

United States District Court
Northern District of California

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

No. CR 14 -00175 WHA

v.

PACIFIC GAS AND ELECTRIC
COMPANY,

Defendant.

**FURTHER ORDER TO SHOW
CAUSE (RE BONUSES)**

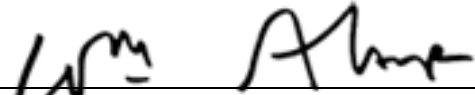
PG&E has fallen behind on its promise (and probation condition) to remove hazard trees and limbs that risk blowing onto distribution lines and thereby sparking wildfires during windstorms. In April 2019, Judge Dennis Montali, United States Bankruptcy Judge for the Northern District of California, approved, with certain modifications, PG&E’s 2019 short-term incentive plan. The short-term incentive plan allowed for an aggregate maximum payout of \$350 million for PG&E non-insider employees in 2019 based on metrics such as public safety, gas inspection miles, and financial performance (Dkt. Nos. 806, 1751). Later, in August 2019, Judge Montali denied PG&E’s motion for approval of a 2019 Key Employee Incentive Program that would allow the company’s 12 senior executive officers to receive a bonus of up to \$16 million in total on the ground that “there is simply no justification for diverting

1 additional estate funds to incentivize them to do what they should already be doing.” The
2 order did, however, allow PG&E to file another similar motion if it focused “only on safety
3 and premised payout solely on some form of equity participation” (Dkt. No. 3773). PG&E has
4 not moved for such.

5 PG&E shall accordingly show cause at a hearing on **FEBRUARY 19 AT 8 A.M** why it
6 should not, going forward, restrict all bonuses and other incentives for supervisors and above
7 *exclusively* to achieving the PG&E Wildfire Mitigation Plan and other safety goals. At least
8 one week before the hearing, PG&E should submit its response.

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10 **IT IS SO ORDERED.**

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12 Dated: January 24, 2020.

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15 _____
16 WILLIAM ALSUP
17 UNITED STATES DISTRICT JUDGE
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