

**PACIFIC GAS AND ELECTRIC COMPANY
General Rate Case 2011 Phase I
Application 09-12-020
Data Response**

PG&E Data Request No.:	DRA_269-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_269-Q01		
Request Date:	June 8, 2010	Requester DR No.:	DRA-269-MRK
Date Sent:	June 15, 2010	Requesting Party:	DRA
PG&E Witness:	Bruce Fraser	Requester:	Marek Kanter

SUBJECT: SAP ACCOUNT 5091100

QUESTION 1

Please see PG&E-18, p. 1-14, Q./A. 28 which refers to DRA-19, p. 24, lines 2-5 (Note, this reference to DRA-19, should be to page 12) and the statement that “PG&E cannot provide such basic information as the number of participants in a meal on most of its meals.”

- a. In response to DRA-256MRK, PG&E provided a spread sheet, GRC2011-Ph-I_DR_DRA_256-Q01-Atch01.xls, with information re PG&E’s 2008 meal expenditures contributing to the amount \$15,744,375 claimed in Exhibit PG&E2 WP12-399. This spread sheet contained information as to number of diners for each meal, the per person cost per meal, date, expense occurred, name of establishment, PCC number, purpose of meal, and project associated with meal. This spread sheet was restricted to meals recorded through the Concur Central system whose total cost exceeded \$1000 and whose per person cost was \$75 or less and did not include meals recorded via a purchasing card (i.e., a Commercial Credit Card). Please update this spread sheet by including all meals in the Concur Central system with total cost exceeding \$1000. Please state the number of diners for each meal and the per person cost per meal.
- b. Please also provide a similar spread sheet with the same information to the extent possible for all meals recorded through a purchasing card (i.e. a Commercial Credit Card) with total cost exceeding \$1000.
- c. In response to DRA-256MRK, PG&E provided a spread sheet GRC2011-Ph-I_DR_DRA_256-Q01-Atch02.xls with the above information for every 20th meal recorded through the Concur Central system with a bill more than \$75 but less than \$2000, excluding all meals with a bill exceeding \$75 per person. Please provide an update of this spread sheet that does not exclude all meals with a bill exceeding \$75 per person. Please state the number of diners for each meal and the per person cost per meal.

DRA needs the information regarding the number of diners for meals recorded through Concur Central because it needs (1) to verify PG&E's selection of meals over \$75 per customer (2) to use the extra information as to number of diners for further analysis to fully evaluate PG&E's offer in rebuttal testimony to withdraw meals over \$75 per customer, especially as with regards to the approximately \$10,000,000 in purchasing card expense meal expense which is exempt from PG&E's offer because no information as to the number of diners is available.

ANSWER 1

- a. PG&E provided a spreadsheet with all meals in the Concur Central system with total cost exceeding \$1000 in response to data requests GRC2011-Ph-I_DR_DRA_260-Q01Atch01.xls and again in GRC2011-Ph-I_DR_DRA_260-Q01_Supp01_Atch01.xls. PG&E addressed this question yet again in its response to GRC2011-Ph-I_DR_DRA_265-Q02, in which it stated that "PG&E has provided details about all meals submitted through Concur Central with a total bill over \$1,000," and refers DRA back to GRC2011-Ph-I_DR_DRA_260-Q01Atch01.xls.

In addition, as PG&E stated in response to GRC2011-Ph-I_DR_DRA_266-Q01, pages 1-2,

"PG&E believes that the specific information requested by DRA – namely, the per-person cost and business reason for meals expenses that PG&E has elected not to seek in this GRC – is not subject to discovery by DRA or any other party. The Civil Code of Procedure Section 2017.010 states that the scope of discovery includes "any matter, not privileged, that is relevant to the subject matter involved in the pending action...." Evidence Code Section 210 defines "relevant evidence" as "evidence, including evidence relevant to the credibility of a witness or hearsay declarant, having any tendency in reason to prove or disprove any disputed fact that is of consequence to the determination of the action." (Emphasis added.)¹

As described in response to Question 2 of Data Request DRA_265, with respect to the meals submitted through Concur Central with a total bill over \$1,000 that PG&E has elected to exclude from its GRC request, the only relevant information is the total cost of the meals. Such total cost information will enable DRA to confirm that PG&E has deducted the appropriate amount from its GRC request. PG&E has already provided this information in prior data responses. Additional details about the per-person price or business reasons for these excluded meals are not relevant to the subject matter of this GRC."

¹ Please note that the scope of discovery is distinct from the Commission's authority to inspect the books and records of any public utility pursuant to Public Utilities Code Sections 313 et seq.

- b. PG&E has addressed this question in previous data responses:

GRC2011-Ph-I DR DRA 260-Q01 at the top of page 3:

The number of attendees for each meal “are not available for meals paid through a Commercial Credit Card.”

GRC2011-Ph-I DR DRA 267-Q02:

In response to DRA’s question, “Does PG&E’s Commercial Credit Card system for tracking meals contain information as to whether each meal expense is for breakfast, lunch, or dinner?”, PG&E replied “No.”

GRC2011-Ph-I DR DRA 267-Q05 at page 1:

“As stated in PG&E’s response to DRA_267-02, meals submitted through PG&E’s Commercial Credit Card cannot be identified as breakfast, lunch, or dinner.

Data on the address of establishment, type of establishment is not available, and project associated with meal are not available.”

- c. Please see GRC2011-Ph-I_DR_DRA_269-Q01Atch01 for a list of all meals with a bill exceeding \$75. PG&E did not analyze each meal to determine whether the cost was over \$75 per person, and addressed this in a previous data response:

GRC2011-Ph-I DR DRA 265-Q02, page 2:

For those meals submitted through Concur Central with a total bill between \$75 and \$1,000, PG&E believes the sampling methodology previously agreed to with TURN is adequate. Notwithstanding the foregoing, PG&E is willing to meet with Mr. Kanter at PG&E’s offices and provide access to on-line expense records for meals expenses between \$75 and \$1,000, with the exception of those specific meals that PG&E has elected to exclude from its GRC request (as identified in GRC2011-Ph-I_DR_DRA_260-Q01_Supp01_Atch01.xls).

PG&E would like to clarify that DRA’s statement that “purchasing card expense meal expense...is exempt from PG&E’s offer because no information as to the number of diners is available” is inaccurate and in contradiction to information provided by PG&E; the purchasing card meals expenses are not included in PG&E’s concession because PG&E believes it has the policy and mechanisms in place to ensure that purchasing card meals expenses are appropriate business expenses. PG&E addressed this in a data request and rebuttal testimony:

GRC2011-Ph-I DR DRA 260-Q01, pages 4-5:

Meals Paid By Commercial Credit Card

In addition to the foregoing, the fourteen Excel spreadsheets totaling \$15.7 million also included meals expenses paid through a purchasing card (i.e., Commercial Credit Card). Pursuant to PG&E's Commercial Card Program Procedure Manual for 2008:

The Commercial Card's **primary** use is for buying items which meet the following criteria:

- Item does **not** have an assigned material code.
- Item is **not** warehoused in a materials facility.

The Commercial Card is also used **for**:

- Lodging for bargaining unit employees only
- Local material purchases
- **Overtime meals for bargaining unit employees**
- Vehicle/fleet rentals
- Heavy equipment rentals
- Pre-approved services

(Commercial Card Program Procedure Manual, p. 7, emphasis added.)

Page 20 of the Manual provides specific instructions about Meals and Food expenses that can be purchased with the Commercial Card.

Meals and food can be charged to the Commercial Card, provided that:

- These food expenses don't fall under the jurisdiction of USP 10, Personal Expenses.
- The person(s) eating the meal (is/are) in the bargaining unit and the meal was earned by working overtime as specified in the union agreement or letter of agreement. By using the C-Card for an OT meal, the bargaining unit employee is not entitled to an additional meal payment.
- A bargaining unit employee is attending training outside work base location requiring overnight stay.
- Labor charges are not included in the bill.
- **A supervisor may not approve his or her own expenses. For example, when a supervisor and subordinate incur an expense jointly (for example, a meal), the supervisor must pay the bill and submit**

the expense for reimbursement following procedures in USP 10, Personal Expenses. (Emphasis added.)

Please note that, on page 41 of the Manual, employees are prohibited from using their Commercial Credit Card for entertainment expenses.

Unlike meals expenses submitted through Concur Central, meals paid by Commercial Credit Card do not have invoices or reimbursement forms by which additional data (such as per person cost and business reason) may be ascertained. However, given the rules reprinted above for use of the Commercial Credit Card, it would be reasonable to assume that the vast bulk -- if not all -- of such expenses are for overtime meals for individual bargaining unit employees. To the extent that a supervisor purchases meals for his or her employees, all such expenses are submitted through the Concur Central system.

Rebuttal testimony, p. 1-15:

Q 32 Does PG&E believe the policy and mechanisms in place are adequate in tracking employee meals?

A 32 Yes, there are two ways that PG&E records meals expenses. One is through the employee personal expense system called Concur Central, governed by the Utility Policy on Personal Expenses, USP 10. The other is through a purchasing card (i.e., Commercial Credit Card), governed by PG&E's Commercial Card Program Procedure Manual. Combined, these two company policies ensure that the employee meals submitted for reimbursement and corporate credit card expenses are consistent with utility policy, utility standard practice, and regulatory guidance.

As noted above, PG&E has agreed to concede a portion of meals receipts. These meals were submitted through the personal expense system called Concur Central and total \$75 or greater per person.