

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company to Revise Its Electric Marginal Costs, Revenue Allocation, and Rate Design, including Real Time Pricing, To Revise its Customer Energy Statements, and to Seek Recovery of Incremental Expenditures.	Application 10-03-014 (Filed March 22, 2010)
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**DECISION GRANTING REQUEST OF AGRICULTURAL ENERGY CONSUMERS ASSOCIATION FOR INTERVENOR COMPENSATION FOR SUBSTANTIAL CONTRIBUTIONS TO DECISION 11-12-053**

<b>Claimant: Agricultural Energy Consumers Association (AECA)</b>	<b>For contribution to Decision (D.) 11-12-053</b>
<b>Claimed (\$): 92,866</b>	<b>Awarded (\$): 92,866</b>
<b>Assigned Commissioner: Michael Peevey</b>	<b>Assigned ALJ: Thomas R. Pulsifer</b>
<b>Claim Filed: 2/21/12</b>	

**PART I: PROCEDURAL ISSUES**

<b>A. Brief Description of Decision:</b>	<b>D.11-12-053 Adopts the Electric Marginal Costs, Revenue Allocation, and Non-Residential Rate Design Settlements in PG&amp;E’s Phase II GRC</b>
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**B. Claimant must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:**

	As Stated by Claimant	CPUC Verified
<b>Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):</b>		
1. Date of Prehearing Conference:	May 19, 2010	Yes
2. Other Specified Date for NOI:		

3. Date NOI Filed:	June 18, 2010	Yes
4. Was the NOI timely filed? Yes		
<b>Showing of customer or customer-related status (§ 1802(b)):</b>		
5. Based on ALJ ruling issued in proceeding number:	A.10-03-014	Yes
6. Date of ALJ ruling:	November 30, 2010	Yes
7. Based on another CPUC determination:		
8. Has the Claimant demonstrated customer or customer-related status?		Yes
<b>Showing of “significant financial hardship” (§ 1802(g)):</b>		
9. Based on ALJ ruling issued in proceeding number:	A.10-03-014	Yes
10. Date of ALJ ruling:	November 30, 2010	Yes
11. Based on another CPUC determination:		
12. Has the Claimant demonstrated significant financial hardship?		Yes
<b>Timely request for compensation (§ 1804(c)):</b>		
13. Identify Final Decision:	D.11-12-053	Yes
14. Date of Issuance of Final Decision:	December 22, 2011	Yes
15. File date of compensation request:	February 21, 2012	Yes
16. Was the request for compensation timely?		Yes

### C. Additional Comments on Part I:

#	Claimant	CPUC	Comment
1	X		In multiple decisions over the past two decades (D.95-07-093; D.96-08-040; D.96-11-048; D.02-06-014; D.03-09-067), and most recently in D.06-04-065, the Commission has found that where an individual AECA member has annual electricity bills of less than \$50,000, that member’s economic interest has been considered small in comparison to the costs of participation. For purposes of this proceeding, AECA had 309 active individual members (excluding agricultural associations and water district members) with 211 of those members having electricity bills of less than \$50,000. As a result AECA is seeking 68% (211÷309) of the total compensation found reasonable in this proceeding.

**PART II: SUBSTANTIAL CONTRIBUTION**

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

<b>Contribution</b>	<b>Citation to Decision or Record (Provided by Claimant)</b>	<b>Showing Accepted by CPUC</b>
<p>1. 1. AECA litigation position set forth in testimony, Exh. 156:</p> <p>a. As required by state law, reduce agricultural TOU rates to be at or below proposed system average</p> <p>b. Freeze remaining agricultural tariffs at current levels prior to migrating customers to TOU rates</p> <p>c. Enable agricultural customers to use smart meters to “virtually aggregate” (e.g., master meter) energy use at a given farm or ranch</p> <p>d. Maintain existing off-peak/peak energy rate differential to encourage load shifting away from system peaks</p> <p>e. Adopt energy-only rate sensitive to anticipated system demand conditions as alternative to critical peak period or peak-day pricing rate</p> <p>f. Initiate Commission investigation or stakeholder workshop at address proper assignment of costs to agricultural class</p>	<p>a. Exh. 156, pp. 2, 36-39.</p> <p>b. Exh. 156, pp. 2, 36-39.</p> <p>c. Exh. 156, pp. 2, 40-42.</p> <p>d. Exh. 156, pp. 2, 42-46.</p> <p>e. Exh. 156, pp. 3, 46-48</p> <p>f. Exh. 156, pp. 3, 36, 39-40.</p> <p>As described in the following sections, AECA was a party to the Settlement, approved by the Commission, that resolved through negotiation and mutual compromise the marginal cost, revenue allocation, and agricultural rate issues raised by AECA in testimony. (D.11-12-053, and Appendix A, Settlement Agreement on Marginal Cost and Revenue Allocation, and Appendix F, Supplemental Settlement Agreement Agricultural Rate Design Issues.)</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

<p>2. AECA was an Active Party to Settlement on Revenue Allocation and Marginal Cost Issues.</p> <p>Settlement Agreement resolves all marginal costs and revenue allocation issues except specific marginal costs to be used solely for purpose of establishing rate floors for customer retention/attraction. (See 1.a, b, d, e, and f above for list of issues raised by AECA in testimony.)</p> <p>“Settlement Agreement does not adopt any party’s marginal cost principles or proposals, but, for purposes of calculating the revenue allocation uses PG&amp;E’s updated marginal costs, as provided in its January 7, 2011 testimony.”</p> <p>Settlement Agreement calls for various workshops to address marginal cost and revenue allocation issues. (See 1.f above, raised by AECA in testimony.)</p>	<p>D.11-12-053, p. 2-3 and Appendix A, Settlement Agreement on Marginal Cost and Revenue Allocation, p. 2.</p> <p>D.11-12-053, p. 2, and Appendix A, pp. 3-4.</p> <p>D.11-12-053, p. 2, and Appendix A, pp. 8-12.</p> <p>D.11-12-053, pp. 8-9, and Appendix A, pp. 18-25.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>
<p>3. AECA was an Active Party to Settlement on Agricultural Rate Design</p> <p>“The Ag Settlement addresses all rate design issues for the Agricultural customer class.” (See 1.a – f above for issues raised in AECA testimony.)</p> <p>AECA’s participation in Settlement Agreement contributed to minimal increase for the ag class (1.5%) compared to proposed 6.9% increase. (See 1.a and b above, raised by AECA in testimony.)</p> <p>AECA’s participation in Settlement</p>	<p>D.11-12-053, p. 58-61, and Appendix F, Supplemental Settlement Agreement on Agricultural Rate Design Issues.</p> <p>D.11-12-053, p. 58, and Appendix F, pp. 2-4.</p> <p>Appendix F, Exhibit A.</p> <p>Appendix F, Exhibit A.</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

<p>Agreement contributed to appropriate off-peak/peak differentials. (See 1.d above, raised by in AECA testimony.)</p> <p>AECA developed Aggregation Study proposal and work plan ultimately adopted in lieu of aggregation rates. (See 1.c above, raised by AECA in testimony.)</p> <p>“Settlement does not adopt an agricultural aggregation tariff as proposed by AECA. Instead, the Settling Parties agree to facilitate and Agricultural Settlement Account Aggregation Study (Study), to be completed by the second quarter of 2013.” (See 1.c. above.)</p>	<p>D.11-12-053, p. 61, and Appendix F, p. 10 and Exhibit C.</p> <p>D.11-12-053, p. 61, and Appendix F, p. 10 and Exhibit C.</p>	<p>Yes</p> <p>Yes</p>
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**B. Duplication of Effort (§§ 1801.3(f) & 1802.5):**

	<b>Claimant</b>	<b>CPUC Verified</b>
<b>a. Was the Division of Ratepayer Advocates (DRA) a party to the proceeding?</b>	Yes	Yes
<b>b. Were there other parties to the proceeding with positions similar to the Claimant’s?</b>	Yes	Yes
<b>c. Names of other parties (if applicable): California Farm Bureau Federation</b>	Yes	
<b>d. Claimant’s description of how it coordinated with DRA and other parties to avoid duplication or of how Claimant’s participation supplemented, complemented, or contributed to that of another party:</b> AECA and CFBF have historically coordinated our efforts in rate case proceedings before the CPUC and did so here. While both parties are seeking reasonable rates for agricultural customers, AECA has also aggressively pursued rate stability, demand management incentives and successfully pointed out the inherent flaws in PG&E’s development of marginal costs to calculate rates for the agricultural class. AECA’s evaluation of PG&E’s EPMC-base has consistently documented agricultural class allocation inconsistencies and volatility. AECA’s aggressive efforts have continually resulted in substantially reduced rate increases from those proposed by PG&E, similar to the result in this	Yes	

<p>proceeding. AECA has also pursued the creation of demand-side management incentives, such as appropriate off-peak/peak energy rate differentials and creation of aggregation options to encourage load shifting away from system peaks.</p>	
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**C. Additional Comments on Part II:**

#	Claimant	CPUC	Comment
1	X		<p>As in previous PG&amp;E Phase II proceedings, the Settlement Agreement did not adopt any of the settling parties’ marginal cost principles or proposals as the basis for the Revenue Allocation Settlement. The settling parties agreed to the negotiated settlement without litigating the various principles or proposals. AECA played a significant role in the final Revenue Allocation proposal reached as a part of the settlement. AECA successfully advocated for a minimal increase for agricultural customers. PG&amp;E had proposed to adjust all agricultural rates by 6.9% over system average rates. AECA’s efforts in the proceeding, which cast considerable doubt on PG&amp;E’s marginal cost methodologies, calculations and allocations, directly resulted in the 1.5% agricultural increase ultimately adopted.</p> <p>Consistent with AECA’s proposal in testimony to conduct a workshop to address proper assignment of costs to the agricultural class, Settlement Agreement calls for various workshops to address marginal cost and revenue allocation issues.</p> <p>AECA’s active participation and expertise in the Agricultural Rate Design Settlement directly led to appropriate off-peak/peak differentials to further encourage load shifting, minimize agricultural impacts and appropriately allocate class revenues. AECA’s active review and analysis of rate design proposals and implications and bill impact analysis also contributed substantially to the settlement. AECA’s active pursuit of virtual aggregation rates led directly to the agreement on inclusion of an aggregation study in the final settlement. AECA developed the final aggregation study scope and tasks included in the final settlement. Finally, AECA’s efforts to avoid duplication with other parties and aggressive pursuit of important issues should be recognized by the Commission.</p>

**PART III: REASONABLENESS OF REQUESTED COMPENSATION**

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

<p><b>a. Explanation by Claimant of how the cost of Claimant’s participation bore a reasonable relationship with benefits realized through participation:</b> AECA’s request for intervenor compensation</p>	<p><b>CPUC Verified</b> Yes</p>
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<p>seeks an award of \$63,148.88 (\$92,866 X .68). The Commission should have little trouble concluding that it is reasonable in light of the benefits achieved through AECA’s participation in the proceeding. AECA’s efforts on marginal cost and revenue allocation resulted in a direct decrease from PG&amp;E’s proposed 6.9% increase to 1.5% for agricultural customers, or a savings of over \$20 million per year in 2011, 2012 and 2013. The adopted agricultural class revenue requirement was based entirely on a broad settlement in which AECA played a major role in achieving.</p> <p>AECA also played a significant role in the rate design aspect of this proceeding and in the aggregation study proposal, however, direct ratepayer benefits are hard to calculate for these efforts.</p> <p>In sum, the Commission should conclude that AECA’s overall request is reasonable in light of the substantial benefits to PG&amp;E agricultural customers that were directly attributable to AECA’s participation.</p>	
<p><b>b. Reasonableness of Hours Claimed:</b> AECA’s request is reasonable in light of the scope of the proceeding and the length and complexity of settlement negotiations. AECA’s requested amount is far below its NOI total estimate of \$107,750. The reduced amount of the request reflects AECA’s efforts to minimize participation costs. AECA is not seeking travel or other costs of participation. In addition, AECA used junior economic experts to conduct research, respond to discovery, review data responses and conduct bill impact analysis and rate design scenarios further keeping costs in check. While the case was not fully litigated, settlement discussions were lengthy, complex and sometimes contentious and are reflected in the number of conference calls to achieve settlement of the agricultural rate design. While fewer hours of AECA’s attorney were needed, more of Mr. Boccadoro’s time was necessary due to the unfortunate loss of Mr. Geis in early 2011. Given the number of parties in the ag settlement it should not be surprising that the negotiations carried on for 4 months. AECA submitted comprehensive testimony documenting the continued shortcomings inherent in PG&amp;E’s marginal cost and revenue allocation calculations. AECA expert testimony also comprehensively addressed rate design issues including development of an aggregation tariff option.</p> <p>AECA submits that the requested hours are reasonable, both for each attorney and expert individually and in the aggregate. AECA respectfully asks that its request be granted.</p>	<p>Yes</p>

<p><b>c. Allocation of Hours by Issue:</b> In general, all of AECA's efforts in this proceeding focused on ensuring just and reasonable rates for the agricultural class, through use of a correct marginal cost methodology and appropriate rate design. A detailed allocation of hours by issue is provided in the time record spreadsheets included as Attachment 2 hereto.</p>	Yes
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**B. Specific Claim\*:**

CLAIMED						CPUC AWARD			
ATTORNEY, EXPERT AND ADVOCATE FEES									
Item	Year	Hours	Rate	Basis for Rate	Total	Year	Hours	Rate	Total
Ann Trowbridge Attorney	2010	17.4	\$375	ALJ-267	\$6,525	2010	17.4	\$375	\$6,525
Ann Trowbridge Attorney	2011	.2	\$375	ALJ-267	\$75	2011	.2	\$375	\$75
Steven Moss Consultant	2010	57.2	\$200	D.10-05-009 ALJ-267	\$11,440	2010	57.2	\$200	\$11,440
Steven Moss Consultant	2011	42.4	\$200	D.10-05-009 ALJ-267	\$8,480	2011	42.4	\$200	\$8,480
Richard McCann Consultant	2010	87.1	\$185	D. 06-04-065 ALJ-267	\$16,113.50	2010	87.1	\$185	\$16,113.50
Richard McCann Consultant	2011	36.4	\$195	D. 06-04-065 ALJ-267	\$7,098	2011	36.4	\$195	\$7,098
Michael Boccadoro Executive Director/ Advocate	2010	30.2	\$190	D. 07-05-048 ALJ-267	\$5,738	2010	30.2	\$190	\$5,378
Michael Boccadoro	2011	34.9	\$200	D. 07-05-048	\$6,980	2011	34.9	\$200	\$6,980

Executive Director/ Advocate				ALJ-267						
Dan Geis Asst. Executive Director/ Advocate	2010	103.6	\$155	D. 07-05-048 ALJ-267	\$16,058	2010	103.6	\$155	\$16,058	
Dan Geis Asst. Executive Director/ Advocate	2011	4.8	\$155	D. 07-05-048 ALJ-267	\$744	2011	4.8	\$155	\$744	
Ashley Spalding Consultant	2010	131.8	\$85	ALJ-267	\$11,203	2010	131.8	\$85	\$11,203	
	<i>Subtotal:</i>				\$90,454.50	<i>Subtotal:</i>				\$90,454.50
<b>OTHER FEES</b>										
Item	Year	Hours	Rate	Basis for Rate	Total	Year	Hours	Rate	Total	
NA			\$		\$			\$	\$	
NA										
	<i>Subtotal:</i>					<i>Subtotal:</i>				
<b>INTERVENOR COMPENSATION CLAIM PREPARATION **</b>										
Item	Year	Hours	Rate	Basis for Rate	Total	Year	Hours	Rate	Total	
Ann Trowbridge Attorney	2010	2.5	\$187.50	ALJ-267	\$468.75	2010	2.5	\$187.50	\$468.75	
Ann Trowbridge Attorney	2012	3.00	\$192.50	ALJ-267	\$577.50	2012	3.0	\$192.50	\$577.50	
Michael Boccadoro Executive Director/ Advocate	2010	.6	\$95	D. 07-05-048 ALJ-267	\$57	2010	0.6	\$95	\$57	

Michael Boccadoro Executive Director/ Advocate	2012	11.3	\$100	D. 07-05-048 ALJ-267	\$1,130	2012	11.3	\$100	\$1,130	
Dan Geis Asst. Executive Director/ Advocate	2010	2.3	\$77.50	D. 07-05-048 ALJ-267	\$178.25	2010	2.3	\$77.50	\$178.25	
<b>Subtotal:</b>					\$2411.50	<b>Subtotal:</b> \$2411.50				
<b>COSTS</b>										
<b>#</b>	<b>Item</b>	<b>Detail</b>			<b>Amount</b>	<b>Amount</b>				
	NA				\$	\$				
<b>Subtotal:</b>					<b>\$</b>	<b>Subtotal:</b> \$				
<b>TOTAL REQUEST :</b>					<b>\$92,866</b>	<b>TOTAL AWARD :</b> \$92,866				
<p>* We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant's records should identify specific issues for which it requested compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants, and any other costs for which compensation was claimed. 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 typically compensated at 1/2 of preparer's normal hourly rate (the same applies to the travel time).</p>										

**C. Additional Comments on Part III:**

#	Claimant	CPUC	Comment
1	X		AECA is not claiming any costs in this request. AECA has used electronic mail communication, phone and conference calls to reduce filing and meeting costs and keep overall costs to a minimum, further adding to the reasonableness of its claim.
2	X		Rationale for Michael Boccadoro's hourly rates: AECA is requesting an hourly rate of \$190 for Mr. Boccadoro's work performed in 2010 and \$200 for work performed in 2011. He last received \$150 per hour for work performed in 2006 (D. 07-05-048). He has over 18 years of experience as an energy policy and resource management expert.
3	X		Rationale for Ann Trowbridge's hourly rates: AECA is requesting an hourly rate of \$375 in 2010 and 2011, and \$385 in 2012 which places her at the low

			end of the range for attorneys with 13-plus years of experience. Ms. Trowbridge graduated from University of the Pacific McGeorge School of Law in 1993 and has practiced extensively before the CPUC since the late 1990s.
4	X		Rationale for Steven Moss' hourly rates: AECA is requesting an hourly rate of \$200 per hour for Mr. Moss' time in 2010 and 2011. Mr. Moss last received \$190 for work performed in 2008-2009 (D. 10-05-009). AECA requests Mr. Moss step increase to \$200. Mr. Moss has over 20 years of experience in energy consulting.
5	X		Rationale for Richard McCann's hourly rates: AECA is requesting \$185 for Dr. McCann's time in 2010 and \$195 in 2011. He last received \$175 hour for work performed for AECA in 2005 (D. 06-04-065) and has over 18 years of experience in energy consulting.
6	X		Rationale for Ashley Spalding hourly rates: AECA is requesting \$85 hour for work performed by Ms. Spalding in 2010 and 2011. Ms. Spalding joined Aspen Environmental as an Energy Analyst in 2010 and has participated in a wide range of energy planning projects. She has participated in Aspen Environmental's contract work for the CPUC, California Energy Commission, Western Area Power Administration and Transmission Agency of Northern California, amongst others. The requested rate (\$85) is below the energy expert floor of \$125 hour for energy experts with 0-6 years of experience and is therefore reasonable.
7	X		Issue Codes for detailed time sheets POL – Policy SETT – Settlement MC/RA – Marginal cost and revenue allocation RD – Rate design LEG – Legal GP – General Participation INT – Intervenor Compensation Preparation

**D. CPUC Disallowances & Adjustments:** None**PART IV: OPPOSITIONS AND COMMENTS**

<b>A. Opposition: Did any party oppose the claim?</b>	No
<b>B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?</b>	Yes

**FINDINGS OF FACT**

1. Agricultural Energy Consumers Association has made a substantial contribution to Decision (D.) 11-12-053.
2. The claimed fees and costs are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The total of reasonable compensation is \$92,866.

**CONCLUSION OF LAW**

1. The claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.
2. It is the utility's (utilities') responsibility to adhere to all Commission rules, decisions, General Orders and statutes including Pub. Util. Code Section 451 to take all actions "...necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

**ORDER**

1. Agricultural Energy Consumers Association is awarded \$92,866.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company shall pay Agricultural Energy Consumers Association 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 May 7, 2012, the 75<sup>th</sup> day after the filing of Agricultural Energy Consumers Association's request, and continuing until full payment is made.
3. The comment period for today's decision was waived.

4. The utility (utilities) shall remain obligated to adhere to all Commission rules, decisions, General Orders and statutes including Pub. Util. Code Section 451 to take all actions "...necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

**APPENDIX****Compensation Decision Summary Information**

<b>Compensation Decision:</b>		<b>Modifies Decision?</b> No
<b>Contribution Decision(s):</b>		
<b>Proceeding(s):</b>	Decision (D.)11-12-053	
<b>Author:</b>	ALJ Thomas R. Pulsifer	
<b>Payer(s):</b>	Pacific Gas and Electric Company	

**Intervenor Information**

<b>Intervenor</b>	<b>Claim Date</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>	<b>Multiplier</b>	<b>Reason Change/Disallowance</b>
Agricultural Energy Consumers Association	2/21/2012	\$92,866	\$92,866	NA	NA

**Advocate Information**

<b>First Name</b>	<b>Last Name</b>	<b>Type</b>	<b>Intervenor</b>	<b>Hourly Fee Requested</b>	<b>Year Hourly Fee Requested</b>	<b>Hourly Fee Adopted</b>
Ann	Trowbridge	Attorney	Agricultural Energy Consumers Association	\$375	2010	\$375
Ann	Trowbridge	Attorney	Agricultural Energy Consumers Association	\$375	2011	\$375
Steven	Moss	Consultant	Agricultural Energy Consumers Association	\$200	2010	\$200
Steven	Moss	Consultant	Agricultural Energy Consumers Association	\$200	2011	\$200
Richard	McCann	Consultant	Agricultural Energy Consumers Association	\$185	2010	\$185
Richard	McCann	Consultant	Agricultural Energy Consumers Association	\$195	2011	\$195
Michael	Boccardo	Advocate	Agricultural Energy Consumers Association	\$190	2010	\$190

Michael	Boccardo	Advocate	Agricultural Energy Consumers Association	\$200	2011	\$200
Dan	Geis	Advocate	Agricultural Energy Consumers Association	\$155	2010	\$155
Dan	Geis	Advocate	Agricultural Energy Consumers Association	\$155	2011	\$155
Ashley	Spalding	Consultant	Agricultural Energy Consumers Association	\$85	2010	\$85

**(END OF APPENDIX)**