

Decision **PROPOSED DECISION OF ALJ MINKIN** (Mailed 3/14/2013)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of The Nevada Hydro Company for a Certificate of Public Convenience and Necessity for the Talega-Escondido/Valley-Serrano 500 kV Interconnect Project.	Application 10-07-001 (Filed July 6, 2010)
---	---

**DECISION ON REQUEST FOR INTERVENOR COMPENSATION FOR FOREST RESIDENTS OPPOSED TO NEW TRANSMISSION LINES**

<b>Claimant: Forest Residents Opposed to New Transmission Lines (FRONTLINES)</b>	<b>For contribution to Decision (D.) 11-07-036 and D.12-05-022</b>
<b>Claimed (\$): \$59,373.41</b>	<b>Awarded (\$): \$29,127.16 (reduced by 50.1%)</b>
<b>Assigned Commissioner: Michel Peter Florio</b>	<b>Assigned ALJ: Angela K. Minkin</b>

**PART I: PROCEDURAL ISSUES**

**A. Brief Description of Decision:** D.11-07-036, among other things, required The Nevada Hydro Company (TNHC or Nevada Hydro) to post a performance or surety bond to ensure that eligible intervenors who complied with Commission requirements would receive appropriate compensation, whether or not a certificate of public convenience and necessity was issued.

D.12-05-022 dismissed Nevada Hydro's application and imposed a series of requirements and conditions that must be met if the Commission were to consider an application for this project (or similar projects) in the future.

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

	<b>Claimant</b>	<b>CPUC Verified</b>
<b>Timely filing of notice of intent to claim compensation (§ 1804(a)):</b>		
1. Date of Prehearing Conference:	Phase 1: 9/22/10	Correct

	Phase 2: 11/10/11	
2. Other Specified Date for NOI:	12/17/10	Correct
3. Date NOI Filed:	12/17/10	Correct
4. Was the notice of intent timely filed?		Yes
<b>Showing of customer or customer-related status (§ 1802(b)):</b>		
5. Based on Administrative Law Judge (ALJ) ruling issued in proceeding number:	Application (A.) 10-07-001	Correct
6. Date of ALJ ruling:	02/01/2011	Correct
7. Based on another Commission determination (specify):		
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.10-07-001	Correct
10. Date of ALJ ruling:	02/01/11	Correct
11. Based on another Commission determination (specify):		
12. Has the claimant demonstrated significant financial hardship?		Yes
<b>Timely request for compensation (§ 1804(c)):</b>		
13. Identify Final Decision	D.12-05-022	Correct
14. Date of Issuance of Final Decision:	5/30/12	Correct
15. File date of compensation request:	07/30/2012	Correct
16. Was the request for compensation timely?		Yes

**PART II: SUBSTANTIAL CONTRIBUTION**

**A. In the fields below, describe in a concise manner Claimant's contribution to the final decision** (*see* § 1802(i), § 1803(a) & D.98-04-059)

<b>Contribution</b>	<b>Citation to Decision or Record</b>	<b>Showing Accepted by CPUC</b>
1. The Commission adopted FRONTLINES' recommendation that a 50% additional	D.11-07-036 Page 13.	Correct

<p>margin be applied to the intervenor cost estimates to ensure sufficient capacity in the surety bond that The Nevada Hydro Company would be required to file to cover intervenor compensation costs: “We order Nevada Hydro to post a surety or performance bond with a face value of \$550,000, or approximately 1.5 times the current budgets estimated by the three eligible intervenor groups in this proceeding.”</p> <p>FRONTLINES recommended the 1.5 multiplier in response to TNHC’s ever changing witness testimony and project description: “FRONTLINES specifically recommended the 1.5 multiplier in our initial Phase 1 Brief based on the substantial uncertainties surrounding the intervenors’ estimated costs of full and effective participation in the [Talega-Escandido/Valley-Serrano] TEVS proceeding. These uncertainties stem largely from TNHC’s substantial revisions to the project description and the hundreds of pages of new expert witness testimony that TNHC provided at the end of 2010.”</p> <p>D.11-07-036 clarifies that FRONTLINES recommended the bond value be established by increasing intervenor cost estimates by 50%: “At the time of filing, FRONTLINES estimated a total of \$300,000 for intervenor compensation costs and recommended the Commission increase this estimate by 50% to accommodate potential future increases.”</p>	<p>FRONTLINES reply comments on Phase 1 Proposed Decision filed July 18, 2011; Page 4.</p> <p>D.11-07-036; Page 11.</p>	<p>This reasoning was not specifically referred to in the decision.</p> <p>Correct</p>
<p>2. The Commission adopted FRONTLINES’ recommendation that a technical workshop be convened to establish appropriate TEVS modeling assumptions and cost/benefit parameter before proceeding any further with the TEVS project: “To the extent that the project proponents (or subsequent proponents) consider filing a future application for a similar project, the project</p>	<p>D.12-05-022: Ordering Paragraph #1f</p>	<p>Correct, as also pointed out by Center for Biological Diversity (CBD)</p>

<p>proponents shall convene a technical workshop, before any application is filed at this Commission.”</p> <p>Based on an analysis of inconsistencies and conflicting conclusions noted in TNHC’s testimony, [Proponents Environmental Assessment] PEA, and [Certificate of Public Convenience and Necessity] CPCN application, FRONTLINES recommended to parties (on multiple occasions in 2011) that a workshop be convened as a means of achieving consensus regarding key parameters addressing Phase 2 issues such as TEVS project need, cost and benefits.</p> <p>At the PHC held November 10 2011, FRONTLINES again recommended a workshop be convened before TNHC submit further testimony and prior to commencing Phase 2 of the Proceeding: “FRONTLINES would rather not see any more testimony from Nevada Hydro related to reliability, needs, or anything else until we have established a workshop wherein we have identified the parameters that will be considered in that testimony.”</p> <p>Subsequent to the PHC, the ALJ made note of FRONTLINES request for a technical workshop in the ruling issued December 1, 2011: “Forest Residents Opposing New Transmission Lines suggested that a technical workshop be convened in the impacted area to discuss modeling and cost issues. Several parties concurred with this recommendation.”</p>	<p>Electronic Communication to ALJ and the TEVS service list on May 15, 2011, June 30, 2011, and September 10, 2011.</p> <p>Transcript Page 106 lines 19-24.</p> <p>ALJ Ruling December 1, 2011: Pg. 3.</p>	<p>Correct</p> <p>Correct</p> <p>Correct</p>
<p>3. In April, 2011, FRONTLINES recommended to the Commission that the TEVS project should only include interconnection facilities and exclude unnecessary or unrelated facilities (referred to as “TEVS light”): “FRONTLINES carefully analyzed each major element of the</p>	<p>Page 36 of scoping comments submitted by FRONTLINES April 30, 2011.</p>	<p>Correct</p>

<p>proposed TEVS project to establish whether it actually contributes to the interconnection purpose or serves some other mission. Based on this analysis, FRONTLINES recommends the following configuration of ‘TEVS Light’: A northern switching station; A 500 kV transmission line; A southern substation.” FRONTLINES pointed out that this configuration “eliminates the Santa Rosa substation, all 115 kV upgrades, the tunnel extending from the ridge top east of Lake Elsinore to Lake Elsinore, all the GIL equipment, the unnecessary switches, and everything else which (FRONTLINES can prove) is intended to serve the LEAPS generation project and is not necessary for the TEVS transmission project.”</p>		
<p>In May 2011 and June 2011, FRONTLINES notified parties that the TEVS project includes unnecessary/unrelated infrastructure and that the TEVS “need and benefits” testimony relies almost entirely on Path 42 upgrades. These concerns were shared with all parties.</p>	<p>Electronic communications to ALJ and the TEVS service list on May 15, 2011 and June 30, 2011.</p>	<p>Correct</p>
<p>In September 2011, FRONTLINES notified parties that TNHC’s testimony included excessive and unrelated infrastructure. FRONTLINES pointed out: “TNHC’s modeled results excludes key generation and transmission infrastructure from the "Base case" analysis, and includes it in their "TEVS Case", thus the benefits accrued from the "non-TEVS" infrastructure are claimed by TEVS (because they are erroneously set to TEVS's account).” No parties responded to FRONTLINES’ communication. Concerns that FRONTLINES previously shared with parties regarding unnecessary/unrelated infrastructure were addressed by DRA and supplemented by FRONTLINES at the November 2011 PHC. These concerns were specifically addressed in D.12-05-022 (though attributed solely to DRA): “DRA raised additional concerns ... and requested</p>	<p>Electronic Communication to ALJ and the TEVS service list on September 10, 2011 in support of FRONTLINES request that a workshop be convened to address substantial issues of concern.</p> <p>Transcript Page 95 from line 27. Transcript Page 106 from line 24.</p> <p>D.12-05-022; Page 5.</p>	<p>Correct</p>

<p>that calculations of costs and benefits be done on a stand-alone basis, i.e., not associated with the Lake Elsinore Advanced Pumped Storage Project.” It is not clear why D.12-05-022 does not reflect FRONTLINES’ substantial contributions to the record regarding this issue. Nonetheless, and consistent with FRONTLINES persistent recommendation that TEVS be considered solely as a transmission line <i>without</i> infrastructure related to LEAPS or other projects, D.12-05-022 specifically requires that, in future, TEVS be described “as a stand-alone project.”</p>	<p>D.12-05-022 Ordering Paragraph #1g.</p>	<p>Both DRA and FRONTLINES made this argument.</p>
<p>4 D.12-05-022 adopts FRONTLINES position that a Letter of Credit is inadequate to guarantee payment and secure intervenor compensation funds and rejects TNHC proposal to rely on a Letter of Credit in lieu of posting a bond: “We agree with the intervenors: as structured, the Letter of Credit proffered by Nevada Hydro and the funds placed on deposit by Rex Waite are not a sufficient substitute for the guarantees intended to be in place by a performance or surety bond. As FRONTLINES points out, a bond cannot be arbitrarily or unilaterally cancelled by Nevada Hydro or Mr. Waite, is secured by a reliable funding source, and must clearly designate that payments must be made to eligible intervenors if Nevada Hydro defaults on its intervenor compensation obligations. Therefore, we deny Nevada Hydro’s Petition to Modify D.11-07-036 and require Nevada Hydro to post the requisite bond within 15 days of the effective date of this decision”</p>	<p>D.12-05-022 Page 16.</p>	<p>Correct, as FRONTLINES and CBD both pointed out.</p>
<p>5. D.12-05-022 dismisses TNHC’s CPCN application as deficient largely due to the substantial deficiencies in TNHC’s expert witness testimony which FRONTINES uncovered: “At this late date, we decline to stay this proceeding while Nevada Hydro</p>	<p>D.12-05-022 Page 10.</p>	<p>FRONTLINES overstates its contribution here. CBD, San Diego Gas</p>

<p>seeks expert witnesses to prepare testimony that is critical to the consideration of whether this project is viable, feasible, economic, and whether there is a need for the project” and “It makes little sense to stay this proceeding while Nevada Hydro seeks expert witnesses to prepare testimony that is critical to the consideration of whether this project is viable, feasible, economic, and whether there is a need for the project.”</p> <p>TNHC’s testimony deficiencies came to light solely as a result of FRONTLINES’ extensive discovery efforts and detailed technical analysis. TNHC revealed their startling lack of witness testimony only <i>after</i> FRONTLINES filed a motion to compel discovery. FRONTLINES took this action after waiting months for TNHC to produce substantive key data necessary to corroborate their expert witness calculations and conclusions. TNHC’s response makes it quite clear that it was solely FRONTLINES’ discovery effort which precipitated TNHC’s confession that new testimony was needed: “Nevada Hydro is mindful of its obligation to respond to discovery, but at this time is unable to respond to FRONTLINES’ discovery items 36-41, 43-56, and 62-63 of Data Request 3, and discovery item 8 of Data Request 5, all of which seek information pertaining to Fred Depenbrock’s testimony. Fred Depenbrock is no longer available as a witness for Nevada Hydro...” and “Likewise, Ian Ramsay is no longer available as a witness...”</p> <p>The record affirms that TNHC did not divulge their “loss” of expert witnesses to the Commission or parties until forced to do so in response to FRONTLINES’ motion to compel. TNHC affirmed this fact at the PHC conference in November, 2011: “So, as we indicated in our opposition to the motion to compel, two of the witnesses are no longer available to us: Witness Depenbrock and</p>	<p>D.12-05-022 Finding of Fact #5.</p> <p>Page 1 of TNHC’s response filed October 6 2011 to FRONTLINES motion to compel discovery filed September 26 2011. See also Page 6 and FN 24 to FN 27 of Joint Parties comments filed December 16, 2011.</p> <p>Page 1 of TNHC’s response to FRONTLINES motion to compel discovery filed September 26 2011.</p> <p>Transcript Page 84 from line 18.</p>	<p>&amp; Electric Company (SDG&amp;E) and Southern California Edison (SCE) consistently raised concerns regarding adequacy of testimony and the application as a whole.</p> <p>While it is true that the FRONTLINES motion revealed certain deficiencies in Nevada Hydro’s testimony, this information was also provided at the PHC for Phase 2.</p>
--	---	--

<p>Witness Ramsay. They were both employees or one is an independent contractor of Siemens who was going to be the construction manager for the project. Commercial realities of independent transmissions projects such as this is that relationship is no longer in place, those witnesses are no longer available to us. What that means is that Nevada Hydro will replace the reliability testimony that was provided by Fred Deppenbrock. And the project cost testimony that was provided by Ian Ramsay.” The record clarifies that, without FRONTLINES extensive discovery efforts and technical analysis of TNHC’s testimony, the Commission would not have been made aware of TNHC’s substantial testimony loss.</p>		<p>Again, FRONTLINES overstates its contribution here.</p>
<p>6. In July, 2011, FRONTLINES clarified in the record that “TNHC has not yet secured a location for the Case Springs substation which constitutes the southern terminus of the TEVS line. FRONTLINES notes that the lack of a Case Springs Substation location was a primary factor in the Commission’s decision to dismiss TNHC’s prior CPCN applications in 2009, thus it is a matter of substantial relevance to the instant proceeding.” FRONTLINES also presented evidence of this substantial project deficiency after coordinating with other parties.</p> <p>Based in large part on the evidence of TNHC’s project deficiencies provided by FRONTLINES, D.12-05-022 concluded “Without assessing the contentions and representations regarding Nevada Hydro’s failure to pay certain obligations, we conclude that A.10-07-001 is procedurally deficient and should be dismissed.”</p> <p>D.12-05-022 concluded: “The Commission cannot afford to squander its resources on applications that, despite more than 18</p>	<p>FRONTLINES initial comments on proposed decision filed July 11, 2011: Page 2.</p> <p>See letter attached to FRONTLINES’ July 2011 comments from the Fallbrook Land Conservancy (FLC) to TNHC stating that the FLC would not provide TNHC with a location for the southern substation.</p> <p>D.12-05-022 Finding of Fact #3.</p> <p>D.12-05-022 Finding of Fact #4.</p>	<p>While all of these points are correct, they were also highlighted by other parties, including CBD, SCE, and SDG&amp;E.</p>

<p>months of work, remain vague and speculative as to financing and indeed the project itself.” It is the evidence regarding the lack of a southern substation which FRONTLINES coordinated with CBD and others to place in the record in July, 2011 that supports the Commission’s conclusion that the TEVS project itself is vague and speculative.</p> <p>D.12-05-022 concluded: “Nevada Hydro has had ample opportunity in A.10-07-001 and in previous applications to develop its project description and financing plan appropriately and to confirm that it can present its case-in-chief, which includes with specificity how it will interconnect with both SDG&amp;E’s and SCE’s systems....however, none of these actions have occurred.” This conclusion is supported by evidence regarding the lack of a southern substation which FRONTLINES placed in the record after coordinating with CBD and others.</p>	<p>D.12-05-022 Finding of Fact #6.</p>	<p>Correct, again, as also pointed out by other parties.</p>
---	--	--

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

	<b>Claimant</b>	<b>CPUC Verified</b>
<b>a. Was DRA a party to the proceeding? (Y/N)</b>	<b>Yes</b>	<b>Yes</b>
<b>b. Were there other parties to the proceeding? (Y/N)</b>	<b>Yes</b>	<b>Yes</b>
<b>c. If so, provide name of other parties: 1) Center for Biological Diversity, 2) Santa Ana Mountains Task Force of the Sierra Club/Friends of the Forest (Trabuco District) and the Santa Rosa Plateau, 3) John Pecora, 4) Southern California Edison, 5) San Diego Gas &amp; Electric, 6) Elsinore Valley Municipal Water District, 8) Fresian Focus.</b>		<b>Yes</b>
<b>d. Describe how you coordinated with DRA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party:</b>  To avoid duplicating discovery efforts, FRONTLINES shared discovery requests with DRA and all parties, and shared all responses with interested parties. To FRONTLINES’ knowledge, no other party in the proceeding propounded discovery requests addressing the technical concerns and		In general, while we agree that FRONTLINES took certain steps to avoid duplicating the

<p>testimony deficiencies raised by FRONTLINES.</p> <p>To coordinate with other parties and efficiently address technical workshop and Phase 2 issues such as project need and economic benefits issues, FRONTLINES repeatedly sought input from DRA and all other parties regarding workshop topics and agenda (See FRONTLINES’ electronic communications to parties in May, June, and September 2011).</p> <p>FRONTLINES routinely coordinated with the two environmental organizations who are also parties (CBD and SAMT/FOF) to eliminate duplication of research efforts and avoid overlaps in matters of concern that were raised. As a result of these coordination efforts, FRONTLINES’ briefs, comments and motions filed in this proceeding present generally unique issues, concerns, arguments, and strategies that were not raised by DRA or other parties.</p> <p>FRONTLINES also coordinated with CBD and SAMT/FOF regarding CEQA issues and concerns, with the result that FRONTLINES CEQA scoping comments generally present unique issues not raised by others.</p> <p>FRONTLINES also coordinated with CBD and SAMT/FOF to research and review the southern substation location that TNHC proposed to construct on FLC property. FRONTLINES obtained (via various record requests) financing records, land exchange agreements, trust documents, Department of Defense contract agreements, etc. and shared this information with CBD and other parties.</p> <p>FRONTLINES demonstrated restraint in avoiding matters already addressed by others. For example, at the November 2011 PHC, DRA (as the first party to speak after TNHC) summarized most of FRONTLINES’ concerns that were previously shared informally with parties over the prior 7 months (such as TEVS need/benefits modeling assumptions and the elimination of unnecessary and unrelated infrastructure from the TEVS project – See Transcript page 95 line 18 to Page 100 line 1). Having been addressed by DRA, FRONTLINES did not repeat these concerns at the PHC, and instead supplemented DRA’s comments with additional concerns that DRA did not raise (Transcript Page 106 line 24 to Page 108 line 13).</p>	<p>efforts of other parties and coordinated its efforts so that it supplemented, complemented or contributed to the work of the other active parties in this proceeding, we find that FRONTLINES has overstated its contribution in this regard and has devoted excessive hours to this proceeding, as we discuss more fully below.</p>
---	---

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

#	Claimant	CPUC	Comment
1-6	The extensive analytical groundwork done by FRONTLINES in A.10-07-001		While it is true that FRONTLINES could not have known that this application would be dismissed, several

	<p>throughout 2010 and the first half of 2011 was undertaken with the objective of fully participating in the TEVS evidentiary hearing and CEQA processes, including cross examining witnesses, providing testimony, filing comments and briefs, addressing scoping and alternatives issues, etc. Although many of these activities ultimately never took place (because the TEVS CPCN application was dismissed in 2012) FRONTLINES did not know (and could not have known) that the application would be eventually be dismissed. That is not to say that FRONTLINES' diligent technical analysis of the TEVS project and witness testimony in 2010 and early 2011 were a wasted effort; in fact the opposite is true. The record shows that FRONTLINES' analytical results were applied in every action of the proceeding and contributed substantially to the record upon which the application was deemed deficient and dismissed.</p>		<p>parties, including CBD, SCE, and SDG&amp;E advocated for this outcome early on. While FRONTLINES advocated that the proceeding continue until the Commission issue a decision based on project need, FRONTLINES was aware that dismissal was a possibility. Indeed, the Commission raised this concern in D.11-07-036 in establishing the requirement that Nevada Hydro post a performance or surety bond to ensure that eligible intervenors would be compensated. It is not reasonable to provide compensation for approximately 480 hours claimed by FRONTLINES, particularly when CBD has made many of the same arguments and we have approved compensation for approximately 156 hours in 2010, 2011, and 2012 for substantive work.</p>
--	---	--	--

1-6	<p>The Commission has found that an intervenor can “make a valuable contribution by performing reasonableness review to test the prudence of [a utility’s] decisions, procedures and actions.” (D.06-03-001). FRONTLINES analysis of TNHC’s application and testimony and the results (which were shared with parties and placed in the record) implicitly tested the prudence of the TEVS project infrastructure, need, cost and benefits.</p>		See discussion above.
-----	---	--	-----------------------

**PART III: REASONABLENESS OF REQUESTED COMPENSATION**

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

<b>Concise explanation as to how the cost of claimant’s participation bears a reasonable relationship with benefits realized through participation (include references to record, where appropriate)</b>	<b>CPUC Verified</b>
<p>Much of FRONTLINES efforts in this proceeding (and therefore FRONTLINES costs) were allocated to analyzing, cataloguing, and resolving substantial inconsistencies and contradictions in and between TNHC’s initial expert witness testimony, revised expert witness testimony, the initial PEA, the revised PEA, the CPCN Application, California Independent System Operator studies, and utility Large Generator Interconnection Agreement documents. As the record shows, FRONTLINES analysis encompassed TEVS project scope, need, benefits, cost, capacity, interconnection details, alternatives, and modeling parameters. FRONTLINES states that its analysis efforts were hindered by TNHC and SCE, both of whom refused to respond to multiple data requests and substantially prolonged FRONTLINES discovery process (See Motions to Compel filed April 13, 2011 and September 26, 2011). Ultimately, FRONTLINES states that its extensive analysis and discovery efforts proved invaluable, because they</p>	<p>As stated above, although FRONTLINES devoted 480 hours to this analytic effort, we are not convinced that all of these efforts were necessary, since the proceeding was ultimately dismissed. Because Ms. Ayer is not an attorney, and may have required additional hours to review the application and underlying analysis, we will allow</p>

<p>compelled TNHC to admit, on the record, the existence of at least 2 fatal flaws in their proposed TEVS project:</p> <ol style="list-style-type: none"> <li>1) Expert witness testimony pertaining to project cost, need and benefits was incomplete and requires replacement [See PHC Transcript Page 84 line 18 and TNHC’s reply to FRONTLINES’ motion to compel filed Oct 6, 2011]; and</li> <li>2) There is still no location identified for the southern substation. [See FRONTLINES filing July 11, 2011 and PHC Transcript Page 115 line 21].</li> </ol> <p>FRONTLINES states that fatal flaws provided the impetus for the Commission’ decision to dismiss the TEVS CPCN Application in its entirety. [See D.12-05-022 Finding of Fact #3, Finding of Fact #4, Finding of Fact #5, Finding of Fact #6, and Finding of Fact #7]. In short, key elements upon which D.12-05-022 relied were placed in the record as a result of FRONTLINES’ extensive project analysis efforts and CEQA/evidentiary filings. Thus it is certain that the cost of FRONTLINES participation in the TEVS proceeding is commensurate with the benefits of a solid and robust record which were achieved thereby.</p> <p>Additionally, both of the decisions issued by the Commission in this proceeding reflect substantial contributions made by FRONTLINES:</p> <ul style="list-style-type: none"> <li>• D.11-07-036 Establishes a bond value based on FRONTLINES’ recommendation that a 50% margin be applied to the total intervenor budget estimate [pg 14 and OP #9].</li> <li>• D.12-05-022 Adopts FRONTLINES recommendation [See Transcript page 106 line 19] that a technical workshop be convened to address key issues such as TEVS project need, benefits, and modeling assumptions before the TEVS project is given any further consideration [O.P. #1f and #1g].</li> <li>• D.12-05-020 Denies TNHC’s petition to modify D.11-07-036 based (in part) on FRONTLINES arguments [cited on page 15]</li> </ul> <p>For these reason, it is certain that the cost of FRONTLINES participation in the TEVS proceeding is commensurate with the decisional contributions which FRONTLINES made thereto.</p>	<p>125% of the hours devoted to this proceeding by the CBD. We have approved 156 hours for CBD as reasonable for substantive work in 2010, 2011, and 2012. Applying a factor of 125% to 156 hours results in 195 hours. Because Ms. Ayer also waived her travel hours, we increase the approved hours to 100 hours each in 2010 and 2011, and approve the total hours claimed in 2012. After the adjustments we make to hours and hourly rates, we find that the hours and costs claimed are reasonable and FRONTLINES contributed to the evidence in this proceeding that resulted in dismissal of the application, and thus, savings for ratepayers.</p>
---	--

**B. Specific Claim:\***

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Jacqueline Ayer	2010	126.25	\$120	D.10-07-015	\$15,150	100	120	\$12,000
Jacqueline Ayer	2011	333.25	\$120	D.10-07-015	\$39,990	100	125	\$12,500
Jacqueline Ayer	2012	20.75	\$120	D.10-07-015	\$2,490	20.75	135	\$2,801.25
<b>Subtotal:</b>					\$57,630	<b>Subtotal:</b>		\$27,301.25
OTHER FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Jacqueline Ayer	2010	3.75	60	½ of normal rate	\$225	3.75	60	\$225
Jacqueline Ayer	2012	11	67.50	½ of normal rate	\$742.50	11	67.50	\$742.50
<b>Subtotal:</b>					\$967.50	<b>Subtotal:</b>		\$967.50
COSTS								
#	Item	Detail			Amount	Amount		Amount
	Drive to SF 9/10	350 miles each way * 2 ways * \$0.44/mile			\$308.00			\$308
	Hotel 9/10	Hotel for PHC			\$115.31			\$115.31
	Fly to SF 11/11	Airfare – LAX to SFO			\$355.40			\$355.40
	Hotel 11/11	Hotel for PHC			\$79.70			\$79.70
<b>Subtotal</b>					<b>\$858.41</b>			<b>\$858.41</b>
<b>Total Request \$:</b>					<b>\$59,373.41</b>	<b>TOTAL AWARD \$:</b>		<b>\$29,127.16</b>

\* 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 seeks 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 in making the award.

\*\*Reasonable claim preparation time typically compensated at ½ of preparer's normal hourly rate.

**C. CPUC Adoptions, Disallowances & Adjustments (CPUC completes):**

	<b>Adoptions</b>
2010-2012 Ayer hourly rates	FRONTLINES requests an hourly rate of \$120 per hour for 2010, 2011, and 2012. This rate was awarded in D.10-07-015. In that decision, we determined that while Ayer has more than 20 years of experience in regulatory and environmental compliance and land use actions and is an expert in engineering and regulatory forums, she had never had an hourly rate established for her work. We determined that \$120 per hour was appropriate then and we adopt it here with a step increase for 2011. We increase the rate for 2011 to \$125, reflecting a 5% step increase (rounded to the nearest \$5 increment), as allowed in Resolution ALJ-267. We also increase the rate for 2012 by the 5% step and apply the 2.2% Cost of Living Adjustment approved in Resolution ALJ-281. The hourly rate for Ms. Ayer for 2012 is \$135 per hour.
	<b>Disallowances and Adjustments</b>
2010 and 2011 hours	As discussed above, we reduce the amount claimed for compensation by approximately 50%. FRONTLINES has claimed 480 hours for substantive work in this proceeding, which we consider excessive considering that the application was dismissed. While we recognize that FRONTLINES may well have “frontloaded” the work, and could not have known the ultimate outcome, the fact is that several intervenors, advocated for dismissal from the beginning. Compared to the approximately 156 hours allowed for the CBD in this proceeding, we consider 200 hours for FRONTLINES to be reasonable for substantive work performed in 2010 and 2011.

**PART IV: OPPOSITIONS AND COMMENTS**

**A. Opposition: Did any party oppose the claim (Y/N)?**

Yes
-----

If so:

<b>Party</b>	<b>Reason for Opposition</b>	<b>CPUC Disposition</b>
Nevada Hydro	Nevada Hydro contends that FRONTLINES did not make a substantial contribution to the decisions issued in this proceeding, because the Commission dismissed the application and did not resolve the underlying issues. Nevada Hydro also contests the number of hours FRONTLINES devoted to this matter.	We deny Nevada Hydro’s contention and find that FRONTLINES’ advocacy directly contributed to the decision to dismiss this application and to require Nevada Hydro to post a bond to ensure that intervenors would be compensated as determined by the Commission. However, we agree that the number of hours claimed is excessive and have made the appropriate adjustments.

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

No. We reduce the amount awarded by approximately 50%, and the claim was opposed. Comments should be allowed.
---

If not:

<b>Party</b>	<b>Comment</b>	<b>CPUC Disposition</b>
Nevada Hydro	Nevada Hydro opposes the grant of compensation. It contends that D.12-05-022 was merely procedural and there has not been a substantive decision on the merits of the application that would justify the award. Further, Nevada Hydro maintains that the proposed compensation is excessive.	Nevada Hydro reargues its earlier opposition to the claim. There are no changes to the award in response to comments as we find that FRONTLINES made a substantial contribution to

		D.11-07-036 and D.12-05-022.

**FINDINGS OF FACT**

1. Forest Residents Opposing New Transmission Lines has made a substantial contribution to D.11-07-036 and D.12-05-022.
2. The claimed fees and costs, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The total of reasonable fees and costs is \$29,127.16.

**CONCLUSION OF LAW**

1. The claim, with the adjustments set forth above, satisfies all requirements of Public Utilities Code §§ 1801-1812.
2. Pursuant to D.11-07-036, Nevada Hydro posted a bond in the amount of \$550,000 to ensure that eligible intervenors would be compensated.

**ORDER**

1. Forest Residents Opposed to New Transmission Lines is awarded \$29,127.16.
2. Within 30 days of the effective date of this decision, The Nevada Hydro Company shall pay Forest Residents Opposed to New Transmission Lines the total award, consistent with the requirements of Decision 11-07-036 and Decision 12-05-022. 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 October 10, 2012, the 75<sup>th</sup> day after the filing of claimant’s request, and continuing until full payment is made.
3. Application 10-07-001 is closed.

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>	D1107036, D1205022	
<b>Proceeding(s):</b>	A1007001	
<b>Author:</b>	Minkin	
<b>Payer(s):</b>	The Nevada Hydro 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>
Foreset Residents Opposed to New Transmission Lines (FRONTLINES)	07/30/12	\$59,373.41	\$29,127.16	Not Applicable	We consider 480 hours of substantive work excessive for this matter, which was ultimately dismissed. Hours were reduced to 200 for substantive work.

**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>
Jacqueline	Ayer	Expert	FRONTLINES	\$120	2010	\$120
Jacqueline	Ayer	Expert	FRONTLINES	\$120	2011	\$125
Jacqueline	Ayer	Expert	FRONTLINES	\$120	2012	\$135

**(END OF APPENDIX)**