

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission’s Own Motion to Adopt New Safety and Reliability Regulations for Natural Gas Transmission and Distribution Pipelines and Related Ratemaking Mechanisms.

Rulemaking 11-02-019
(Filed February 24, 2011)

DECISION GRANTING COMPENSATION TO THE UTILITY REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISIONS (D.) 12-12-030, D.11-06-017, D.11-09-006, D.12-04-047, D.12-12-009, RESOLUTION G-3453, AND RESOLUTION ALJ-274

Claimant: The Utility Reform Network (TURN)	For contribution to Decision (D.) 12-12-030, D.11-06-017, D.11-09-006, D.12-04-047, D.12-12-009, Resolution G-3453 and Resolution ALJ-274
Claimed (\$): \$661,138.59	Awarded (\$): \$660,524.59
Assigned Commissioner: Florio	Assigned Administrative Law Judge (ALJ): ALJ Bushey

PART I: PROCEDURAL ISSUES

A. Brief Description of Decisions:	<p>This request seeks compensation for several decisions in R.11-02-019, as well as related Resolutions G-3453 and ALJ-274.</p> <p>Most of the claimed compensation relates to D.12-12-030. In that decision, the Commission approved a pipeline safety Implementation Plan (IP) for Pacific Gas & Electric Company (PG&E) and determined cost recovery and associated revenue requirements for the IP. The decision reduced PG&E's cost recovery from the requested \$2 billion to \$1.17 billion, adopting several disallowances and cost reductions advocated by TURN.</p> <p>D.11-06-017 ordered PG&E and other California utilities to submit Implementation Plans that, among other things, would ensure that all pipeline segments lacking a valid pressure test record would be either tested or replaced, with priority given to segments in high consequence areas (HCAs). (PG&E's proposed IP was the subject of D.12-12-030.) Consistent with TURN's position, the Commission did not allow PG&E to validate operating pressures without a reliable pressure test record.</p> <p>D.11-09-006 adopted procedures for PG&E to follow for requests to lift operating pressure restrictions. As recommended by TURN, the decision required such requests to be open to review by all parties and required reliable pressure test results.</p> <p>D.12-04-047 resolved the March 24, 2011 Order to Show Cause, requiring PG&E to pay a \$3 million fine and clarifying, as requested by TURN, that the 2011 stipulation between the CPUC's Consumer Protection and Safety Division (CPSD) and PG&E was not being adopted.</p> <p>D.12-12-009 reviewed proposed safety plans submitted by California's gas utilities in compliance with Public Utilities Code Sections 961 and 963 and adopted new protections for safety whistleblowers, including a provision advocated by TURN.</p> <p>Resolution G-3453, issued May 5, 2011, denied without prejudice PG&E's request for a memorandum account and permitted PG&E to pursue its request in R.11-02-019. The</p>
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	<p>Commission agreed with TURN's position that the request was premature.</p> <p>ALJ-274, issued December 7, 2011, adopted citation procedures for enforcement of gas safety regulations by CPSD. Consistent with TURN's position, ALJ-274 rejected utility legal challenges to the adopted procedures.</p>
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B. Claimant must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:

	Claimant	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):	June 2, 2011 See Comment #1 re ALJ-274 and G-3453	Correct
2. Other Specified Date for NOI:	N/A See Comment #1 re ALJ-274 and G-3453	Correct
3. Date NOI Filed:	June 22, 2011 See Comment #1 re ALJ-274 and G-3453	Correct
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in: R.11-11-008	See Comment #2	Correct
6. Date of ALJ ruling: January 3, 2012	See Comment #2	Correct
7. Based on another CPUC determination (specify):	See Comment #2	Correct
8. Has the Claimant demonstrated customer or customer-related status?		Yes
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	P.10-08-016	More recent showing in R.11-11-008
10. Date of ALJ ruling:	11/22/10	In R.11-11-008, dated January 3, 2012
11. Based on another CPUC determination (specify):		N/A
12. Has the Claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		

13. Identify Final Decision	D.12-12-030 (See Comment #3)	Request is also for contributions to D.11-06-017, D.11-09-006, D.12-04-047, D.12-12-009; and Resolutions G-3453 and ALJ-274
14. Date of Issuance of Final Order or Decision	12/28/12	Correct
15. File date of compensation request	2/25/13	Correct
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I (use line reference # as appropriate):

#	Claimant	CPUC	Comment
1	X		<p>TURN has not submitted an NOI for Resolutions ALJ-274 and G-3453 because those were not formal proceedings in which a prehearing conference was held or the Commission otherwise established a procedure for submitting NOIs. In D.98-11-049, the Commission determined that an NOI incorporated in the timely filed request for compensation for work on an advice letter is itself timely filed. In D.11-09-036, the Commission applied the same determination to a claim for compensation to a Legal Division resolution. Accordingly, TURN hereby incorporates in this Request for Compensation the information necessary to satisfy the NOI requirements for ALJ-274 and G-3453. In particular, as required by D.98-04-059, TURN provides the following information to satisfy the NOI requirements. TURN is a “group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential ratepayers.” D.98-04-059 also requires groups such as TURN to include in their NOIs a copy of the authorization in their articles of incorporation to represent residential customers, or to provide a reference to a previous filing. D.98-04-059, at 30. TURN provided the relevant portion of our articles of incorporation in the NOI submitted in Application (A.) 98-02-017, again in A.99-12-024, and most recently in A.10-11-015 (SCE 2012 GRC). The articles of incorporation have not changed since the time of those earlier submissions. Finally, D.98-04-059 directs groups such as TURN to indicate the percentage of their members that are residential ratepayers. (<u>Id.</u>, FOF 12.) TURN has approximately 20,000 dues paying members, of whom we believe the vast majority are residential ratepayers. TURN does not poll our members in a manner that would allow a precise breakdown between residential and small business members, so a precise percentage is not available.</p> <p>TURN submits that this information, along with the other information in this Request for Compensation showing TURN’s actual participation in the proceedings that led to the issuance of Resolutions ALJ-274 and G-3453, should fully satisfy the NOI requirements. If the Commission disagrees and wishes TURN to provide additional information, TURN requests that it be given the opportunity to supplement this Request for Compensation.</p>

2	X		TURN understands that the ALJ Division has adopted a practice of only issuing a formal ruling on an intervenor’s notice of intent if the intervenor is seeking to demonstrate significant financial hardship, rather than relying on the rebuttable presumption created by an earlier finding of hardship. TURN’s showing on financial hardship (relying on the rebuttable presumption) and customer status was contained in our NOI for R.11-02-019. TURN has previously been found to satisfy these two standards -- for example see ALJ ruling on January 3, 2012 in R.11-11-008.
3	X		Consistent with the Commission’s longstanding practice and Rule of Practice and Procedure 17.3 (establishing a final deadline for compensation requests relating to any decision in a proceeding of 60 days after the decision closing the docket), this compensation request is timely for all decisions issues in Rulemaking (R.) 11-02-019. In addition, because Resolutions G-3453 and ALJ-274 are integrally related to the issues in R.11-02-019, this compensation request is timely for those decisions as well.

PART II: SUBSTANTIAL CONTRIBUTION

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

Contribution	Specific References to Claimant’s Presentations and to Decision	Showing Accepted by CPUC
<p>Overview: This request seeks compensation for most of TURN’s efforts in, and related to, R.11-02-019. Most of the hours claimed relate to TURN’s substantial contributions to D.12-12-030. As will be detailed below, many of that decision’s adopted outcomes and much of its analysis reflect positions advocated by TURN. Even where the Commission did not adopt TURN’s recommended outcome even in part, it often cited with favor TURN’s analysis of the issue. Therefore the Commission should have no trouble determining that TURN’s substantial contribution on the various issues addressed in D.12-12-030 warrants the requested award of compensation.</p> <p>In addition, some of TURN’s earlier activities made substantial contributions to other decisions in this docket, including the Order Instituting Rulemaking (OIR) itself. In this request, TURN also claims compensation for its substantial contributions to ALJ-274, which enhanced the Commission’s gas safety enforcement mechanisms, an issue within the scope of this rulemaking (OIR, at 8).</p> <p>TURN relies largely on our opening or reply brief</p>		Yes

<p>as the source for citations to where the arguments and evidence supporting our substantial contributions appear in the record of this proceeding. In those instances, the cited pages should point the Commission toward the prepared and oral testimony and other record evidence supporting TURN's position. Should the Commission conclude that it needs further support for any of the substantial contributions described here, TURN requests an opportunity to supplement this showing with additional citations as appropriate.</p>		
<p>1. Overall outcome: The Commission approved total capital and expense recovery for PG&E of \$1.169 billion, as compared to the \$1.963 billion requested by PG&E (Ex. 2, at 8-4), thus reducing the cost to ratepayers by almost \$800 million. TURN can take credit for a substantial portion of this reduction, as detailed below.</p>		<p>Yes</p>
<p>2. Cost Responsibility Issues (Issue Code - Cost Sharing or CS) TURN recommended that shareholders should be responsible for the costs of <i>pressure testing</i> segments installed after 1955 for which PG&E lacks appropriate pressure test records.</p> <p>TURN recommended that shareholders should be responsible for the costs of <i>replacing</i> segments installed after 1955 for which PG&E lacks appropriate pressure test records.</p> <p>TURN advocated that a basic principle of cost responsibility should be that shareholders should absorb any IP costs that result from PG&E's imprudence.</p> <p>TURN advocated that a basic principle of cost responsibility should be that ratepayers should not pay twice for the same utility activity.</p> <p>TURN advocated that PG&E should have records of pressure tests required by ASA B31.8 industry standards from 1955 to 1961 and that the company should be held responsible for its failure to possess such records.</p>	<p>TURN Opening Brief (5/15/12), at 75-78, 82-83.</p> <p>D.12-12-030, Conclusion of Law (COL) 15.</p> <p>TURN Opening Brief, at 75-76, 78-83.</p> <p>D.12-12-030, COL 16 (adopting TURN's position in part)</p> <p>TURN Opening Brief, at 62-63.</p> <p>D.12-12-030, COL 13.</p> <p>Testimony of Thomas Long, Ex. 121, at 5-6. D.12-12-030, at 55, 60.</p> <p>TURN Opening Brief, at 65-66, 82-83.</p> <p>D.12-12-030, at 58-59, Finding of Fact (FOF) 18.</p>	<p>Yes</p>

<p>TURN recommended that shareholders should be responsible for all costs of the Maximum Allowable Operating Pressure (MAOP) Validation project.</p> <p>TURN recommended that shareholders should be responsible for all costs of the Gas Transmission Asset Management (GTAM) project.</p>	<p>TURN Opening Brief, at 97. D.12-12-030, at 96-97.</p> <p>TURN Opening Brief, at 110. D.12-12-030, at 96-97.</p>	
<p>3. Ratemaking Issues (Issue Code – Ratemaking or RM) TURN recommended that, under established retroactive ratemaking principles, PG&E not be allowed to recover costs incurred prior to a decision authorizing recovery or establishing a memorandum account.</p> <p>TURN recommended that the Commission adopt a depreciable life of 65 years for pipeline replacement instead of the current 45 years.</p> <p>TURN recommended that the Commission reject PG&E’s proposal to increase the IP budget via a Tier 3 advice letter.</p> <p>TURN recommended that the Commission reject PG&E’s proposal to foreclose a future reasonableness review of PG&E’s IP expenditures.</p> <p>TURN recommended that the Commission reject the proposal of representatives of large noncore customers to allocate IP costs based on an equal percent of authorized methodology.</p> <p>TURN pointed out that PG&E erroneously included AFUDC in its pressure testing cost estimates.</p> <p>TURN recommended that the Commission consider PG&E’s history of deferring necessary upkeep of its transmission pipeline system in its cost recovery and ratemaking determinations.</p> <p>TURN recommended that all rate recovery be subject to refund because the record of the enforcement proceedings may demonstrate that further disallowances are appropriate.</p>	<p>TURN Reply Brief (5/31/12), at 35-37. D.12-12-030, at 83-84.</p> <p>TURN Opening Brief, at 126-127. D.12-12-030, at 78-79, COL 26.</p> <p>TURN Opening Brief, at 142-144. D.12-12-030, at 83.</p> <p>TURN Opening Brief, at 139-140. D.12-12-030, at 85-86.</p> <p>TURN Reply Brief, at 30-33. D.12-12-030, at 106.</p> <p>TURN Opening Brief, at 141-142. D.12-12-030, at 78.</p> <p>TURN Opening Brief, at 137-138 D.12-12-030, at 44-47, 99-100, COL 33.</p> <p>TURN Opening Brief, at 116-118. D.12-12-030, at 4.</p>	<p>Yes</p>

<p>TURN contended that PG&E’s management had been ineffective and inefficient in failing to address the system’s safety needs in a timely fashion and that these managerial deficiencies justified a reduced return on equity on PG&E IP capital expenditures.</p> <p>TURN contended that PG&E’s request to establish a memorandum account in Advice Letter (AL) 3171-G (dated 12/1/10) was vague, overbroad and premature.</p> <p>TURN contended that PG&E’s motion to establish a memorandum account was vague, overbroad, and did not ensure that only incremental costs would be tracked.</p>	<p>TURN Opening Brief, at 121. D.12-12-030, at 104-105 (stating that TURN makes a “compelling case”), COL 14. Proposed Decision, at 108.</p> <p>TURN Protest letter to Energy Division (12/21/10) at 3 G-3453, at 9-10.</p> <p>Response of Disability Rights Advocates and TURN (5/19/11), at 2-3, 5-6. D.12-12-030, at 80 (noting that memorandum account never approved).</p>	
<p>4. Pipeline Modernization (Issue Code – PM) TURN recommended that, before a final budget for pipeline modernization activities could be adopted, PG&E should be required to update the pipeline database it used to determine which pipeline segments required attention.</p> <p>TURN recommended that Class 2 pipeline segments, except those that are adjacent to HCA segments, should be removed from the scope of Phase 1.</p> <p>TURN recommended that, consistent with the Commission’s direction in D.11-06-017, a pressure test should be considered acceptable if it contains all elements required by the regulations at the time the pressure test was conducted.</p> <p>TURN recommended that pressure testing, rather than replacement, should be the default action for pipeline segments identified by Decision Tree Box M2, particularly in light of the high level of costs attributable to this action box.</p>	<p>TURN Opening Brief, at 18-19, TURN Comments on PD (11/16/12), at 2-4. D.12-12-030, at 115.</p> <p>TURN Opening Brief, at 22-24. D.12-12-030, at 65-67.</p> <p>TURN Opening Brief, at 25-26. D.12-12-030, at 64.</p> <p>TURN Opening Brief, at 28-31. D.12-12-030, at 72 (noting that the magnitude of costs at issue requires CPUC to “carefully consider” TURN’s argument).</p>	Yes
<p>5. Valve Plan (Issue Code – Valve or V) TURN recommended that PG&E increase its emphasis on automatic shut-off valves (ASVs) in its IP.</p>	<p>TURN Opening Brief, at 44-58. D.12-12-030, at 76-77 (directing PG&E in the future to allow for expanded use of ASVs).</p>	Yes

<p>6. Records (Issue Code – Records or R) TURN challenged PG&E’s claim that its Records projects were necessitated by new regulations; TURN contended that PG&E’s Records projects were needed to correct PG&E’s record-keeping deficiencies.</p>	<p>TURN Opening Brief, at 97-109, 110-114. D.12-12-030, at 91-96.</p>	<p>Yes</p>
<p>7. Cost Forecasts (Issue Code – Cost) TURN contended that PG&E’s forecast hydrotesting costs were high compared to published data and other indicia and may reflect the results of needing to rush to catch up on deferred work.</p>	<p>Richard Kuprewicz Testimony, Ex. 131, at 81-82. D.12-12-030, at 98-99 (TURN presented “credible testimony” that PG&E’s hydrotest cost forecasts were “biased to the high end”).</p>	<p>Yes</p>
<p>8. MAOP Validation (Issue Code – MAOP) TURN advocated that, where PG&E lacks valid pressure test records, a new pressure test (and not just pipeline features records) is needed.</p> <p>TURN advocated that pipeline features records could be useful for other purposes, including prioritizing repair and replacement activities</p>	<p>TURN Response to PG&E Motion for Approval of MAOP Validation Methodology (4/29/11), at 3-4. D.11-06-017, at 19.</p> <p>TURN Response to PG&E Motion for Approval of MAOP Validation Methodology (4/29/11), at 5-6. D.11-06-017, at 18 (noting TURN’s point that remedial document management has benefits beyond calculating MAOP.)</p>	<p>Yes</p>
<p>9. Procedure (Issue Code – Proc) Prior to the initiation of R.11-02-019 when it was unclear what, if any, public process the CPUC would use to address pipeline safety issues, TURN urged the Commission to open a docket that would offer a transparent means of addressing needed safety measures and cost responsibility for those measures.</p>	<p>TURN 9/22/10 Letter to Commissioners; Motion of TURN and Consumer Federation of California for a Coordinated and Public Investigation of Factors Leading to the San Bruno and Similar Catastrophes and Appropriate Preventive and Remedial Measures (filed in A.09-12-020 on 1/26/11). OIR generally, and specifically, at 13 (citing TURN’s motion).</p>	<p>Yes</p>

<p>In comments in response to the OIR, TURN recommended that the Commission prioritize the additional testing of pipeline segments without adequate records and the issue of ratemaking adjustments for safety investments.</p> <p>With respect to requests to lift operating pressure restrictions, TURN requested that PG&E provide a table of information including test pressure and MAOP as a percent of specified minimum yield strength (SMYS) for each request.</p> <p>With respect to requests to lift operating pressure restrictions, TURN recommended that all such requests be open to review by all parties and that valid pressure test results must be part of the necessary showing.</p> <p>TURN opposed PG&E's Motion to Amend Scoping Memo and Reassign Testimony About PG&E's Past Practices to I.11-02-016.</p>	<p>Preliminary Comments of TURN in R.11-02-019 (4/13/11), at 7. D.11-06-017, at 19, 22-23.</p> <p>TURN data request referenced in hearing transcript, 9/19/12, at 6, lines 20-27. Hearing transcript, 9/19/12, at 6-8, 46; ALJ Ruling Setting Schedule for Commission Review of Pressure Restoration, 10/28/11, at 1 (referencing "summary table adopted" at 9/19/11 hearing).</p> <p>Response of TURN to PG&E Motion for Delegation of Authority (7/20/11), at 1-2. D.11-09-006, at 7, 10-11.</p> <p>Response of TURN to the Motion of PG&E to Amend Scoping Memo and Reassign Testimony About PG&E's Past Practices (2/10/12), at 1. Though there was no formal ruling, the Commission effectively denied PG&E's motion by not reassigning the testimony and by receiving it into the evidentiary record in R.11-02-019.</p>	
<p>10. Order to Show Cause (Issue Code – OSC) With respect to resolving the Order to Show Cause, TURN recommended that the decision make explicit that the Commission was not adopting the stipulation between PG&E and CPSD.</p>	<p>Comments of TURN on the PD Resolving Order to Show Cause (3/2/12), at 8. D.12-04-047, at 6.</p>	Yes
<p>11. Whistleblower Rules (Issue Code – WB)</p>	<p>Comments of TURN on the PD In</p>	Yes

<p>TURN recommended that the proposed whistleblower protection rules require utilities to provide more prominent notice of the CPUC’s whistleblower hotline.</p>	<p>Compliance With PU Code Sections 961 and 963, and Amending General Order 112-E to Add Whistleblower Protections (12/10/12), at 1-2. D.12-12-009, at 27, 32.</p>	
<p>12. Resolution ALJ-274 (Issue Code – ALJ-274) TURN supported the proposed citation procedures and presented arguments contesting utility legal challenges (e.g., improper delegation, due process) to the proposed procedures.</p>	<p>Reply of TURN on Draft Resolution ALJ-274, at 2-5. ALJ-274, at 11-13 (citing TURN’s arguments).</p>	<p>Yes</p>

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

	Claimant	CPUC Verified
<p>a. Was the Division of Ratepayer Advocates (DRA) a party to the proceeding?</p>	<p>Yes</p>	<p>Correct</p>
<p>b. Were there other parties to the proceeding with positions similar to yours?</p>	<p>Yes, on certain issues</p>	<p>Correct</p>
<p>c. If so, provide name of other parties: City and County of San Francisco (CCSF) and Northern California Indicated Producers (NCIP)</p>	<p>Correct</p>	
<p>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:</p> <p>In light of the broad scope of the proceeding, the magnitude of the requested rate increase, and the importance and novelty of the safety issues, TURN worked hard to coordinate its efforts with other like-minded parties in order to ensure that all important issues were addressed from a customer perspective. Our time records include a number of entries (usually coded as “Coord” or “GP”) for efforts that were primarily devoted to communicating with the other parties about matters such as procedural strategies and issue area allocation.</p> <p>In particular, TURN worked closely with DRA and CCSF to divide up issues and, when addressing the same issue, to present a different argument or perspective on such issue. For example, because TURN and DRA agreed that DRA would take the lead on cost forecasting issues, TURN devoted relatively few hours to this issue. As D.12-12-030 reflects, regarding issues on which TURN and DRA both presented proposals – such as cost responsibility and ratemaking issues -- we actively coordinated our presentations to offer different recommendations with different arguments. In this way, TURN believes that the Commission ended up with a more robust record upon which to evaluate the issues at hand, while keeping duplication to</p>	<p>We make no reductions to TURN’s claim for unnecessary duplication of effort with other parties.</p>	

<p>a minimum. On the rare matters in R.11-02-019 (mostly procedural) on which TURN, DRA, and/or CCSF offered similar recommendations, TURN generally took the lead role, owing to the extensive experience of TURN’s attorneys and witnesses.</p> <p>It is also worth noting that CCSF and NCIP represented different constituencies from TURN. CCSF’s perspective was shaped by the interests and concerns of the residents and businesses in the City of San Francisco, whereas TURN represented the interests of <u>all</u> residential and small business ratepayers in PG&E’s gas service territory. NCIP represented the interests of a group of large noncore customers, a different group than the core customers TURN represented. TURN and NCIP offered similar, but distinct, proposals to reduce PG&E’s return on equity, and offered different factual contentions and arguments in support.</p> <p>In sum, the Commission should find that TURN's participation was efficiently coordinated with the participation of other intervenors wherever possible, so as to avoid undue duplication and to ensure that any such duplication served to supplement, complement, or contribute to the showing of the other intervenors.</p>	
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C. Additional Comments on Part II

#	Claimant	CPUC	Comment
1	Contributions to a proposed decision		The Commission has long held that an intervenor’s contribution to a final decision may be supported by contributions to a proposed decision, even where the Commission’s final decision does not adopt the proposed decision’s position on a particular issue. For example, in D.11-05-044, the Commission awarded TURN \$143,800 out of \$147,600 requested for TURN’s work in the SoCalGas automated meter infrastructure (AMI) proceeding, even though the underlying decision, unlike the proposed decision, had approved the proposed AMI program over TURN’s objections. See also D.92-08-030, <i>mimeo.</i> at 4; D.96-08-023, <i>mimeo.</i> at 4; D.96-09-024, <i>mimeo.</i> at 19; D.99-11-006, at 9-10 (citing D.99-04-004 and D.96-08-023); D.01-06-063, at 6-7.
2	Contribution to Commission’s decision-making		The Commission has granted compensation where a parties’ participation contributed to the decision-making process even if specific recommendations were not adopted, and where a parties’ showing assisted the Commission in its analysis of an issue. For example, in D.10-06-046, even though the overall outcome did not embrace TURN’s overall recommendation, the compensation award found that TURN’s efforts constituted a substantial contribution, even commenting, “TURN substantially helped the decisionmaking in this proceeding.” D.10-06-046, at 5. See also D.02-07-030 (the Commission based its finding of substantial contribution largely on the efforts intervenors made to develop the record, even where the adopted decision did not rely on that record); D.00-07-015 (the Commission found that an intervenor had made a substantial contribution even where a settlement was adopted over the intervenor’s objection, because its participation “contributed to the . . . development of the record” and enhanced the Commission’s understanding of the underlying issues); D.98-11-014, at 8 (“TURN contributed to D.97-08-055 by raising this issue and

		developing the record on the implications of this conflict.”).
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

<p>a. 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)</p> <p>In light of the scope and quality of TURN’s work, and the benefits achieved through TURN’s participation in the proceeding, the Commission should have little trouble concluding that the amount requested is reasonable. As noted above, TURN can take significant credit for a substantial portion of the almost \$800 million reduction in PG&E’s requested capital and expense cost recovery ordered in D.12-12-030. For the years 2012 through 2014, the disallowances that TURN helped to achieve will reduce rates by almost \$500 million. And the capital disallowances will continue to benefit ratepayers for the full depreciable life of the assets in question – as long as 65 years in the case of new pipeline.</p> <p>Moreover, through TURN’s retention of a recognized pipeline safety expert, Richard Kuprewicz, TURN provided an important independent assessment of the safety impacts of PG&E’s plans and procedures. In this respect, TURN’s relatively modest expenditure of \$70,000 for Mr Kuprewicz’s services provided a further assurance to the Commission and the public that the CPUC was considering all of the necessary issues to ensure the safety of PG&E’s transmission system, as reflected in D.11-06-017, D.11-09-006, and D.12-04-047. TURN submits that, given the diminished confidence in gas safety resulting from the San Bruno explosion, the benefits of TURN’s safety analysis dwarf the limited costs.</p> <p>In addition, although the changes to Commission rules adopted in D.12-12-009 (whistleblower rules) and Resolution ALJ-274 did not directly involve monetary issues, it should be obvious that these rule changes provide important improvements to the Commission’s ability to prevent San Bruno-like tragedies in the future. ALJ-274 enhances the Commission’s ability to police and enforce operator compliance with safety requirements, and the whistleblower rules increase the likelihood that utility employees who are aware of safety violations will inform the Commission without fear of reprisal. Such benefits far outweigh the relatively minor costs (less than \$10,000 for ALJ-274 and less than \$5,000 for the whistleblower rules) TURN incurred for its contributions to these orders.</p>	<p>CPUC Verified</p> <p>Except as noted below (in Parts III-B and IIID) regarding specific hourly rates, we agree that TURN’s hours are reasonable and that its efforts resulted in measurable benefits to customers, which far outweigh the cost of TURN’s participation.</p>
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<p>In sum, the requested compensation amount is a very small fraction of the savings and other benefits directly attributable to TURN’s work in this proceeding. As the substantial contribution discussion above makes clear, TURN’s efforts helped achieve a wide array of outcomes where the Commission agreed in whole or in part with TURN’s recommendation, many of which resulted in reductions to the authorized revenue requirement and PG&E long-term cost recovery, as well as enhanced public safety. Accordingly, the Commission should conclude that TURN’s overall request is reasonable in light of the substantial benefits to PG&E ratepayers that were directly attributable to TURN’s participation in the case.</p>	
<p>b. Reasonableness of Hours Claimed.</p> <p>TURN’s attorneys and consultants recorded a substantial number of hours for their work in this docket and the related matters. This is the result of the importance and novelty of this proceeding and the broad array of rate-related and safety issues it presented, as well as the lead role TURN assumed for ratepayer representatives on many of the issues. Accordingly, TURN devoted substantial time to the many preliminary issues that preceded PG&E’s submission of its Implementation Plan, review of PG&E’s showing in the IP, preparation of discovery, development of the testimony positions and arguments, pleadings on procedural matters, preparation of briefs and comments on the proposed decisions, and ex parte presentations. As described below and as further reflected in the time records attached to this request, the number of hours for each TURN representative was reasonable under the circumstances present here.</p> <p><u>Pre-R.11-02-019 Hours:</u> A relatively small number of TURN’s hours (approximately 25) were incurred before this docket was opened in connection with TURN’s successful request to the Commission to open precisely this type of a proceeding -- one that comprehensively addresses pipeline safety matters and that is fully open to all interested parties. Consistent with the Commission’s longstanding practice of compensating reasonable pre-proceeding hours related to an intevenor’s substantial contribution, TURN here claims only those hours related to a September 22, 2010 letter to the Commissioners and a January 26, 2011 motion filed in A.09-12-020 (PG&E’s 2011 GRC), both of which sought the opening of a comprehensive pipeline safety docket. TURN has not claimed these hours in any other compensation request.</p> <p><u>Resolution ALJ-274:</u> TURN is claiming in this request approximately 17 hours of attorney time related to the delegation of citation authority to CPSD approved in Resolution ALJ-274, because of the close nexus of the issue of enhanced CPSD enforcement authority to the issues in this docket. In fact, the issues listed on page 8 of the OIR include whether the</p>	<p>Except as noted below (in Parts III-B and IIID) regarding specific hourly rates, we agree that TURN’s hours are reasonable and that its efforts resulted in measurable benefits to customers, which far outweigh the cost of TURN’s participation.</p>

Commission should use its existing enforcement authority more aggressively as part of a graduated enforcement regime and whether the Commission should seek additional safety enforcement authority from the legislature. Resolution ALJ-274 directly relates to these issues. TURN therefore submits that it is reasonable to claim this time in TURN's compensation request for R.11-02-019. TURN has not claimed these hours in any other compensation request.

Resolution G-3453: Similarly, TURN claims here approximately 15 hours its attorneys devoted to successfully opposing PG&E's AL 3171-G regarding the establishment of a memorandum account, culminating in Resolution G-3453. That Resolution directed PG&E to pursue its request in this docket. As the memorandum account and associated retroactive ratemaking issues were important issues throughout this docket, it is appropriate for TURN to seek compensation for this work in this proceeding. TURN has not claimed these hours in any other compensation request.

Independent Review Panel Report: TURN here claims compensation for its time devoted to reviewing and commenting upon the Independent Review Panel (IRP) Report of June 2011 (coded as IRP in TURN's daily time records in Attachment 2). The IRP recommendations formed an important part of the record of this proceeding and are discussed extensively in D.12-12-030 and are reproduced in Attachment B to that decision. A review and understanding of the IRP Report was thus essential to TURN's participation in this case and necessary for many of TURN's substantial contributions. Furthermore, TURN's comments on the IRP Report focused to a large extent on countering the IRP's concerns regarding one-way balancing accounts. TURN notes that, in adopting a one-way balancing account for PG&E in D.12-12-030 (OP #5), the Commission, at least implicitly agreed with TURN's position (TURN 7/15/11 comments, at 7-9) that such balancing accounts have an appropriate place in CPUC ratemaking. Accordingly, TURN submits that all of its time related to the IRP Report is reasonable and should be compensated.

Time Pursuing a Global Settlement: TURN is deferring to a future compensation request – and therefore not claiming in this request – the substantial time it has devoted to “global settlement” discussions that have taken place at various times since April 2012 among the parties to the three PG&E pipeline safety enforcement proceedings (I.11-02-016, I.11-11-009, and I.12-01-017) and R.11-02-019. These settlement discussions have been termed “global” because they relate to the intertwined issues in all four cases. TURN's review of its time records has confirmed its judgment that it is not possible to separate out time for R.11-02-019 matters from the other settlement-related time because the parties' discussions were rarely,

if ever, specific to a particular docket. Moreover, TURN believes it would be inappropriate – and potentially detrimental to the confidentiality of such discussions under CPUC Rule of Practice and Procedure 12 -- to submit time records revealing the timing and nature of settlement discussions before the cases relating to those settlement talks are resolved. Thus, although TURN intends to seek compensation for this substantial investment of time at a later point, TURN is not doing so in this request. If the Commission disagrees with TURN’s judgment and wishes TURN to present its global settlement-related hours to date in this compensation request, TURN respectfully requests that it be so informed and given an opportunity to supplement its request.

Sempra Utilities’ Implementation Plan: The Sempra Utilities originally submitted their proposed Implementation Plans in R.11-02-019. However, in D.12-04-021, issues related to the Sempra Utilities’ IPs were transferred to A.11-11-002. Accordingly, TURN is not claiming in this request time for reviewing and analyzing those IPs, except for a very limited amount of time (indicated in the time entries in Attachment 2) in which comparisons to the Sempra Utilities’ IPs were used in analyzing PG&E’s IP.

TURN Attorneys:

Marcel Hawiger served as TURN’s primary attorney in the early months of this proceeding. When it became clear in the early Fall of 2011 that the scope and importance of the issues required that TURN add another experienced attorney to its advocacy team, Thomas Long, TURN’s Legal Director, joined the proceeding in late September 2011. From that point on, Mr. Hawiger and Mr. Long jointly represented TURN in this case until the conclusion of D.12-12-030, dividing up issues and responsibilities to avoid overlap as much as possible.

Mr. Hawiger submitted numerous pleadings for TURN and played a central role in TURN’s discovery on PG&E’s IP and in coordinating review of TURN’s testimony, particularly on pipeline modernization, valve, and certain ratemaking issues. He also divided hearing room and briefing responsibilities with Mr. Long. TURN seeks compensation for approximately 570 hours of Mr. Hawiger’s time here, or the equivalent of approximately 14 weeks of full-time work.

Mr. Long took the lead for TURN on the wide-ranging cost responsibility and records issues in the case, as well as certain ratemaking issues. Mr. Long presented his own testimony regarding TURN’s positions and analysis on cost responsibility and the need for an ROE reduction. He also prepared procedural pleadings, drafted and coordinated discovery (particularly on PG&E’s rebuttal testimony), reviewed TURN’s testimony on other issues, shared hearing room and brief-writing responsibilities with Mr. Hawiger, and led TURN’s ex parte meeting efforts. TURN seeks

compensation for approximately 575 hours of Mr. Long's time, or the equivalent of approximately 14 weeks of full-time work.

Four other TURN staff attorneys played a much more limited role with respect to the matters claimed in this request. Before R.11-02-019 was opened, Robert Finkelstein and Hayley Goodson worked on TURN's letter and pleading seeking the opening of a docket such as R.11-02-019. In addition, Ms. Goodson took the lead on opposing PG&E's request for a memorandum account in AL 3171-G. Both attorneys also contributed a few hours of additional time for strategic consultation and research on discrete issues. TURN seeks compensation for 20 hours of work by Mr. Finkelstein and approximately 28 hours by Ms. Goodson. Nina Suetake took the lead for TURN regarding whistleblower rules, and TURN requests compensation for her approximately 12 hours of work in this proceeding. William Nusbaum was TURN's lead attorney on the issues presented by Resolution ALJ-274, and TURN seeks compensation for his approximately 10 hours of work.

TURN submits that the recorded attorney hours are reasonable, both as described above and as demonstrated in the wide-ranging substantial contribution TURN made in this proceeding. Therefore, TURN seeks compensation for all of the hours recorded by our attorneys and included in this request.

Accufacts, Inc. – Richard Kuprewicz, President:

TURN was fortunate to be able to retain the services of Richard Kuprewicz, a former pipeline operations manager who is now an industry consultant and recognized pipeline safety expert. Mr. Kuprewicz provided invaluable analysis of PG&E's IP and assisted TURN in ensuring that TURN's rate-related recommendations were consistent with the paramount goal of advancing pipeline safety. Mr. Kuprewicz assisted TURN in discovery regarding PG&E's IP and in the review and analysis of PG&E's rebuttal expert witness testimony. In addition, he presented extensive testimony analyzing each of the main elements of PG&E's IP and was instrumental to TURN's substantial contributions on pipeline modernization, valve, forecast cost, and records issues. TURN seeks compensation for 394 hours of work by Mr. Kuprewicz, all of which was instrumental to TURN's success in the case.

JBS Energy – William Marcus and Greg Ruszovan:

Capitalizing on his decades of experience on CPUC ratemaking for energy utilities, William Marcus presented in his testimony analysis and recommendations on a variety of ratemaking issues on which TURN made substantial contributions, including depreciation, AFUDC, reasonableness review, ROE reduction, and cost allocation. He also assisted in discovery on these and other ratemaking issues. TURN seeks compensation for 66

hours of work by Mr. Marcus.

Greg Ruzzovan, whose specialties include data compilation and analysis, provided essential analysis of PG&E's workpapers and of the complex and massive database of pipeline segment information to which PG&E applied its decision tree analysis. The tables developed by Mr. Ruzzovan appear in the testimony of Mr. Kuprewicz and Mr. Long; the accuracy of those tables was never questioned or challenged by PG&E. Mr. Ruzzovan attended the oral testimony of Mr. Kuprewicz in order to assist the Commission in the event of questions regarding the tables developed by Mr. Ruzzovan -- a necessary expenditure of time and expense in order to ensure a complete and accurate hearing record. TURN seeks compensation for approximately 125 hours of work by Mr. Ruzzovan.

In light of their significant contributions to TURN's successful participation, TURN submits that the claimed time for work by JBS Energy is reasonable and should be fully compensated. Consistent with the Commission's current policy of not compensating for travel time within a 120-mile radius, TURN is not claiming compensation for the several hours of travel time by Mr. Marcus and Mr. Ruzzovan for cross examination-related attendance at the evidentiary hearings.

Meetings or discussions involving more than one TURN attorney or expert witness: A relatively small percentage of hours and hourly entries reflect internal and external meetings involving two or more of TURN's attorneys and expert witnesses. In past compensation decisions the Commission has deemed such entries as reflecting internal duplication that is not eligible for an award of intervenor compensation. This was not the case here. For the meetings that were among TURN's attorneys and expert witnesses, such meetings were essential to the effective development and implementation of TURN's strategy for this proceeding. None of the attendees were there in a duplicative role – each was an active participant, bringing his or her particular knowledge and expertise to bear on the discussions. As a result, TURN was able to identify issues and angles that would almost certainly never come to mind but for the “group-think” achievable in such settings.

There were also meetings with other parties at which more than one attorney represented TURN on occasion. The Commission should understand that this is often essential in a case such as this one, with a wide range of issues that no single person is likely to master. TURN's requested hours do not include any for a TURN attorney or expert witness where his or her presence at a meeting was not necessary in order to achieve the meeting's purpose. TURN submits that such meetings can be part of an intervenor's effective advocacy before the Commission, and that intervenor compensation can and should be awarded for the time of all participants in such meetings where, as here, each participant needed to be in the meeting

<p>to advance the intervenor’s advocacy efforts.</p> <p><u>Compensation Request Preparation Time:</u> TURN is requesting compensation for 32 hours devoted to preparation of this request for compensation. While higher than the number of hours TURN tends to seek for compensation-related matters, this is a reasonable figure in light of the size and complexity of the request for compensation itself. The number of hours devoted to a request for compensation is driven in large part by the number of individuals and daily time entries involved in the substantive work, as well as number of decisions and issues for which compensation is claimed. Here, TURN seeks compensation for its substantial contributions to seven separate decisions spanning two years and involving almost a dozen categories of issues and over 1,000 time entries.</p> <p>Mr. Long prepared this request for compensation because of his extensive knowledge of most aspects of this proceeding. When necessary, Mr. Long consulted with the other TURN attorneys to ensure that all claimed hours reasonably relate to TURN’s substantial contributions. TURN has excluded the hours of those other attorneys related to preparation of this request.</p> <p><u>Conclusion:</u> In sum, the Commission should find that the number of hours claimed is fully reasonable in light of the complexity of the issues and TURN’s high degree of success on the merits.</p>							
<p>c. Allocation of Hours by Issue</p> <p>TURN has allocated all of our attorney and consultant time by issue area or activity, as evident on our attached timesheets. The following codes relate to specific substantive issue and activity areas addressed by TURN.</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Code</u></th> <th style="text-align: left;"><u>Stands for:</u></th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">GP</td> <td>General Participation -- work that was essential to effective participation in the case and that would not vary with the number of issues that TURN addresses, for the most part</td> </tr> <tr> <td style="vertical-align: top;">GH</td> <td>General Hearing -- Hearing-related (preparation and participation), but not issue-specific. Mr. Hawiger and Mr. Long divided up witness and cross-examination responsibilities and limited the time that both attorneys were in the hearing room at the same time. When such overlap occurred, TURN’s attorneys used the time in the hearing room to perform other substantive work (such as preparing for the next witness in queue), with the time</td> </tr> </tbody> </table>	<u>Code</u>	<u>Stands for:</u>	GP	General Participation -- work that was essential to effective participation in the case and that would not vary with the number of issues that TURN addresses, for the most part	GH	General Hearing -- Hearing-related (preparation and participation), but not issue-specific. Mr. Hawiger and Mr. Long divided up witness and cross-examination responsibilities and limited the time that both attorneys were in the hearing room at the same time. When such overlap occurred, TURN’s attorneys used the time in the hearing room to perform other substantive work (such as preparing for the next witness in queue), with the time	<p>Except as noted below (in Parts III-B and IIID) regarding specific hourly rates, we agree that TURN’s hours are reasonable and that its efforts resulted in measurable benefits to customers, which far outweigh the cost of TURN’s participation.</p>
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	recorded to the related substantive issue.	
CS or Cost Sharing	Cost responsibility issue	
RM or Ratemaking	Ratemaking issues including depreciation, cost allocation, reasonableness review, Tier 3 advice letter proposal, memorandum account/retroactive ratemaking, AFUDC, ROE reduction, and rates subject to refund	
R or Records	Issues related to proposed Pipeline Records Integration Program	
PM	Issues related to proposed Pipeline Modernization Program, including Program scope and the database upon which the proposed scope was based	
V or Valve	Issues related to proposed Valve Automation Program	
Cost	Cost forecasting issues	
MAOP	Issues relating to appropriate use of records in validating MAOP	
Proc	Procedural -- Procedural matters (such as TURN's requests to open a pipeline safety docket and responding to PG&E motions), scheduling matters, etc.	
IRP	Time related to reviewing and commenting upon the Independent Review Panel Report	
WB	Issues related to whistleblower rules	
OSC	Issues related to disposition of Order to Show Cause	
ALJ-274	Issues related to Resolution ALJ-274	
Coord	Coordination with other parties -- meetings and e-mails with DRA and other intervenors about issue coverage, cross examination coordination etc.	
Comp	Time devoted to compensation-related pleadings	

- Time entries that cover substantive issue work that cannot easily be identified with a specific activity code. In this proceeding the time entries coded # represent a small portion, approximately 10%, of the total hours. TURN requests compensation for all of the time included in this request for compensation, and therefore does not believe allocation of the time associated with these entries is necessary. However, if such allocation needs to occur, TURN proposes that the Commission allocate these entries as follows, based on the following percentages derived from the time TURN devoted to the major issues in the docket:

Pipeline Modernization – 489.13 hours - 40.3%
 Cost Responsibility – 299.0 hours – 24.7%
 Ratemaking – 203.08 hours – 16.7%
 Valve Program – 123.5 hours – 10.2%
 Records Programs – 97.75 hours – 8.0%

TURN submits that under the circumstances this information should suffice to address the allocation requirement under the Commission’s rules. Should the Commission wish to see additional or different information on this point, TURN requests that the Commission so inform TURN and provide a reasonable opportunity for TURN to supplement this showing accordingly.

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Thomas Long	2011	70.75	\$520	Request pending in A.09-10-013	\$36,790.00	70.75	\$520	\$36,790.00
T. Long	2012	507.25	\$530	Res. ALJ-281	\$268,842.50	507.25	\$530	\$268,842.50
Marcel Hawiger	2010	16.5	\$350	D.11-09-037	\$5,775.00	16.5	\$350	\$5,775.00
M. Hawiger	2011	189.75	\$350	D.12-05-034	\$66,412.50	189.75	\$350	\$66,412.50
M. Hawiger	2012	358.5	\$375	See Comment 1, below	\$134,437.50	358.5	\$375	\$134,437.50
Robert Finkelstein	2010	18.5	\$470	D.10-09-042	\$8,695.00	18.5	\$470	\$8,695.00
R. Finkelstein	2011	0.75	\$470	D.12-03-024	\$352.50	0.75	\$470	\$352.50
R. Finkelstein	2012	0.75	\$480	Res. ALJ-281	\$360.00	0.75	\$480	\$360.00
Hayley Goodson	2010	20.25	\$295	D.10-12-015	\$5,973.75	20.25	\$295	\$5,973.75
H. Goodson	2011	6.75	\$300	Pending in A.11-	\$2,025.00	6.75	\$300	\$2,025.00

				05-017				
H. Goodson	2012	0.75	\$325	Pending in A.11-05-017	\$243.75	0.75	\$325	\$243.75
Nina Suetake	2012	12.25	\$315	See Comment 1, below	\$3,858.75	12.25	\$315	\$3,858.75
William Nusbaum	2011	9.5	\$435	D.10-07-014 (p. 8)	\$4,132.50	9.5	\$435	\$4,132.50
R. Kuprewicz	2011	240.0	\$175	See Comment 2, below	\$42,000.00	240.0	\$175	\$42,000.00
R. Kuprewicz	2012	151.0	\$175	See Comment 2, below	\$26,425.00	151.0	\$175	\$26,425.00
R.Kuprewicz-live testimony	2012	3.0	\$375	See Comment 2, below	\$1,125	3.0	\$175	\$525.00
William Marcus	2011	15.17	\$250	D.12-03-024	\$3,792.50	15.17	\$250	\$3,792.50
W. Marcus	2012	51.25	\$260	See Comment 2, below	\$13,325.00	51.25	\$260	\$13,325.00
Greg Ruzzovan	2011	24.78	\$195	D.12-03-024	\$4,832.10	24.78	\$195	\$4,832.10
G. Ruzzovan	2012	98.85	\$195	D.12-03-024	\$19,275.75	98.85	\$200	\$19,770.00
				Subtotal:	\$648,674.10		Subtotal:	\$ 648,568.35
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
								N/A
				Subtotal:			Subtotal:	N/A
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
T. Long	2012	32.00	\$265	½ 2012 hourly rate	\$8,480.00	32.00	\$265	\$8,480.00
				Subtotal:	\$8,480.00		Subtotal:	\$8,480.00
COSTS								
#	Item	Detail			Amount	Amount		
1	Photocopies	Copies for testimony, pleadings, hearing room exhibits and other proceeding documents			\$1048.40	\$1048.40		
2	Consultant travel and lodging	Plane fare, auto mileage, shuttle and hotel costs for TURN consultants			\$1787.10	\$1,683.50		
3	Lexis/Nexis	Computerized research			\$277.98	\$277.98		
4	Miscellaneous	Purchase of copyrighted industry standards publications			\$403.05	0		

5	Telephone	Calls relating to work on R.11-02-019	\$173.14	\$173.14	
6	Postage	Mailing costs for pleadings	\$101.92	\$101.92	
7	Courier	FedEx overnight delivery	\$27.30	\$27.30	
8	Parking	Consultants' parking expenses	\$165.00	\$164.00	
Subtotal:			\$3,984.49	Subtotal:	\$3,476.24
TOTAL REQUEST \$:			\$661,138.59	TOTAL AWARD \$:	\$660,524.59

*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 making the award.

**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate

Attorney	Date Admitted to CA BAR	Member Number
Marcel Hawiger	January 31, 1998	194244
Robert Finkelstein	June 13, 1990	146391
Hayley Goodson	December 5, 2003	228535
Nina Suetake	December 14, 2004	234769
Marybelle Ang	September 18, 2009	264333
Thomas Long	December 11, 2986	124776

C. Attachments Documenting Specific Claim and Comments on Part III:

Attachment or Comment #	Description/Comment of TURN
Attachment 1	Certificate of Service
Attachment 2	Daily Time Records for Attorneys and Consultants
Attachment 3	Cost Detail
Comment 1	<p>Hourly Rates for TURN Attorneys:</p> <p>TURN seeks hourly rates for its staff attorneys at levels that the Commission has previously adopted (or at levels requested in pending requests) for each individual's work in a given year, or at an increased level for 2012 consistent with Resolution ALJ-281. The following describes the basis for the requested rates that have not been previously awarded as of the date of this Request for Compensation.</p> <p><u>Thomas Long</u>: For Mr. Long's work in 2011, TURN has justified the requested \$520 hourly rate in a Request for Compensation pending in A.09-10-013 (filed February 17, 2012). Rather than repeat the justification for the requested hourly rate, TURN refers the Commission to the pending request in A.09-10-013 and asks that the relevant material be incorporated by</p>

	<p>reference as though full set forth here. Should the Commission wish to see the justification included in that request, TURN requests the opportunity to supplement or amend this request accordingly. The \$10 increase for 2012 reflects the general 2.2% increase provided for in Resolution ALJ-281.</p> <p><u>Marcel Hawiger</u>: For Mr. Hawiger’s work in 2012, TURN seeks an hourly rate of \$375, an increase of 7.2% from the previously awarded rate of \$350 for 2010 and 2011. The increase is the general 2.2% increase provided for in Res. ALJ-281, plus the first of two 5% step increases available with his move in 2010 to the 13+ years experience tier.</p> <p><u>Hayley Goodson</u>: For Ms. Goodson’s work in 2011 and 2012, TURN has justified the requested hourly rates in a Request for Compensation pending in A.11-05-017, <i>et al.</i> The \$5 increase for 2011 reflects a step increase while she was in the 5-7 years experience tier (subject to the cap for that tier in that year). The \$25 increase sought for 2012 reflects her move to the 8-12 years experience tier. Rather than repeat the justification for the requested hourly rate, TURN refers the Commission to the pending request in A.11-05-017, <i>et al.</i> and asks that the relevant material be incorporated by reference as though full set forth here. Should the Commission wish to see the justification included in this request, TURN requests the opportunity to supplement or amend this request accordingly.</p> <p><u>Nina Suetake</u>: For Ms. Suetake’s work in 2012, TURN seeks an hourly rate of \$315, an increase of 7.2% from the previously awarded rate of \$295 for 2011. The increase is the general 2.2% increase provided for in Res. ALJ-281, plus the second of two 5% step increases available with her move in 2009 to the 5-7 years experience tier.</p>
<p>Comment 2</p>	<p>Hourly Rates for TURN Consultants:</p> <p>The following describes the basis for the requested consultant rates that have not been previously awarded as of the date of this Request for Compensation.</p> <p><u>Richard Kuprewicz - Accufacts, Inc.</u>: This is the first request for compensation that includes work performed by Richard Kuprewicz, President of Accufacts Inc., who served as TURN’s expert consultant and witness on pipeline safety and regulatory compliance issues. Mr. Kuprewicz has over 25 years of operational experience in the energy and pipeline industry and has been a consultant since 1999, focusing on pipeline safety and regulatory compliance. For his work in this proceeding in 2011 and 2012, TURN seeks an hourly rate of \$175, except for the 3 hours of live evidentiary hearing testimony (out of his total of 394 hours) for which Mr. Kuprewicz charged an hourly rate of \$375. TURN seeks these rates because they are the market rates charged by Mr. Kuprewicz and because they are at the low end of the range the Commission has established for 2011 and 2012 for expert witnesses with comparable experience.</p> <p>Mr. Kuprewicz graduated from the University of California, Davis, with B.S. degrees in Chemical Engineering and Chemistry in 1973. He earned an M.B.A. from Pepperdine University in 1976. From 1973 to 1985, he held various positions of increasing responsibility managing various refinery operations for Arco Products Company. From 1985 to 1993, he managed various pipeline operations for large oil companies, including overseeing the Trans Alaska Pipeline System and other Alaska pipeline assets for ARCO after the Exxon Valdez event. From 1993-1999, he served as Process Team Leader for Alaska Anvil Inc., where he provided engineering, procurement, and construction oversight to various clients on oil production facilities and where his duties included assuring regulatory compliance in pipeline</p>

and process safety management. Beginning in 1999, he assumed his current position as President of Accufacts Inc., in which he serves as a consultant and technical expert to clients on all matters related to gas and liquid pipeline siting, design, operation, risk analysis, and management.

Mr. Kuprewicz has consulted for a variety of state, local and federal agencies, non-governmental organizations, and pipeline industry members on pipeline regulation, operation and design, with particular emphasis on operation in unusually sensitive areas of high population density or environmental sensitivity. In addition, he was appointed by the U.S. Secretary of Transportation to serve as a public representative on the Technical Hazardous Liquid Pipeline Safety Standards Committee, a technical committee established by Congress to advise PHMSA on pipeline safety regulations. He has previously served as a representative of the public on the Executive Steering Committee that advised PHMSA and Congress on a report that culminated in new federal Integrity Management rules concerning gas distribution pipeline safety.

Dating back to 1985, Mr. Kuprewicz has over 25 years of experience, much of it hands-on, regarding the safe operation of pipelines in the energy industry. As of 2012, 13 of these years were specifically as a consultant and technical expert. TURN submits that, because Mr. Kuprewicz' pipeline operational experience is directly relevant to his testimony in this proceeding, the Commission should view him as having more than 25 years of experience for purpose of comparing the rates charged by Mr. Kuprewicz to the rate range guidelines established by the Commission. However, even if the Commission only views as relevant Mr. Kuprewicz' experience as a consultant, Mr. Kuprewicz's \$175 rate would still be at the low end of the range: in 2011, with 12 years experience, the range is \$155 -\$270 and in 2012, with 13 years experience, the range is \$160-\$400 dollars. Mr. Kuprewicz' special higher (\$375) rate applicable only to live testimony time is his standard rate for such work as well as a standard practice in the industry, applies to less than 1 percent of his total claimed hours, and is below the \$400 high end of the 2012 range for consultants with his experience.

In sum, Mr. Kuprewicz brought an important safety and technical perspective to TURN's analysis and testimony and to the record in this proceeding. His rates are consistent with the market rates for experts with his considerable experience and technical knowhow and are well within the Commission's established ranges. TURN submits that this information should be more than sufficient for the Commission to approve Mr. Kuprewicz' requested rates. However, should the Commission disagree and believe that it needs more information to support the request, TURN asks that we be given an opportunity to provide additional information before a draft decision issues on this compensation request.

JBS Energy, William Marcus – For Mr. Marcus, JBS Energy increased Mr. Marcus's hourly rate as of January 1, 2012, by \$10 to \$260, an increase of 4% over the \$250 rate it had charged for his work in each of the previous four years. JBS Energy last changed the hourly rate charged for his work in 2008, when his rate increased from \$220 to \$250. The Commission approved using the \$250 rate for work performed in 2008 in D.08-11-053 (in the Sempra GRC A.06-12-009). In mid-September 2012, the Commission issued Res. ALJ-281 adopting an across-the-board cost-of-living adjustment (COLA) that permits a 2.2% increase to previously authorized hourly rates. Had JBS Energy increased Mr. Marcus's 2012 hourly rate by 7.2%, TURN could have justified that rate by relying on the COLA plus a 5% increase as the first of the two "step" increases provided for in D.08-04-010 and reaffirmed in Res. ALJ-281. Therefore TURN submits that the Commission should find Mr. Marcus's 2012 hourly rate of \$260 to be reasonable due to its consistency with the COLA and a portion of the step increase

	provided for in those earlier decisions. Should the Commission wish to see further justification for this increase, TURN requests the opportunity to supplement or amend this request accordingly.
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D. CPUC Disallowances & Adjustments:

#	Reason
Adoption of M. Hawiger's 2012 hourly rate.	After reviewing TURN's comments, pursuant to D.13-08-022, M. Hawiger is awarded a 2012 hourly rate of \$375 per hour for work completed in 2012.
Adoption of H. Goodson's 2011 hourly rate.	After reviewing TURN's comments, pursuant to D.13-08-022, H. Goodson is awarded a 2011 hourly rate of \$300 per hour for work completed in 2011.
Adoption of H. Goodson's 2012 hourly rate.	After reviewing TURN's comments, pursuant to D.13-08-022, H. Goodson is awarded a 2012 hourly rate of \$325 per hour for work completed in 2012.
Adoption of N. Suetake's 2012 hourly rate.	After reviewing TURN's comments, pursuant to D.13-08-022, N. Suetake is awarded a 2012 hourly rate of \$315 per hour for work completed in 2012.
Adjustment to R. Kuprewicz's 2012 live testimony hourly rate.	After reviewing TURN's comments, and R. Kuprewicz's credentials, the Commission finds a rate of \$175 per hour for his live testimony in 2012 is reasonable. This is the rate requested by TURN for the balance of R. Kuprewicz's work. This determination considers: 1) that R. Kuprewicz has extensive experience in the subject matter, but no experience appearing before this Commission; and 2) Commission decisions and resolutions governing hourly rates do not provide for an expert to have different rates for different tasks. (total disallowance of \$600)
Adjustment to Consultant travel and lodging costs for Inappropriate claimed expenses	Travel within a radius of 120 miles or less is non-compensable. Therefore, TURN's claim for: consultants BART tickets to Commission (\$18), to a Hydrotest Workshop (\$20), and unidentified (\$16); and a taxi from SFO to the Commission (\$50), are disallowed (total \$104 disallowance).
Adjustment to Miscellaneous claimed costs for Inappropriate claimed expenses	The charge of the \$403.05 is an inappropriate claimed expense. Although TURN attributes the purchase of a catalog and a book from ASME titled, respectively, <i>Gas Transmission and Distribution Piping Systems</i> and <i>Managing System Integrity of Gas Pipelines</i> , to aid in its work in the proceeding. The Commission does not award intervenors with costs of basic operational services. Thus all costs associated with the purchase of this catalog and book are disallowed.
Adjustment to Parking costs for Inappropriate claimed expenses	Travel within a radius of 120 miles or less is non-compensable. Therefore, TURN's claim for consultants BART parking of \$1 is disallowed.
Increase in 2012 hourly rates.	Abiding by Resolution ALJ-281, 2012 hourly rates have been raised to reflect the 2.2% COLA adopted by the resolution.

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	None
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B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	Yes
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FINDINGS OF FACT

1. The Utility Reform Network has made a substantial contribution to Decision (D.) 12-12-030, D.11-06-017, D.11-09-006, D.12-04-047, D.12-12-009, and Resolution G-3453 and Resolution ALJ-274.
2. The requested hourly rates for The Utility Reform Network's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable contribution is \$660,524.59.

CONCLUSION OF LAW

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

ORDER

1. The Utility Reform Network is awarded \$660,524.59.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company shall pay The Utility Reform Network (TURN) 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 11, 2012, the 75th day after the filing of TURN's request, and continuing until full payment is made.

3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision? No
Contribution Decision(s):	Decision (D) 1212030, D1106017, D1109006, D1204047, D1212009, Resolution G-3453 and Resolution ALJ-274	
Proceeding(s):	R1102019	
Author:	ALJ Maribeth Bushey	
Payer(s):	Pacific Gas and Electric Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier	Reason Change/Disallowance
The Utility Reform Network	02/25/13	\$661,138.59	660,524.59	No	Incorrect hourly rates; Inappropriate claimed expenses; Resolution ALJ-281.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Thomas	Long	Attorney	The Utility Reform Network	\$520	2011	\$520
Thomas	Long	Attorney	The Utility Reform Network	\$530	2012	\$530
Marcel	Hawiger	Attorney	The Utility Reform Network	\$350	2010	\$350
Marcel	Hawiger	Attorney	The Utility Reform Network	\$350	2011	\$350
Marcel	Hawiger	Attorney	The Utility Reform Network	\$375	2012	\$375
Robert	Finkelstein	Attorney	The Utility Reform Network	\$470	2010	\$470
Robert	Finkelstein	Attorney	The Utility Reform Network	\$470	2011	\$470
Robert	Finkelstein	Attorney	The Utility Reform Network	\$480	2012	\$480
Haley	Goodson	Attorney	The Utility Reform Network	\$295	2010	\$295
Haley	Goodson	Attorney	The Utility Reform Network	\$300	2011	\$300
Haley	Goodson	Attorney	The Utility Reform Network	\$325	2012	\$325
Nina	Suetake	Attorney	The Utility Reform Network	\$315	2012	\$315
William	Nusbaum	Attorney	The Utility Reform Network	\$435	2011	\$435
R	Kuprewicz	Expert	The Utility Reform Network	\$175	2011	\$175
R	Kuprewicz	Expert	The Utility Reform Network	\$175	2012	\$175
R	Kuprewicz	Expert	The Utility Reform Network	\$375	2012	\$175
William	Marcus	Expert	The Utility Reform Network	\$250	2011	\$250
William	Marcus	Expert	The Utility Reform Network	\$260	2012	\$260
Greg	Ruszovan	Expert	The Utility Reform Network	\$195	2011	\$195
Greg	Ruszovan	Expert	The Utility Reform Network	\$195	2012	\$200

(END OF APPENDIX)