

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

PG&E Data Request No.:	DRA_260-01		
PG&E File Name:	GRC2011-Ph-I_DR_DRA_260-Q01Supp03		
Request Date:	May 4, 2010	Requester DR No.:	DRA-260-MRK
Date Sent:	June 18, 2010 (Supp03)	Requesting Party:	DRA
PG&E Witness:	Bruce Fraser	Requester:	Marek Kanter

EXHIBIT REFERENCE: PG&E-2, CHAPTER 12, WORKPAPERS

SUBJECT: SAP ACCOUNT 5091100

QUESTION 1

DRA-246-MRK requested that PG&E provide a spreadsheet of the itemized 2008 expenditures for the meals (\$15,744,375) listed in WP12-399 supporting Chapter 12. DRA-256-MRK requested that PG&E provide a spreadsheet of the itemized 2008 expenditures and extra items of information (such as the number of attendees) for meals over \$1000 in expense contributing to the (\$15,744,375) listed in WP12-399. PG&E's response to DRA-256-MRK contained spreadsheets which exclude all meals with a bill exceeding \$75 per person, as PG&E has elected not to seek rate recovery of such expenses in the 2011 GRC. DRA again asked for the complete information for all meals with expense over \$1000. DRA now requests that PG&E includes one extra item of information for the itemized 2008 expenditures for meals over \$1000 in expense contributing to the (\$15,744,375). This extra item should indicate for each meal expense whether it is reflective of the expenses included in PG&E's 2011 GRC forecast, or whether it is booked to below-the-line orders, or whether it is recovered through the Transmission Owner, Gas Transmission and Storage, and Nuclear Decommissioning Triennial Cost Proceeding filings or whether it is recovered through advice letters and other mechanisms incorporating balancing accounts. This extra item should have a numeric code as well as a verbal description. This item should specify the cost recovery of meals in a way that does not allow for overlap. That is, the same numeric code should not be assigned to meals that have different cost recovery. PG&E should use its judgment in how many categories it deems as reasonable to specify cost recovery in this context.

ANSWER 1 SUPP03

PG&E's original response indicated that PG&E had provided the extra items of information that DRA had requested (such as the number of attendees) for all meals over \$1,000 in expense submitted through the personal expense system (Concur

Central) for which PG&E is seeking ratepayer recovery. Upon re-review of the attachment GRC2011-Ph-I_DR_DRA_260-Q01-Atch01.xls, PG&E discovered that the attachment included only a subset of such meals. PG&E has confirmed that all of the meals that were inadvertently excluded from the attachment were less than \$75 per person. This omission does not affect PG&E's concession for meals expense. PG&E has revised the original response (in redline) below.

In addition, PG&E discovered that meals expenses included as a component of an itemized personal reimbursement request (e.g., with lodging expenses) were not included in attachment GRC2011-Ph-I_DR_DRA_260-Q01-Atch01.xls (although they are included in the \$15.7 million of expense items provided in response to DRA-246). PG&E has calculated the total of such meals expenses and agrees to concede this amount (\$33,295).

PG&E has corrected five entries in the "Meal Type" column to match PG&E's Concur Central system. (These entries are marked with an asterisk and a footnote in the revised attachment to this response.) The "Meal Type" for these entries had previously been based on a manual analysis of the receipts. This correction does not affect PG&E's concession for meals expense.

The Attachment to this data request (now named GRC2011-Ph-I_DR_DRA_260-Q01-Supp03Atch01.xls) has been changed to reflect PG&E's additional concession, and reflects a new concession amount of \$441,685 total company (or \$389,522 for GRC) on the last page.

Supplemental Response 02

PG&E's original response included a typographical error. The original response included a sentence on page 3 that stated, "The second spreadsheet provided the same level of detail for every **20th** entry for meals with a bill more than \$75 but less than \$2000 from Concur Central for which PG&E is seeking ratepayer recovery." (emphasis added). The original response should have stated "...for every **21st** entry for meals..." In other words, PG&E counted 20 entries between selected entries. The response is repeated in full below, with no changes other than changing "20th" to "21st." This language now appears on page 5 of this response. [Revised Supp03]

The Attachment to this data request (now named GRC2011-Ph-I_DR_DRA_260-Q01-Supp02Atch01.xls) has been changed accordingly, and reflects a new concession amount of \$418,222 total company (or \$368,830 for GRC) on the last page. The attachment has also been updated with a column for "Meal Type" (e.g., dinner) in response to GRC2011-Ph-I_DR_DRA_267-Q03.

Supplemental Response 01

Supplemental Attachment 1 provided an update to GRC2011-Ph-I_DR_DRA_260-Q01-Atch01.xls, as requested by DRA in a subsequent data request. This attachment has been superceded.

Original Response (with red-lined edits for Supp03)

There are two ways that PG&E records meals expenses. One is through the employee personal expense system called Concur Central. The other is through a purchasing card (i.e., Commercial Credit Card).

In response to DRA-246, PG&E provided fourteen Excel spreadsheets totaling over 320,000 lines of data that tie to the \$15.7 million on WP 12-399. Twelve of the spreadsheets included monthly meals expense data by line item, and each line item included the following details:

Cost Center

Cost Center description

Cost element number

Cost element name

Name of the restaurant/establishment and the city/state or phone number

Amount of the expense

A&G Indicator (whether included in A&G or not)

A&G total amount

ATL (above-the-line) % for the A&G PCC

A&G ATL \$ amount

One of the spreadsheets included year-end adjustments, and the last spreadsheet included a summary of the thirteen other spreadsheets. Excerpted below for your convenience is the summary-level information:

**Summary of SAP 5091100 - Meals Expense
For the Year 2008**

File Name	Month	Non PO Invoice	FI Postings	Total Company Amount	A&G Study ATLS
2008_YTD_Util_Order_CE5091100_Meals_Exp.xls	Jan-Feb	1,567,999	53	1,568,053	27,813
2008_Jan_Util_CC_CE5091100_Meals_Exp.xls	Jan	1,134,416	482	1,134,898	29,582
2008_Feb_Util_CC_CE5091100_Meals_Exp.xls	Feb	1,065,734		1,065,734	49,471
2008_Mar_Util_CC_CE5091100_Meals_Exp.xls	Mar	1,139,219		1,139,219	55,350
2008_Apr_Util_CC_CE5091100_Meals_Exp.xls	Apr	983,554		983,554	57,701
2008_May_Util_CC_CE5091100_Meals_Exp.xls	May	1,266,898	(1,061)	1,265,837	70,313
2008_Jun_Util_CC_CE5091100_Meals_Exp.xls	Jun	1,039,287		1,039,287	51,701
2008_Jul_Util_CC_CE5091100_Meals_Exp.xls	Jul	1,317,913		1,317,913	75,168
2008_Aug_Util_CC_CE5091100_Meals_Exp.xls	Aug	1,034,586		1,034,586	58,221
2008_Sep_Util_CC_CE5091100_Meals_Exp.xls	Sep	1,103,827		1,103,827	72,025
2008_Oct_Util_CC_CE5091100_Meals_Exp.xls	Oct	1,422,170	1,240	1,423,410	86,902
2008_Nov_Util_CC_CE5091100_Meals_Exp.xls	Nov	1,150,005		1,150,005	77,516
2008_Dec_Util_CC_CE5091100_Meals_Exp.xls	Dec	1,518,053		1,518,053	120,135
Total		15,743,662	714	15,744,375	831,898

In addition, PG&E has provided extra items of information (such as the number of attendees) for a sampling of meals over \$1,000 in expense submitted through the personal expense system (Concur Central) for which PG&E is seeking ratepayer recovery. As discussed below, such extra items of information are not available for meals paid through a Commercial Credit Card.

Meals Expenses Submitted Through Concur Central

In response to DRA-256, PG&E provided two Excel spreadsheets. The first showed a sampling of meals over \$1,000 in expense from Concur Central for which PG&E is seeking ratepayer recovery. Each line item on the spreadsheet contains the following detailed information:

- Posting date (month/day/year)
- Report date (month/day/year)
- Line item date (month/day/year)
- Vendor name
- Line item amount
- Number of attendees
- Per person cost

A&G Indicator

BTL percentage for the A&G department

PCC Number

PCC Description

Business Reason

The second spreadsheet provided the same level of detail for every **21st** entry from this sampling for meals with a bill more than \$75 but less than \$2000 from Concur Central for which PG&E is seeking ratepayer recovery.

The two spreadsheets excluded all meals submitted through Concur Central with a bill exceeding \$75 per person, as PG&E has elected not to seek rate recovery of such expenses in the 2011 GRC. Accordingly, details regarding these excluded costs are not within the scope of the GRC. Nevertheless, in the interest of cooperation, PG&E is providing the following additional information about meals with a bill more than \$1,000 submitted through Concur Central that PG&E has chosen to remove from its GRC request. Please see attachment GRC2011-Ph-I_DR_DRA_260-Q01atch1.

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.