

From: Smith, Bruce T
Sent: 1/17/2013 7:36:09 AM
To: 'Halligan, Julie <julie.halligan@cpuc.ca.gov> (julie.halligan@cpuc.ca.gov)' (julie.halligan@cpuc.ca.gov); Gary Harpster (gharpster@overlandconsulting.com)
Cc: Horner, Trina (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=TNHC); Wilson, Michelle (Law) (/O=PG&E/OU=Corporate/cn=Recipients/cn=MLW3); Frank, Steven (Law) (/O=PG&E/OU=Corporate/cn=Recipients/cn=SWF5); [Redacted] Lubow (hlubow@overlandconsulting.com); Ramaiya, Shilpa R (/o=PG&E/ou=Corporate/cn=Recipients/cn=SRRd); Sharp, Shelly (/O=PG&E/OU=Corporate/cn=Recipients/cn=SSM3); [Redacted] [Redacted]
Bcc:
Subject: RE: Backlog of overdue discovery - update

Gary:

Julie:

We understand the importance the role discovery plays in completing your audit. We have and will continue to increase our efforts to respond more timely. You may recall that we have previously expressed concern about this audit, its scope, and its purpose in light of other competing operational and regulatory priorities. We've also been surprised by the amount of discovery in this audit (to date, 629 data requests while the transmission audit had 347 data requests). Both of these issues have contributed to delays.

As you know, we interpreted the audit within the scope of D.12-04-010. We expected a scoping ruling given D.12-04-010 stated an "assigned Commissioner and assigned ALJ will establish the scope and timing of the audits that we order today and will schedule any workshops" (p.24). Further, that decision ordered that "financial audits that will include, but not be limited to, the authorized and budgeted safety-related capital investments and operation and maintenance expenditures of PG&E, SDG&E, and SoCalGas for their last two authorized general rate case cycles." (p.22) It had also anticipated that the management audit would occur first.

After hearing from Julie and the ALJ for the Gas Safety OIR before the holidays, we have charged forward and re-focused in answering all of this discovery. We are in the process of answering questions to which we originally objected based on our understanding of the audit's scope. While this start and stop process has caused a delay, we are committed to answer your questions.

Further, now that we understand that a deadline has been established in the context of another proceeding, we want to support you in meeting your deadline as best we can. We appreciate your patience as we've struggled to answer voluminous discovery in

the midst of other operational and regulatory priorities.

We have answered 399 data requests so far. We recap our results below.

Overland Gas Distribution Audit Data Requests

Data Request	Date	Questions	Answered	Pending
17	5/25/2012	90	89	1
19	9/10/2012	89	85	4
20	10/2/2012	82	57	25
21	10/16/2012	110	82	28
22	11/2/2012	86	51	35
23	11/9/2012	13	0	13
24	11/16/2012	36	17	19
25	12/4/2012	40	12	28
26	12/17/2012	23	4	19
27	12/28/2012	18	2	16
28	1/11/2013	42	0	42
Total		629	399	229

Bruce

From: Gary Harpster [mailto:gharpster@overlandconsulting.com]
Sent: Wednesday, January 16, 2013 9:33 AM
To: Smith, Bruce T; [Redacted]
Cc: 'Halligan, Julie <julie.halligan@cpuc.ca.gov> (julie.halligan@cpuc.ca.gov)'; Howard Lubow
Subject: Backlog of overdue discovery - update

Hi Bruce,

The backlog of overdue discovery continues to be a serious problem.

As of today 34 questions have been outstanding for more than 100 days.

An additional 64 have been outstanding for 75 to 99 days.

An additional 39 have been outstanding for 60 to 74 days.

An additional 25 have been outstanding for 40 to 59 days.

An additional 19 have been outstanding for 30 to 39 days.

The total number of questions outstanding for more than 30 days is 181.

OC-425 has now been outstanding for 235 days.

Please expedite the responses to the overdue data requests.

Gary