining to an independent chairman of the board policy. PG&E Corporation recommends that shareholders vote AGAINST this proposal for the reasons indicated on page 71.

2016 Annual Meetings

Deadline for submission of shareholder proposals for inclusion in the proxy statement:	November 30, 2015
Deadline for written notice of other business and nominations for director:	February 9, 2016

General Information About the Annual Meetings and Voting

Answers to many frequently asked questions about the annual meetings and voting, including how to vote shares held in employee benefit plans, can be found in the Q&A section beginning on page 81.

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PG&E Corporation and Pacific Gas and Electric Company

Joint Proxy Statement

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company (Utility) (each a Board and together, the Boards) are soliciting proxies for use at the companies 2015 annual meetings of shareholders, including any adjournments or postponements. The 2015 annual meetings are scheduled to be held concurrently on Monday, May 4, 2015, at 10:00 a.m., at the PG&E Corporation and Pacific Gas and Electric Company headquarters, 77 Beale Street, San Francisco, California.

This Joint Proxy Statement describes certain matters that management expects will be voted on at the annual meetings, gives you information about PG&E Corporation and the Utility and their respective Boards and management, and provides general information about the voting process and attendance at the annual meetings.

Beginning on or about March 25, 2015, PG&E Corporation and the Utility mailed to its respective shareholders (1) a Notice of Annual Meeting and Internet Availability of Proxy Materials (Notice of Internet Availability), or (2) a copy of the Joint Notice of Annual Meetings of Shareholders (Joint Notice), the Joint Proxy Statement, a proxy card or voting instruction card, and the PG&E Corporation and Pacific Gas and Electric Company 2014 Joint Annual Report (2014 Annual Report). The materials were sent to anyone who owned shares of common stock of PG&E Corporation and/or shares of preferred stock of the Utility at the close of business on March 5, 2015. This date is the record date set by the Boards to determine which shareholders may vote at the annual meetings.

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Item No. 1:
Election of Directors of PG&E Corporation and Pacific Gas and Electric Company

Shareholders are being asked to elect 12 directors to serve on the Board of PG&E Corporation and 13 directors to serve on the Board of the Utility. The 12 nominees for director of PG&E Corporation also are nominees for director of the Utility. Christopher P. Johns is a nominee for director of the Utility only.

All nominees are current directors who were elected by shareholders at the 2014 annual meeting, with the exception of Anne Shen Smith, who was elected to the PG&E Corporation and Utility Boards effective February 18, 2015. Ms. Smith was identified by the PG&E Corporation CEO and a Utility executive officer and was recommended by members of the Nominating and Governance Committee. She is nominated for re-election in 2015.

If elected as director, all of the nominees have agreed to serve and will hold office until the next annual meetings or until their successors shall be elected and qualified, except in the case of death, resignation, or removal of a director.

If any of the nominees become unavailable at the time of the annual meetings to accept nomination or election as a director, the proxyholders named on the PG&E Corporation or Utility proxy card (as applicable) will vote for substitute nominees at their discretion.

The following pages provide information about the nominees for director, including principal occupations and directorships held during the past five years, certain other directorships, age, length of service as a director of PG&E Corporation and/or the Utility, and membership on Board committees. Information regarding each nominee s ownership of PG&E Corporation and Utility stock is provided in the section entitled Security Ownership of Management, which begins on page 75.

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company Unanimously Recommend a Vote FOR Each of the Nominees for Director Presented in This Joint Proxy Statement.

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Nominees for Directors of PG&E Corporation and Pacific Gas and Electric Company

The Boards select nominees for director, based on recommendations received from the Nominating and Governance Committee of the PG&E Corporation Board.

The Boards believe that each nominee for director is a qualified, dedicated, ethical, and highly regarded individual. The information provided below includes a chart and a description of each nominee s specific experience, qualifications, attributes, and skills that indicate why that person should serve as a director of the applicable company, in light of the company s business and structure. The Boards do not believe that each nominee must possess all of the characteristics shown in the chart below in order for each Board, as a whole, to function effectively.

Collectively, the distribution of the nominees experience, skills, and expertise, among other characteristics, reflects a balanced and multi-disciplinary Board, and appropriately meets the needs of the companies.

* Includes Christopher P. Johns, who is a nominee for the Utility only.

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Lewis Chew

Age: 52

Director Since: September 2009

Current Board Committees: Public Policy (Chair); Audit; Executive

Current Position: Executive Vice President and Chief Financial Officer of Dolby Laboratories, Inc. (audio, imaging, and voice technologies) since June 2012

Prior Positions: Mr. Chew previously was Senior Vice President, Finance and Chief Financial Officer of National Semiconductor Corporation (design, manufacturing, and sale of semiconductor products) (2001 to 2011). Before that, he was a Partner and certified public accountant at KPMG, LLP (accounting firm), where he served mainly technology and financial institution clients.

Experience, Skills, and Expertise: As an executive of a large business customer in the Utility s service area, Mr. Chew brings insights from a customer s perspective to the Board. He has specific financial expertise and executive management and leadership skills gained from serving as a chief financial officer of other large public companies and as an audit partner at KPMG, LLP. He also has experience managing and overseeing all financial functions at a large public company, as well as information technology, manufacturing and supply chain, global facilities, investor relations, business planning, corporate controllership, strategic planning, business development, worldwide operations finance, and global internal audit functions.

Anthony F. Earley, Jr.

Age: 65

Director Since: September 2011 (PG&E Corporation); September 2012 (Utility)

Current Board Committees: Executive (Chair)

Current Position: Chairman of the Board, Chief Executive Officer (CEO), and President of PG&E Corporation since September 2011

Other Current Public Company Boards: Ford Motor Company since 2009 (serves on compensation committee, nominating and governance committee, and sustainability committee)

Prior Positions: Mr. Earley previously was Executive Chairman of DTE Energy Company (integrated energy company) (October 2010 to September 2011). He also served as that company s Chairman of the Board and CEO (1998 to 2010) and President and CEO. Before joining DTE Energy Company, Mr. Earley served as President and Chief Operating Officer of Long Island Lighting Company (electric and gas utility in New York).

Prior Public Board Service During the Past Five Years: Masco Corporation (home improvement and building products and services) (2001 to 2012); DTE Energy Company (1994 to 2011).

Other Board Experience: Mr. Earley serves on the executive committee and the compensation committee of the Edison Electric Institute and is former Chairman of that association. He also serves as a director of the Nuclear Energy Institute and is a member of its executive committee and its organization and compensation committee.

Experience, Skills, and Expertise: Mr. Earley has extensive knowledge and experience across all aspects of the energy industry, including electric and gas utility operations, nuclear energy, and energy policy and regulation. He brings executive management, business, and civic leadership skills gained from a significant number of years as a CEO and a director of other large public companies.

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Fred J. Fowler

Age: 69

Director Since: March 2012

Current Board Committees: Finance; Nuclear, Operations, and Safety

Current Position: Retired Chairman of the Board, Spectra Energy Partners, LP (master limited partnership that owns natural gas transmission and storage assets)

Other Current Public Company Boards: Spectra Energy Partners, LP since 2008 (serves on audit committee); Encana Corporation (natural gas producer) since 2010 (serves on corporate responsibility, environment, health and safety committee, and human resources and compensation committee); DCP Midstream Partners, LP (master limited partnership that owns, operates, acquires, and develops midstream energy assets) since 2015 (serves on audit committee and special committee)

Prior Positions: In addition to serving as Chairman of the Board of Spectra Energy Partners, LP (2008 to 2013), Mr. Fowler was President and Chief Executive Officer of Spectra Energy Corp (natural gas gathering and processing, transmission and storage, and distribution company) (2006 to 2008) and served as a director of that company. Before that, he held various executive positions with Duke Energy Corporation (gas and electric energy company) and its subsidiaries and predecessor companies, including President and Chief Operation Officer of Duke Energy.

Prior Public Board Service During the Past Five Years: Spectra Energy Corp (2006 to 2009), DCP Partners, LP (2007 to 2009).

Other Board Experience: Mr. Fowler is the former Chairman of the Board of the Interstate Natural Gas Association of America and a former director of the Gas Research Institute, the Gas Technology Institute, and the Institute of Nuclear Power Operations. Mr. Fowler also served on the board of TEPPCO Partners, LP (1998 to 2003).

Experience, Skills, and Expertise: Mr. Fowler brings extensive knowledge, experience, and skills in gas and electric utility operations, nuclear power, and regulatory matters. He brings leadership, management, and business skills developed as an executive and a director of numerous public and privately held companies.

Maryellen C. Herringer

Age: 71

Director Since: October 2005 (interim lead director of PG&E Corporation and the Utility and interim non-executive Chairman of the Utility Board from May to September 2011)

Current Board Committees: Nominating and Governance (Chair); Audit; Compensation; Executive

Current Position: Retired Executive Vice President, General Counsel, and Secretary of APL Limited (international transportation and logistics services company)

Other Current Public Company Boards: ABM Industries Incorporated (facilities services) since 1993 (non-executive Chairman of the Board; *ex officio* member of audit committee, compensation committee, corporate citizenship and communications committee, executive committee, and governance committee)

Prior Positions: Ms. Herringer held various executive positions at APL Limited and was responsible for overseeing the legal, risk management, corporate communications, human resources, internal audit, tax, and community affairs functions. Prior to joining APL Limited, she was a partner in the international law firm of Morrison & Foerster LLP, Senior Vice President and General Counsel of Transamerica Corporation (insurance and financial services), and a partner in the law firm of Orrick, Herrington & Sutcliffe LLP.

Other Board Experience: Ms. Herringer is a member of the boards of trustees of Mills College, Vassar College, and the San Francisco Museum of Modern Art.

Experience, Skills, and Expertise: Ms. Herringer brings leadership, business, legal, and management skills developed as an executive and a director of, and legal counsel to, other large public companies. Her specific expertise includes legal, corporate governance, risk management, and internal audit matters, as well as corporate transactions and mergers and acquisitions.

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Christopher P. Johns

Age: 54

Director Since: February 2010 (Utility)

Current Board Committees: Executive (Utility)

Current Position: President of Pacific Gas and Electric Company since August 2009

Prior Positions: Prior to becoming President of the Utility, Mr. Johns held various executive positions at the Utility, including Senior Vice President, Financial Services (2009), Senior Vice President and Treasurer (2005 to 2009), Chief Financial Officer (2005 to 2007), and Vice President and Controller (1996 to 1999). He also held a number of executive positions at PG&E Corporation, including Chief Financial Officer (2005 to 2009). Before joining the Utility, Mr. Johns was a partner at KPMG Peat Marwick (accounting firm).

Other Board Experience: Mr. Johns is a member of the Board of Directors of Associated Electric & Gas Insurance Services Limited (AEGIS). In addition, he serves as Chair of the Board of Directors of the Western Energy Institute, Chair of the American Gas Foundation, and Co-Chair of the Edison Foundation Institute for Electric Innovation. He also serves on the Executive Committee of the Board of the American Gas Association, on the boards of directors of the Edison Electric Institute, The First Tee of San Francisco, and San Francisco RBI, and on the Board of Trustees of the San Francisco Ballet.

Experience, Skills, and Expertise: Mr. Johns brings a detailed knowledge of the Utility s operations, including oversight of electric and gas operations, energy supply, information technology, shared services, strategy, and regulatory relations. He also has experience with the Utility s and PG&E Corporation s finance and accounting functions, along with management, leadership, and problem-solving skills gained in his years as an executive of PG&E Corporation and the Utility and as a partner at KPMG Peat Marwick. Mr. Johns is a graduate of the Massachusetts Institute of Technology Reactor Technology Course for Utility Executives.

Richard C. Kelly

Age: 68

Director Since: June 2013

Current Board Committees: Audit; Nuclear, Operations, and Safety

Current Position: Retired Chairman and Chief Executive Officer of Xcel Energy Inc. (utility supplier of electric power and natural gas service operating in eight Western and Midwestern states)

Prior Positions: Prior to serving as Chairman and Chief Executive Officer of Xcel Energy Inc. (2005 to 2011), Mr. Kelly held various executive positions at that company, including President, Chief Operating Officer, and Chief Financial Officer. Before the merger forming Xcel Energy Inc. in 2000, he held a variety of finance-related positions at predecessor companies New Century Energies and Public Service of Colorado.

Prior Public Board Service During the Past Five Years: Canadian Pacific Railway (transcontinental railway in Canada and the United States) (2006 to 2014); Xcel Energy Inc. (2004 to 2011).

Other Board Experience: Mr. Kelly is former Chairman of the Edison Electric Institute, a former board member of the Electric Power Research Institute and the Nuclear Energy Institute, and a former member of the National Petroleum Council and the National Advisory Council of the National Renewable Energy Laboratory. Mr. Kelly also was a director of BrightSource Energy, Inc. (solar thermal technology company) from 2011 to 2012. He currently serves as Chairman of the Board of Trustees of Regis University.

Experience, Skills, and Expertise: Mr. Kelly brings over 40 years of diverse energy experience and leadership as a utility industry executive. His specific expertise includes finance, mergers and acquisitions, utility operations, clean energy, and nuclear and renewable power.

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Roger H. Kimmel

Age: 68

Director Since: January 2009

Current Board Committees: Finance; Nominating and Governance; Public Policy

Current Position: Vice Chairman of Rothschild Inc. (international investment banking firm) since January 2001

Other Current Public Company Boards: Endo International plc (global specialty healthcare company; formerly Endo Health Solutions Inc.) since May 2007 (non-executive Chairman of the Board; serves on nominating and governance committee (chair), and transactions committee; alternate member of audit committee and operations committee)

Prior Positions: Mr. Kimmel previously was a partner in the international law firm of Latham & Watkins LLP, where his practice focused on mergers and acquisitions, capital markets, and corporate governance matters.

Prior Public Board Service During the Past Five Years: Schiff Nutrition International, Inc. (vitamins and nutritional supplements company) (1996 to 2012).

Other Board Experience: Mr. Kimmel has been Chairman of the Board of Trustees of the University of Virginia Law School Foundation since 2009.

Experience, Skills, and Expertise: Mr. Kimmel s investment banking work includes cross-border and domestic public company mergers and acquisitions, capital market transactions, corporate governance, and advising special committees of boards of directors. He brings business, finance, and legal skills, as well as leadership and problem-solving skills developed as an executive and a director of, and legal counsel to, other large public companies. His specific expertise includes corporate transactions, finance, investment banking, international business, corporate governance, and legal matters.

Richard A. Meserve

Age: 70

Director Since: December 2006

Current Board Committees: Nuclear, Operations and Safety (Chair); Nominating and Governance; Public Policy; Executive

Current Position: President Emeritus, Carnegie Institution of Washington (not-for-profit scientific research institution); Senior Of Counsel to the international law firm of Covington & Burling LLP since April 2004; consultant on nuclear matters

Other Current Public Company Boards: Duke Energy Corporation (gas and electric energy company) since 2015 (serves on nuclear oversight committee and regulatory policy and operations committee)

Prior Positions: Prior to serving as President of the Carnegie Institution of Washington (2003 to 2014), Dr. Meserve was Chairman of the U.S. Nuclear Regulatory Commission. He previously was a partner of Covington & Burling LLP. He also served as a member of the Blue Ribbon Commission on America s Nuclear Future (chartered by the Secretary of Energy) (2010 to 2012), as legal counsel to President Carter s science and technology advisor, and as a law clerk to Justice Harry A. Blackmun of the U.S. Supreme Court.

Other Board Experience: Dr. Meserve has been a director of Tri Alpha Energy, Inc. since 2012. He also serves as a member of the board of trustees of Universities Research Association, Inc. (consortium of research-oriented universities), and serves on the Council and Trust of the American Academy of Arts and Sciences and on the Council of the National Academy of Engineering.

Experience, Skills, and Expertise: Dr. Meserve brings technical, legal, regulatory, and public policy expertise in numerous areas, including nuclear power, energy policy, and climate change, as well as leadership and business skills developed as an executive and a director of, and an advisor to, national and international scientific, research, and legal organizations. He currently is co-chairman of the U.S. Department of Energy s Nuclear Energy Advisory Committee and a member of the Secretary of Energy Advisory Board.

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Forrest E. Miller

Age: 62

Director Since: February 2009

Current Board Committees: Audit (Chair); Compensation; Executive

Current Position: Retired Group President-Corporate Strategy and Development of AT&T Inc. (communications holding company)

Prior Positions: Prior to serving as Group President-Corporate Strategy and Development of AT&T Inc. (2007 to 2012), Mr. Miller served as Group President of AT&T Corp., the Global Enterprise division of AT&T Inc., and held a variety of executive positions at SBC Communications (communications holding company) and its predecessor Pacific Telesis Group.

Other Board Experience: Mr. Miller currently serves as a trustee of the Dallas Museum of Art and the Baylor Health Care System Foundation in Dallas, Texas.

Experience, Skills, and Expertise: Mr. Miller brings strategic management, leadership, and business skills developed as an executive of other large public companies in both regulated and competitive markets, as well as specific expertise in a number of areas, including strategic planning, business development, corporate finance, audit, mergers and acquisitions, government and regulatory affairs, and human resources.

Rosendo G. Parra

Age: 55

Director Since: September 2009

Current Board Committees: Finance; Nominating and Governance; Nuclear, Operations and Safety

Current Position: Retired executive of Dell Inc. (international information technology company); co-founder and Partner of Daylight Partners (technology-focused venture capital firm) since December 2007

Other Current Public Company Boards: Brinker International (casual restaurant dining company) since December 2004 (serves on compensation committee (chair) and governance and nominating committee); NII Holdings, Inc. (mobile communications services in Latin America) since October 2008 (serves on corporate governance and nominating committee (chair) and compensation committee)

Prior Positions: Mr. Parra previously held various executive and senior management positions at Dell Inc., including Senior Vice President for the Home and Small Business Group and Senior Vice President and General Manager, Dell Americas. In those roles, he led Dell Inc. s activities in the Americas, including marketing, sales, manufacturing, logistics/distribution, call center operations, and services to all customer segments in the Americas.

Experience, Skills, and Expertise: Mr. Parra brings business management, leadership, and problem-solving skills developed as an executive and a director of other large public companies, and specific experience in various areas, including technology, product development, manufacturing, sales, marketing, and customer service.

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Barbara L. Rambo

Age: 62
Director Since: January 2005

Current Board Committees: Finance (Chair); Compensation; Nominating and Governance; Executive

Current Position: Chief Executive Officer of Taconic Management Services (management consulting and services company) since October 2009

Other Current Public Company Boards: West Marine, Inc. (boating specialty retailer) since November 2009 (lead independent director; serves on nomination and governance committee (chair), compensation committee, and audit and finance committee)

Prior Positions: Ms. Rambo has held various executive positions with companies in the financial services and technology sectors. Prior to joining Taconic Management Services, she was CEO, Vice Chair, and a director of Nietech Corporation (consumer payments technology company) (2002 to 2009). She previously was CEO of Open Close Technologies (financial services technology company) (2000 to 2002). She assumed that position after holding a number of executive positions at Bank of America, including head of National Commercial Banking.

Prior Public Board Service During the Past Five Years: International Rectifier Corporation (power management technologies) (2009 to 2015).

Other Board Experience: MUFG Union Bank, N.A. and MUFG Americas Holdings Corporation (Mitsubishi UFJ Financial Group - corporate, commercial, and retail banking, wealth management, investment banking).

Experience, Skills, and Expertise: Ms. Rambo brings leadership and business skills developed as an executive and a director of other large public companies, with a focus on the financial services and technology sectors, and specific experience in various areas, including corporate finance, capital markets, sales and marketing, operations, and executive management.

Anne Shen Smith

Age: 61

Director Since: February 2015
Current Board Committees: Nuclear, Operations, and Safety; Public Policy

Current Position: Retired Chairman and Chief Executive Officer of Southern California Gas Company (natural gas utility subsidiary of Sempra Energy serving southern California and portions of central California)

Prior Positions: Prior to serving as Chairman and Chief Executive Officer of Southern California Gas Company (SoCalGas) (2012 to 2014) and President of SoCalGas (2012), Ms. Smith held various executive positions at that company, including Chief Operating Officer (2010 to 2012), Senior Vice President Customer Services (2004 to 2010), and Vice President of Environment and Safety. She also served as Senior Vice President Customer Services of San Diego Gas & Electric Company (natural gas and electric utility subsidiary of Sempra Energy serving San Diego County, California and a portion of Orange County, California) during her tenure in that position for SoCalGas (2004 to 2010).

Prior Public Board Service During the Past Five Years: Southern California Gas Company (2012 to 2014).

Other Board Experience: Ms. Smith currently serves as a director on the boards of the California League of Conservation Voters Education Fund and the Asian Americans Advancing Justice Los Angeles. She previously served on the boards of directors for the American Gas Association, the Coalition for Clean Air, the Southern California Leadership Council, the UC Davis Energy Efficiency Center, and the Hank Lacayo Institute for Workforce and Community Studies.

Experience, Skills, and Expertise: Ms. Smith brings over 36 years of diverse energy experience and leadership as a utility industry executive. Her specific expertise includes utility operations, marketing, public affairs, strategic planning, regulatory affairs, customer care, and clean energy.

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Barry Lawson Williams

Age: 70

Director Since: December 1996, and lead director since May 2014 (PG&E Corporation); September 1990, and independent non-executive Chairman of Board since May 2014 (Utility)

Current Board Committees: Compensation (Chair); Audit; Finance; Executive

Current Position: Retired Managing General Partner and President of Williams Pacific Ventures, Inc. (business investment and consulting) since 1987

Other Current Public Company Boards: CH2M Hill Companies, Ltd. (engineering) since 1996 (serves on audit committee (chair), compensation committee, and risk committee); Navient (loan management, servicing, and asset recovery; formerly SLM Corporation) since 2000 (serves on finance and operations committee (chair), compensation and personnel committee, and executive committee).

Prior Positions: Mr. Williams has been a general partner in various real estate joint ventures located primarily within the Utility s service territory.

Prior Public Board Service During the Past Five Years: The Simpson Manufacturing Company Inc. (building construction products) (1994 to 2014); Ameron International Corporation (multi-national manufacturer of highly engineered products and materials for the chemical, industrial, energy, transportation, and infrastructure markets) (2010 to 2011); R.H. Donnelley Corporation (marketing services company) (1998 to 2010).

Other Board Experience: The Northwestern Mutual Life Company (life and disability insurance and annuities) since 1986 (serves on operations, technology, and marketing committee (chair)).

Experience, Skills, and Expertise: Mr. Williams brings management, leadership, and business skills developed as an executive and a director of numerous public and privately held companies. He has experience in numerous areas, including financial, audit, engineering, construction, real estate, and environmental matters, as well as mediation expertise. Mr. Williams involvement in the local community provides a valuable perspective on the Utility s customer base. He also has an in-depth knowledge of PG&E Corporation and the Utility.

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Corporate Governance

PG&E Corporation and the Utility are committed to good corporate governance practices that provide a framework within which the Boards and management of PG&E Corporation and the Utility can pursue the companies business objectives. The foundation for these practices is the independent nature of each Board and its fiduciary responsibility to the company s shareholders. These practices are reviewed against industry trends and input from the companies top institutional investors.

Corporate Governance Guidelines

Corporate governance practices are documented in Corporate Governance Guidelines (Guidelines) that are adopted by the Boards of PG&E Corporation and the Utility. The Guidelines are reviewed and updated from time to time as recommended by the Nominating and Governance Committee of the PG&E Corporation Board. Other corporate governance practices also are set forth in the charters of the various committees of the PG&E Corporation and Utility Boards.

Board Leadership Structure

Chairman of the Board - Duties

At both PG&E Corporation and the Utility, the Chairman of the Board is a member of the Board of Directors. The primary duty of the Chairman is to preside over meetings of the Board, including special meetings. The Chairman also is consulted regarding nominees for the Board and the composition and chairmanship of Board committees. If the Chairman is not an independent director, then following each executive session meeting of the independent directors, the lead director, or his or her designee, has a discussion with the Chairman regarding the executive session meeting.

Independent Lead Director; Executive Session Meetings

At each company, if the Chairman is not independent, then the independent directors must elect an independent lead director. The lead director, when one is appointed, is elected from among the independent chairs of the standing PG&E Corporation and Utility Board committees. The lead director must have at least one year of experience as a director of the respective company, serves a term of three years (as lead director), and may be re-elected to consecutive terms. Specific duties for the lead director are substantially similar at both companies.

Currently, Barry Lawson Williams serves as the independent lead director of PG&E Corporation, and as the independent non-executive Chairman of the Utility. Mr. Williams has served in those capacities since May 12, 2014. Mr. Williams replaced C. Lee Cox in those roles upon Mr. Cox s retirement from the Boards following the May 12, 2014 annual meeting.

The lead director acts as a liaison between management (including any executive Chairman) and the independent directors, presides at all Board meetings at which the Chairman is not present, and has authority to call special meetings of the independent directors.

The lead director presides over the executive session meetings at all regularly scheduled meetings of the companies Boards. Each such executive session meeting has an agenda that includes standing items for discussion by the independent directors without management present. These executive session meetings are used to, among other things, review the performance of the PG&E Corporation CEO, review executive development for management succession planning, discuss corporate governance issues, and provide feedback to the CEO.

The lead director also actively participates in the planning of the regular meetings of the Boards, including suggesting and reviewing agenda topics and approving information sent to the Boards.

The lead director may receive written communications (in care of the Corporate Secretary) from the companies shareholders and other interested parties. The lead director also is available for consultation and direct communication with major shareholders.

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Board Leadership Structure: Chairman of the Board and CEO

PG&E Corporation and the Utility each believe that it is in the best interests of the company and its shareholders to have a flexible rule regarding whether the offices of Chairman and CEO should be separate. When a vacancy occurs in the office of either the Chairman or the CEO, the applicable Board will consider the circumstances existing at that time and will determine whether the role of Chairman should be separate from that of the CEO and, if the roles are separate, whether the Chairman should be elected from management or from among the non-management directors. In addition, at least annually, each Board reviews the respective company s Board leadership structure to assess whether it is appropriate.

In the past, PG&E Corporation and the Utility each have had both combined and separate Chairman and CEO positions. In each case, the applicable Board was able to consider all eligible directors and not exclude any eligible candidate from consideration for the position of Chairman. More recently, when the positions have been combined, each company also has had a strong and independent lead director.

PG&E Corporation - At PG&E Corporation, the positions of Chairman and CEO are combined. Anthony F. Earley, Jr. has served as the Chairman, CEO, and President of PG&E Corporation since September 13, 2011. The PG&E Corporation Board believes that having Mr. Earley serve concurrently as PG&E Corporation s Chairman and CEO is the appropriate Board leadership structure at this time, even after considering the fact that approximately 33 percent of the shares voted at the 2013 annual meeting supported a shareholder proposal to separate the positions of Chairman and CEO. Among other things, Mr. Earley s extensive utility and leadership experience allows him to serve as an effective link between the Board and management, and to raise key issues (including those related to various business risks overseen by the Board) and stakeholder interests to the Board s attention. Because the CEO bears primary responsibility for managing PG&E Corporation s day-to-day business, he is well positioned to chair regular Board meetings and help ensure that key business issues at PG&E Corporation and its subsidiaries and stakeholder interests are addressed by the Board. Mr. Williams, the current independent lead director, brings a wealth of experience as a director of PG&E Corporation and the Utility, much like his predecessor, Mr. Cox. Mr. Williams extensive knowledge of PG&E Corporation complements Mr. Earley s deep operational and executive experience in the utility industry. Further, the presence of an independent lead director at PG&E Corporation enhances the Board s authority to act independently from management, notwithstanding the fact that the Chairman also is an executive officer of the company.

Pacific Gas and Electric Company - At the Utility, the positions of Chairman and principal executive officer are separated. Christopher P. Johns is President of the Utility, serving as the principal executive officer, and Barry Lawson Williams is the independent non-executive Chairman. The Utility Board believes that by separating the roles of Chairman and principal executive officer, the Utility is able to benefit from the complementary skill sets and business experiences of the independent non-executive Chairman (Mr. Williams) and the President (Mr. Johns). As a subsidiary of PG&E Corporation, the Utility also benefits from Mr. Earley s position as Chairman and CEO of PG&E Corporation. Mr. Earley, however, may not serve in either capacity at the Utility. In conformance with certain rules of the California Public Utilities Commission, the same individual may not serve as Chairman of the Board, CEO, or President, or in a functionally equivalent position, of both PG&E Corporation and the Utility.

Board and Director General Independence and Qualifications

Both PG&E Corporation s Board and the Utility s Board have satisfied each Board s objective that at least 75 percent of the directors should be independent, as defined in that company s Guidelines. The New York Stock Exchange (NYSE) rules also require that a majority of PG&E Corporation s directors be independent, as defined by the NYSE, and that independent directors meet regularly. The Utility Board is exempt from NYSE MKT LLC (NYSE MKT) rules requiring that at least a majority of the directors meet the stock exchange s definition of independent director because PG&E Corporation holds approximately 96 percent of the voting power of the Utility and the Utility is a controlled subsidiary. The definition of independence in each company s Guidelines is more stringent than, and fully satisfies, the applicable NYSE and NYSE MKT definitions. The definition of independence is set forth in each company s Guidelines, which are available on each company s website (see Website Availability of Governance Documents on page 80).

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The Boards of PG&E Corporation and the Utility each have affirmatively determined that each of the following directors has been independent while serving on the Boards: Lewis Chew, C. Lee Cox, Fred J. Fowler, Maryellen C. Herringer, Richard C. Kelly, Roger H. Kimmel, Richard A. Meserve, Forrest E. Miller, Rosendo G. Parra, Barbara L. Rambo, Anne Shen Smith, and Barry Lawson Williams. During the period of the individual s service on the Boards, he or she:

- Has not had any relationship with either PG&E Corporation or the Utility that would interfere with the exercise of independent judgment,
- Has been independent as defined by applicable NYSE and NYSE MKT rules, and
- Has satisfied each of the categorical standards adopted by the Boards for determining whether a specific relationship is material and a director is independent.

In the process of determining each director s independence, the Boards considered transactions between PG&E Corporation or the Utility and their respective directors and their immediate family members, and certain entities with which the directors or their immediate family members were affiliated. These transactions only involved the Utility s provision of utility services at rates or charges fixed in conformity with law or governmental authority, which the Boards determined were not material and did not affect the director s independence.

Board Committee Duties

The Boards of PG&E Corporation and the Utility have numerous standing committees, which are described below. For each of these committees, the applicable company s Board has adopted a formal charter that sets forth the committee s duties and responsibilities; the charters are available on the companies websites (see Website Availability of Governance Documents on page 80).

Where a Committee exists at PG&E Corporation only, that committee s responsibilities include assisting and advising the Utility Board on matters within the Committee s scope of responsibility.

COMMITTEE NAME	COMPANY	PRIMARY DUTIES/SCOPE OF RESPONSIBILITY
Executive	PG&E Corporation and Utility	Exercises powers and performs duties of the applicable Board, subject to limits imposed by state law.
Audit[1]	PG&E Corporation and Utility	Oversees: Integrity of the company financial statements, and financial and accounting practices Internal controls, and external and internal auditing programs Selection and oversight of the companies independent registered public accounting firm (independent auditor) Business ethics and compliance Related party transactions With the assistance of other board committees, risk management and assessment
Compensation	PG&E Corporation	Oversees matters relating to compensation and benefits, including: Compensation for non-employee directors Development, selection, and compensation of policy-making officers Management evaluation and officer succession Employment, compensation, and benefits policies and practices Potential risks arising from compensation policies and practices Retention and oversight of the Committee s independent compensation consultants, legal counsel, or other advisors

[1] Established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934.

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Finance	PG&E Corporation	Oversees matters relating to financial planning, policies, and risk, including: Strategic plans and initiatives Financial and investment plans and strategies[2] Dividend policy Proposed capital projects and divestitures Financing plans Use of derivative instruments Major commercial banking, investment banking, financial consulting, insurance, and other financial relationships Major financial risk exposures
Nominating and Governance	PG&E Corporation	Oversees matters relating to selection of directors and corporate governance, including: Recommending Board candidates, including reviewing skills and characteristics required of Board members Selection of the chairmanship and membership of Board committees, and the nomination of a lead director of each company s Board, if necessary Corporate governance matters, including the companies governance principles and practices, and the review of shareholder proposals Evaluation of the Boards performance and effectiveness
Nuclear, Operations, and Safety	PG&E Corporation	Oversees matters relating to safety, operational performance, and compliance issues related to the Utility s nuclear, generation, gas and electric transmission, and gas and electric distribution operations and facilities (Operations and Facilities), including: Principal risks arising out of the Operations and Facilities, the process used by management to analyze and identify these risks, and the effectiveness of programs to manage or mitigate these risks Utility s goals, programs, policies, and practices with respect to promoting a strong safety culture Periodically visiting the Utility s nuclear and other operating facilities
Public Policy	PG&E Corporation	Oversees public policy, sustainability, and corporate responsibility issues that could affect customers, shareholders, or employees, including: Environmental protection, quality, and compliance Community investment programs, activities, and contributions Political contributions and political activities Workforce diversity, inclusion, and development Supplier diversity

(2) Each year, the Finance Committee presents for the PG&E Corporation and Utility Boards review and concurrence (1) a multi-year outlook for PG&E Corporation and its subsidiaries that, among other things, summarizes projected financial performance and establishes the basis for the annual budget, and (2) an annual financial performance plan that establishes financial objectives and sets operating expense and capital spending budgets that reflect the first year of the approved multi-year outlook. Members of the Boards receive a monthly report that compares actual to budgeted financial performance and provides other information about financial performance.

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Committee Membership/Independence/Qualifications

The current membership of PG&E Corporation s and the Utility s standing Board committees is shown in the table below.

	Executive Committees	Audit Committees	Compensation Committee	Finance Committee	Nominating and Governance Committee	Nuclear, Operations, and Safety Committee	Public Policy Committee
Independent Non-Employee Directors:							
L. Chew(1)	X	X					X*
F. J. Fowler				X		X	
M. C. Herringer	X	X	X		X*		
R. C. Kelly(1)		X				X	
R. H. Kimmel				X	X		X
R. A. Meserve	X				X	X*	X
F. E. Miller(1)	X	X*	X				
R. G. Parra				X	X	X	
B. L. Rambo	X		X	X*	X		
A. S. Smith						X	X
B. L. Williams(1)(2)	X	X	X*	X			
Employee Directors:							
A. F. Earley, Jr.	X*						
C. P. Johns(3)	X						
Number of Meetings in 2014 (PG&E Corporation/Utility where applicable)	0/0	5/5	5	5	7	5	4

* Committee Chair

(1) Independent audit committee financial expert, as defined by the Securities and Exchange Commission (SEC) and applicable stock exchanges, and as determined by the Boards. Background information on each audit committee financial expert can be found in the director biographies beginning on page 4.

(2) Independent lead director of PG&E Corporation and independent non-executive Chairman of the Board of the Utility.

(3) Member of the Utility Executive Committee only.

Committee Membership Requirements

Each of the permanent standing committees (other than the Executive Committees) must be composed entirely of independent directors, as defined in the applicable company s Guidelines and the Committee s charters. In addition, the Audit Committees, the Compensation Committee, and the Nominating and Governance Committee must be composed entirely of independent directors, as defined by the NYSE. Because the Utility lists preferred stock on the NYSE MKT, and because PG&E Corporation holds approximately 96 percent of the voting power of the Utility such that the Utility is a controlled subsidiary of PG&E Corporation, the Utility is not subject to NYSE MKT rules that otherwise would require that the Utility s Board committees responsible for executive compensation and governance be comprised of independent directors, as defined by NYSE MKT, and impose requirements on the Utility s director nomination and compensation-setting processes.

Each member of the Audit Committees and each member of the Compensation Committee also must meet heightened independence rules established by SEC rules regarding audit committee independence, or applicable NYSE requirements regarding compensation committee members.

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Each member of the Audit Committees also must be financially literate, and at least one member of each Audit Committee also must have accounting and related financial management expertise and financial sophistication.

Each company s committees satisfy the applicable independence and qualification standards described above.

Compensation Committee Interlocks and Insider Participation

C. Lee Cox served as interim Chairman, CEO, and President of PG&E Corporation from May 1 to September 12, 2011, following the retirement of the former PG&E Corporation CEO and prior to the election of Anthony F. Earley, Jr. as Chairman, CEO, and President of PG&E Corporation. During that period, Mr. Cox did not serve on the Compensation Committee. In September 2011, following his resignation as interim Chairman, CEO, and President of PG&E Corporation, Mr. Cox rejoined the Compensation Committee as an independent member, and served on the Compensation Committee until his retirement on May 12, 2014.

Director Service on Other Public Company Boards

If a director is considering serving on the board of another public company (in addition to PG&E Corporation, the Utility, and their respective subsidiaries), that director must inform the Chair of the PG&E Corporation Nominating and Governance Committee and the Chairman of the Board of PG&E Corporation and/or the Utility, as applicable, before accepting membership on any such board. Unless otherwise approved by the applicable Board, (1) a director may not serve on more than three public company boards (in addition to the PG&E Corporation and Utility Boards), and (2) a director who is the principal executive officer of a public company (including PG&E Corporation and the Utility) may not serve on more than two public company boards in addition to the board of his or her employer. For these purposes, the boards of PG&E Corporation and the Utility would count as one board.

If an Audit Committee member simultaneously serves on the audit committees of three or more public companies other than PG&E Corporation, the Utility, and their respective subsidiaries, that Committee member must inform the applicable company s Board. In order for that member to continue serving on the PG&E Corporation and Utility Audit Committees, each Board must affirmatively determine that the simultaneous service does not impair that committee member s ability to serve effectively on the applicable Audit Committee.

All members of the Boards comply with the above policies regarding service on other public company boards, as well as on audit committees of other public company boards.

Director Meeting Attendance During 2014

During 2014, there were 10 meetings of the PG&E Corporation Board and 31 meetings of the PG&E Corporation standing Board committees. Each incumbent PG&E Corporation director attended at least 90 percent of the total number of applicable Board and Board committee meetings held during the period of his or her service on the Board and Board committees during 2014.

During 2014, there were 10 meetings of the Utility Board and 5 meetings of the Utility standing Board committees. Each incumbent Utility director attended at least 90 percent of the total number of applicable Board and Board committee meetings held during the period of his or her service on the Board and Board committees during 2014.

Each member of the Board of PG&E Corporation or the Utility is expected to attend that company s annual meetings. With the exception of one director, all 11 then-current directors attended PG&E Corporation s 2014 annual meeting, and all 12 then-current directors attended the Utility s 2014 annual meeting.

Director Nomination Process

The Boards of PG&E Corporation and the Utility each select nominees for director based on recommendations received from the Nominating and Governance Committee. The Committee s recommendations are based upon a review of the qualifications of Board candidates and consultation with the Chairman of PG&E Corporation or the Utility, as applicable, and the PG&E Corporation CEO.

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Qualifications and Characteristics

The Nominating and Governance Committee s goal is to create for each company a balanced and multi-disciplinary Board composed of qualified, dedicated, ethical, and highly regarded individuals who have experience relevant to the company s operations, understand the complexities of the company s business environment, and possess capabilities to provide valuable insight and oversight.

In conducting this review, the Committee considers factors such as diversity, age, skills, and any other factors that it deems appropriate, and annually reviews and recommends to the Boards the appropriate skills and characteristics required of Board members, given the current composition and needs of each company s Board. In addition to the skills and characteristics noted above, for 2014, the Committee also considered the extent to which the nominees (both individually and as a group) possessed the experience, skills, and expertise shown in the chart on page 3.

Under the retirement policy adopted by each company s Board, the Boards may not designate any person as a candidate for election or re-election as a director after such person has reached the age of 72. However, this policy may be waived if the Committee and the applicable company s Board determine that it is in the best interests of the company to renominate a director who is 72 years old or older.

In general, the Nominating and Governance Committee will recommend, and the Boards will re-nominate, an existing director for re-election if, among other things, the Committee and Board each believe that the individual would continue to be a productive and effective contributor to the Board, and that his or her continued service would serve the best interests of the company.

With respect to diversity, the Committee seeks a range of different backgrounds, perspectives, skills, and experiences. Although there is no set policy regarding diversity of nominees for director, the Committee and the Boards annually review the diversity of the director nominees and the extent to which diverse backgrounds, perspectives, skills, and experiences are represented by the members of the Boards.

Sources of Nominees

The Nominating and Governance Committee accepts recommendations for director nominees from a variety of sources, including executive search firms, shareholders, management, and Board members. The Committee reviews all recommended candidates for nomination at the annual meetings and uses the same review criteria for all candidates. During 2014, the Committee retained Korn/Ferry International to assist the Committee s evaluation of certain potential director nominees, including by performing appropriate due diligence on such candidates.

Shareholders may recommend a person for the Committee to consider as a nominee for director of PG&E Corporation or the Utility, as applicable, by writing to that company s Corporate Secretary. Each recommendation must include:

1. A brief description of the candidate,
2. The candidate s name, age, business address, and residence address,
3. The candidate s principal occupation and the class and number of shares of the company s stock owned by the shareholder and the candidate,
4. Any other information that would be required under the rules of the SEC in a proxy statement listing the candidate as a nominee for director, and
5. Any material interest that the shareholder has in the candidate s nomination.

Recommended candidates may be required to provide additional information.

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Executive Compensation-Setting Process

Details regarding the compensation-setting process can be found below, as well as in the Compensation Discussion and Analysis section beginning on page 34.

Executive Officer Compensation

Each year, the independent members of the applicable Board, based on the PG&E Corporation Compensation Committee s advice and recommendation, approve the amounts of total target compensation for the CEO of PG&E Corporation and the CEO or the President of the Utility. Such approvals are made following a review of comparative data and advice from the Committee s independent compensation consultant. The Committee also approves the amounts of total target compensation for all senior executive officers based upon a review of comparative data, advice from its independent compensation consultant, and recommendations from the PG&E Corporation CEO. The Committee uses comparative data throughout the year to set the total target compensation of new executive officers. The Committee also reviews other benefits provided to executive officers.

The PG&E Corporation Board has delegated to the Compensation Committee the authority to administer the PG&E Corporation 2006 Long-Term Incentive Plan (2006 LTIP) and its successor plan, the PG&E Corporation 2014 Long-Term Incentive Plan (2014 LTIP) (together, the LTIPs), under which equity-based awards have been made. In addition, the PG&E Corporation Board has delegated to the PG&E Corporation CEO the authority to grant LTIP awards to certain eligible participants within the guidelines adopted by the Committee.

The PG&E Corporation CEO generally attends a portion of each Compensation Committee meeting, but excuses himself from the Committee s deliberations or decisions with respect to his pay. At the Committee s request, the CEO reviews with the Committee the performance of the other officers named in the Summary Compensation Table (the named executive officers or NEOs). The CEO also recommends adjustments, if any, in base pay, annual incentive awards, and LTIP awards for the other NEOs.

These recommendations are given appropriate weight by the Committee in the compensation-setting process, given the CEO s direct knowledge of the performance and contributions of each NEO. The Committee may exercise its discretion to accept, reject, or modify the CEO s recommendations based on the Committee members collective assessment of the NEOs performance and pay position relative to the peer group, as well as PG&E Corporation s overall financial and operating performance.

The Compensation Committee may delegate its authority with respect to ministerial matters under the LTIPs to the PG&E Corporation CEO or the PG&E Corporation Senior Vice President, Human Resources.

The PG&E Corporation Board has delegated to the PG&E Corporation CEO the authority to approve compensation, within guidelines approved by the Compensation Committee, to lower-level officers and to non-officer employees. With respect to annual equity awards, such Committee-approved guidelines include the LTIP award value ranges for different categories of employees, and the terms and conditions of all LTIP awards to be made during the year. The guidelines also specify the grant date for annual LTIP awards. Actual awards are generally made within the range of target LTIP values previously approved by the Committee.

Consultants and Advisers

The Compensation Committee retains an independent compensation consultant to advise on compensation programs and practices, including pay levels for non-employee directors and for officers. Under a policy adopted by the Committee, this consultant must be independent, i.e., (1) the consultant must be retained by, and report solely to, the Compensation Committee, and (2) the consultant and its affiliates may not perform any work for PG&E Corporation or its affiliates, except at the request of the Committee or its Chair, and in the capacity of the Committee s agent.

For establishing compensation paid for 2014, the Compensation Committee retained Frederic W. Cook & Co., Inc. (FWC) as its independent consultant. FWC did not provide services to management of PG&E Corporation, the Utility, or their affiliates, although FWC has maintained a working relationship with management in order to fulfill FWC s primary role as

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adviser to the Compensation Committee. FWC is a nationally recognized independent firm providing consulting assistance to corporations in order to develop compensation programs for senior executives, key employees, and boards of directors. FWC was first selected as the Compensation Committee s independent consultant for 2010, following the Committee s review of numerous candidate firms.

During 2014, FWC advised the Compensation Committee on the following matters:

- Non-employee director compensation,
- Executive compensation competitive market,
- Executive compensation emerging trends and best practices,
- Shareholder advisory firms pay and performance analyses,
- Proxy statement disclosures relating to compensation,
- Severance and change-in-control practices and policies, and
- Corporate governance best practices relating to compensation.

In the third quarter of 2014, as part of a general process of refreshing the companies governance over executive compensation, the Compensation Committee solicited bids for firms to serve as the Committee s executive compensation consultant with respect to executive compensation to be paid in 2015.

At the end of this bid process, the Committee selected Pay Governance, LLC (Pay Governance) as its independent executive compensation consultant relating to executive compensation starting in 2015. During the last quarter of 2014, Pay Governance advised the Compensation Committee on the following matters:

- Executive compensation competitive market,
- Executive compensation emerging trends and best practices,
- Shareholder advisory firms pay and performance analyses,
- Compensation risk analysis,
- Proxy statement disclosures relating to compensation, and
- Corporate governance best practices relating to compensation.

The Compensation Committee determined that no conflicts of interest were raised by the work of FWC or Pay Governance during 2014.

The Compensation Committee also has discretion to engage other compensation consultants, as well as legal counsel and other advisers, although it did not do so during 2014. The Committee takes into account such advisers and consultants independence, and whether the work of any compensation consultants will raise any conflict of interest. PG&E Corporation pays the reasonable compensation costs for any such advisers.

Management also may retain compensation consultants to assist management and the Compensation Committee in connection with compensation matters.

Shareholder Outreach

PG&E Corporation and the Utility believe that it is important to provide shareholders with the means to provide input on PG&E Corporation s executive compensation programs and the clarity of the company s disclosures regarding such programs.

Prior to the SEC ruling that required large public companies to provide advisory say-on-pay votes, in 2010 PG&E Corporation and the Utility each began providing its shareholders with the right to cast an annual advisory vote on the compensation paid to the company s NEOs.

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PG&E Corporation is committed to investor engagement and listening to investor views on corporate governance matters and executive compensation policies and programs. Management has made it a practice to contact PG&E Corporation s top institutional investors on a regular basis to discuss corporate governance trends and issues that are of interest to them.

Risk Management

PG&E Corporation and the Utility continue to review and refine the approach to the companies risk management programs. In 2011, the companies expanded their Enterprise Risk Management program to examine all enterprise and operational company risks, and to increase Board review of risk management. The program was renamed as the Enterprise and Operational Risk Management (EORM) program in 2013 to reflect its expanded scope. At that time, risk management was integrated into the companies planning and budgeting process, which leads to the identification of specific enterprise risks for review and oversight by the PG&E Corporation and Utility Boards of Directors.

As described below, the companies risk management governance structures allow risks to be investigated both under a Board-directed review process and also from a bottoms-up approach that allows operational experts to add their knowledge and identify emerging issues for the companies.

Board-Level Duties

As part of their oversight functions, the PG&E Corporation and Utility Boards generally oversee the companies risk management policies and programs; however, management has day-to-day responsibility for assessing and managing exposure to various risks. Enterprise risks are reviewed regularly by the Boards Audit Committees and oversight for specific risk categories is allocated to various Board committees, consistent with the substantive scope of each committee s charter. Each such committee provides a report of its activities to the applicable Board.

The Boards and their respective committees have specific oversight responsibility for risk management in the following areas:

- The Boards evaluate risks associated with major investments and strategic initiatives, with assistance from the PG&E Corporation Finance Committee.
- The Boards oversee the implementation and effectiveness of the compliance and ethics programs to monitor compliance with laws, regulations, policies, and programs, with assistance from the PG&E Corporation and Utility Audit Committees.
- Each company s Audit Committee discusses the guidelines and policies that govern the processes for assessing and managing major risks (including the EORM program that is discussed in more detail below), allocates to other Board committees the specific responsibility to oversee identified enterprise risks, generally oversees regulatory and legal compliance risks, and considers risk issues associated with overall financial reporting and disclosure processes.
- The PG&E Corporation Finance Committee discusses risk exposures related to energy procurement, including energy commodities and derivatives, and other enterprise risks, as assigned by the Audit Committees.
- The PG&E Corporation Nuclear, Operations, and Safety Committee discusses risks related to the safety of the Utility s nuclear, electric, gas, and other operations and facilities, and oversees other enterprise risks, as assigned by the Audit Committees.
- The PG&E Corporation Compensation Committee oversees potential risks arising from the companies compensation policies and practices.

Other risk oversight responsibilities also have been allocated, consistent with the overall substantive scope and duties of each Board and their respective committees.

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This allocation of Board-level risk oversight was last reviewed by the PG&E Corporation and Utility Audit Committees in April 2014.

The Boards role in risk oversight has had no significant effect on either Boards leadership structure.

Management-Level Duties

Management has the day-to-day responsibility for assessing and managing PG&E Corporations and the Utilitys exposure to various risks. Currently, risk is managed in three broad categories: enterprise and operational risk (e.g., public and employee safety, customer service, and other operational risks), compliance risk (e.g., legal and regulatory requirements), and market and credit risk (e.g., energy commodity risk).

With respect to supporting the Boards oversight activities:

- Management provides various reports to the Boards and their respective committees regarding different elements of corporate risk management programs and activities, as requested by the Boards and the committees.
- The companies EORM program identifies and evaluates potential risks facing the enterprise, and nominates specific enterprise risks for Board-level oversight. The EORM program as a whole is implemented by management and overseen by the PG&E Corporation and Utility Audit Committees, which assign Board-level responsibility for oversight of specific enterprise risks to committees of either companys Board.
- Each line of business (LOB) within the companies has its own risk and compliance committee. These LOB committees review all major enterprise, operational, and compliance risk within that LOB (including public safety), review and approve risk analysis and mitigation strategies, and track mitigation progress and results. Each LOB risk and compliance committee is led by a senior officer and must include the LOB risk manager and compliance manager, and risk and compliance representatives of the Chief Risk and Audit Officers organization.
- All LOBs review their risks with the entire senior management team as part of the companies integrated multi-year planning process. Following calibration with the senior management team, these risks become an important factor in the development of each LOBs strategy and budget proposals. The integrated planning cycle is an annual process designed to analyze the companies top risks, prioritize management activities, and identify the related investments and revenue requirements that effectively mitigate those risks.
- PG&E Corporation and the Utility each have a Chief Risk and Audit Officer who functionally reports to the PG&E Corporation and Utility Audit Committees. The Chief Risk and Audit Officer attends Board and Board committee meetings and provides regular reports regarding various aspects of the companies risk management policies, programs, and activities.

Compensation Risk Analysis

The Compensation Committees independent compensation consultant assists the companies with a review of the design of PG&E Corporations and the Utilitys incentive plans relative to general compensation plan risk factors (or the potential for unintended consequences).

The companies examined the overall compensation pay structure, the overall mix of compensation vehicles, the structure of the incentive plans in particular, and other company pay plans. With respect to incentive plan structure, the companies specifically examined target and maximum compensation in each plan, the nature and mix of performance measures, governance structure, and the risk of earnings manipulation posed by the incentive structure, and the extent to which the NEO pay program rewards short-term decisions at the risk of long-term performance. The companies also generally considered other compensation policies (such as clawback and anti-hedging policies), other compensation plans relating to severance and change-in-control benefits, and compensation governance.

For 2014, Pay Governance concluded that there were no material issues found regarding the companies executive pay programs, and that the design of the companies incentive pay plans pose a low likelihood of incentivizing employees to engage in behaviors that are likely to have a material adverse effect on the company.

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To further ensure appropriate incentive metrics, the Compensation Committee also receives advice regarding appropriate safety and operational incentive measures from the Nuclear, Operations, and Safety Committee.

Based on the foregoing, PG&E Corporation and the Utility concluded that the risks arising from the companies overall compensation policies and practices are not reasonably likely to have a material adverse effect on either PG&E Corporation or the Utility.

Board Oversight of Political Contributions and Advocacy

The PG&E Corporation Public Policy Committee reviews PG&E Corporation s and the Utility s political contributions and recommends Board approval limits for political contributions from the companies to candidates, measures, initiatives, political action committees, and certain other organizations that may engage in activities involving elections. The Boards are apprised of significant advocacy efforts taken by the companies. The Public Policy Committee also directs preparation of an annual report summarizing political contributions and certain other expenditures made by the companies during the preceding year. Additional information regarding each company s political engagement policies and political expenditures is available on PG&E Corporation s website at: http://www.pgecorp.com/aboutus/corp_gov/political_engagement/political_engagement.shtml.

Board Oversight of Corporate Sustainability

The PG&E Corporation Public Policy Committee has primary oversight of corporate sustainability issues, such as environmental compliance and leadership, climate change, community investments, and workforce development. This includes an annual review of PG&E Corporation s and the Utility s sustainability practices and performance. Other committees of the PG&E Corporation Board and the full PG&E Corporation and Utility Boards address other components of the companies sustainability commitment, such as public and employee safety, investments made to build a smarter electric grid, and the pathways to increasing the Utility s deliveries of renewable electricity. For example, the PG&E Corporation Compensation Committee approves the structure of the Short-Term Incentive Plan, which reinforces the companies sustainability commitment by rewarding eligible employees for achievement of goals that benefit customers, shareholders, and employees.

Within management, the Chief Sustainability Officer of the Utility is responsible for developing and coordinating the companies corporate sustainability initiatives and overseeing the companies corporate sustainability reporting and measurement. This is done in coordination with other members of senior management who are responsible for functions such as supply chain management, environmental compliance, and customer energy solutions.

Additional information regarding PG&E Corporation s sustainability efforts and progress can be found in the on-line Corporate Responsibility and Sustainability Report 2014, which can be accessed at: http://www.pgecorp.com/sustainability.

Board Oversight of Management Succession

At least annually, and often more frequently, the PG&E Corporation and Utility Boards each review the applicable company s plan for CEO succession, both in the ordinary course of business and in response to emergency situations. Each company s Board also develops a profile of appropriate responsibilities, attributes, and requirements for the position of CEO, which reflects PG&E Corporation s and the Utility s business functions, vision, and strategy. Potential candidates for CEO may be identified internally within the companies in consultation with the PG&E Corporation Compensation Committee (which oversees the evaluation of management) and the CEO, as well as externally through various sources, including independent third-party consultants.

The succession planning process also addresses the continuing development of appropriate leadership skills for internal candidates for CEO, as well as candidates for other leadership positions within the companies. The Compensation Committee is responsible for reviewing the CEO s long-range plans for officer development and succession for PG&E Corporation and the Utility.

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Throughout 2014, the Compensation Committee addressed management succession and executive development in connection with its review of officer elections, promotions, and compensation matters during the year. The Boards last reviewed and discussed CEO and management succession planning and executive development at their meeting in February 2015.

Board and Committee Self-Evaluations

The PG&E Corporation Nominating and Governance Committee oversees the process for evaluating and assessing the performance of the Boards, including Board committees. At least annually, each Board or the Nominating and Governance Committee conducts an evaluation to determine whether the Board as a whole and its committees are functioning effectively.

If the evaluation is conducted by the Nominating and Governance Committee, that Committee presents its conclusions to the applicable full Board for review and concurrence.

The Board evaluation includes an assessment of the Board s contribution as a whole and of specific areas in which the Board and/or management believes that a better contribution could be made. The Audit Committees, the Compensation Committee, the Finance Committee, the Nominating and Governance Committee, the Nuclear, Operations, and Safety Committee, and the Public Policy Committee conduct annual self-evaluations. The Nominating and Governance Committee may request the results of any Board committee evaluation for consideration in the Board evaluation.

Director Orientation and Continuing Education

New directors receive information on subjects that would assist them in discharging their duties. All directors periodically receive briefing sessions or materials on such subjects. Each director also receives information regarding opportunities for continuing education, and is encouraged to stay current on important developments pertaining to such director s function and duties to the companies by attending such programs as appropriate or otherwise.

Director and Officer Communications

Correspondence to directors and executive officers should be sent to the applicable company s principal executive office, in care of the Corporate Secretary. The Corporate Secretary will forward to the independent lead director or the independent non-executive Chairman any communications addressed to the Board of Directors as a body, to all the directors in their entirety, or to a subset of the directors, and such other communications as the Corporate Secretary, in his or her discretion, determines is appropriate. The Corporate Secretary also will receive communications directed to individual directors or officers, and will forward those as appropriate.

The address of the principal executive office for each company is:

PG&E Corporation
Pacific Gas and Electric Company
77 Beale Street, P.O. Box 770000
San Francisco, California 94177

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Compensation of Non-Employee Directors

The Boards of PG&E Corporation and the Utility each establish the level of compensation for that company s non-employee directors, based on the recommendation of the PG&E Corporation Compensation Committee and considering the impact of compensation on director independence. Directors who also are current employees of either company receive no additional compensation for service as directors.

The Compensation Committee periodically reviews the amount and form of compensation paid to non-employee directors of PG&E Corporation and the Utility. As part of this review, the Committee reviews the compensation provided to the companies non-employee directors as compared to other comparable U.S. peer companies, with the objective of ensuring that non-employee director compensation is:

Market-competitive in terms of annual compensation value, and

Consistent with emerging market practices and trends.

Compensation paid to non-employee directors for 2014 is consistent with the result of the review that was conducted during 2012. The Compensation Committee s most recent review was conducted in September 2014, in consultation with the Committee s prior independent compensation consultant, Frederic W. Cook & Co., Inc. (FWC). Results of the review are reflected in compensation paid to non-employee directors starting in January 2015.

2014 Director Compensation

The following table summarizes the principal components of compensation paid or granted to individuals for their service as non-employee directors of PG&E Corporation and the Utility during 2014.

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	All Other Compensation ($)(4)	Total ($)
L. Chew	110,000	104,984		2,596	217,580
C. L. Cox(5)	64,924	0		96	65,020
F. Fowler	93,250	104,984		96	198,330
M. C. Herringer	120,500	104,984		2,596	228,080
R. C. Kelly	101,750	104,984		96	206,830
R. H. Kimmel	107,250	104,984		96	212,330
R. A. Meserve	117,250	104,984		2,596	224,830
F. E. Miller	133,618	104,984		96	238,698
R. G. Parra	107,250	104,984		96	212,330
B. L. Rambo	115,500	104,984		96	220,580
B. L. Williams	170,189	104,984		2,596	277,769

(1) Represents receipt of retainers and meeting fees described below following this table. Retainers paid to Mr. Cox reflect his retirement on May 12, 2014. Total meeting fees were: Mr. Chew $40,000, Mr. Cox $19,250, Mr. Fowler $33,250, Ms. Herringer $50,500, Mr. Kelly $41,750, Mr. Kimmel $47,250, Dr. Meserve $47,250, Mr. Miller $41,750, Mr. Parra $47,250, Ms. Rambo $45,500, and Mr. Williams $50,500.

(2) Represents the grant date fair value of restricted stock units (RSUs) granted in 2014 measured in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation Stock Compensation (FASB ASC Topic 718). Grant date fair value is measured using the closing price of PG&E Corporation common stock on the date of grant. In 2014, each non-employee director who was elected at the 2014 annual meeting of shareholders and in office as of May 12, 2014 received 2,398 RSUs with a grant date value of $104,984. The aggregate number of stock awards

outstanding for each non-employee director at December 31, 2014 was: Mr. Chew 2,655, Mr. Fowler 2,445, Ms. Herringer 2,655, Mr. Kelly 2,445, Mr. Kimmel 2,655, Dr. Meserve 2,655, Mr. Miller 2,655, Mr. Parra 2,655, Ms. Rambo 2,665, and Mr. Williams 2,665.

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(3)	No stock options were granted in 2014. The aggregate number of option awards outstanding for each non-employee director at December 31, 2014 was: Mr. Chew 0, Mr. Fowler 0, Ms. Herringer 2,491, Mr. Kelly 0, Mr. Kimmel 0, Dr. Meserve 0, Mr. Miller 4,090, Mr. Parra 0, Ms. Rambo 0, and Mr. Williams 0.
(4)	Represents (i) premiums paid for accidental death and dismemberment insurance, and (ii) matching gifts, paid or payable for 2014, to qualified educational and environmental nonprofit organizations pursuant to the PG&E Corporation Matching Gifts Program, which establishes a set fund for matching eligible gifts made by employees and directors on a dollar-for-dollar basis, up to a total of $2,500 per calendar year per individual, as follows: Mr. Chew $2,500, Ms. Herringer $2,500, Dr. Meserve $2,500, and Mr. Williams $2,500.
(5)	Mr. Cox retired from the Boards effective May 12, 2014.

Retainers and Fees

The following retainers and fees were provided during 2014 to each director who was not an employee of PG&E Corporation or the Utility.

Board Retainer	$15,000 per quarter ($60,000 annually)
Board and Committee Meeting Fees	$1,750 per meeting *Other than:* $2,750 per Audit Committee meeting
Shareholder Meeting Fees	$1,750 per meeting (if not held on the same day as a Board meeting)
Lead Director Retainer	$12,500 per quarter ($50,000 annually)
Committee Chair Retainers (Permanent Standing Committees)	$2,500 per quarter ($10,000 annually) *Other than:* Audit: $12,500 per quarter ($50,000 annually) Compensation: $3,750 per quarter ($15,000 annually)

Any director who serves on the PG&E Corporation Board, Audit Committee, or Executive Committee does not receive additional retainers for concurrent service on the Utility Board, Audit Committee, or Executive Committee, as applicable. Separate meeting fees are paid for each meeting of the Utility Board, Audit Committee, or Executive Committee that is not held concurrently or sequentially with a corresponding meeting of the PG&E Corporation Board, Audit Committee, or Executive Committee. Such meetings usually are held concurrently, and in most cases a single meeting fee is paid to each director for each set of meetings.

Effective January 1, 2015, quarterly Board retainers increased to $17,500 (from $15,000), and the quarterly retainer for the Chair of the Nuclear, Operations, and Safety Committee increased to $3,750 (from $2,500).

Non-Employee Director Stock-Based Compensation

Under the 2014 LTIP, each non-employee director of PG&E Corporation is entitled to receive annual awards of stock-based compensation.

Awards for 2014 were granted on May 12, 2014. Such grants had a total aggregate value of $105,000 and consisted of RSUs that were granted to each non-employee director after his or her election to the Board. These RSUs vest at the end of the director s annual elected term. RSUs also will vest upon the director s death or disability, and otherwise are forfeited if the director ceases to be a member of the Board during his or her elected one-year term. Non-employee directors also may elect to defer settlement of vested RSUs. If there is a Change in Control (as defined on page 45), the RSUs will vest immediately and become payable in accordance with the normal settlement schedule.

Starting with the 2015 grants, the value of the annual award will increase to $120,000, and a non-employee director s equity-based awards will vest if there is both a Change in Control and the director is terminated.

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Stock Ownership Guidelines

Non-employee directors of PG&E Corporation are expected to own shares of PG&E Corporation common stock having a dollar value of at least five times the value of the then-applicable annual Board retainer. Ownership will be measured annually as of December 31 of each calendar year. If any non-employee director is on the Utility Board only, then that director also may satisfy his or her stock ownership obligation with Utility preferred stock. Directors generally have five years to meet the guidelines. Ownership includes beneficial ownership of common stock, as well as RSUs and common stock equivalents. These guidelines were adopted in order to more closely align the interests of directors and each company s shareholders.

Deferral of Retainers and Fees

Under the PG&E Corporation 2005 Deferred Compensation Plan for Non-Employee Directors, directors of PG&E Corporation and the Utility may elect to defer all of their retainers, all of their meeting fees, or both. Directors who participate in the Deferred Compensation Plan may elect either to (1) convert their deferred compensation into common stock equivalents, the value of which is tied to the market value of PG&E Corporation common stock, or (2) have their deferred compensation deemed to be invested in the Utility Bond Fund (which is described in the narrative following the Non-Qualified Deferred Compensation 2014 table beginning on page 60).

Reimbursement for Travel and Other Expenses

Directors of PG&E Corporation and the Utility are reimbursed for reasonable expenses incurred in connection with attending Board, Board committee, or shareholder meetings, or participating in other activities undertaken on behalf of PG&E Corporation or the Utility.

Retirement Benefits from PG&E Corporation or the Utility

The PG&E Corporation Retirement Plan for Non-Employee Directors was terminated effective January 1, 1998. Directors who had accrued benefits under the Plan were given a one-time option of either (1) receiving the benefit accrued through 1997, upon their retirement, or (2) converting the present value of their accrued benefit into a PG&E Corporation common stock equivalent investment held in the Deferred Compensation Plan for Non- Employee Directors. Accrued retirement benefits, or distributions from the Deferred Compensation Plan relating to the conversion of retirement benefits, will be paid at the later of age 65 or retirement from the Board.

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Item No. 2:
Ratification of the Appointment of the Independent Registered Public Accounting Firm for PG&E Corporation and Pacific Gas and Electric Company

The Audit Committees of PG&E Corporation and the Utility each have selected and appointed Deloitte & Touche LLP (Deloitte & Touche) as the independent registered public accounting firm for that company to audit the consolidated financial statements as of and for the year ended December 31, 2015, and to audit the effectiveness of internal control over financial reporting as of December 31, 2015. Deloitte & Touche is a major national accounting firm with substantial expertise in the energy and utility businesses. Deloitte & Touche has served as independent public accountants for PG&E Corporation and the Utility since 1999.

One or more representatives of Deloitte & Touche are expected to be present at the annual meetings. They will have the opportunity to make a statement if they wish and are expected to be available to respond to questions from shareholders.

PG&E Corporation and the Utility are not required to submit these appointments to a vote of their shareholders. However, the Boards of Directors have determined that it is desirable to request shareholder ratification of this selection as a matter of good corporate governance. If the shareholders of either PG&E Corporation or the Utility do not ratify the appointment, the applicable Audit Committee will investigate the reasons for rejection by the shareholders and will reconsider the appointment. Even if a company s shareholders ratify the selection, the applicable Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of that company and its shareholders.

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company Unanimously Recommend a Vote FOR the Proposal to Ratify the Appointment of Deloitte & Touche.

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Information Regarding the Independent Registered Public Accounting Firm for PG&E Corporation and Pacific Gas and Electric Company

Fees Paid to the Independent Registered Public Accounting Firm

The Audit Committees have reviewed the audit and non-audit fees that PG&E Corporation, the Utility, and their respective controlled subsidiaries have paid to the independent registered public accounting firm (including subsidiaries and affiliates), in order to consider whether those fees are compatible with maintaining the firm s independence.

Table 1: Fees Billed to PG&E Corporation

(Amounts include Fees Billed to Pacific Gas and Electric Company and its Subsidiaries shown in Table 2 below)

	2014	2013
Audit Fees	$4.87 million	$4.6 million
Audit-Related Fees	$0.3 million	$0.4 million
Tax Fees	$0	$30,000
All Other Fees	$0	$0

Table 2: Fees Billed to Pacific Gas and Electric Company and its Subsidiaries

(Amounts are included in Fees Billed to PG&E Corporation shown in Table 1 above)

	2014	2013
Audit Fees	$4.1 million	$3.8 million
Audit-Related Fees	$0.25 million	$0.3 million
Tax Fees	$0	$30,000
All Other Fees	$0	$0

Audit Fees

Audit fees billed for 2014 and 2013 relate to services rendered by Deloitte & Touche in connection with reviews of Quarterly Reports on Form 10-Q, certain limited procedures on registration statements, the audits of the annual financial statements of PG&E Corporation and its subsidiaries and the Utility and its subsidiaries, the audits of both PG&E Corporation s and the Utility s internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act, and support for statutory or regulatory filings or engagements and regulators reviews of auditor workpapers.

Audit-Related Fees

Audit-related fees billed in 2014 and 2013 relate to services rendered by Deloitte & Touche for nuclear decommissioning trust audits, consultations on financial accounting and reporting standards, required agreed-upon procedure reports related to contractual obligations of the Utility and its subsidiaries, advice regarding proposed transactions, advice regarding adoption of new accounting pronouncements, training, and advice concerning internal controls surrounding new applications, systems, or activities.

Tax Fees

Tax fees billed in 2013 relate to services rendered by Deloitte Tax LLP for general tax planning and advice. Deloitte & Touche and its affiliates provided no services in this category during 2014.

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All Other Fees

Deloitte & Touche provided no services in this category during 2014 and 2013.

Obtaining Services from the Independent Registered Public Accounting Firm

The following section describes policies and procedures regarding how PG&E Corporation, the Utility, and their consolidated affiliates may obtain services from Deloitte & Touche and certain affiliates, including limitations on the types of services that the companies may obtain, and approval procedures relating to those services.

Annual Review and Pre-Approval of Services

For each fiscal year, the PG&E Corporation and Utility Audit Committees approve a list of services that will be obtained by the companies and their controlled subsidiaries and affiliates from the independent registered public accounting firm during that year. The Audit Committees also approve maximum fee amounts for each approved service.

Three types of services may be obtained from the independent accounting firm:

CATEGORY	DESCRIPTION
Audit services	Includes audit and review of annual and quarterly financial statements and services that only the independent registered public accounting firm reasonably can provide (e.g., comfort letters, statutory audits, attest services, consents, and assistance with and review of documents filed with the SEC), and as reflected in the audit engagement letter with Deloitte & Touche.
Audit-related services	Includes assurance and related services that traditionally are performed by the independent registered public accounting firm (e.g., agreed-upon procedure reports related to contractual obligations and attest services that are not required by statute or regulation).
Tax services	Includes compliance, tax strategy, tax appeals, and specialized tax issues, all of which also must be permitted under the Sarbanes-Oxley Act.

In evaluating any proposed services from the independent registered public accounting firm, the Audit Committees assess, among other things, the impact of that service on the accounting firm s independence.

Mid-Year Review and Approval of Additional Services

The Audit Committees also must approve (1) any proposed new engagement of the independent registered public accounting firm for services that were not approved during the annual review process, and (2) any increase in authorized fee amounts for services that have already been approved.

In addition, management has adopted a policy under which PG&E Corporation, the Utility, and their controlled subsidiaries may not enter into new engagements with Deloitte & Touche and its affiliate, Deloitte Consulting, for any services other than audit services, audit-related services, and tax services that Deloitte & Touche and its affiliates are allowed to provide to Deloitte & Touche s audit clients under the Sarbanes-Oxley Act.

Delegation of Pre-Approval Authority

Each Audit Committee has delegated to the Committee Chair, or to any other independent Committee member if the Chair is not available, the authority to pre-approve audit, audit-related, and non-audit services provided by the company s independent registered public accounting firm. Any pre-approvals granted under this authority must be presented to the full Audit Committee at the next regularly scheduled Committee meeting.

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Monitoring Pre-Approved Services

During the year, management periodically updates each Audit Committee as to which of the pre-approved auditing and non-auditing services have already been provided by the independent public accounting firm.

Services Provided During 2014 and 2013

During 2014 and 2013, all services provided by Deloitte & Touche to PG&E Corporation, the Utility, and their consolidated affiliates were approved consistent with the applicable pre-approval procedures.

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Report of the Audit Committees

The Audit Committees (Committees) of PG&E Corporation and Pacific Gas and Electric Company (Utility) are comprised of independent directors and operate under written charters adopted by their respective Boards. The members of the Audit Committees of PG&E Corporation and the Utility are identical. At both PG&E Corporation and the Utility, management is responsible for internal controls and the integrity of the financial reporting process.

In this regard, management has assured the Committees that the consolidated financial statements of PG&E Corporation and the Utility were prepared in accordance with generally accepted accounting principles. In addition, the Committees reviewed and discussed these audited consolidated financial statements with management and the independent registered public accounting firm. The Committees also discussed with the independent registered public accounting firm matters that are required to be discussed by the Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 16 Communications with Audit Committees.

Deloitte & Touche LLP was the independent registered public accounting firm for PG&E Corporation and the Utility in 2014. Deloitte & Touche LLP provided to the Committees written disclosures required by applicable requirements of the PCAOB regarding an independent registered public accounting firm s communications with an audit committee concerning independence and non-audit services, and the Committees discussed with Deloitte & Touche LLP that firm s independence.

Based on the Committees review and discussions described above, the Committees recommended to the Boards that the audited consolidated financial statements for PG&E Corporation and the Utility be included in the PG&E Corporation and Pacific Gas and Electric Company Annual Report on Form 10-K for the year ended December 31, 2014 filed with the Securities and Exchange Commission.

March 25, 2015

Audit Committees of the Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company

Forrest E. Miller, Chair
Lewis Chew
Maryellen C. Herringer
Richard C. Kelly
Barry Lawson Williams

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Item No. 3:
Advisory Vote on Executive Compensation for
PG&E Corporation and Pacific Gas and Electric Company

PG&E Corporation and Pacific Gas and Electric Company (Utility) each ask their respective shareholders to approve the following:

RESOLVED that the compensation paid to the company s executive officers named in the Summary Compensation Table of this Joint Proxy Statement, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables, and the accompanying narrative discussion, is hereby APPROVED.

PG&E Corporation and the Utility each believe that its executive compensation policies and practices are effective in tying a significant portion of pay to performance, while providing competitive compensation that attracts, retains, and motivates talented executives, and aligns the interests of our executive officers with those of our shareholders.

In establishing PG&E Corporation s officer compensation programs for 2014 (which also cover officers of the Utility), the PG&E Corporation Compensation Committee established three objectives. These objectives, and how these objectives were met for 2014, are discussed in the Compensation Discussion and Analysis (CD&A), which can be found immediately following this Item No. 3. These objectives are summarized below.

A significant portion of every officer s compensation should be tied directly to PG&E Corporation s performance, without promoting excessive risk-taking.

With the exception of base salary, all elements of annual officer compensation are tied to corporate operational and/or financial performance and, therefore, provide a direct connection between compensation and performance in both the achievement of key operating results and long-term shareholder value. For Anthony F. Earley, Jr., the PG&E Corporation Chief Executive Officer (CEO), approximately 88 percent of 2014 target compensation was tied to corporate performance. For the other named executive officers listed in the Summary Compensation Table, approximately 76 percent of average 2014 target compensation was tied to corporate performance.

The Compensation Committee s independent compensation consultant, Pay Governance, LLC has advised that there are no material issues regarding PG&E Corporation s and the Utility s executive compensation programs, and that the design of the companies incentive pay plans pose a low likelihood of incentivizing employees to engage in behaviors that are likely to have an adverse material impact on the company.

A significant component of officer compensation should be tied to PG&E Corporation s long-term performance for shareholders, in the form of long-term incentive awards.

The annual long-term incentive awards for 2014 were comprised equally of restricted stock units (RSUs) and performance shares. RSU awards vest over a three-year period, and their value is tied directly to the price of PG&E Corporation common stock. Performance shares granted in 2014 vest, if at all, at the end of a three-year period, and their value is tied to the relative three-year performance of PG&E Corporation common stock price appreciation and dividends paid, or total shareholder return (TSR), as compared to the TSR of companies in the 2014 Performance Comparator Group.

Target cash compensation (base salary and target short-term incentive) should be competitive with the median target cash compensation for comparable officers in the 2014 Pay Comparator Group.

Target cash compensation for 2014 generally was within a range of 15 percent above to 15 percent below the corresponding market median for companies in the 2014 Pay Comparator Group.

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This vote is non-binding and is required by Section 14A of the Securities Exchange Act of 1934. PG&E Corporation and the Utility each currently plan to submit this vote to shareholders again in connection with next year s annual shareholder meeting. If the shareholders of either company do not approve this proposal, the Compensation Committee and members of management will investigate the reasons for disapproval and will consider those reasons when developing future executive compensation programs, practices, and policies.

The Boards of Directors of PG&E Corporation and Pacific Gas and Electric Company Unanimously Recommend a Vote FOR This Proposal to Approve the Compensation of Each Company s Executive Officers Named in the Summary Compensation Table, as Described in This Joint Proxy Statement.

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Compensation Discussion and Analysis (CD&A)

The purpose of this CD&A is to explain the compensation philosophy for PG&E Corporation and Pacific Gas and Electric Company (Utility), and describe the design and operation of compensation programs for the named executive officers (NEOs) listed in the Summary Compensation Table. Their compensation is disclosed in the tables following this CD&A, including the Summary Compensation Table.

Corporate Financial Performance

In 2014, PG&E Corporation s earnings per share from operations were $3.50[1] as compared to $2.72 per share for 2013. This represents a 28.7 percent increase compared to 2013 but was within the guidance range of $3.45 to $3.55 that PG&E Corporation provided in the fourth quarter of 2014 with respect to 2014 earnings per share from operations.

The companies financial and operational performance for 2014 resulted in a calculated payout level of 135.2 percent of target under the Short-Term Incentive Plan (STIP), which measures financial and operating performance on an annual basis. Please refer to the 2014 STIP Structure and Results section of this CD&A for information regarding the companies financial and operational performance results as they relate to the STIP.

PG&E Corporation s financial performance for the three-year period from 2012 to 2014 determined the payout percentage for performance shares granted in 2012 under the PG&E Corporation 2006 Long-Term Incentive Plan (2006 LTIP). Performance for these purposes was determined by comparing PG&E Corporation s Total Shareholder Return (TSR) for the three years ended December 31, 2014 to that of its 2012 Performance Comparator Group of companies.

For the performance period January 1, 2012 through December 31, 2014, PG&E Corporation s TSR ranked 9th in comparison to these companies. As a result, payment was made with respect to 35 percent of the performance shares granted in 2012.

Mr. Earley received a performance share award upon his hire on September 13, 2011 that had a performance period of September 13, 2011 through September 13, 2014. For that period, PG&E Corporation s TSR ranked 11th in comparison to the 2011 comparator companies. As a result, the performance shares did not meet the minimum threshold performance level, and no payouts were made with respect to these performance shares.

Corporate Governance and Compensation Highlights for 2014

The PG&E Corporation Compensation Committee (Committee) or the PG&E Corporation and Utility Boards of Directors (upon the Committee s recommendation) have adopted certain new programs, practices, and policies that reflect the Committee s and the Boards continuing commitment to sound corporate governance and compensation policies that are consistent with leading market practices. Examples of enhancements made since the beginning of 2014 include:

The Committee conducted a periodic review of its independent compensation consultant, and as a result of that review, retained Pay Governance LLC, a consulting firm with experience in advising regulated utilities, as its new independent executive compensation consultant.

The Committee added two companies (based on business model and market capitalization) to the Performance Comparator Group, bringing the total number of peers in the 2015 Performance Comparator Group to 14 companies. The Performance Comparator Group is used to compare PG&E Corporation s relative TSR.

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(1) PG&E Corporation discloses historical financial results and bases guidance on earnings from operations in order to provide a measure that allows investors to compare the underlying financial performance of the business from one period to another, exclusive of items that management believes do not reflect the normal course of operations. Earnings from operations are not a substitute or alternative for income available for common shareholders presented in accordance with Generally Accepted Accounting Principles (GAAP) (see Exhibit A at the end of this CD&A for a reconciliation of results based on earnings from operations to results based on income available for common shareholders in accordance with GAAP).

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The PG&E Corporation Board of Directors and the Corporation s shareholders approved the PG&E Corporation 2014 Long-Term Incentive Plan (2014 LTIP). As compared to the 2006 LTIP, the 2014 LTIP (1) added a shareholder-approved dollar limit on non-employee director awards, (2) amended the definition of change in control to (a) require consummation of the sale lease, exchange, or other transfer of substantially all of PG&E Corporation s assets (shareholder approval, alone, would not trigger a change in control), and (b) change to 30 percent (from 20 percent) the percentage of voting power that one entity must obtain to trigger a change in control, and (3) requires that upon a change in control, non-employee director awards vest only if the non-employee director also is terminated other than due to resignation (these awards no longer vest solely on the occurrence of the change in control).

Where appropriate, each of these initiatives is discussed in more detail throughout this CD&A.

Named Executive Officers of PG&E Corporation for 2014

Anthony F. Earley, Jr. Chairman, CEO, and President, PG&E Corporation

Christopher P. Johns President, Pacific Gas and Electric Company

Kent M. Harvey Senior Vice President and Chief Financial Officer, PG&E Corporation, and Senior Vice President, Financial Services, Pacific Gas and Electric Company

Hyun Park Senior Vice President and General Counsel, PG&E Corporation

John R. Simon Senior Vice President, Human Resources, PG&E Corporation and Pacific Gas and Electric Company

Named Executive Officers of Pacific Gas and Electric Company for 2014

Messrs. Earley, Johns, Harvey, and Park are considered NEOs of the Utility. The other NEO of the Utility for 2014 is:

Dinyar B. Mistry Vice President, Chief Financial Officer, and Controller

2014 Officer Compensation Program Objectives

The Committee established its officer compensation program for 2014 to meet three primary objectives:

Performance-Based Pay A significant portion of total compensation is at risk based on PG&E Corporation and individual performance. Short- and long-term incentives reflect safety, customer, operational, and financial goals, and long-term shareholder returns, without promoting excessive risk-taking.

Shareholder Alignment A significant component of every officer s compensation is tied directly to PG&E Corporation s performance for shareholders. Performance is defined as TSR, measured by stock price appreciation and dividends paid, relative to companies in the Performance Comparator Group.

Market-Competitive Compensation Levels Target cash compensation (base salary and short-term incentive) should be competitive with the median target cash compensation for comparable officers in the Pay Comparator Group.

PG&E Corporation s and the Utility s 2014 compensation policies and practices described below and elsewhere in this Joint Proxy Statement are designed to meet these objectives. These objectives are largely unchanged from 2013.

The Committee also considers shareholder advisory votes as part of its review of executive compensation programs and practices. In May 2014, PG&E Corporation s and the Utility s shareholders approved the companies NEO compensation for 2013 with votes of 89.6 percent and 99.8 percent, respectively. The Committee considered these results and, given the strong level of shareholder support, made no material changes to compensation policies in 2014.

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2014 Officer Compensation Program

Total annual compensation for NEOs included:

- Base salary,
- Annual cash incentive under the STIP, and
- The value of equity awards granted under the 2006 LTIP.

The following charts illustrate the percentage of target 2014 compensation allocated to base salary, short-term incentives, and long-term incentives for the PG&E Corporation CEO and for the other NEOs on average. (Short-term incentives are shown at target payout levels, and long-term equity incentives are shown at 100 percent payout.)

2014 PG&E Corporation CEO Target Compensation Earley **Average 2014 Target Compensation Other NEOs**

The Committee believes that these proportions of base salary relative to target short-term and long-term incentives provide the right mix to attract, retain, and motivate officers with the necessary skills and experience for the development and successful operation of PG&E Corporation s and the Utility s businesses. They also provide a direct connection between compensation and performance in both the achievement of key operating results and long-term shareholder value, as more fully described below.

A greater portion of the PG&E Corporation CEO s 2014 target compensation is tied to the long-term performance of PG&E Corporation, which the Committee believes is appropriate given the CEO s role.

Compensation paid to the NEOs was consistent with the types and forms of compensation provided during 2014 to all executive officers of the companies.

2014 NEO Compensation Competitive Market Review

For 2014, the Committee used a Pay Comparator Group of publicly traded gas and electric utilities to evaluate market practice and assess PG&E Corporation s and the Utility s competitive pay position. All elements of total direct pay (base pay and short- and long-term incentive targets) for the NEOs (other than Mr. Simon) were compared individually and in the aggregate to the 2014 Pay Comparator Group. For Mr. Simon, comparisons were made to general industry data, as his job scope and skills are easily transferable to other industries. Additional details regarding the 2014 Pay Comparator Group, the general industry data, and the 2014 Performance Comparator Group (used to determine payouts under the performance shares) can be found beginning on page 48 under Benchmarking Details Pay Comparator Group and Performance Comparator Group.

The Committee does not adhere strictly to formulas or survey data to determine the actual mix and amounts of compensation. The Committee considers various additional factors, including each NEO s scope of responsibility and organizational impact, experience, and performance, as well as PG&E Corporation s and the Utility s overall financial and operating results. This flexibility is important in supporting the overall pay-for-performance philosophy and in meeting the Committee s objectives of attracting, retaining, and motivating a talented executive leadership team. At the Committee s request, the PG&E Corporation CEO reviews with the Committee the performance of the other NEOs, and may recommend adjustments, if any, in base pay, annual incentive awards, and LTIP awards for those other NEOs. The Committee gives these recommendations appropriate weight, but may exercise its discretion to accept, reject, or modify the CEO s recommendations based on the Committee members collective assessment of the NEOs performance and pay position, as well as PG&E Corporation s overall financial and operating performance.

In February 2014, the Committee (and the independent members of the PG&E Corporation and Utility Boards in the case of Mr. Earley and Mr. Johns, respectively), in consultation with the Committee s independent compensation consultant at that time, Frederic W. Cook & Co., Inc. (FWC), approved the base salaries, target short-term incentive opportunities, and long-term incentives for NEOs effective March 1, 2014. Additional information regarding FWC is provided in the section entitled Executive Compensation-Setting Process, which begins on page 18.

In setting 2014 compensation levels, base pay and short-term incentive targets were aligned with the market median.

Target annual LTIP award values for 2014 were designed to (1) provide payouts commensurate with PG&E Corporation s TSR performance as compared to the 2014 Performance Comparator Group of companies, and (2) deliver long-term incentive compensation at approximately the 60th percentile level of the 2014 Pay Comparator Group, upon achievement of 60th percentile TSR performance as compared to the 2014 Performance Comparator Group. If PG&E Corporation s TSR performance is at the median level of the 2014 Performance Comparator Group, participants will realize a payout below target award values. Actual amounts realized by NEOs depend on PG&E Corporation performance, as measured by stock price and relative TSR performance as compared to the 2014 Performance Comparator Group.

Components of 2014 Officer Compensation

Base Salary

For NEO compensation, the base salary component falls within a range of 12 percent to 42 percent of target total compensation, depending on officer level.

This is consistent with the Committee s objective of tying a significant portion of every NEO s compensation directly to PG&E Corporation s performance for shareholders through short-term and long-term incentives.

For 2014, the Committee approved a base salary increase budget of 3 percent. The comparative data indicated that the companies in the Pay Comparator Group expected to provide officers a 3 percent average salary increase in 2014.

In the case of NEOs, base pay at PG&E Corporation and the Utility is generally within a range of between 15 percent above and 15 percent below (the 15 percent band) the median base pay of the appropriate benchmark position in the Pay Comparator Group at the time of benchmarking. The Committee believes that this level of comparability to the market is appropriate and consistent with its pay philosophy of taking into consideration factors other than market data in establishing individual pay levels.

Short-Term Incentives

The STIP is an at-risk component of pay. NEOs and other eligible employees may earn annual performance-based cash incentive compensation under the STIP based on achievement of financial and operational goals approved by the Committee and an individual executive s achievements for the year. The Committee retains complete discretion to determine and pay all STIP awards to NEOs and other eligible employees. This includes discretion to reduce the final score on any and all measures downward to zero.

2014 STIP Structure and Results

For 2014, the Committee adopted a STIP structure that continued PG&E Corporation s and the Utility s focus on improving public and customer safety and customer satisfaction. Weightings remained unchanged from 2013, with achievement of safety goals at a 40 percent weighting, achievement of customer satisfaction goals at a 35 percent weighting, and achievement of corporate financial targets at a 25 percent weighting.

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The safety component was structured to provide a strong focus on the safety of employees, customers, and communities. It was made up of four subcomponents: (1) Nuclear Operations Safety, (2) Electric Operations Safety, (3) Gas Operations Safety, and (4) Employee Safety. The customer satisfaction measures were designed to incent employees to be more responsive to our customers needs. As in prior years, corporate financial performance was measured by PG&E Corporation s actual earnings from operations compared to budget.

Each STIP measure has a threshold, target, and maximum level of performance used to arrive at a score ranging from zero to 2.0 for that measure. Performance below the minimum performance level, or threshold, results in a zero score. Performance at the threshold results in a STIP score of 0.5. Target performance results in a STIP score of 1.0, and performance at or above the maximum established level results in a score of 2.0. A score of 1.0 provides 100 percent of an executive s target payout. Performance at the threshold and maximum levels delivers 50 percent and 200 percent of targeted payout, respectively.

The STIP overall performance score is the sum of the weighted cumulative scores for performance on each of the STIP measures.

An NEO s final STIP score also may be increased or decreased by an individual performance modifier, which can range from 0 percent to 150 percent. The individual performance modifier is determined by the Committee based upon the CEO s assessment of an executive s performance, or the Committee s assessment in the case of the CEO s performance, for the year.

For 2014, the measures and related weightings, thresholds, targets, maximums, and results for calculating the STIP performance score were as follows:

2014 STIP Measures	**Weight**	**Threshold**	**Target**	**Maximum**	**Result**	**Score**	**Weighted Average Score**
SAFETY COMPONENT (40%)							
Nuclear Operations Safety							
Diablo Canyon Power Plant Performance Indicator							
Unit 1 Performance Indicator	4%	90.0	94.0	98.0	84.220	0.000	0.000
Unit 2 Performance Indicator	4%	83.0	88.0	93.0	84.430	0.643	0.026
Electric Operations Safety							
Transmission and Distribution (T&D) Wires Down	4%	2,700	2,400	2,250	2,615	0.642	0.026
911 Emergency Response	4%	92.2%	93.6%	95.0%	94.10%	1.357	0.054
Gas Operations Safety							
Gas Dig-ins Reduction	4%	2.74	2.60	2.47	2.42	2.000	0.080
Gas Emergency Response	4%	21.3	21.0	20.0	19.95	2.000	0.080
Employee Safety							
Lost Workday Case Rate	8%	0.310	0.271	0.245	0.376	0.000	0.000
Serious Preventable Motor Vehicle Incident (SPMVI) Rate	8%	0.235	0.221	0.214	0.381	0.000	0.000
CUSTOMER SATISFACTION COMPONENT (35%)							
Customer Satisfaction Score	10%	75.5	75.7	76.0	76.5	2.000	0.200
In-Line Inspection and Upgrade Index	5%	0.500	1.000	2.000	1.560	1.560	0.078
System Average Interruption Duration Index (SAIDI)	10%	116.8	115.0	108.5	110.21	1.737	0.174
Gas Asset Mapping Duration	5%	34	32	30	28.93	2.000	0.100
Execute Gas Pipeline Safety Work Index	5%	0.500	1.000	2.000	0.920	0.920	0.046
FINANCIAL COMPONENT (25%)							
Earnings from Operations (in millions)	25%	95% of Budget	Budget	105% of Budget	$1,647.17	1.953	0.488
	100%						1.352

The measures in the foregoing table are defined below.

Diablo Canyon Power Plant Performance Indicator Year-end score of 12 performance indicators reported to the Institute of Nuclear Power Operations for the Utility s Diablo Canyon Power Plant Units 1 and 2.

Transmission and Distribution (T&D) Wires Down Number of unplanned sustained outage events involving at least one downed overhead electric transmission or primary distribution conductor.

911 Emergency Response Percentage of time that Utility personnel are on site within 60 minutes after receiving a 911 call of a potential Utility electric hazard.

Gas Dig-ins Reduction Number of third-party dig-ins to gas assets per 1,000 Underground Service Alert tickets.

Gas Emergency Response Average response time in minutes to an immediate response gas emergency order.

Lost Workday Case Rate Number of lost workday cases incurred per 200,000 hours worked (or for approximately every 100 employees).

Serious Preventable Motor Vehicle Incident (SPMVI) Rate Number of SPMVIs occurring that the driver could have reasonably avoided, per 1 million miles driven.

Customer Satisfaction Score Overall satisfaction of customers with the products and services offered by the Utility, as measured through a quarterly survey.

In-Line Inspection and Upgrade Index Index measuring the Utility s ability to complete planned in-line inspections and pipeline retrofit projects.

System Average Interruption Duration Index (SAIDI) Total time that the average customer is without electric power during a given time period (measured in number of minutes).

Gas Asset Mapping Duration Number of days required to update jobs in the mapping system after construction completion.

Execute Gas Pipeline Safety Work Index Index measuring the efficient completion of committed work for Gas Pipeline Safety programs.

Earnings from Operations (EFO) PG&E Corporation s actual earnings from operations, excluding items impacting comparability compared to budget. The measurement is non-GAAP. Please see Exhibit A for a reconciliation of PG&E Corporation s earnings from operations to income available for common shareholders in accordance with GAAP.

Individual Awards Determination

STIP cash awards to NEOs are calculated as follows:

1. Determine the executive s individual participation rate, which is the NEO s base salary earned during the year multiplied by the individual s STIP target percentage.

2. Calculate the overall enterprise-wide STIP performance score, which can range from 0 to 2.0 and is calculated based on final results compared to the threshold, target, and maximum of each weighted measure.

3. Multiply the participation rate by the performance score to determine the 2014 calculated company award.

4. Multiply the 2014 calculated company award by the NEO s individual performance modifier.

5. The Committee (and the independent members of the PG&E Corporation and Utility Boards of Directors in the case of the CEO and the President of the respective companies) approves all final awards and has discretion to adjust all STIP awards.

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For 2014, the Committee approved NEO participation rates that ranged from 45 percent to 120 percent of base salary (the 120 percent participation rate applies only to the PG&E Corporation CEO). This range is within the 15 percent band of the Pay Comparator Group s median annual incentive participation rates.

For 2014, STIP awards for the NEOs ranged from 90 percent to 125 percent of the 2014 calculated company award when adjusted for individual performance. The final awards for 2014 were paid to each of the NEOs in March 2015 and are reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table on page 52.

2015 STIP Structure

The Committee approved a STIP structure for 2015 that remains focused on improving public and customer safety and customer satisfaction. The weighting for the safety component increased to 50 percent from 40 percent. The Gas In-Line Inspection and Upgrade Index moved from the Customer Satisfaction component to Safety, better reflecting the measure s focus, and its weight increased from 5 percent to 6 percent. The four other Gas and Electric Operations Safety measures weights were increased by 1 percent to 5 percent each. Weighting of the Customer Satisfaction component decreased from 35 percent to 25 percent, reflecting the Gas In-Line Inspection and Upgrade Index move, along with the elimination of the Gas Asset Mapping Duration and Gas Pipeline Safety Work Index measures. These measures were removed due to the achievement of long-term goals and completion of work commitments. Additional emphasis is now placed on the Customer Satisfaction score with a 15 percent weight, up from 10 percent. The weighting of the corporate financial performance target remains at 25 percent of the total STIP score. For 2015, the measures and related weighting are as follows:

2015 STIP Measures	**Weight**
SAFETY COMPONENT (50%)	
Nuclear Operations Safety	
Diablo Canyon Power Plant Reliability and Safety Indicator	8%
Electric Operations Safety	
Transmission and Distribution (T&D) Wires Down	5%
911 Emergency Response	5%
Gas Operations Safety	
In-Line Inspection and Upgrade Index	6%
Gas Dig-ins Reduction	5%
Gas Emergency Response	5%
Employee Safety	
Lost Workday Case Rate	8%
Serious Preventable Motor Vehicle Incident Rate	8%
CUSTOMER SATISFACTION COMPONENT (25%)	
Customer Satisfaction Score	15%
System Average Interruption Duration Index (SAIDI)	10%
FINANCIAL COMPONENT (25%)	
Earnings from Operations	25%

Long-Term Incentives

Long-Term Incentives Awarded in 2014

LTIP awards (both annual and mid-year) are granted consistent with the PG&E Corporation Equity Grant Date Policy (see discussion below under Equity Grant Dates). During 2014, awards granted prior to May 12, 2014 were granted under the 2006 LTIP, and awards granted on or after May 12, 2014 were granted under the 2014 LTIP, which was approved by PG&E Corporation s shareholders on May 12, 2014.

In February 2014, the Committee (and the independent members of the PG&E Corporation and Utility Boards in the case of Mr. Earley and Mr. Johns, respectively) approved annual LTIP awards for 2014, which were granted in March 2014.

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The target annual LTIP award values for 2014 for the NEOs ranged from $300,000 to $5,500,000 (the upper end applicable only to Mr. Earley). These values were determined based on competitive market data, internal equity considerations, and advice from FWC. The annual LTIP awards for 2014 granted to the NEOs were comprised of 50 percent restricted stock units (RSUs) and 50 percent performance shares, based on grant date fair value.

The Committee believes that this allocation of RSUs and performance shares for NEOs balances the interests of shareholders and officers by linking the value of long-term compensation to stock price appreciation and relative TSR. Because RSUs and performance shares each vest over a three-year period, and increase or decrease in value depending on the performance of PG&E Corporation common stock, these awards are at risk based on corporate performance, and align the interests of NEOs with performance for shareholders.

Additional details regarding RSUs and performance share awards are provided below.

Restricted stock units. RSUs are hypothetical shares of stock that are settled in an equal number of shares of PG&E Corporation common stock.

RSUs granted for 2014 vest over a three-year vesting period (one-third at the end of each year during the vesting period), and generally vest only if the officer remains employed over the vesting period. Prior years RSU awards vested over a four-year period; the reduction to a three-year vesting period better aligns our LTIP award practices with that of the peer group companies and is aligned with the Committee s compensation objectives. The multi-year vesting period also serves as a retention mechanism. The number of RSUs granted in March 2014 to each NEO was determined by dividing one-half of that NEO s actual annual LTIP award value for 2014 by the closing price of a share of PG&E Corporation common stock on March 3, 2014. The sizing methodology aligns with accounting and disclosure standards.

Performance shares. Performance shares are hypothetical shares of PG&E Corporation common stock tied directly to PG&E Corporation s performance for shareholders, and generally vest only at the end of a three-year performance period.

The number of performance shares granted in March 2014 to each NEO was determined by dividing one-half of that NEO s actual annual LTIP award value for 2014 by the grant date fair value of a performance share as determined by Monte Carlo simulation. This sizing methodology aligns with accounting and disclosure standards.

Performance shares granted in March 2014 will vest, if at all, on March 1, 2017 following completion of the three-year performance period starting January 1, 2014 and ending December 31, 2016. The payout value of any vested performance shares will be based on PG&E Corporation s TSR relative to the 2014 Performance Comparator Group for the period. The payment for performance shares will be in the form of stock and will be calculated by multiplying (1) the number of vested performance shares by (2) a payout factor based on PG&E Corporation s relative TSR performance compared to the Performance Comparator Group.

As shown in the following 2014 Performance Share Payout Scale, there will be no payout if PG&E Corporation s TSR falls below the 25th percentile of the 2014 Performance Comparator Group; there will be a 25 percent payout if PG&E Corporation s TSR is at the 25th percentile; there will be a 100 percent payout if PG&E Corporation s TSR is at the 60th percentile; and there will be a 200 percent payout if PG&E Corporation s TSR is at the 90th percentile. The 2014 Performance Share Payout Scale differs from the payout scale in 2013 in order to better align the scale with peer companies practices, while still requiring above-median performance to achieve target payout.

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2014 Performance Share Payout Scale
Number of Comparator Companies in Total = 12

Peer Company Rank	Company Performance Percentile	Rounded Payout
1	100	200%
2	92	200%
	90	200%
3	83	178%
4	75	150%
5	67	122%
	60	100%
6	58	96%
7	50	79%
8	42	61%
9	33	43%
10	25	25%
11	17	0%
12	8	0%

Interpolation shall be used in the event that PG&E s TSR does not fall directly on one of the TSR ranks listed. If any member of the 2014 Performance Comparator Group ceases to be publicly traded during the performance period, then the scale will be adjusted in accordance with previously-established rules.

Performance Shares Vested in 2014

The three-year performance cycle for annual performance share awards that were granted in 2011 under the 2006 LTIP ended on December 31, 2013. These awards vested on March 3, 2014. For that performance period, PG&E Corporation s TSR, as measured by stock price appreciation and dividends, ranked 13th among the 13 companies in the 2011 Performance Comparator Group. This ranking resulted in no payouts with respect to the 2011 performance share awards. PG&E Corporation s TSR performance for the three-year period was negative 4.3 percent, as compared to the median TSR of 46.3 percent among the 2011 Performance Comparator Group companies for the same period.

Mr. Earley received a performance share award upon his hire on September 13, 2011 that had a performance period of September 13, 2011 through September 13, 2014. For that period, PG&E Corporation s TSR ranked 11th in comparison to the 2011 comparator companies. As a result, the performance shares did not meet the minimum threshold performance level, and no payouts were made with respect to these performance shares.

Performance Shares Vested in 2015

The three-year performance cycle for annual performance share awards that were granted in 2012 under the 2006 LTIP ended on December 31, 2014. These awards vested on March 2, 2015. For that period, PG&E Corporation s TSR, as measured by stock price appreciation and dividends, ranked 9th among the 13 companies in the 2012 Performance Comparator Group. This ranking resulted in a 35 percent payout with respect to the 2012 performance share awards. PG&E Corporation s TSR performance for the three-year period was 46.2 percent, as compared to the median TSR of 62.4 percent among the 2012 Performance Comparator Group companies for the same period.

2015 LTIP Structure

For 2015, annual LTIP awards are comprised of 50 percent performance shares with a relative TSR measure, 10 percent performance shares with equally weighted safety and affordability measures, and 40 percent RSUs. The increased performance share allocation and additional performance measures provide additional focus on the achievement of operational and financial goals and reflect closer alignment with peer practices.

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Equity Grant Dates

The PG&E Corporation Equity Grant Date Policy generally provides that annual LTIP awards are granted when the market price of PG&E Corporation common stock reflects the disclosure of all material information. Annual equity awards for 2014 were granted on March 3, 2014, which was consistent with this policy. Under the policy, the grant date for non-annual equity awards to employees (such as for newly hired or newly promoted officers) is the later of (1) the date that the non-annual award is approved by the independent members of the PG&E Corporation or Utility Board, the Committee, or the PG&E Corporation CEO, as applicable, (2) the date that the LTIP award recipient becomes an employee, if applicable, or (3) the date otherwise specified by the applicable Board, the Committee, or the PG&E Corporation CEO. If the grant date of any LTIP award would occur during a trading blackout period, as defined under the PG&E Corporation Insider Trading Policy, then the actual grant date will be the first business day after the trading blackout period ends.

Other Elements of Executive Compensation

Perquisites and Related Compensation

NEOs generally receive a limited range of perquisite benefits, typically encompassing a partial subsidy for financial planning services from a third-party financial advisory firm, partial reimbursement of certain health club fees, on-site parking, and executive health services. The PG&E Corporation CEO and the Utility President also receive security-based car transportation services. The magnitude of these perquisites, including the lump-sum payment described in the following paragraph, is comparable to that provided to executive officers of companies in the Pay Comparator Group, and the value of these services is taxable to the recipient.

The Committee (and the independent members of the PG&E Corporation and Utility Boards in the case of Mr. Earley and Mr. Johns, respectively) also approved a 2014 lump-sum annual stipend amount for each executive officer consistent with 2013, which ranged from $15,000 to $35,000 (the upper end applicable only to Mr. Earley). This stipend is provided in lieu of providing the NEOs with additional perquisite benefits. The NEOs have discretion to use this stipend as they see fit. This stipend is consistent with amounts paid historically.

The PG&E Corporation CEO is authorized to use private aircraft for business travel under appropriate circumstances. The Utility s Corporate Aircraft Use policy prohibits use of Utility aircraft for personal travel.

Post-Retirement Benefits

NEOs are eligible to receive retirement benefits under the Utility s tax-qualified defined benefit plan (pension plan), which also provides benefits to other eligible employees of PG&E Corporation and the Utility. NEOs also are eligible to receive benefits under the PG&E Corporation Supplemental Executive Retirement Plan (SERP), which is a non-tax-qualified defined benefit pension plan that provides officers and key employees of PG&E Corporation and its subsidiaries, including the Utility, with a pension benefit. These plans are described in the section entitled Pension Benefits 2014 beginning on page 58.

In February 2010, the Committee adopted a policy against crediting additional years of service for participants in the SERP.

Effective January 1, 2013, SERP participation was closed to new participants. Individuals who did not participate in the SERP but who were newly hired or promoted to officer after January 1, 2013 are eligible for non-tax-qualified defined contribution pension payments under the 2013 PG&E Corporation Defined Contribution Executive Supplemental Retirement Plan (DC-ESRP). No NEOs participate in the DC-ESRP.

NEOs and other officers and employees also are eligible to participate in the PG&E Corporation Retirement Savings Plan (RSP), a tax-qualified 401(k) plan. PG&E Corporation provides a maximum matching contribution of 75 cents for each dollar contributed, up to 6 percent of base salary for individuals eligible for the final average pay pension benefit and up to 8 percent of base salary for individuals eligible for a cash balance pension benefit. To the extent that the Internal Revenue Code limits prevent an NEO from making contributions to his or her RSP account and, as a result, company matching funds are not contributed to that NEO s RSP account, the matching funds will instead be contributed to the NEO s account in the PG&E Corporation 2005 Supplemental Retirement Savings Plan (SRSP), a non-qualified deferred compensation plan.

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Upon retirement, NEOs also may be eligible for post-retirement health, welfare, insurance, and similar benefits, pursuant to plans that generally provide benefits to all employees. Additional details regarding the retirement programs and post-retirement benefits, and the value of pension benefits accumulated as of December 31, 2014 for the NEOs, can be found in the table entitled Pension Benefits 2014 beginning on page 62 and in the section entitled Potential Payments Resignation/Retirement on page 64.

The majority of companies in the 2014 Pay Comparator Group provide tax-qualified pensions or similar plans, other tax-qualified defined contribution plans (i.e., 401(k) plans), and non-tax-qualified retirement plans for NEOs. The Committee believes that these defined benefit and defined contribution plans offer significant recruiting and retention incentives.

Officer Severance Program

General severance benefits are provided to NEOs through the 2012 PG&E Corporation Officer Severance Policy (2012 Severance Policy), the PG&E Corporation Officer Severance Policy (Predecessor Severance Policy), and specific LTIP award agreements and guidelines. Upon termination (other than for cause), NEOs may be eligible for cash severance payments, continued or accelerated vesting for LTIP awards, and other post-employment benefits. If an NEO is terminated for cause (i.e., for dishonesty, a criminal offense, or violation of a work rule) or resigns before becoming retirement-eligible, the NEO forfeits any unvested restricted stock, RSUs, and performance shares, and would not receive any associated dividends.

Officer Severance Policies - The purpose of the officer severance policies is to (1) attract and retain senior management by providing severance benefits that are part of a competitive total compensation package, (2) provide consistent treatment for all terminated officers, and (3) minimize potential litigation costs in connection with terminations of employment by conditioning payments upon a general release of claim.

2012 Severance Policy - In February 2012, the PG&E Corporation Board of Directors (upon the recommendation of the Committee) amended the officer severance program and adopted the 2012 Severance Policy, to better align the officer severance program with industry best practices. The 2012 Severance Policy, in combination with LTIP award agreements and STIP guidelines, generally provides the following benefits upon termination without cause:

Cash severance of one year s salary and target STIP bonus.

Continued vesting of unvested RSUs for one year.

Pro rata vesting of performance shares.

Continued vesting of stock options for one year and the right to exercise stock options for up to one year.

Immediate vesting for either one-third or two-thirds of unvested Special Incentive Stock Ownership premiums (SISOPs) (the amount depending on officer level at termination).

Limited COBRA benefits and outplacement services.

As required by the Predecessor Severance Policy, to the extent that these changes reduced the aggregate benefits provided to a participant, the changes became effective in February 2015, which was the date three years after participants were notified of the changes.

Predecessor Severance Policy - Prior to adoption of the 2012 Severance Policy in February 2012, the Predecessor Severance Policy, in combination with provisions in the LTIP award agreements, generally provided the following benefits for senior executives who had been employed for two or more years in the case of a termination without cause: (1) cash severance equal to (a) two times the sum of base salary plus target STIP bonus, and (b) a prorated STIP bonus for the year of termination if more than six months of employment had occurred, (2) continued vesting for two years in any unvested RSUs, pro rata vesting of performance shares, the right to exercise any vested stock options for up to five years, and continued vesting for either one-third or two-thirds of unvested Special Incentive Stock Ownership Premiums (SISOPS) (the amount depending on officer level at termination), and (3) limited COBRA benefits and outplacement services.

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The 2012 Severance Policy made the following key changes to benefits available to officers upon termination without cause:

- Cash severance benefits were reduced to one times base salary plus target STIP bonus.
- The right to exercise stock options that vested within the severance multiple (as set forth in the officer severance program) was limited to one year.
- Continued vesting of unvested RSUs was limited to one year, unless otherwise specified in the equity award agreement. (Pro rata vesting of performance shares is not impacted by the February 2012 modifications.)

Additional details regarding severance benefits can be found in the section entitled Potential Payments Termination Without Cause beginning on page 66.

Change in Control

The PG&E Corporation Board has determined that providing change-in-control benefits is a key part of PG&E Corporation s officer compensation program. In a hostile takeover or other change-in-control situation, it is important for management to remain focused on maximizing shareholder value and aligning management s interests with shareholders interests, and not to be distracted by concerns about job security.

Change-in-control benefits require a double trigger and are not payable based on a change-in-control event alone. Benefits under the officer severance policies also require that the NEO be severed. LTIP award agreements and guidelines require that either the NEO be severed, or that the successor entity fail to assume or continue the LTIP awards. The Board believes that the double trigger requirement aligns our change-in-control benefits with shareholder interests and reflects current market practices.

The 2012 Severance Policy, which became effective for NEOs in February 2015, provides enhanced cash severance benefits if the officer is terminated in connection with a Change in Control (as defined in the Policy). These enhanced benefits replace general severance benefits and are available only to officers in Bands 1 or 2 which includes all NEOs except Mr. Simon and Mr. Mistry. These covered officers are eligible to receive (1) change-in-control cash severance benefits equal to two times the sum of base salary and target annual STIP bonus, and (2) prorated STIP bonus for the year of termination. Other NEOs receive general severance benefits only.

The Predecessor Severance Policy applied to officers of PG&E Corporation at the level of Senior Vice President or above, or to the President of the Utility. These covered officers were eligible to receive (1) change-in-control cash severance benefits equal to three times the sum of base salary and target annual STIP bonus, and (2) target STIP bonus for the year of termination. The 2012 Severance Policy made the following key changes to benefits available to covered officers upon termination in connection with a Change in Control:

- Cash severance benefits are reduced to two times base salary plus target STIP bonus.
- STIP bonus payment is prorated in the year of termination.
- The scope of officers who are eligible to receive such benefits was changed by adding Utility officers in bands 1 and 2 (which includes Executive Vice Presidents) and limiting eligibility of PG&E Corporation officers to bands 1 and 2 (PG&E Corporation Senior Vice Presidents who are in band 3 are no longer eligible).

All LTIP award agreements contain the same change-in-control provisions, which accelerate vesting of all awards if there is a Change in Control, *and* either the award is not continued or assumed, or the recipient is terminated in connection with a Change in Control. This practice aligns PG&E Corporation and the Utility with market practices and (1) better balances the interests of award recipients and shareholders, (2) provides security for award recipients in a time of uncertainty, and (3) preserves the incentive for award recipients to stay with PG&E Corporation or the Utility even following a transaction.

Additional details regarding change-in-control benefits can be found in the section entitled Potential Payments Severance in Connection with Change in Control on page 66.

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Elimination of Excise Tax Gross-Up Effective March 2014, no excise tax gross-ups are provided with respect to Change-in-Control severance benefits.

Golden Parachute Restriction Policy The Golden Parachute Restriction Policy requires shareholder approval of certain executive severance payments (as defined in the Golden Parachute Restriction Policy) provided in connection with a change in control of PG&E Corporation, to the extent that those payments exceed 2.99 times the sum of a covered officer s base salary and target STIP award. Additional details regarding the Golden Parachute Restriction Policy can be found in the section entitled Potential Payments Severance in Connection with Change in Control PG&E Corporation Golden Parachute Restriction Policy on page 69.

Compensation Governance

Clawback Policy

PG&E Corporation and the Utility may recoup certain incentive compensation paid to current and former NEOs (and certain other officers) if either PG&E Corporation or the Utility restates its financial statements that are filed with the Securities and Exchange Commission (SEC) with respect to any fiscal year within the three-year period preceding the filing of the restatement (a Restatement Year).

If there is such a restatement, the Committee (or with respect to the PG&E Corporation CEO or the Utility President, the full Board of the applicable company) may, in good-faith exercise of its reasonable discretion and to the extent permitted by law, seek to recoup incentive compensation previously paid with respect to each Restatement Year to any individual who was a Section 16 Officer of that company during that Restatement Year. Compensation may be recouped to the extent that such compensation would have been lower when computed using the restated financial statements, and the Committee and the Boards have discretion to recoup such compensation on a tax-neutral basis. The policy applies only to compensation paid after the effective date of the policy, February 17, 2010.

Limitation on Tax Gross-Ups

Currently, no NEO is eligible to receive a tax gross-up payment except for certain types of payments made in connection with benefit programs offered to all employees (e.g., relocation programs). No NEO has received a gross-up payment (other than in connection with relocation benefits) since 2009.

Tally Sheets

In establishing compensation for NEOs, the Committee reviews tally sheets that present comprehensive data on the total compensation and benefits package for each of the NEOs.

Prohibition on Hedging and Pledging Policy

Officers of PG&E Corporation and the Utility may not engage in short sales or transactions in publicly traded options (such as puts, calls, and other derivative securities) with respect to either company s stock. They also may not engage in any hedging or monetization transactions that limit or eliminate the officer s ability to profit from an increase in the value of company stock. Officers generally are prohibited from holding company stock in a margin account or pledging it as collateral for a loan.

These limitations are designed to avoid any inadvertent violation of the insider trading laws and also increase the alignment between executive and shareholder interests.

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Executive Stock Ownership Guidelines

The 2010 Executive Stock Ownership Guidelines are designed to encourage senior executive officers to achieve and maintain a minimum investment in PG&E Corporation common stock at levels set by the Committee, and to further align executive interests with those of PG&E Corporation s shareholders. At the time of adoption, executive stock ownership guidelines had been adopted by most of the companies in the Pay Comparator Group, and they are increasingly viewed as an important element of a company s governance policies.

The stock ownership target for the PG&E Corporation CEO is six times base salary, and the target for Messrs. Johns, Harvey, and Park is three times base salary. The target for Mr. Simon is one and one-half times base salary. Mr. Mistry is not subject to stock ownership guidelines.

Until an executive meets the applicable stock ownership guideline, he or she must retain 50 percent of the net shares realized from option exercise or from the vesting of restricted stock or stock units (including performance shares), after accounting for tax withholding. For the purpose of calculating compliance with the guidelines, unvested restricted stock and unvested stock units are not taken into account, except in the case of restricted stock and RSUs when a participant is retirement-eligible (defined as age 55 with five consecutive years of service).

Pursuant to the prior Executive Stock Ownership Program (Prior ESOP), SISOPs were used to encourage executive officers to meet stock ownership targets. Effective September 14, 2010, the SISOP program was eliminated, and no new individuals could become eligible to receive SISOPs. Officers who already were in the SISOP program continued to be eligible for SISOPs until January 1, 2013. A discussion of SISOPs is included in the narrative following the Grants of Plan-Based Awards in 2014 table on page 54.

Realizable Compensation

The Committee believes that analyzing realizable pay is important in understanding the relationship between the targeted compensation that was approved for the CEO and the compensation that was actually earned, or may still be earned, based on company performance.

The following table compares the CEO s targeted compensation values as disclosed in the Summary Compensation Table with the total realizable compensation. The compensation components compared include base salary, bonus, STIP, LTIP, change in pension/non-qualified deferred compensation, and all other compensation, all determined on the same basis as reported in the Summary Compensation Table.

The following table provides the total realizable compensation for the CEO, determined as described above, for January 1, 2012 through December 31, 2014, along with the CEO s total compensation as presented in the Summary Compensation Table for that time frame. When calculating the values of LTIP awards, RSUs, and performance shares, the Summary Compensation Table reflects the grant-date values of the awards without consideration of the ultimate value (if any) realized by the executive from these awards. When calculating total realizable compensation, the value of each year s equity award was determined using the value of the award based on the December 31, 2014 stock price for vested awards or, for awards outstanding and not vested, the expected value at vesting based on the December 31, 2014 stock price.

The table shows that the CEO s total realizable compensation is slightly above the target total compensation and increases over the three-year period. This is primarily due to strong stock performance, both absolute and relative to peers, which has driven significantly higher realizable LTIP values.

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Please note that this data is supplementary and is not a substitute for, and should be read in connection with, the Summary Compensation Table and related compensation disclosures beginning on page 52.

Target Total Compensation (Including LTIP Grant Values)

	2012	2013	2014	Total
Target Annual Cash				
Salary	$1,250,000	$1,250,000	$1,250,000	$3,750,000
Target STIP	$1,250,000	$1,250,000	$1,500,000	$4,000,000
Bonus	$0	$0	$0	$0
Cash Sub-Total	**$2,500,000**	**$2,500,000**	**$2,750,000**	**$7,750,000**
LTIP Grant Values				
RSUs	$2,613,695	$3,249,958	$3,749,999	$9,613,652
Performance Shares	$3,912,026	$3,250,002	$3,750,008	$10,912,036
LTIP Sub-Total	**$6,525,721**	**$6,499,960**	**$7,500,007**	**$20,525,688**
Change in Pension/DQDC	**$299,995**	**$634,517**	**$955,849**	**$1,890,361**
Other Comp.	**$158,918**	**$94,718**	**$96,160**	**$349,796**
Total Target Comp.	**$9,484,634**	**$9,729,195**	**$11,302,016**	**$30,515,845**

Total Realizable Compensation

	2012	2013	2014	Total
Actual Annual Cash				
Salary	$1,250,000	$1,250,000	$1,250,000	$3,750
Actual STIP	$1,715,000	$1,743,750	$1,825,200	$5,283
Bonus	$0	$0	$0	
Cash Sub-Total	**$2,965,000**	**$2,993,750**	**$3,075,200**	**$9,033**
Realizable LTIP Value(1)				
RSUs	$3,317,118	$4,037,988	$4,575,978	$11,931
Performance Shares	$1,741,440	$1,810,479	$7,707,022	$11,258
Realizable LTIP Sub-Total	**$5,058,558**	**$5,848,467**	**$12,283,000**	**$23,190**
Change in Pension/DQDC	**$299,995**	**$634,517**	**$955,849**	**$1,890**
Other Comp.	**$158,918**	**$94,718**	**$96,160**	**$349**
Total Actual Comp.	**$8,482,471**	**$9,571,452**	**$16,410,209**	**$34,464**
% of Target Comp.	**89%**	**98%**	**145%**	**1**

(1) Based on December 31, 2014 closing price of $53.24.

Benchmarking Details Pay Comparator Group and Performance Comparator Group

For 2014, the Pay Comparator Group used to benchmark compensation elements consisted of all companies listed in the Philadelphia Utility Index with two replacements. PPL Corporation and Sempra Energy were used as comparators in place of Covanta and El Paso Electric, because with annual revenues under $2 billion, they are too small to be reasonable comparators. The Philadelphia Utility Index, which is administered by NASDAQ, consists of a group of 20 companies (including PG&E Corporation) that are selected by NASDAQ on the basis of having a primary business in the electric utility sector and meeting minimum market capitalization criteria.

A total of 19 companies were included in the 2014 Pay Comparator Group.

AES Corporation
Ameren Corporation
American Electric Power Company, Inc.
CenterPoint Energy, Inc.
Consolidated Edison, Inc.
Dominion Resources, Inc.
DTE Energy Company
Duke Energy Corporation
Edison International
Entergy Corporation
Eversource Energy (formerly Northeast Utilities)
Exelon Corporation
First Energy Corporation
NextEra Energy, Inc.
PPL Corporation
Public Service Enterprise Group
Sempra Energy
Southern Company
Xcel Energy, Inc.

In addition, general industry data for Mr. Simon s human resources position, adjusted for PG&E Corporation s revenue, was provided by Towers Watson from its proprietary executive compensation database, which includes information from over 800 companies across a wide variety of industry sections and locations. Due to the proprietary nature of their data, Towers Watson did not disclose the companies matching the benchmark position.

Each year, PG&E Corporation and the Utility also identify a Performance Comparator Group that is used only for evaluating PG&E Corporation s relative TSR performance to determine payouts for LTIP performance share awards. In determining the composition of the Performance Comparator Group for 2014, the Committee decided that the Performance Comparator Group will include companies (1) that are categorized consistently by the investment community as regulated, as opposed to less regulated, based on analysis of revenue sources (i.e., the companies have business models similar to

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PG&E Corporation and the Utility), and (2) that have a market capitalization of at least $4 billion. The Committee first selected companies listed on the Philadelphia Utility Index that meet these criteria and then selected additional companies that also meet these criteria. A total of 12 companies were included in the Performance Comparator Group for shares granted in 2014.

American Electric Power Company, Inc.	NiSource, Inc.
CMS Energy	Pinnacle West Capital
Consolidated Edison, Inc.	SCANA Corp.
DTE Energy Company	Southern Company
Duke Energy Corporation	Wisconsin Energy Corporation
Eversource Energy (formerly Northeast Utilities)	Xcel Energy, Inc.

Tax Deductibility

The Committee appropriately weighs the tax-deductibility limitations imposed by Internal Revenue Code Section 162(m). The Committee in its discretion may award forms of compensation that are not deductible under Section 162(m) when it determines that such awards best carry out the goals and objectives of the companies   officer compensation programs.

Compensation Risk Analysis

Pay Governance assists the companies with a review of the design of PG&E Corporation s and the Utility s incentive plans relative to general compensation plan risk factors (or the potential for unintended consequences). For 2014, the companies examined the overall compensation pay structure, the overall mix of compensation vehicles, the structure of the incentive plans in particular, and other company pay plans. With respect to incentive plan structure, the companies specifically examined target and maximum compensation in each plan, the nature and mix of performance measures, governance structure, the risk of earnings manipulation posed by