

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**10-15-13
02:12 PM

October 15, 2013

Agenda ID #12490
Ratesetting

TO PARTIES OF RECORD IN RULEMAKING 10-05-006:

This is the proposed decision of Administrative Law Judge (ALJ) Peter V. Allen. This item is targeted to appear on Agenda No. 3326 for the Commission's November 14, 2013 Business Meeting, but may appear on a later agenda. Interested persons may monitor the Business Meeting agendas, which are posted on the Commission's website 10 days before each Business Meeting, for notice of when this item may be heard. The Commission may act on the item at that time, or it may hold an item to a later agenda.

When the Commission acts on the proposed decision, it may adopt all or part of it as written, amend or modify it, or set it aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the proposed decision as provided in Article 14 of the Commission's Rules of Practice and Procedure (Rules), accessible on the Commission's website at www.cpuc.ca.gov. Pursuant to Rule 14.3, opening comments shall not exceed 15 pages.

Comments must be filed pursuant to Rule 1.13 either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. The current service list for this proceeding is available on the Commission's website at www.cpuc.ca.gov.

/s/ KAREN V. CLOPTONKaren V. Clopton, Chief
Administrative Law Judge

KVC:gd2

Attachment

Decision **PROPOSED DECISION OF ALJ ALLEN** (Mailed 10/15/2013)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 10-05-006 (Filed May 6, 2010)

**DECISION GRANTING COMPENSATION TO L. JAN REID FOR
SUBSTANTIAL CONTRIBUTION TO DECISION 12-04-046**

Claimant: L. Jan Reid (Reid)	For contribution to Decision (D.) 12-04-046
Claimed: \$65,830.70	Awarded: \$42,909.95 (reduced 35%)
Assigned Commissioner: Michael R. Peevey	Assigned ALJ: Peter V. Allen

PART I: PROCEDURAL ISSUES**A. Brief Description of Decision:**

The decision addresses issues in System Track I and Rules Track III of the Long Term Procurement Plan Rulemaking. Many potential issues in System Track I are resolved, or deferred, by a proposed settlement supported by most of the parties. We approved the proposed settlement, and addressed one other System Track I issue not resolved by the settlement: a proposal by Calpine Corporation for utility solicitations aimed at existing power plants operating without contracts. A second System Track I issue, relating to local reliability requirements in the San Diego Gas & Electric service territory, was moved to Application (A.) 11-05-023.

In addition, this decision addressed a number of Rules Track II issues, specifically: procurement rules relating to power plants using once-through cooling (OTC), a proposal from Southern California Edison for a new generation auction, refinements to evaluating bids where utility-owned generation and independent generation are competing, utility procurement of greenhouse gas (GHG) related products, a request from the Independent Energy Producers relating to generator recovery of GHG compliance costs, and general procurement oversight rules.

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

Claimant		CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	June 14, 2010	Correct
2. Other Specified Date for NOI:	August 13, 2010	Correct
3. Date NOI Filed:	August 9, 2010 Amended NOI was filed on January 4, 2011 (<i>See</i> D.11-03-019, slip op. at 6)	Correct
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on decision issued in proceeding number:	R.10-05-006	Correct
6. Date of ALJ ruling:	March 15, 2011	Correct
7. Based on another CPUC determination (specify):	D.11-03-019 at 6	Correct
8. Has the Claimant demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on decision issued in proceeding number:	R.10-05-006	Correct
10. Date of ALJ ruling:	March 15, 2011	Correct
11. Based on another CPUC determination (specify):	D.11-03-019 at 6	
12. Has the Claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.13-01-022 ¹	Correct
14. Date of Issuance of Final Order or Decision:	January 29, 2013	Correct
15. File date of compensation Request:	April 2, 2013 ²	Correct
16. Was the request for compensation timely filed?		Yes

¹ Decision Denying Petition of Calpine Corporation for Modification of Decision 12-04-046, issued on January 29, 2013.

² The request was due on the first business day which occurred 60 days after the decision. The Decision Denying Petition of Calpine Corporation for Modification of Decision 12-04-046 was issued on January 29, 2013. The request would have been due on March 30, 2013 which was a Saturday. Monday April 1 was a state holiday. Therefore, the request was timely filed on Tuesday, April 2, 2013.

PART II: SUBSTANTIAL CONTRIBUTION

A. Claimant’s description of its claimed contribution to the final decision (*see* § 1802(i), § 1803(a) & D.98-04-059:

Contribution	Specific References to Claimant’s Presentations and to Decision	Showing Accepted by CPUC
<p>1. OTC Contracts</p>	<p>Subject to certain exemptions, the CPUC Energy Division Staff’s (Staff’s) OTC Proposal (<i>See</i> June 13, 2011 Ruling of ALJ Peter Allen, Appendix A) would prohibit a utility from entering into a contract with an OTC facility for longer than one year.</p> <p>Reid argued that: (Opening Brief of L. Jan Reid on Track I and Track III Issues (Reid Opening Brief), at 11)</p> <p>“The Commission has a long history of supporting water policies that improve water quality and encourage water conservation.”</p> <p>“The Commission has stated that: (CPUC Water Action Plan, December 15, 2005, at 2)”</p> <p>“In light of increasing statewide concerns about water quality and supply, the Commission will explore innovative solutions to water problems and keep pace with newer approaches it is implementing in the energy and telecommunications sectors as well as strategies being used by water agencies and entities not subject to Commission jurisdiction. In our loading order for water supply sources, we recognize that cost-effective conservation is the best, lowest-cost of supply.”</p> <p>“The Staff proposal encourages water conservation, seeks to improve water quality, and is consistent with the Commission’s policy goals. Therefore, the Commission should adopt the Staff proposal.”</p>	<p>We reduce time spent on this issue by 30%. Reid’s claimed contribution is overstated. Reid mostly supported a DRA position that was adopted with significant modifications.</p>

	<p>The Commission stated that: (D.12-04-046, slip op. at 25)</p> <p>“As an interim measure to provide short-term clarity and procurement authority to the utilities, while supporting the SWRCB policy of moving away from OTC, we will adopt a variation of the SDG&E and DRA approach. The utilities are authorized to sign power purchase agreements with power plants using OTC, but those agreements may not commit to purchases beyond the applicable SWRCB compliance deadline, except under the specific conditions described below. In addition, consistent with PG&E’s recommendation, the applicable RFO or other solicitation evaluation must take into consideration the plant’s use of OTC.”</p> <p>Thus, Reid made a substantial contribution to the Commission’s resolution of the OTC Contracting issue.</p>	
<p>2. Nuclear Power Plants</p>	<p>Reid recommended that the Commission open an Order Instituting Investigation (OII) into the feasibility of shutting down the San Onofre and Diablo Canyon nuclear generation facilities. (See Amended Testimony of L. Jan Reid on Track I and Track III Issues (Reid Opening Testimony), at 7-9)</p> <p>The Commission has included the nuclear shutdown issue as part of the scope of Rulemaking (R.) 12-03-014. The Commission has recently stated that: (Scoping Memo, at 8)</p> <p>“A major purpose of this proceeding is to maintain and ensure reliability in CPUC-jurisdictional areas in California over a long-term planning horizon. This requires anticipation of changes in both supply and demand. To accomplish</p>	<p>Accepted</p>

	<p>this, it is important to consider the potential retirement of existing plants, the likelihood of relicensing of nuclear power plants, changes in mandates for renewable power, development of energy storage facilities, increased energy efficiency and demand response resources, and the developing of distributed generation resources.”</p> <p>The Commission has also stated that it seeks to determine “How the potential for shutdown of nuclear power plants in California would impact long-term system reliability.” (Scoping Memo, at 9)</p> <p>Since Reid recommended that the nuclear shutdown issue be addressed in a separate proceeding and the Commission now intends to address this issue in R.12-03-014, Reid made a substantial contribution to the Commission’s interim resolution of the Nuclear issue. This is an interim resolution because the Commission has only agreed to consider the nuclear shutdown issue.</p>	
3. The Settlement Agreement	<p>Reid participated in Settlement negotiations on July 29, 2011 and August 2, 2011, and wrote comments on settlement drafts on July 30, 2011 and August 1, 2011. Although Reid supported much of the Settlement Agreement (SA), Reid decided not to sign the SA due to two outstanding issues. Both of these issues were later resolved during Reid’s cross-examination of CAISO witness Rothleder. (See Reid Opening Brief, at 3-4)</p>	Accepted

<p>4. Renewable Integration Need</p>	<p>Reid identified a number of deficiencies in the California Independent System Operator’s (CAISO) Methodology (Reid Opening Testimony, pp. 4-6), and criticized the CAISO for not conducting Backtesting and Robustness tests of their Renewable Integration Model (RIM). (Reid Opening Testimony, at 6-7).</p> <p>Finally, Reid recommended that the Commission adopt a system capacity need of zero [megawatts] MW for renewables integration in this proceeding.” (Reid Opening Testimony, at 7)</p> <p>The Commission effectively agreed with Reid when it stated that “There is clear evidence on the record that additional generation is not needed by 2020, so there is record support for deferral of procurement.” (D.12-04-046, slip op. at 8) Therefore, Reid made a substantial contribution to the Commission’s resolution of the Renewable Integration Need issue.</p>	<p>We reduce Reid’s hours on this issue by 30% as his claimed contribution is overstated.</p>
<p>5. Renewable Integration Schedule</p>	<p>The settling parties recommended that “a final Commission assessment of need or a decision should be issued no later than December 31, 2012.” (SA, at 4)</p> <p>Reid argued that: (Reid Opening Brief, at 4)</p> <p>“The Commission should not commit to issuing a decision on renewable integration on the date recommended by the settling parties. Pursuant to Public Utilities Code Section (PUC §451), the Commission has an obligation to ensure that rates (and therefore costs) are just and reasonable. The Commission cannot fulfill its obligation unless it is presented with an adequate record.”</p> <p>“In order for an adequate record to be established, the Commission must</p>	<p>We reduce Reid’s hours on this issue by 20% as his claimed contribution is overstated.</p>

	<p>ensure that parties have adequate time to analyze the CAISO’s work, to conduct discovery, and to submit necessary pleadings such as comments, testimony, and briefs.”</p> <p>The Commission effectively agreed with Reid when it stated that: (D.12-04-046, slip op. at 10-11)</p> <p>“First, the Commission, not the settling parties, determines the schedule and scope of any subsequent proceeding. Even if the parties agree on a particular schedule, the Commission, not the parties, controls the Commission’s processes. Because we understand the proposed settlement’s discussion of future Commission proceedings to be a recommendation only, the proposed settlement is consistent with the law on this issue.”</p> <p>Therefore, Reid made a substantial contribution to the Renewable Integration Schedule issue.</p>	
<p>6. Cost Effectiveness</p>	<p>Reid argued that: (Reid Opening Brief, at 5-6)</p> <p>“Different resources will have different costs and different benefits. If the Commission finds that the CAISO’s model results are reasonable, the Commission must determine the optimal mix of resources for renewable integration and grid reliability purposes. In making this determination, the Commission must consider the cost-effectiveness of different resources or different classes of resources.”</p> <p>“CAISO witness Rothleder has testified that the CAISO does not intend to perform cost effectiveness analysis as part of their modeling efforts. (Rothleder, 5 RT 374:23-28, 375:1-13) Thus, it will be up to other parties to present the Commission with</p>	<p>We decline to compensate Reid’s hours on this issue as Reid failed to indicate how or where the Commission did anything with his recommendation on this issue.</p>

	<p>cost-effectiveness analyses and recommendation concerning an optimal resource mix.”</p> <p>Thus, Reid made a substantial contribution to the Cost Effectiveness issue.</p>	
<p>7. PRG Meeting Summaries</p>	<p>Reid recommended that the IOUs be required to provide meeting summaries to its Procurement Review Group (PRG) members within 30 days of a PRG meeting. (Exhibit 1300, at 13) PG&E responded to Reid’s proposal by recommending that “meeting summaries be distributed to PRG members for their review and comment 48 hours in advance of the next regularly scheduled monthly meeting.” (Exhibit 103, at I-1) Reid accepted PG&E’s compromise proposal. (Reply Brief of L. Jan Reid on Track I and Track III issues, October 3, 2011, at 8)</p> <p>The Commission ordered that:</p> <p>“We will adopt the staff proposal that meeting summaries be distributed no later than 14 days after the PRG meeting, with caveats based on PG&E’s comments. First, the meeting summary should be distributed on the earlier of 1) 14 days after the PRG meeting, or 2) 48 hours before the next regularly scheduled PRG meeting. If, due to unusual circumstances, 14 days will be inadequate time to prepare a meeting summary, the utility may distribute it 21 days after the PRG meeting, but may do so only if it sends an e-mail to the same distribution list seven days after the PRG meeting informing them of the delay in distribution.”</p> <p>Thus, Reid made a substantial contribution to the Commission’s resolution of the PRG Meeting Summaries issue.</p>	<p>Accepted</p>

<p>8. Independent Evaluators (Ies)</p>	<p>The Division of Ratepayer Advocates (DRA) recommended that the Energy Division or alternatively the IOU's PRG, should determine IE assignments rather than the IOUs determining IE assignments. (Exhibit 409, at 6)</p> <p>Reid testified that: (Reid, 4 RT 350:17-28, 351:1-24)</p> <p>“In the case of PG&E's PRG this is not necessary in my opinion. In the past PG&E has reviewed its major IE assignments with its PRG. . . . PG&E's current practice in my opinion is superior to a system whereby assignments are made by the Energy Division. PG&E has the most knowledge concerning its IEs simply because they have worked with them more than the Energy Division is going to have worked with them or the individual PRG members are going to have worked with them. The present PRG review process that PG&E uses seems to have worked well.”</p> <p>The Commission did not change the current system for determining IE assignments as suggested by the DRA. Therefore, Reid made a substantial contribution to the IE issue.</p>	<p>We reduce Reid’s hours on this issue by 50% as his claimed contribution is overstated.</p>
<p>9. The Rulebook</p>	<p>Reid argued that: (Reid Opening Testimony, at 10-11)</p> <p>“The Rulebook should serve an informative purpose and should not be treated as a General Order as suggested by Staff.”</p> <p>The Commission effectively agreed with Reid when it stated that “Accordingly, at this time we do not adopt the Rulebook as a stand-alone enforceable document.” (D.12-04-046, slip op. at 62)</p>	<p>We reduce Reid’s hours spent on this issue by 40% as Reid has overstated his contribution and there was duplication with other parties on this issue.</p>

<p>10. Procurement Review Groups (PRGs)</p>	<p>Staff recommended that “The members of each PRG would be committed to devote the time necessary to meet and confer with the utilities on each proposed contract and/or procurement process and provide written comments to the utilities within no later than fifteen days of initiation of the review process.” (Ruling, Appendix B, at 17)</p> <p>Reid recommended that the following language be used: (Reid Opening Testimony, at 15)</p> <p>“The members of each PRG would be committed to devote the time necessary to meet and confer with the utilities on each proposed contract and/or procurement process. PRG members shall submit data requests to the IOU within 48 hours of the initial presentation by the IOU. PRG members shall provide written comments to the IOUs within 15 days of the IOUs response to a PRG member’s data request.”</p> <p>The Commission did not adopt the change proposed by Staff. Therefore, Reid made a substantial contribution to the Commission’s resolution of the PRG issue.</p>	<p>We disallow Reid’s hours spent on this issue. The decision did not address this issue, nor was it considered by the Administrative Law Judge. Reid did not make a substantial contribution on the decision merely because he opposed a proposal that was not adopted.</p>
<p>11. Black Box Modeling</p>	<p>Reid was the primary party who addressed the Black Box Modeling issue. Reid argued that: (Reid Opening Brief, at 6-8)</p> <p>“Throughout this proceeding, Reid has argued that the Commission’s reliance on the CAISO model is not consistent with Public Utilities Code Section (PUC §) 1822. A list of citations is provided in Table I, below. The CAISO apparently believes that it has satisfied the requirements of PUC § 1822 by providing parties with the input data used in the CAISO model, a description</p>	<p>Accepted</p>

	<p>of the inputs, and the output results. (For example, see Exhibit 1303, at 6, CAISO Response to Question 10.)”</p> <p>...</p> <p>“Compliance with PUC §1822 is an important issue that has the potential to effect a number of Commission proceedings. Therefore, I recommend that the Commission provide a detailed explanation of PUC §1822 as it applies to the CAISO’s modeling efforts in the instant rulemaking.”</p> <p>Therefore, Reid made a substantial contribution to the Commission’s resolution of the Black Box Modeling issue.</p>	
<p>12. Convergence Bidding</p>	<p>Reid argued that: (Reid Opening Brief, footnotes omitted, at 18-20)</p> <p>“Ratepayers have been subject to excessive costs related to the convergence bidding market. For the months February, 2011 through June, 2011, the CAISO’s Real Time Energy Imbalance Offset Charges (imbalance charges) totaled \$76,558,324. (Calculated from data provided in Exhibit 1303, at 14, CAISO Response to Question 31.)” . . .</p> <p>“Thus, IOU ratepayers will have to pay as much as \$30.6 million of the imbalance charge, which is the amount attributable to the convergence bidding market.” . . .</p> <p>“Therefore, I recommend that the Commission order the IOUs to make a showing concerning their participation in the convergence bidding market.”</p> <p>Thus, Reid made a substantial contribution to the Convergence Bidding issue.</p>	<p>We disallow Reid’s hours spent on this issue. Reid fails to identify how and where the decision indicates that the Commission did anything with his recommendation.</p>

B. Duplication of Effort (§§ 1801.3(f) & 1802.5):

Claimant		CPUC Verified
a. Was the Office of Ratepayer Advocates (ORA)³ a party to the proceeding?	Yes	Correct
b. Were there other parties to the proceeding with positions similar to the Claimant's?	No	Correct
<p>c. 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 party:</p> <p>I met with the DRA on several occasions throughout the course of the proceeding in order to avoid duplication. I do not seek compensation for all of these meetings. As a matter of personal policy, I do not participate in Commission proceedings where my showing is likely to duplicate the showings of other consumer representatives such as the DRA and The Utility Reform Network (TURN). For example, I did not serve testimony in Phase 2 of A.09-12-020 because my showing would likely have duplicated the showings of the DRA and TURN.</p> <p>There was very little agreement on key issues between Reid and the DRA in the instant decision. Of the 12 issues listed in Section II.A, Reid and the DRA had similar positions on zero issues. There were issues (such as the strong showing standard) raised by the DRA with which Reid agreed. However, Reid did not spend time nor address any of those issues in his testimony or briefs.</p>		<p>We disallow a portion of Reid's hours spend on the issue of The Rulebook as there was duplication with other parties on this issue.</p>

PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§§ 1801 & 1806):

<p>a. Claimant's explanation as to how the cost of Claimant's participation bore a reasonable relationship with benefits realized through claimant's participation.</p> <p>In consolidated R.97-01-009 and Investigation 97-01-010, the Commission required intervenors seeking compensation to show that they represent interests that would otherwise be underrepresented and to present information sufficient to justify a finding that the overall benefits of a customer's participation will exceed the customer's costs. (D.98-04-059, 79 CPUC2d 628, Finding of Fact 13 at 674, Finding of Fact 42 at 676) The Commission noted that assigning a dollar value to intangible benefits may be difficult.</p>	<p>CPUC Verified</p> <p>See comments below.</p>
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³ “The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.”

<p>As mentioned previously, Reid made a substantial contribution to the proceeding. It is reasonable to assume that the resolution of the issues raised in this proceeding will benefit ratepayers in the future.</p>																									
<p>CPUC Comments:</p> <p>D.98-04-059 at 33-34 states that “participation must be productive in the sense that the costs of participation should bear a reasonable relationship to the benefits realized through such participation.” To demonstrate productivity, a customer must try to assign a reasonable dollar value to the benefits of its participation. Even benefits thought of as intangible may be so “monetized through appropriate proxies.” At 54, the decision states that “the customer should present its views and the Commission should evaluate them, and judge whether the participation is productive.” In cases where it is difficult to monetize intangible benefits, “just the same, an effort should be made. At a minimum, when the benefits are intangible, the customer should present information sufficient to justify a Commission finding that the overall benefits of a customer’s participation will exceed a customer’s costs.”</p> <p>Here, Reid failed to provide information sufficient enough to justify such a finding. Instead of reducing the claim, we elect instead to conduct our own independent review and conclude that, after reductions made to this claim, the remaining hours were productive. We caution Reid that future claims lacking a sufficient showing of productivity may be rejected or dramatically reduced.</p>																									
<p>b. Reasonableness of Hours Claimed.</p> <p>All of Reid’s work in this proceeding was performed by L. Jan. Thus, no unnecessary internal duplication took place.</p>	<p>After the reductions we make to Reid’s claim, the remaining hours and costs are reasonable and worthy of compensation.</p>																								
<p>c. Allocation of Hours by Issue.</p> <table data-bbox="224 1318 727 1759"> <tr> <td>General</td> <td>22%</td> </tr> <tr> <td>Black Box Modeling</td> <td>11%</td> </tr> <tr> <td>Convergence Bidding</td> <td>1%</td> </tr> <tr> <td>Energy Auction</td> <td>1%</td> </tr> <tr> <td>Independent Evaluators</td> <td>2%</td> </tr> <tr> <td>Nuclear Power Plants</td> <td>7%</td> </tr> <tr> <td>Once Through Cooling</td> <td>3%</td> </tr> <tr> <td>Procurement Review</td> <td></td> </tr> <tr> <td>Groups</td> <td>5%</td> </tr> <tr> <td>Renewable Integration</td> <td>41%</td> </tr> <tr> <td>Rulebook</td> <td>2%</td> </tr> <tr> <td>Settlement Agreement</td> <td>5%</td> </tr> </table>	General	22%	Black Box Modeling	11%	Convergence Bidding	1%	Energy Auction	1%	Independent Evaluators	2%	Nuclear Power Plants	7%	Once Through Cooling	3%	Procurement Review		Groups	5%	Renewable Integration	41%	Rulebook	2%	Settlement Agreement	5%	<p>Except for Reid’s failure to allocate his time by major issue on the issue of cost effectiveness, Reid has properly allocated the remainder of time by major issue in accordance with Rule 17.4.⁴</p>
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⁴ See the California Public Utilities Commission’s Rules of Practice and Procedure.

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Rate Rationale	Total \$	Hours	Rate \$	Total \$
L. Jan Reid	2010	95.8	185	D.11-03-019	17,723	95.8	185	17,723
L. Jan Reid	2011	226.8	185	D.11-08-015	41,958	102.8	185	19,018
L. Jan Reid	2012	26.3	200	Adopted here	5,260	26.3	200	5,260
Subtotal: \$64,941						Subtotal: \$42,001		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Rate Rationale	Total \$	Hours	Rate \$	Total \$
L. Jan Reid	2013	7.7	105	½ rate adopted here	808.50	7.7	107.50	827.75
Subtotal: \$808.50						Subtotal: \$827.75		
COSTS								
Item	Detail				Amount \$	Amount \$		
Postage ⁵	Postage for 2010-2013				35.84	35.84		
Copies	Copies for the period 2010-2011				45.36	45.36		
Subtotal: \$81.20						Subtotal: \$81.20		
TOTAL REQUEST: \$65,830.70						TOTAL AWARD: \$42,909.95		
<p>*The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Reasonable Claim preparation time is compensated at ½ of preparer’s normal hourly rate.</p>								

⁵ Reid had multiple single costs for postage and copying which did not exceed \$20. For this reason, we did not require receipts to justify compensation for these expenses. We remind Reid, as we do all other intervenors however, that future request for compensation which contain a request for reimbursement of any single cost in excess of \$20, must be supported with a copy of the invoice or receipt.

C. Reid Comments on Part III:

Justification for Reid’s 2012-2013 Hourly Rates	
<p>The Commission has previously awarded Reid compensation for 2010-2011 professional work at a rate of \$185 per hour in D.12-06-011. Approved hourly rates for the compensation for experts are separated into three tiers based on experience. The tiers are Tier I (0-6 years), Tier II (7-12 years), and Tier III (13 years and over). <i>See</i> Resolution ALJ-281, slip op. at 5.)</p>	
<p>In 2012, Reid had 14 years of experience (1998-2012). Thus, Reid moved from Tier II to Tier III in 2011. The Commission has provided that intervenors may request and have approved two step increases of 5% within each tier, rounded up to the nearest \$5 increment. (Resolution ALJ-281, Ordering Paragraph 2, slip op. at 7; and D.08-04-010, slip op. at 11-13) The Commission has also adopted a “2.2% Cost-of-Living Adjustment (COLA) for work performed by intervenors in calendar year 2012.” (Resolution ALJ-281, slip op. at 1.)</p>	
<p>Thus, Reid should receive two increases for calendar year 2012: a 5% step increase and a 2.2% COLA. 5% of Reid’s 2011 rate (\$185) is \$9.25, which rounds to an hourly increase of \$10 for a total rate of \$195/hr. for 2012 work. 2.2% of \$195 is \$4.29, which rounds to an hourly increase of \$5 for a total rate of \$200/hr. for 2012 work.</p>	
<p>Reid should also receive a step increase of 5% (\$5/hr.) for work performed in 2013. Thus, Reid should be awarded a 2013 rate of \$210/hr.</p>	

D. Adoptions, Disallowances and Adjustments:

Adoptions	
<p>2012 Reid hourly rate</p>	<p>Reid requests an hourly rate of \$200 for his 2012 work in this proceeding. According to Reid, in 2011, he moved from Tier II (7-12 years of experience level) to the Tier III (13+ years of experience level). The requested rate is at the lower end of the range of (\$160-\$400) approved for experts within this year of experience level in Resolution ALJ-281. The requested rate applies the first 5% step increase authorized in D.08-04-010 in addition to applying the 2.2% COLA allowance authorized in Resolution ALJ-281. The resultant hourly rate (rounded to the nearest \$5 increment) is \$200. The hourly rate as requested is reasonable and comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services. We adopt an hourly rate of \$200 for Reid’s 2012 work.</p>

2013 Reid hourly rate	Reid requests that the second 5% step increase authorized in D.08-04-010, be applied to the 2012 hourly rate of \$200 we adopt here. In addition, we apply the 2% COLA approved in Resolution ALJ-284. The resultant hourly rate (rounded to the nearest \$5 increment) is \$215. We adopt this rate for Reid’s 2013 work here.
Disallowances	
<i>We reduce these issue specific hours for the reasons outlined on pages 3-11</i>	
Once Through Cooling (OTC)-30% reduction	Reid 2011 hours (-2.8 hrs.)
Renewables Integration Need-30% reduction	Reid 2011 hours (-43.0 hrs.)
Renewables Integration Schedule-20% reduction	Reid 2011 hours (-29.0 hrs.)
Cost effectiveness-all hours disallowed ⁶	Reid 2011 hours (-17.4 hrs.)
Independent Evaluator (IE)-50% reduction	Reid 2011 hours (-6.6 hrs.)
Rulebook-40% reduction	Reid 2011 hours (-5.5 hrs.)
Procurement Review Group (PRG)-all hours disallowed	Reid 2011 hours (-16.1 hrs.)
Convergence Bidding	Reid 2011 hours (-3.6 hrs.)

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?

No

B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(c)(6))?

No

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with Section 311 of the Pub. Util. Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on _____. The comments have been considered and appropriate changes have been made to this decision.

⁶ We can find no hours allocated for this issue in Reid’s timesheets. To arrive at a reasonable disallowance, we elect to reduce Reid’s total hours by 5%.

FINDINGS OF FACT

1. L. Jan Reid has made a substantial contribution to Decision (D.)12-04-046.
2. The requested hourly rates for L. Jan Reid are reasonable and comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses are reasonable and commensurate with the work performed.
4. The total reasonable contribution is \$42,909.95.

CONCLUSION OF LAW

1. The Claim, with the adjustments set forth above, satisfies all requirements of Public Utilities Code §§ 1801-1812.

ORDER

1. L. Jan Reid is awarded \$42,909.95.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall each pay L. Jan Reid (Reid), their respective shares of the award based on their 2011 California-jurisdictional electric revenues, reflecting the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, non-financial three-month commercial paper⁷ as reported in Federal Reserve Statistical Release H.15, beginning June 16, 2013, the 75th day after the filing of Reid's request, and continuing until full payment is made.
3. The comment period for today's decision was not waived.
4. This decision is effective today.

Dated _____, at San Francisco, California.

⁷ See Resolution ALJ-294.

APPENDIX

Compensation Decision Summary Information

Compensation Decision:		Modifies Decision? No
Contribution Decision:	D1204046	
Proceeding:	R1005006	
Author:	ALJ Peter V. Allen	
Payers:	Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
L. Jan Reid	4/2/2013	\$65,830.70	\$42,909.95	No	hours reduced to more closely reflect the actual contribution made; adjusted hourly rates

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
L. Jan	Reid	Expert	L. Jan Reid	\$185	2010	\$185
L. Jan	Reid	Expert	L. Jan Reid	\$185	2011	\$185
L. Jan	Reid	Expert	L. Jan Reid	\$200	2012	\$200 ¹
L. Jan	Reid	Expert	L. Jan Reid	\$210	2013	\$215 ²

(END OF APPENDIX)

¹ Applies the first 5% step-increase approved in D.08-04-010 for experts with 13+ years of experience in addition to the 2.2% COLA approved in Resolution ALJ-281.

² Applies the second 5% step-increase approved in D.08-04-010 for experts with 13+ years of experience in addition to the 2.0% COLA approved in Resolution ALJ-284.