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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates.

Application 12-04-019
(Filed April 23, 2012)

ADMINISTRATIVE LAW JUDGE’S RULING REJECTING CITIZENS FOR PUBLIC WATER’S NOTICE OF INTENT TO CLAIM INTERVENOR COMPENSATION AND SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

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| Customer (party intending to claim intervenor compensation): Citizens for Public Water | |
| Assigned Commissioner: Catherine J. K. Sandoval | Administrative Law Judge: Gary Weatherford |

PART I: PROCEDURAL ISSUES
(Completed by the party intending to claim intervenor compensation)

| A. Status as “customer” (see Pub. Util. Code § 1802(b)):¹ The party claims “customer” status because the party is (check one): | Applies (check) |
|---|-------------------------------------|
| 1. A Category 1 customer is an actual customer whose self-interest in the proceeding arises primarily from his/her role as a customer of the utility and, at the same time, the customer must represent the broader interests of at least some other customers. In addition to describing your own interest in the proceeding you must show how your participation goes beyond just your own self-interest and will benefit other customers. | <input checked="" type="checkbox"/> |
| 2. A Category 2 customer is a representative who has been authorized by actual customers to represent them. Category 2 involves a more formal arrangement where a customer or a group of customers selects a more skilled person to represent the customer’s views in a proceeding. A customer or group of customers may also form or authorize a group to represent them, and the group, in turn, may authorize a representative such as an attorney to represent the group. A representative authorized by a customer must identify the residential customer(s) being represented and provide authorization from at least one customer. <i>See</i> D.98-04-059 at 30. | <input type="checkbox"/> |

¹ All statutory references are to California Public Utilities Code, unless indicated otherwise.

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| <p>3. A Category 3 customer is a formally organized group authorized, by its articles of incorporation or bylaws to represent the interests of residential customers or small commercial customers receiving bundled electric service from an electrical corporation.² Certain environmental groups that represent residential customers with concerns for the environment may also qualify as Category 3 customers, even if the above requirement is not specifically met in the articles or bylaws. <i>See D.98-04-059, footnote at 3.</i></p> | <input type="checkbox"/> |
| <p>4. Please, explain your customer status, economic interest (if any), and provide any documentation (such as articles of incorporation or bylaws) that supports your status.</p> <p>Citizens for Public Water (CPW) was formed in 2005 as a campaign committee (FPPC 1280005) in support of a local ballot initiative to study the pros and cons of public ownership of the Monterey Peninsula division of Cal Am's local water service.</p> <p>CPW has remained in existence as a ratepayer and community link on evolving water supply issues. CPW is a network of electronic and personal contacts with advocates and other interested organizations and individuals. CPW maintains an email service to ratepayers, residents and organizations. CPW has organized 17 information meetings, public panels, and presentations over the past two years. CPW is represented at numerous local water and public agency meetings, speaks to issues, researches data and issues, compiles and clarifies information, writes public commentaries printed in local papers, and more.</p> <p>Furthermore CPW has been authorized specifically by more than 30 Cal Am customers to represent them in CPUC proceedings.</p> <p>CPW has historically and consistently advocated for lowest possible cost to ratepayers through optional approaches based on local control and local leadership.</p> <p>CPW has a commitment to the lowest possible cost to ratepayers, and it has no economic interest in any aspect of the project itself.</p> <p><u>AMENDED COMMENT:</u> I am confirming that I am filing as an individual ratepayer speaking to issues and options far broader than my individual interest, and in the name of Citizens for Public Water. I am also filing a separate MOTION FOR PROTECTIVE ORDER OF PERSONAL FINANCIAL INFORMATION.</p> <p>Also attached to this AMENDED NOI is the recent FPPC filing for Citizens for Public Water.</p> | |

² Intervenors representing either a group of residential customers or small commercial customers who receive bundled electric service from an electrical corporation, must indicate in Part I, Section A, Item #4 of this form, the percentage of their members who are residential customers or the percentage of their members who receive bundled electric service from an electrical corporation. The NOI may be rejected if this information is omitted.

| C. Timely Filing of Notice of Intent (NOI) (§ 1804(a)(1)): | Check |
|---|--|
| 1. Is the party's NOI filed within 30 days after a Prehearing Conference? Date of Prehearing Conference: June 6, 2012 | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Is the party's NOI filed at another time (for example, because no Prehearing Conference was held, the proceeding will take less than 30 days, the schedule did not reasonably allow parties to identify issues within the timeframe normally permitted, or new issues have emerged)? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2a. The party's description of the reasons for filing its NOI at this other time: | |
| 2b. The party's information on the proceeding number, date, and decision number for any Commission decision, Commissioner ruling, Administrative Law Judge's ruling, or other document authorizing the filing of NOI at that other time: | |

**PART II: SCOPE OF ANTICIPATED PARTICIPATION
(Completed by the party intending to claim intervenor compensation)**

| A. Planned Participation (§ 1804(a)(2)(A)(i)): | | | | |
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| The party's statement of the issues on which it plans to participate: | | | | |
| Citizens for Public Water (CPW) will be represented primarily by George Riley. CPW plans to fully participate, read all documents; attend and participate in all hearings, workshops and proceedings; seek clarifications, present analyses, file comments and documents as appropriate; and inform our interested ratepayer public on issues and our perspective. | | | | |
| CPW is focused on 1) lowest possible cost to ratepayers, 2) local control and governance, 3) contingent and sustainable options and planning, and 4) local leadership and support. | | | | |
| B. The party's itemized estimate of the compensation that the party expects to request, based on the anticipated duration of the proceeding (§ 1804(a)(2)(A)(ii)): | | | | |
| Item | Hours | Rate \$ | Total \$ | # |
| Attorney Fees | | | | |
| [Attorney 1] Research Attorney | 70 | \$225 | 15,750 | 1,2,3 |
| | | | Subtotal: \$15,750 | |
| Expert Fees | | | | |
| [Person 1] Budget analyst | 45 | \$200 | \$9,00 | 1-3 |
| [Person 2] | | | | |
| Other Fees | | | | |
| [Person 1] Researcher/analyst/advocate | 250 | 50 | \$12,500 | 1-4 |
| | | | Subtotal: \$ | |

| COSTS | | | |
|---|--|---------|-----|
| [Item 1] meeting rooms | | \$120 | 2-4 |
| [Item 2] copying | | \$800 | 1-4 |
| [Item 3] travel, logistics to SF | | \$2,800 | 1-4 |
| Subtotal: \$3,720 | | | |
| TOTAL ESTIMATE: \$40,970 | | | |
| Comments/Elaboration (use reference # from above): | | | |
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**PART III: SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP
(Completed by party intending to claim intervenor compensation)**

| A. The party claims “significant financial hardship” for its Intervenor Compensation Claim in this proceeding on the following basis: | Applies (check) |
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| 1. “[T]he customer cannot afford, without undue hardship, to pay the costs of effective participation, including advocate’s fees, expert witness fees, and other reasonable costs of participation” (§ 1802(g)); or | <input checked="" type="checkbox"/> |
| 2. “[I]n the case of a group or organization, the economic interest of the Individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding” (§ 1802(g)). | <input type="checkbox"/> |
| B. The party’s explanation of the factual basis for its claim of “significant financial hardship” (§ 1802(g)) (necessary documentation, if warranted, is attached to the NOI: | |
| <p>Citizens for Public Water is a grassroots volunteer network. Different individuals represent CPW interests at public meetings. Most activity is by CPW founder George Riley.</p> <p>All funding comes from contributions. We have no grants or sale products. Semi-annual FPPC reports are filed with Monterey County Elections Department. In the past 5 years, all FPPC semi-annual reports reflect balances of about \$2500 or less.</p> <p>We are formal in that we maintain active standing with the CA Secretary of State, and file all financial documents required of a campaign committee. We have a steering committee, met about once a year, have a federal employer identification number, a local bank account with two authorized signatures.</p> <p>CPW expenditures are directly related to our mission of informing and educating public officials and the interest public on local water issues, specifically regarding lower cost options, local control and local leadership. We think the demands of this new round of meetings and formal proceedings under A12-04-019 will require greater effort and expense than we are capable of handling. Furthermore CPW believes its contributions on behalf of ratepayers will be unique, relevant, and completely appropriate to the CPUC proceedings.</p> <p>No local water ratepayer representative can speak with greater credibility and objectivity than Citizens for Public Water. No local ratepayer representative group can match the CPW history of deep engagement with the facts and issues, and public advocacy and informational forums. All on the proverbial shoestring.</p> <p>The tight schedule and significance of new water supply projects will require an extra effort by CPW. The quality of our contribution will depend on some additional assistance.</p> | |

CPW will make the commitment, in hopes of qualifying for intervener compensation.

AMENDED COMMENT : This filing is changed to an individual customer, speaking on behalf of the total customer base, but primarily residential customers. My voice is presented individually and through Citizens for Public Water.

I learned from prior experience at CPUC proceedings that without deep knowledge and time to gather and organize data and argument, one cannot be an effective ratepayer representative. I cannot continue to represent ratepayers under the stress and demands I experienced over the last two years. I cannot continue unless there is an opportunity to gain reimbursement for research and organizing expenses, and the logistics for filing documents and participation in proceedings.

Citizens for Public Water is truly a grass roots operation with one individual carrying most expenses, with occasional contributions from community members to cover specific expenses.

New Attachment includes the latest FPFC filing for Citizens for Public Water.

ADMINISTRATIVE LAW JUDGE RULING

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| <p>The Notice of Intent (NOI) is rejected for the reasons stated below.</p> <p>The July 5, 2012 NOI filed by Citizens for Public Water (CPW/PWN³) does not adequately demonstrate that CPW/PWN is an eligible customer or that it will face a significant financial hardship, as described in more detail below.</p> <p>The October 8, 2012 Amended NOI does not address the shortcomings of CPW’s/PWN’s July 5, 2012 NOI but instead further confuses matters by improperly attempting to add Riley “as an individual ratepayer” to CPW’s/PWN’s NOI. In particular, the Amended NOI confuses (1) whether Riley is serving as CPW’s/PWN’s representative (as asserted in the July 5, 2012 NOI), (2) whether Riley now seeks to represent himself instead of CPW/PWN or (3) whether Riley intends to represent both himself and CPW/PWN as two different/separate intervenors.</p> <p>1. <u>Riley is not a party to the proceeding and did not timely file an NOI for Riley, an individual.</u></p> | <input checked="" type="checkbox"/> |

³ Citizens for Public Water changed its name to “Public Water Now” (see, Joint Motion of Settling Parties for Groundwater Modeling Workshops, filed May 8, 2015 at 1). CPW’s/PWN’s May 18, 2012 motion for party status was granted by the Administrative Law Judge’s Ruling of June 1, 2012, at 1 and 4. We use the abbreviation “CPW/PWN” for these parties.

Riley has been participating in this proceeding only as a representative of CPW/PWN; not as an individual party. The October 8, 2012 Amended NOI improperly adds Riley “as an individual ratepayer” to CPW’s/PWN’s NOI. Riley may not include himself as an additional intervenor to CPW’s/PWN’s NOI, nor may Riley replace CPW/PWN in CPW’s/PWN’s NOI as the party/customer intending to claim intervenor compensation.

As an individual, Riley does not have party status and has not filed a motion for party status. To file an NOI on his own behalf, Riley must first obtain party status.⁴ However, it is now too late to file an NOI because the deadline for filing NOIs has passed.

2. The NOI/Amended NOI does not demonstrate that CPW/PWN is a Category 1 Customer.

The NOI states that Riley participates in this proceeding as an official representative of the organizations CPW/PWN.⁵ If eligible, groups and organizations would normally be considered Category 3 customers (see § 1802(b)(1)(C)), and must satisfy different requirements than those applicable to Category 1 customers.⁶ The October 8, 2012 Amended NOI does not demonstrate that CPW/PWN is a Category 1 customer but further confuses matters by improperly attempting to add Riley “as an individual ratepayer” to CPW’s/PWN’s NOI.

3. The NOI/Amended NOI does not demonstrate that CPW/PWN is a Category 3 Customer.

Groups and organizations may qualify under § 1802(b)(1)(C) (Category 3) if they satisfy

⁴ One of the ways to request a party status is filing a motion to become a party (Rule 1.4 of the Commission Rules of Practice and Procedure). If Riley had obtained party status and provided the required documents and information by the statutory deadline, his participation have might fit § 1802(b)(1)(B) customer status (Category 2). A Category 2 customer “connotes [compared to Category 1] a more formal arrangement where a customer, or a group of customers, selects a presumably more skilled person to represent the customers’ views in a proceeding” (see D.98-04-059 at 30). Documents and information in support of Category 2 customer must include signed declarations of the ratepayers of the utility, authorizing Riley an individual to represent their interests in this proceeding.

⁵ See also the proceeding’s formal record containing documents filed by CPW/PWN and signed by Riley, a representative of these organizations.

⁶ As stated above, under § 1802(b)(1)(B) a group of customers may select among them and authorize a more skilled person to represent them in this proceeding.

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| <p>certain requirements. Specifically, an organization must be authorized by its Articles of Incorporation or bylaws to represent the interest of residential customers of the public utility (§ 1802(b)(1)(C)) to be a Category 3 customer. Because CPW/PWN did not provide copies of its bylaws and articles, the NOI does not demonstrate CPW/PWN may be eligible as a Category 3 customer.⁷</p> | |
| <p>II. The NOI has not adequately described the scope of anticipated participation (Part II, above) for the following reason(s):</p> <p>We note that the scope of participation indicated in the NOI includes issues that are outside the scope of this proceeding. Efforts made on these issues are not compensable.</p> | <input checked="" type="checkbox"/> |
| <p>III. The NOI has not demonstrated significant financial hardship for the following reason(s):</p> <p>The NOI fails to demonstrate significant financial hardship as either a Category 1 or Category 3 customer. Actual utility customers under § 1802(b)(1)(A) must provide their personal financial information: annual income and expense statement and balance sheet (statement of assets and liabilities), and show they cannot, without undue hardship, afford to pay the costs of effective participation in the proceeding (§ 1802(g)).⁸ A representative under § 1802(b)(1)(C) must demonstrate that the economic interest of the individual members of the organization is small in comparison to the costs of effective participation in the proceeding. In order to pass the comparison test, an estimate of the benefits that would be received by the organization’s members if its position prevails has to be compared to the projected reasonable costs of participation. No such showings are made here.</p> | <input checked="" type="checkbox"/> |

⁷ The NOI refers to an attachment containing the latest FPPC filing for Citizens for Public Water; however, no such document was attached.

⁸ Customers under § 1802(b)(1)(B) may require to make the significant financial hardship showing applicable to non-groups. To determine significant financial hardship in this case, the Commission evaluates the hardship element of the eligibility in light of the customers’ financial circumstances and the specifics of the proceeding. *See*, D.98-04-059 fn. 15 at 31, 37. Riley’s personal information (filed under seal) does not establish undue hardship required for actual utility customers.

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| IV. The Administrative Law Judge provides the following additional guidance (see § 1804(b)(2)): This ruling makes a preliminary finding that CPW/PWN will not be eligible to later claim intervenor compensation. This ruling does not preclude CPW/PWN from participating in this proceeding, at their costs. If they participate and if a claim is later filed, the Commission will reach a final decision on eligibility and the award, if any. | <input checked="" type="checkbox"/> |
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IT IS RULED that:

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| 1. The Notices of Intent to Claim Intervenor Compensation filed by Citizens for Public Water, Public Water Now and George T. Riley are rejected, as set forth above. | <input checked="" type="checkbox"/> |
| 2. Additional guidance is provided to the customer as set forth above. | <input checked="" type="checkbox"/> |

Dated March 17, 2016, at San Francisco, California.

/s/ GARY WEATHERFORD

Gary Weatherford
Administrative Law Judge