

**PRELIMINARY STATEMENT**  
(Continued)

**13. MEMORANDUM ACCOUNTS** (Continued)

**K. Officer Compensation Memorandum Account (OCMA)**

**i. PURPOSE**

The OCMA is a memorandum account established pursuant to Public Utilities Code Section 706, as enacted by Senate Bill 901 (2018, Dodd). Public Utilities Code Section 706 requires, among other things, that all forms of compensation for officers of electrical or gas corporations shall be paid solely by shareholders. The purpose of the OCMA is to track the difference between: (1) compensation for officers of the utility that is authorized in Liberty CalPeco General Rate Cases (GRCs) or resolutions and; (2) all compensation as defined by Public Utilities Code Section 706. The term "officer" shall be defined as those employees of the investor owned utilities in positions with titles of Vice President or above, consistent with Rule 240.3b-7 of the Securities Exchange Act.

**ii. APPLICABILITY**

The OCMA is effective January 1, 2019 until closed at the direction of the Commission.

**iii. ACCOUNTING PROCEDURES**

The OCMA consists of two sub-accounts:

The "Authorized Compensation Sub-Account" tracks salaries, bonuses, benefits, and all other consideration of any value paid to officers in rates as authorized in Commission decisions or resolutions authorizing rates for 2019 and beyond.

The "Total Compensation Sub-Account" tracks salaries, bonuses, benefits, and all other consideration of any value paid to officers.

Liberty CalPeco shall maintain this account by making monthly entries (or annual entries where applicable and monthly data is not available) as follows:

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Decision No. \_\_\_\_\_ Name President Title \_\_\_\_\_ Effective January 1, 2019  
Resolution No. E-4963

**PRELIMINARY STATEMENT**  
(Continued)

13. **MEMORANDUM ACCOUNTS** (Continued)

K. **Officer Compensation Memorandum Account (OCMA) (Continued)**

A. Authorized Compensation Sub-Account

A credit entry equal to the salaries, bonuses, benefits, and all other consideration of any value set aside to be paid to its officers as authorized in Commission decisions or resolutions authorizing rates for 2019 and beyond.

B. Total Compensation Sub-Account

A debit entry equal to the salaries, bonuses, benefits, and all other consideration of any value paid to its officers.

iv. **DISPOSITION**

Amounts tracked in the OCMA may be addressed in Liberty CalPeco's GRC or other appropriate Commission proceedings and should be refunded to customers in rates.