

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of the Manzana Wind Project and Issuance of a Certificate of Public Convenience and Necessity (U39E).

Application 09-12-002
(Filed December 3, 2009)

DECISION AWARDING COMPENSATION TO THE UTILITY REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 11-03-036

Claimant: The Utility Reform Network (TURN)	For contribution to D.11-03-036
Claimed: \$117,390	Awarded: \$115,125 (reduced 2%) <u>117,082</u>
Assigned Commissioner: Michael R. Peevey	Assigned ALJ: Maryam Ebke

PART I: PROCEDURAL ISSUES

- A. Brief Description of Decision:** The decision rejected the application of Pacific Gas and Electric Company (PG&E) for approval of and issuance of a certificate of public convenience and necessity for the \$911 million Manzana Wind Project. PG&E's application sought authorization to acquire, develop, and construct the Manzana Wind Project as utility-owned renewable generation and to recover the \$911 million cost of the Manzana Wind Project in rates. The decision rejected the Application on the basis that Manzana is not cost-competitive and poses unacceptable risks to ratepayers.

B. Claimant must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:

	Claimant	CPUC Verified
Timely filing of notice of intent (NOI) to claim compensation (§ 1804(a)):		
1. Date of Prehearing Conference:	January 27, 2010	Correct
2. Other Specified Date for NOI:		

3. Date NOI Filed:	February 25, 2010	Correct
4. Was the notice of intent timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.08-05-023	Correct
6. Date of ALJ ruling:	April 22, 2009	Correct
7. Based on another CPUC determination (specify):		
8. Has the claimant demonstrated customer or customer-related status?		Yes
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.08-05-023	Correct
10. Date of ALJ ruling:	April 22, 2009	Correct
11. Based on another CPUC determination (specify):		
12. Has the claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision	D.11-03-036	Correct
14. Date of Issuance of Final Decision:	March 25, 2011	Correct
15. File date of compensation request:	May 23, 2011	Correct
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I:

#	Claimant	CPUC	Comment
1	X		Although TURN filed a timely NOI in this proceeding, the assigned ALJ has not yet issued a ruling on the notice of intent. TURN's showing on financial hardship and customer status was contained in that NOI. TURN has previously been found to satisfy these two standards -- for example see ALJ ruling on 11/22/10 in P.10-08-016.

PART II: SUBSTANTIAL CONTRIBUTION

A. Claimant’s claimed contribution to the final decision:

Contribution	Citation to Decision or Record	Showing Accepted by CPUC
<p>1. COST, COMPETITIVENES, RATES / REJECTION OF APPLICATION</p> <p>TURN argued that PG&E’s proposal was too costly, contained unreasonable one-sided provisions benefiting the project developer, and was prone to escalating energy costs. TURN argued that alternative resource options would be cheaper, particularly those acquired under Power Purchase Agreements. TURN highlighted the potential increase in energy costs due to the potential for a 20-year lifespan, lower capacity factors and delayed interconnection. PG&E unreasonably proposes that these risks should be borne exclusively by ratepayers. Unless shareholders are willing to backstop these risks, the application should be rejected.</p> <p><u>TURN opening brief</u> <u>TURN reply brief</u> <u>TURN reply comments on the PD</u> <u>Testimony of Kevin Woodruff</u> <u>Testimony of Bill Marcus</u></p>	<p><u>D.11-03-036</u></p> <p>The Commission rejected the application and denied PG&E’s request for a Certificate of Public Convenience and Necessity based on many of the overall concerns raised by TURN. The Decision reaches the conclusion that “it is not cost-competitive and poses unacceptable risks to ratepayers.” (page 2) Specifically, the Commission found that “the Manzana Wind Project will subject the ratepayers to unacceptable risks due to potential cost increases resulting from project under-performance, less than forecasted project life, and delays in commercial online date”. (page 2) The Commission explicitly quoted TURN’s analysis that the Manzana project “ranks in the middle of current PPA offers but poses far more risks than any of the PPAs to which it is being compared.” (pages 28-29)</p> <p>See also Comment #1</p>	<p>Yes</p>

<p>2. COST / Condor-related risks could impose additional costs on ratepayers</p> <p>TURN expressed serious concerns about the potential impacts of California Condor populations on the future operation of Manzana. Specifically, TURN argued that PG&E unreasonably assumes zero risk of curtailments occurring as a result of Condor behavior. TURN pointed out that any curtailments would increase ratepayer costs above the forecasts provided by PG&E and argued that PG&E shareholders should be required to absorb some of this risk. In contrast, TURN pointed out that these risks would be born by a private developer under a typical power purchase agreement.</p> <p><u>TURN opening brief, pages 11-12</u> <u>TURN reply brief, pages 10-11</u></p>	<p><u>D.11-03-036, pages 16-19</u></p> <p>Rejecting PG&E’s arguments, the Commission concluded that “the operational viability of the Manzana Wind Project may also be at risk due to the potential curtailment in the event there is a death or take of a California condor... We agree with TURN and DRA that even with the redesigned turbine locations and other proposed mitigation measures to deter condors from the project site, it is possible that California condors could be present in the site in the future.” (pages 16-17) In support of this conclusion, the Decision cited responses given by a PG&E witness during cross-examination by TURN (“Even PG&E’s witness testified, “These are wild animals, and I can’t predict what they will do.”)(page 18)</p> <p>The Decision also agreed with TURN’s concerns in concluding that “the risk of project shut down or curtailment as a result of condor fatality unquestionably exists. These risks, even if unquantifiable at this point, impact the operational viability of the project and could impose additional cost on ratepayers.” (page 18) The Commission agreed with TURN in finding that “we cannot ignore the risks and the potential impact of condor fatality on project operations and economics” and explained that these potential outcomes “further compound our concerns regarding the risks to ratepayers.” (page 19)</p>	<p>Yes</p>
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<p>3.COST / RELIANCE ON 30-YEAR PROJECT LIFE AND TIMELY COMMERCIAL OPERATION WOULD BE UNREASONABLE</p> <p>TURN argued that PG&E’s reliance on a 30-year project life was unreasonable, unsupported by the evidence presented in the application, and unlikely to be realistic. Using a more reasonable 20-year life, TURN explained that the project costs would rise to an exorbitant level. TURN argued that the Commission must consider scenarios that include a 20-year project life, delayed commercial operations and lower capacity factors in order to understand the potential risks to ratepayers. Under such scenarios, TURN argued that Manzana would be substantially more costly than anticipated by PG&E.</p> <p><u>TURN opening brief, pages 15-17</u> <u>TURN reply brief, pages 18-20</u></p>	<p><u>D.11-03-036, pages 26-28</u></p> <p>The Commission agreed with TURN in rejecting the reasonableness of this assumption and concluded that “there is no technical data to support the reasonableness of the 30-year life forecast for the turbines used in the project. We agree with TURN and DRA that the data provided by PG&E does not support the forecasted project life for the Manzana Wind Project.” (pages 26-27) The Commission also agreed with TURN’s critique that PG&E’s forecasted operational costs are “based on insufficient data beyond twenty years.” (page 28)</p> <p>The Commission agreed with TURN in concluding that “scenarios that adjust the underlying assumptions to assess the value and cost of the Manzana Wind Project provide a realistic set of outcomes that must be considered when exploring the reasonableness of the application.” (page 26) Specifically, the Commission agreed that delays in commercial operations and a shorter operational life should be considered. (Pages 26-28) The use of a more realistic scenario “suggests that Manzana is substantially more costly than other wind projects when compared on a consistent basis.” (page 27)</p>	<p>Yes</p>
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<p>4. COST / RISKS OF PROJECT DELAY</p> <p>TURN argued that there is significant risk of project delays due to interconnection issues and the expected completion date of the Whirlwind Substation. TURN warned the Commission that the potential delays would increase the overall costs of Manzana and raise the expected levelized price of energy paid by ratepayers.</p> <p><u>TURN opening brief, pages 5-7</u> <u>TURN reply brief, pages 6-8</u> <u>Testimony of Kevin Woodruff, pages 14-17.</u></p>	<p><u>D.11-03-036, pages 13-15</u></p> <p>The Commission agreed with TURN’s concern and stated “we conclude that there is significant risk that the Manzana Wind project may be subject to transmission delays and project curtailments. We do not believe it is reasonable for ratepayers to assume such risks.” (page 14) The Commission found that “TURN also demonstrates that there is a risk of delay associated with the interconnection of the project due to the projected completion date for Segment 4 of the TRTP.” (page 15)</p>	<p>Yes</p>
<p>5. COMPETITIVENESS / USE OF NET MARKET VALUE</p> <p>TURN argued against reliance on the Net Market Value approach to determining the competitiveness of Manzana on the basis that this methodology does not provide an apples-to-apples comparison. Specifically, TURN argued that this approach is not valid if the comparison is between projects with different operational durations, if the online dates are different, and if different vintages of forward energy and capacity curves are used. TURN urged the Commission to rely instead on the expected Levelized Cost of Energy as the basis for any comparisons.</p> <p><u>TURN opening brief, pages 13-14.</u> <u>TURN reply brief, pages 13-17</u></p>	<p><u>D.11-03-036, pages 22-23, Finding of Fact #6</u></p> <p>The Decision agrees with TURN that “PG&E’s use of the net market value approach [is] deficient for several reasons” and “does not provide an apples-to-apples comparison of the Manzana Wind Project to other projects because it uses different forward energy price curves to calculate the net market values of various projects.” (page 23) As a result, the Commission “cannot conclude that the Manzana Wind Project is cost competitive based on PG&E’s proposed net market value approach.” (page 23)</p>	<p>Yes</p>

<p>6. COMPETITIVENESS / RELEVANT COMPARISON PROJECTS</p> <p>TURN argued that the Commission should have made RPS contracts available to PG&E, urging the rejection of executed contracts. TURN argued that a broader comparison would demonstrate that Manzana was not a reasonable choice for ratepayers.</p> <p><u>TURN reply brief, page 17</u> <u>Testimony of Kevin Woodruff, Ex. 215-C, page 8.</u></p>	<p><u>D.11-03-036, page 25</u></p> <p>The Commission agreed with TURN and determined that the comparison should include “RPS solicitation results and other proposed RPS projects” rather than merely executed contracts and found that under such an approach “the Manzana Wind Project does not rank competitively compared to other types of renewable projects, including other wind projects.”</p>	<p>Yes</p>
<p>7. OTHER / Denial of PG&E’s Motion to Withdraw Application</p> <p>TURN urged the Commission to reject PG&E’s motion to withdraw the application and instead adopt the PD, arguing that parties had devoted considerable efforts to develop a record and that granting this motion would encourage other parties to withdraw any application facing an adverse Commission decision.</p> <p><u>Response of TURN to PG&E motion to withdraw application, February 3, 2011</u></p>	<p><u>D.11-03-036, pages 8-9, Ordering Paragraph #2</u></p> <p>The Decision cites TURN’s rationales extensively and denies PG&E’s motion to withdraw the application as moot.</p>	<p>Yes</p>

<p>8. RATE / UTILITY OWNERSHIP MEANS THAT RATEPAYERS FACE RISKS WHILE SHAREHOLDERS ARE HELD HARMLESS</p> <p>TURN expressed serious concerns that PG&E’s application would hold shareholders harmless in the event that project delays occur, the project is more costly to operate than forecast, or production falls below expectations. TURN argued that PG&E should be required to share in these risks rather assigning them entirely to ratepayers and objected to the failure of the application to allocate any meaningful project risks to shareholders. TURN pointed out that these risks would be borne by a developer under a Power Purchase Agreement (PPA).</p> <p><u>TURN opening brief, pages 7, 15, 19-22.</u> <u>TURN reply brief, pages 1, 3-4, 6-8, 10-11, 18-25.</u></p>	<p><u>D.11-03-036, pages 2-3, 12, 14</u></p> <p>The Commission agreed that Manzana “poses unacceptable risks to ratepayers” and that “shareholders face no risks” if the project fails to perform as expected by PG&E. (page 2) In explaining its rejection of the application, the Decision states “we also conclude that the Manzana Wind Project is not cost-competitive and poses unacceptable risks to ratepayers. Although these risks may exist with other renewable projects, in this case the viability risks are born by ratepayers rather than the developer.” (page 12)</p> <p>The Commission concluded that “as a proposed utility-owned generation project, ratepayers will pay a lump sum cost rather than a performance-based cost for the project...in contrast, under a PPA, project owners rather than ratepayers assume the risks for project production” (page 14).</p>	<p>Yes</p>
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B. Duplication of Effort (§§ 1801.3(f) & 1802.5):

Claimant		CPUC Verified
<p>a. Was Division of Ratepayer Advocates (DRA) a party to the proceeding?</p>	<p>Yes</p>	<p>Correct</p>
<p>b. Were there other parties to the proceeding?</p>	<p>Yes</p>	<p>Correct</p>
<p>c. If so, provide name of other parties: Independent Energy Producers, Greenlining Institute, Center for Biological Diversity.</p>		<p>Correct</p>
<p>d. Claimant’s description of how it coordinated with DRA and other parties to avoid duplication or how claimant’s participation supplemented, complemented, or contributed to that of another</p>		

<p>party:</p> <p>TURN met repeatedly with DRA to identify concerns, allocate issues, and coordinate strategy. TURN and DRA worked together in an effort to achieve a settlement agreement. When settlement proved to be impossible, TURN and DRA coordinated discovery efforts, thereby reducing the amount of time TURN needed to devote to the proceeding. TURN and DRA coordinated efforts for evidentiary hearings including dividing cross-examination issues and sharing cross-examination exhibits. As a result, TURN was able to spend less time preparing for hearings.</p> <p>TURN and DRA also worked to develop a common briefing format and shared information and policy positions during the briefing process. TURN relied upon showings made by DRA (specifically on environmental concerns related to the California Condor and possible interconnection delays), thereby reducing the amount of time devoted to briefing the case. After briefing was complete, DRA engaged in significant ex-parte efforts which allowed TURN to reduce its need to initiate ex-parte communications.</p> <p>Because TURN’s testimony and briefs were not duplicative of work performed by DRA, TURN was able to reduce its involvement in the proceeding and make a series of unique contributions to the final decision. The Commission should recognize that TURN and DRA coordinated to produce excellent results for ratepayers with a minimum of unnecessary efforts.</p> <p>The other organizations listed as parties (IEP, Greenlining, Center for Biological Diversity) did not participate actively, served no testimony, did not attend evidentiary hearings and filed no briefs. Therefore, TURN did not duplicate any efforts made by those parties.</p>	<p>We make no reductions to TURN’s claim for unnecessary duplication of effort.</p>
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C. Additional Comments on Part II:

#	Claimant	CPUC	Comment
1	X		<p>Because the Decision rejects PG&E’s application in its entirety, a number of issues raised by TURN in testimony and briefs were not specifically addressed in the Decision. The Decision explains the omission of a discussion on these issues with the following statement -- “Given that this decision rejects the application, we do not need to address or make findings on other issues in the Scoping Memo.” (D.11-03-036, page 29.)</p> <p>One example involves a section of the Scoping Memo explicitly requesting parties to consider, in analyzing the costs of Manzana, “whether PG&E will be able to access and fully utilize asserted tax benefits available to renewable project development.” (March 25, 2010 Assigned Commissioner’s Ruling and Scoping Memorandum, page 5)</p>

		<p>The ruling encouraged parties to provide, for Commission review, “a transparent methodology for comparing the levelized costs for PG&E’s ownership of Manzana, to a purchased power agreement with an independent energy producer, would examine a standard cash flow model for wind resources with key inputs, such as capital costs, operation and maintenance costs, and also account for any tax benefits.” (Assigned Commissioner’s Ruling, page 5.)</p> <p>In reliance on this directive, TURN witness Woodruff prepared a model to compare the costs of procuring Manzana under a Power Purchase Agreement structure. (See TURN opening brief, page 12 and Ex. 215-C) This model demonstrated that the superior ability of independent developers to pass through the benefits of the Investment Tax Credit can yield significant price savings to retail customers. PG&E did not address this issue in testimony or cross-examine Mr. Woodruff about the model. Although the Commission specifically requested parties to provide this type of information, the Commission’s final decision does not cite it in rejecting the application. Because TURN relied on the scoping memo and prevailed in its opposition to the application, the Commission should provide full compensation for TURN’s work developing this model.</p> <p>In addition, TURN proposed various ratemaking mechanisms to protect ratepayers in the event that the project was approved. These proposals fall into the “RATE” issue code and include mechanisms to allocate risks to shareholders, opportunities to review the election of specific tax benefits, the requirement for PG&E to obtain an outside tax equity investor, and changes to the contract with Iberdrola, and performance requirements. (TURN opening brief, pages 3-4, 9-10, 21-25; TURN reply brief, pages 4-10, 23-27) Since the Commission rejected the project, there was no need to consider these ratemaking mechanisms</p> <p>The standard for an award of intervenor compensation is whether TURN made a substantial contribution to the Commission’s decision, not whether TURN prevailed on each particular issue (see D.08-04-004, D.09-04-027). Therefore TURN should be fully compensated for time spent developing the evidentiary record and the many recommendations included in testimony and briefs despite the fact that these recommendations were not explicitly adopted in the decision.</p> <p>The fact that TURN was successful in persuading the Commission to reject the application was the reason why the other issues raised in testimony and briefs were deemed moot or left unaddressed. It would be unreasonable for the Commission to penalize TURN for its overall success in defeating the application by refusing to authorize compensation for work on conditions that would have been explicitly addressed had TURN been less successful. Given the extraordinary</p>
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		overall level of success obtained in this proceeding, the Commission should recognize the substantial contributions made by TURN on the entire range of issues addressed in testimony and briefs.
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness:

Claimant’s explanation as to how the cost of claimant’s participation bore a reasonable relationship with benefits realized through claimant’s participation	CPUC Verified
<p>As demonstrated in the substantial contribution section, the Commission rejected PG&E’s application in and denied the request for a certificate of public convenience and necessity. This result was due, in large part, to the concerns raised by TURN. TURN was able to persuade the Commission that PG&E’s proposal was fraught with financial risks for ratepayers and that alternative options would be less costly with lower risk over time.</p> <p>TURN’s success in this proceeding has near-term and long-term ratepayer benefits. The near-term benefit is avoiding the addition of up to \$911 million in ratebase along with potentially significant AFUDC costs being collected in rates. Had PG&E’s proposal been adopted, rates would have increased to accommodate recovery of this investment as early as January 1, 2012.</p> <p>The long-term ratepayer benefits of TURN’s participation will depend upon the cost of alternative sources of renewable power. Since the issuance of this Decision, several renewable power contracts have been submitted for approval by other utilities at prices below the Market Price Referent (for example, see SCE Advice 2581-E and SCE Advice 2568-E). PG&E is currently soliciting additional renewable contracts in its 2011 RPS Request For Offers. Based on the review of confidential materials and participation in the Procurement Review Groups, TURN is confident that the contracts executed in lieu of Manzana will be well below the expected levelized energy costs provided in the application. Depending upon the actual prices of executed contracts, PG&E ratepayers could save tens of millions of dollars per year throughout the 30-year period that Manzana costs would have been collected in rates.</p> <p>The Decision also sends an important signal to all utilities regarding the need to present competitive utility-owned projects in order to gain Commission approval. The benefits of this signal can already be seen in A.10-07-017 where TURN and DRA reached a settlement with San Diego Gas & Electric for a new wind project financed by SDG&E and its ratepayers.</p> <p>Taken together, the combination of long-term and short-term benefits far</p>	<p>We agree that TURN’s participation was reasonable and will result in both short-term and long-term benefits to ratepayers which will far outweigh the cost of TURN’s participation.</p>

exceeds (by orders of magnitude) the cost of TURN's participation in the proceeding. TURN's claim should be found to be reasonable.	
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B. Specific Claim*:

CLAIMED						CPUC AWARD			
ATTORNEY AND ADVOCATE FEES									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
M. Freedman	2010	163.75	325	D.10-09-044	53,219	2010	163.75	325	53,219
M. Freedman	2011	11.50	325	Adopted here	3,738	2011	11.50	325	3,738
Subtotal: \$56,956						Subtotal: \$56,956			
EXPERT FEES									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
K. Woodruff	2010	232.25	225	Adopted here	52,256	2010	232.25	225	52,256
K. Woodruff	2011	1.75	225	Adopted here	394	2011	1.75	225	394
W. Marcus	2010	18.42	250	D.10-09-045	4,605	2010	10.6718 .42	250	2,6684.605
Subtotal: \$57,255						Subtotal: \$55,34857.255			
INTERVENOR COMPENSATION CLAIM PREPARATION **									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
M. Freedman	2010	0.75	162.50	½ rate adopted here	122	2010	0.75	162.50	122
M. Freedman	2011	14.50	162.50	½ rate adopted here	2,356	2011	14.50	162.50	2,356
Subtotal: \$2,478						Subtotal: \$2,478			
COSTS									
Item	Detail				Amount \$	Amount \$			
Travel	Consultant travel including parking and tolls.				211	-0-			
Photocopies	Pleadings submitted to CPUC				60	60			
Lexis-Nexis	Research				313	313			
Lodging	Expert's Lodging				106	-0-			
Meals	Expert's Meals				11	-0-			
Subtotal: \$701						Subtotal: \$373			
TOTAL REQUEST: \$117,390						TOTAL AWARD: \$115,125117,082			

C. Comments Documenting Specific Claim:

Comment #	Description/Comment
Comment 1	<p>Hourly Rate for TURN consultants in 2009 and 2010:</p> <p>TURN relied on expert witness services from two consulting firms – JBS Energy and Woodruff Consulting Services.</p> <p>JBS Energy: For work performed by William Marcus in 2010, TURN seeks an hourly</p>

	<p>rate of \$250. The Commission has approved this rate for work performed in 2009 (D.10-11-032 and D.11-03-022). TURN seeks the same rate for 2010 hours because JBS Energy did not raise this rate in 2010.</p> <p>Woodruff Consulting Services: For work performed by Kevin Woodruff in 2010 and 2011, TURN seeks an hourly rate of \$225. The Commission has approved this rate on many occasions since 2006 (D.07-06-045) and Mr. Woodruff did not raise this rate in 2010.</p> <p>Should the Commission believe it needs further information in support of any of these requested hourly rates, TURN would be glad to provide such information upon request.</p>												
<p>Comment 2</p>	<p>Allocation of TURN Attorney and Consultant Hours by Issue/Activity Code: TURN has allocated all of our attorney and consultant time by issue area or activity, as evident on our attached timesheets.</p> <p>The following codes relate to specific substantive issue and activity areas addressed by TURN:</p> <table border="1" data-bbox="443 772 1560 1894"> <thead> <tr> <th data-bbox="443 772 678 825">Code</th> <th data-bbox="678 772 1560 825">Explanation</th> </tr> </thead> <tbody> <tr> <td data-bbox="443 825 678 1098">COST</td> <td data-bbox="678 825 1560 1098">Overall reasonableness of project cost and expected levelized energy pricing -- includes estimated \$911 million project cost, risks of underperformance due to environmental restrictions, cost increases due to interconnection delays, fairness of Purchase and Sale Agreement, reasonableness of a 30-year project life, reasonableness of Operations and Maintenance cost projections, and reliability of capacity factor projections.</td> </tr> <tr> <td data-bbox="443 1098 678 1297">CP</td> <td data-bbox="678 1098 1560 1297">Competitiveness of Manzana as compared to other options available to PG&E. Includes concerns about Net Market Value, modeling of Manzana versus a PPA option, the potential for greater tax credit benefits within a PPA structure, and appropriate comparisons to RFO bids.</td> </tr> <tr> <td data-bbox="443 1297 678 1497">RATE</td> <td data-bbox="678 1297 1560 1497">Proposed ratemaking treatment for Manzana including revenue requirements, stranded cost charges, the allocation of risk and reward between ratepayers and shareholders, choice between election of Production Tax Credit and Investment Tax Credit, and proposals for performance requirements.</td> </tr> <tr> <td data-bbox="443 1497 678 1591">SETT</td> <td data-bbox="678 1497 1560 1591">Work related to efforts to achieve a settlement between TURN, DRA and PG&E.</td> </tr> <tr> <td data-bbox="443 1591 678 1894">GP</td> <td data-bbox="678 1591 1560 1894">General Participation work essential to participation that typically spans multiple issues and/or would not vary with the number of issues that TURN addresses. This can include reading the initial application, Commission rulings, participating in prehearing conferences, and reviewing pleadings submitted by other parties. This also includes TURN's work opposing PG&E's motion to withdraw the application and TURN's initial coordination with DRA on case strategy and issues.</td> </tr> </tbody> </table>	Code	Explanation	COST	Overall reasonableness of project cost and expected levelized energy pricing -- includes estimated \$911 million project cost, risks of underperformance due to environmental restrictions, cost increases due to interconnection delays, fairness of Purchase and Sale Agreement, reasonableness of a 30-year project life, reasonableness of Operations and Maintenance cost projections, and reliability of capacity factor projections.	CP	Competitiveness of Manzana as compared to other options available to PG&E. Includes concerns about Net Market Value, modeling of Manzana versus a PPA option, the potential for greater tax credit benefits within a PPA structure, and appropriate comparisons to RFO bids.	RATE	Proposed ratemaking treatment for Manzana including revenue requirements, stranded cost charges, the allocation of risk and reward between ratepayers and shareholders, choice between election of Production Tax Credit and Investment Tax Credit, and proposals for performance requirements.	SETT	Work related to efforts to achieve a settlement between TURN, DRA and PG&E.	GP	General Participation work essential to participation that typically spans multiple issues and/or would not vary with the number of issues that TURN addresses. This can include reading the initial application, Commission rulings, participating in prehearing conferences, and reviewing pleadings submitted by other parties. This also includes TURN's work opposing PG&E's motion to withdraw the application and TURN's initial coordination with DRA on case strategy and issues.
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	EH	Preparation for, and participation in, evidentiary hearings and prehearing conferences.
	COMP	Preparation of compensation request and TURN’s notice of intent.
	#	Attorney work that involves multiple issue areas and should be allocated 40% to COST, 40% to CP, and 20% to RATE.
	*	Attorney work that involves multiple issue areas is allocated 30% to COST, 60% to CP and 10% to RATE (consistent with the Woodruff hours).
	%	Attorney work that involves multiple issue areas is allocated 50% to COST and 50% to RATE (consistent with the Marcus hours).
Comment 3	<p>Allocation of expert witness hours by issue/activity: Included in this request are hours devoted to this proceeding by Bill Marcus and Kevin Woodruff. The time of these experts can be allocated across the issue codes used by TURN as follows:</p> <p>Bill Marcus: CP = 50%, RATE = 50%</p> <p>Kevin Woodruff: COST = 30%, CP = 60%, RATE = 10%</p>	

D. CPUC Adoptions and Disallowances:

Item	Adoptions
2011 hourly rate for Freedman	Resolution ALJ-267 disallows cost-of-living increases for 2011 intervenor work. As such, we apply Freedman’s previously approved 2010 rate of \$325 to his 2011 work here.
2010 hourly rate for Woodruff	Resolution ALJ-247 disallows cost-of-living increases for 2010 intervenor work. As such, we apply Woodruff’s previously adopted 2009 rate of \$225 to his 2010 work here.
2011 hourly rate for Woodruff	Resolutions ALJ 247 and ALJ-267 disallow cost-of-living increases for 2011 intervenor work. As such, we apply Woodruff’s previously adopted 2009 rate of \$225 to his 2011 work here.
Item	Disallowances
2010 Marcus hours	TURN requests 7.75 hours for Marcus work which it describes as “Energy Division work on ITC vs. PTC modeling for Energy Division meeting and Energy Division work on presentation and modeling for Energy Division”. In D.11-06-012 issued on June 17, 2011 in A.08-07-021, we disallowed some of TURN’s work which helped to create work on behalf of another party, (or by a non-party such as the Energy Division).⁺ We apply the same reasoning used in that decision to the disallowance of Marcus’ hours here.

⁺~~See D.11-06-012 issued on June 17, 2011 t 27.~~

<p>Disallowance of lodging, travel and meals for Woodruff</p>	<p>TURN requests reimbursement for Woodruff’s travel, lodging and meals occurred during his travel from Sacramento to San Francisco to attend various meetings with DRA and PG&E and to testify at evidentiary hearings. In D.10-11-032 we defined routine travel and stated that time and costs incurred by attorneys, consultants and other experts participating in Commission proceeding to be non-compensable if the one-way travel distance the expert is travelling from is 120 miles or less. Here, Woodruff travelled from Sacramento to San Francisco with a one-way distance of 120 miles or less.</p>
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PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the claim?

B. Comment Period: Was the 30-day comment period waived?

FINDINGS OF FACT

1. Claimant has made a substantial contribution to Decision (D.)11-03-036.
2. The claimed fees and costs, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The total of reasonable contribution is ~~\$115,125~~ 117,082.

CONCLUSION OF LAW

1. The claim, with any adjustment set forth above, satisfies all requirements of Public Utilities Code §§ 1801-1812.

ORDER

1. Claimant is awarded ~~\$115,125~~ 117,082.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company shall pay claimant the total award. Payment of the award shall include interest at the rate earned on prime, three-month commercial paper as reported in Federal Reserve Statistical Release H.15, beginning August 6, 2011, the 75th day after the filing of claimant’s request, and continuing until full payment is made.
3. The comment period for today’s decision is waived.

This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX

Compensation Decision Summary Information

Compensation Decision:		Modifies Decision? No
Contribution Decision:	D1103036	
Proceeding:	A0912002	
Author:	ALJ Maryam Ebke	
Payer:	Pacific Gas and Electric Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	05-23-11	\$117,390	\$115,125 <u>117,082</u>	No	disallowance of work created for another party (or non-party); disallowance of costs (lodging, travel and meals) for TURN's expert which was incurred during "routine commuting"

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Matthew	Freedman	Attorney	The Utility Reform Network	\$325	2010 and 2011	\$325
Kevin	Woodruff	Expert	The Utility Reform Network	\$225	2010 and 2011	\$225
William	Marcus	Expert	The Utility Reform Network	\$250	2010	\$250

(END OF APPENDIX)

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