



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED

Application of San Diego Gas and Electric Company (U902G) and Southern California Gas Company (U904G) for a Certificate of Public Convenience and Necessity for the Pipeline Safety and Reliability Project.	10-19-16 A. 15-09-013 04:59 PM (Filed September 30, 2015)
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NOTICE OF INTENT TO CLAIM INTERVENOR COMPENSATION AND, IF REQUESTED (and []¹ checked), ADMINISTRATIVE LAW JUDGE’S RULING ON THE SIERRA CLUB’S SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

NOTE: After electronically filing a PDF copy of this Notice of Intent (NOI), please email the document in an MS WORD format to the Intervenor Compensation Program Coordinator at icompcordinator@cpuc.ca.gov.

Customer (party intending to claim intervenor compensation): Sierra Club	
Assigned Commissioner: Liane M. Randolph	Administrative Law Judge: Colette Kersten
I hereby certify that the information I have set forth in Parts I, II, III and IV of this Notice of Intent (NOI) is true to my best knowledge, information and belief.	
Signature:	/s/ Alison Seel
Date: October 19, 2016	Printed Name: Alison Seel

**PART I: PROCEDURAL ISSUES
(To be completed by the party (“customer”) intending to claim intervenor compensation)**

A. Status as “customer” (see Pub. Util. Code § 1802(b)): 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 type="checkbox"/>
2. A Category 2 customer is a representative who has been authorized by actual	

¹ DO NOT CHECK THIS BOX if a finding of significant financial hardship is not needed (in cases where there is a valid rebuttable presumption of eligibility (Part III(A)(3)) or significant financial hardship showing has been deferred to the intervenor compensation claim).

<p>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.</p> <p>A representative authorized by a customer must identify the residential customer(s) being represented and provide authorization from at least one customer. <i>See D.98-04-059 at 30.</i></p>	<input type="checkbox"/>
<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 checked="" type="checkbox"/>
<p>The party's explanation of its customer status must include the percentage of the intervenors members who are residential ratepayers or the percentage of the intervenors members who are customers receiving bundled electric service from an electrical corporation, and must include supporting documentation: (i.e., articles of incorporation or bylaws).</p> <p>Sierra Club meets the third definition of "customer" provided in Public Utilities Code section 1802(b)(1)(C). Sierra Club is a "representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers" Sierra Club is a non-profit, member-based, "public benefit" California corporation with over 600,000 members nationwide and more than 140,000 members living in California. Sierra Club's membership consists entirely (100%) of residential ratepayers, many of whom are customers of SDG&E and SoCal Gas, and whom would be affected by the outcome of this Application. (Sierra Club does not have easily obtainable data on the percentage of its California members that are customers of individual IOUs or POUs.)</p> <p>Sierra Club's Articles, Bylaws, Standing Rules and policies authorize and require it to represent the environmental interests of its members. Sierra Club's Board of Directors is democratically elected by its members. (See Sierra Club Standing Rule ("S.R.") 4.8.1.) Sierra Club is expressly authorized to participate in environmental legal actions to advance its mission, including lawsuits and administrative proceedings. (See S.R. 5.15.1 and 9.1.1.) For decades, Sierra Club has participated in environmental lawsuits and administrative proceedings, and has appeared many</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.

times before the California Public Utilities Commission. For example, Sierra Club has participated and been awarded intervenor compensation for substantial contributions in SDG&E's Carlsbad Application (A.14-07-009), SCE's Moorpark Application (A.14-11-006) and the Net Metering Successor Tariff docket (R.14-07-002). Open proceedings Sierra Club is active include the Demand Response rulemaking (R.13-09-011) and PG&E's Application for Approval of the Retirement of Diablo Canyon Power Plant (A. 16-08-006).

Sierra Club's environmental concerns encompass a broad range of energy and pollution issues. In California, Sierra Club supports efforts to develop cost-effective incentives and policies that promote local clean energy development, and that also help the state meet its air quality and climate protection goals, create jobs for California families, and reduce our dependence on dirty forms of energy.

The interests of the customers represented by Sierra Club are unique and well suited to this proceeding and are not adequately represented by other parties that have intervened in this proceeding.³ As the Commission has recognized: "With respect to environmental groups, we have concluded they were eligible in the past with the understanding that they represent customers whose environmental interests include the concern that, e.g., regulatory policies encourage the adoption of all cost-effective conservation measures and discourage unnecessary new generating resources that are expensive and environmentally damaging. (D.88-04-066, mimeo at 3). They represent customers who have a concern for the environment which distinguishes their interests from the interests represented by Commission staff, for example." D.98-04-059, at 29 n. 14. Sierra Club brings to the proceeding its members' unique focus on all the costs and benefits of our use of energy, including the benefits for public health and the environment of increasing reliance on carbon-free generation sources and energy efficiency and redirecting investment from fossil fuel infrastructure. The Commission has accordingly approved Sierra Club's intervention with entitlement to compensation on several occasions. See, e.g., D.16-09-034, D. 16-05-046, D. 16-01-022, D. 15-01-044.

Sierra Club, consistent with its governing documents, appropriately represents the environmental and energy conservation interests of its members who are California IOU customers. Sierra Club therefore qualifies as a "customer" as defined in section 1802(b)(1)(C) of the Public Utilities Code and the Commission's decisions applying this section to environmental organizations.

Identify all attached documents in Part IV.

³ See D.07-03-011 at p. 7 ("Section 1801.3(f) requires an intervenor to avoid unnecessary participation that duplicates that of similar interests otherwise adequately represented by another party, or unnecessary for a fair determination of the proceeding. Section 1802.5, however, allows an intervenor to be eligible for full compensation if its participation materially supplements, complements, or contributes to that of another party if that participation makes a substantial contribution to the commission order.").

Attachment 1: Certificate of Service;

Attachment 2: Sierra Club Bylaws and Standing Rules;

Attachment 3: Sierra Club Articles of Incorporation.

Do you have any direct economic interest in outcomes of the proceeding?⁴

Yes: No:

If “Yes”, explain:

B. Conflict of Interest (§ 1802.3)	Check
1. Is the customer a representative of a group representing the interests of small commercial customers who receive bundled electric service from an electrical corporation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. If the answer to the above question is “Yes”, does the customer have a conflict arising from prior representation before the Commission?	<input type="checkbox"/> Yes <input type="checkbox"/> No

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: 9/22/2016	<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 checked="" type="checkbox"/> No
2a. The party’s description of the reasons for filing its NOI at this other time: N/A	
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
(To be completed by the party (“customer”) intending to claim intervenor compensation)

A. Planned Participation (§ 1804(a)(2)(A)(i)):
The party’s statement of the issues on which it plans to participate: Sierra Club’s primary goal in this proceeding is to ensure that investments in California’s energy system infrastructure are reviewed in the context of the state’s rapid decarbonization trajectory and are consistent with California’s climate objectives. We intend to assist the

⁴ See Rule 17.1(e).

Commission in evaluating the cost-effectiveness of investing millions of dollars in a new natural gas pipeline, when current and projected natural gas demand in the SoCalGas and SDG&E service territories are expected to decline. As part of CEQA review for the project, Sierra Club intends to comment on the need for environmental review to analyze the environmental impacts resulting from the project's facilitation of LNG export and inducement of continued and potentially increased domestic natural gas extraction.

The party's explanation of how it plans to avoid duplication of effort with other parties: Sierra Club shares many concerns on the necessity of the new pipeline and on pipeline safety that have been also been raised by the Office of Ratepayer Advocates, TURN, UCAN and Southern California Generation Coalition. This proceeding presents a number of complicated technical issues. We intend to continue collaborating closely with these groups throughout the proceeding to ensure that Sierra Club makes an additive contribution consistent with Sierra Club's environmental expertise and overarching environmental objectives.

The party's description of the nature and extent of the party's planned participation in this proceeding (to the extent that it is possible to describe on the date this NOI is filed). Sierra Club intends to participate in the CEQA process, as well as submit testimony, participate in evidentiary hearings, and submit briefing with respect to the purpose and need for the project.

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, EXPERT, AND ADVOCATE FEES				
Matt Vespa (attorney)	75	\$350	\$26,250	1
Matt Vespa (attorney)	225	\$365	\$82,125	1
Alison Seel (attorney)	200	\$205	\$41,000	2
Expert Witness, to be determined	-	-	\$50,000	3
Subtotal: \$199,375				
OTHER FEES				
[Person 1]				
[Person 2]				
Subtotal: \$				
COSTS				
[Item 1]				
[Item 2]				
Subtotal: \$				
TOTAL ESTIMATE: \$ 199,375				
Estimated Budget by Issues: While the proceeding is still at an early stage, Sierra Club				

anticipates 70% of our participation, and the focus of our expert witness, will focus on the impact of California’s decarbonization efforts on natural gas demand, and on the possibility that due to forecast reductions in California natural gas demand, the proposed pipeline could facilitate natural gas export to Mexico. We estimate that the remaining 30% of our participation will be divided equally among assessing alternative solutions to reliability and pipeline safety concerns. Ultimate division of time of issues and total time spent in this proceeding will be influenced by issues covered by other intervenors and what Sierra Club identifies as potential gaps in coverage.

Comments/Elaboration (use reference # from above):

- #1. Matt Vespa’s requested rate of \$365 in 2017 reflects a request for a second 5% step increase for attorneys with 13+ years experience on his approved 2016 rate of \$350. This \$350 rate would apply to all work performed by Mr. Vespa in 2016.
- #2. Alison Seel’s 2016 rate of \$205 was approved in D. 16-05-046. *See* D. 16-01-022. If a 2017 COLA increase is approved, Sierra Club will increase its request for Ms. Seel’s rate accordingly.
- #3. Sierra Club intends to retain an expert witness to provide testimony on future gas supply and demand dynamics in the SoCalGas and SDG&E service territories, but has not yet identified a specific expert.

When entering items, type over bracketed text; add additional rows to table as necessary. Estimate may (but does not need to) include estimated Claim preparation time. Claim preparation time is typically compensated at ½ professional hourly rate.

**PART III: SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP
(To be completed by party (“customer”) intending to claim intervenor compensation; see Instructions for options for providing this information)**

A. The party claims “significant financial hardship” for its Intervenor Compensation Claim in this proceeding on the following basis:	Applies (check)
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 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 checked="" type="checkbox"/>
3. A § 1802(g) finding of significant financial hardship in another proceeding, made within one year prior to the commencement of this proceeding, created a rebuttable presumption in this proceeding (§ 1804(b)(1)). Commission’s finding of significant financial hardship made in proceeding number: R.14-02-001 Date of Administrative Law Judge’s Ruling (or CPUC Decision) in which the finding of significant financial hardship was made: June 25, 2014 (please note, this finding is now over one year old)	<input checked="" 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:

Sierra Club has received many findings of significant financial hardship in the past in similar proceedings, including in A.10-03-014, R.08-08-009, R.10-05-006, R.12-06-013, and most recently, in R. 14-02-001.

The latest finding, in R. 14-02-001, was granted on July 25, 2014. In that ruling, ALJ Gamson found that “Sierra Club demonstrated that its estimated cost of participating in this proceeding far exceeds the economic interests of the individual members of Sierra Club or of Sierra Club itself.”

The reasoning applies to this proceeding. We estimate the cost of Sierra Club’s effective participation in this proceeding, which is anticipated to last several years and include a CEQA review process, will be \$199,375 for a project estimated to cost over \$600 million. It is difficult to estimate today what impact this proceeding could have on the bills of Sierra Club’s California members, but it is highly likely the individual benefit will be small, and unlikely that our members will see financial benefits that exceed the cost of Sierra Club’s participation. Therefore, Sierra Club requests a finding of significant financial hardship pursuant to Public Utilities Code section 1802(g).

Sierra Club does not anticipate any challenge to its eligibility for compensation in this proceeding. If any party does attempt to challenge Sierra Club’s eligibility, Sierra Club requests that it be granted the opportunity to reply to such party's allegations within 10 days after the service of such filing.

**PART IV: ATTACHMENTS DOCUMENTING SPECIFIC
 ASSERTIONS MADE IN THIS NOTICE**
**(The party (“customer”) intending to claim intervenor compensation
 identifies and attaches documents; add rows as necessary)**

Attachment No.	Description
1	Certificate of Service
2	Sierra Club Bylaws and Standing Rules
3	Sierra Club Articles of Incorporation

ADMINISTRATIVE LAW JUDGE RULING⁵
(Administrative Law Judge completes)

	Check all
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⁵ A Ruling needs not be issued unless: (a) the NOI is deficient; (b) the Administrative Law Judge desires to address specific issues raised by the NOI (to point out similar positions, areas of potential duplication in showings, unrealistic expectations for compensation, or other matters that may affect the customer’s Intervenor Compensation Claim); or (c) the NOI has included a claim of “significant financial hardship” that requires a finding under § 1802(g).

	that apply
1. The Notice of Intent (NOI) is rejected for the following reasons:	<input type="checkbox"/>
a. The NOI has not demonstrated the party's status as a "customer" for the following reason(s):	<input type="checkbox"/>
b. The NOI has not demonstrated that the NOI was timely filed (Part I(B)) for the following reason(s):	<input type="checkbox"/>
c. The NOI has not adequately described the scope of anticipated participation (Part II, above) for the following reason(s):	<input type="checkbox"/>
2. The NOI has demonstrated significant financial hardship for the reasons set forth in Part III of the NOI (above).	<input type="checkbox"/>
3. The NOI has not demonstrated significant financial hardship for the following reason(s):	<input type="checkbox"/>
4. The Administrative Law Judge provides the following additional guidance (see § 1804(b)(2)):	<input type="checkbox"/>

IT IS RULED that:

1. The Notice of Intent is rejected.	<input type="checkbox"/>
2. The customer has satisfied the eligibility requirements of Pub. Util. Code § 1804(a).	<input type="checkbox"/>
3. The customer has shown significant financial hardship.	<input type="checkbox"/>
4. The customer is preliminarily determined to be eligible for intervenor compensation in this proceeding. However, a finding of significant financial hardship in no way ensures compensation.	<input type="checkbox"/>
5. Additional guidance is provided to the customer as set forth above.	<input type="checkbox"/>

Dated _____, at San Francisco, California.

Administrative Law Judge