

Decision \_\_\_\_\_

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

Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company to Determine Violations of Public Utilities Code Section 451, General Order 112, and Other Applicable Standards, Laws, Rules and Regulations in Connection with the San Bruno Explosion and Fire on September 9, 2010.	Investigation 12-01-007 (Filed January 12, 2012)  (NOT CONSOLIDATED)
Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with Respect to Facilities Records for its Natural Gas Transmission System Pipelines.	Investigation 11-02-016 (Filed February 24, 2011)  (NOT CONSOLIDATED)
Order Instituting Investigation on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company's Natural Gas Transmission Pipeline System in Locations with Higher Population Density.	Investigation 11-11-009 (Filed November 10, 2011)  (NOT CONSOLIDATED)

**DECISION GRANTING COMPENSATION TO THE UTILITY REFORM  
NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION  
(D.) 15-04-021, D.14-04-023, AND D.15-04-024**

<b>Intervenor: The Utility Reform Network (TURN)</b>	<b>For contribution to Decision (D.) D.15-04-021, D.15-04-023, and D.15-04-024</b>
<b>Claimed: \$710,996.12</b>	<b>Awarded: \$709,652.91 (reduced 0.2%)</b>
<b>Assigned Commissioner: Michael Picker</b>	<b>Assigned ALJ: Amy Yip-Kikugawa</b>

**PART I: PROCEDURAL ISSUES**

<p><b>A. Consolidation</b></p>	<p>The Utility Reform Network (TURN) filed Notices of Intent to Claim Intervenor Compensation in I.12-01-007, I.11-02-016, and I.11-11-009. These proceedings collectively investigated Pacific Gas and Electric Company’s standards and practices in relation to the San Bruo Explosion and Fire on September 9, 2010 and related Natural Gas Pipeline safety issues. We therefore consolidate I.12-01-007, I.11-02-016, and I.11-11-009 for the limited purpose of addressing TURN’s intervenor compensation request filed in I.12-01-007.</p>
<p><b>B. Brief description of Decision:</b></p>	<p>D.15-04-021 in I.11-02-016 found that PG&amp;E committed numerous violations of § 451 of the PU Code, of G.O. 112 and of federal pipeline safety regulations and associated standards for its failure, over the course of many years, to properly maintain gas transmission pipeline records in a manner that allowed for safe operations and maintenance of its gas pipeline system.</p> <p>D.15-04-023 in I.12-01-007 found that PG&amp;E violated § 451 of the PU Code and several federal pipeline safety regulations. PG&amp;E’s violations resulted in large part due to its installation of a defective segment on Line 132 in violation of industry standards and § 451, and due to its subsequent inadequate record keeping, maintenance and operations practices, in violation of the integrity management program requirements. The Decision resolved various legal and factual issues related to the violations.</p> <p>D.15-04-024 in I.11-11-009 found that the number of PG&amp;E’s violations of laws and regulations would warrant a multi-billion dollar penalty. Based on a review of the applicable factors and circumstances, the Commission ordered PG&amp;E to refund customers \$400 million, pay \$850 million in costs for pipeline safety-related work, and pay for certain remedies, in addition to prior disallowances.</p>

**B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:**

	<b>Intervenor</b>	<b>CPUC Verified</b>
<b>Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):</b>		
1. Date of Prehearing Conference (PHC):	I.11-02-016 – March 17, 2011	Verified

	I.11-11-009 – February 03, 2012	Verified
	I.12-01-007 – February 14, 2012	Verified
2. Other specified date for NOI:	n/a	
3. Date NOI filed:	I.11-02-016 – April 18, 2011	Verified
	I.11-11-009 – March 05, 2012	Verified
	I.12-01-007 – March 15, 2012	Verified
4. Was the NOI timely filed?		Yes
<b>Showing of customer or customer-related status (§ 1802(b)):</b>		
5. Based on ALJ ruling issued in proceeding number:	See Comment	R.11-11-008
6. Date of ALJ ruling:	See Comment	01/03/2012
7. Based on another CPUC determination (specify):		
8. Has the Intervenor 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:	R.11-11-008 P. 10-08-016 See Comment	Verified
10. Date of ALJ ruling:	1/3/2012 11/22/2010	Verified
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes
<b>Timely request for compensation (§ 1804(c)):</b>		
13. Identify Final Decision:	D.15-04-024	Verified
14. Date of issuance of Final Order or Decision:	April 9, 2015	Verified
15. File date of compensation request:	June 8, 2015	Verified
16. Was the request for compensation timely?		Yes

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

#	Intervenor's Comment(s)	CPUC Discussion
General	Though these proceedings were not consolidated, many issues and pleadings overlapped. On May 22, 2015 TURN sent an email to ALJs Wetzell and Yip-Kikugawa informing them of TURN's intent to file one combined compensation request for the three proceedings and requesting their input if they disagreed with this proposed course of action. The ALJs did not respond with any disagreement.	
5, 6	TURN filed Notices of Intent in all three proceedings, but the ALJ did not issue Rulings on TURN's notices. 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. In these proceedings, TURN's notices of intent are relying on previous findings of significant financial hardship, as specified. TURN requests that the Commission find TURN eligible for compensation based on its customer-related status in the decision on this compensation request.	
9, 10	TURN provides the ALJ Rulings on TURN's financial hardship and customer status issued on 11/22/2010 and 01/03/2012, which cover the relevant time period one year prior to the issuance of the three proceedings covered by this compensation request.	

**PART II: SUBSTANTIAL CONTRIBUTION****A. Did the Intervenor substantially contribute to the final decision (*see* § 1802(i), § 1803(a), and D.98-04-059).**

Intervenor's Claimed Contribution(s) to D.15-04-021, D.15-04-023, and D.15-04-024	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
The Commission has already found that TURN actively participated in the San Bruno OII proceedings and contributed	D.15-04-024, pp. 169-170, agreeing with the POD.	Yes

<p>substantially to the violations decisions as well as the penalty decision.</p> <p>Below TURN enumerates the many specific ways in which TURN has made substantial contributions to these decisions.</p>		
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<p><b>Intervenor’s Claimed Contribution(s) to D.15-04-023 (I.12-01-007)</b></p>	<p><b>Specific References to Intervenor’s Claimed Contribution(s)</b></p>	<p><b>CPUC Discussion</b></p>
<p><b>Public Utilities Code Section 451</b></p> <p>TURN argued that, since its inception, Section 451 has imposed a separate and independent obligation on utilities to furnish and maintain safe facilities.</p> <p>The Commission agreed that Section 451 imposes a separate safety obligation, and concluded (as TURN argued) that there is no redundancy in the co-existence of the general, overarching safety obligation imposed by Section 451 and other specific safety requirements in GO 112 and federal regulations.</p>	<p>TURN Opening Brief, March 11, 2013, pp. 3-6.</p> <p>TURN Reply Brief, April 25, 2013, pp. 5-9.</p> <p>D.15-04-023, Section 4.2</p> <p>p. 28 -- “Moreover, as TURN points out, GO 112 itself made clear that Section 451 continued to apply separately and independently of the new rules by specifying in Section 104.4 that ‘[c]ompliance with these rules is not intended to relieve a utility from any statutory requirement.’ The Commission clearly intended that the new rules would be complementary to the utilities’ primary safety obligation and not redundant.”</p> <p>Pp. 249-50 (Conclusions of Law 2 and 3).</p>	<p>Yes</p>
<p><b>Construction of Segment 180: Original Pressure Test</b></p> <p>TURN argued that PG&amp;E violated § 451 by failing to conduct a pressure test in 1956 as recommended by industry</p>	<p>TURN Opening Brief, March 11, 2013, p. 13-14.</p>	<p>Yes</p>

<p>standards adopted in ASME B31.1.8.</p> <p>Furthermore, TURN rebutted PG&amp;E’s assertion that the testimony of Dr. Caligiuri demonstrated that PG&amp;E had, in fact, performed a hydrotest in 1956. TURN cross-examined Dr. Caligiuri extensively and showed that Caligiuri’s conclusions were not supported by the evidence, and that pressure spiking and cyclic fatigue could have caused the initial ductile tear and subsequent rupture.</p> <p>The Commission agreed that the 1955 ASME industry standard constituted a reasonable operating standard, and that failure to observe the standard was an unsafe practice in violation of Sec. 451. The Commission further found that Dr. Caligiuri’s analysis did not establish that a hydrotest had been conducted.</p>	<p>TURN Reply Brief, April 25, 2013, p. 13-14.</p> <p>TURN Reply Brief, April 25, 2013, p. 14-20.</p> <p>D.15-04-023, Sec. 5.1.2 p. 75 – “Thus, any failure to hydro-test a new Class 3 installation in 1956 was an unsafe practice in violation of Section 451.”</p> <p>p. 79 – “As TURN points out, Dr. Caligiuri had ruled out causes other than a post-installation pressure test, yet he acknowledged that fatigue crack growth analysis shows that the rupture would have occurred in less than ten years using actual Line 132 pressure data. Moreover, a burst pressure of 430 psig would mean that a ductile tear could have been caused by a pressure increase above 391 psig, which was exceeded by a 2003 spiking event and could have been exceeded prior to 2000 (PG&amp;E’s pressure records do not go back prior to that year).”</p>	
<p><b>Construction of Segment 180: Unsafe Condition of Segment 180</b></p> <p>TURN argued that, from the time of the installation of the defective Segment 180, PG&amp;E operated an unsafe pipeline in violation of Section 451.</p>	<p>TURN Opening Brief, March 11, 2014, pp. 14-16.</p> <p>TURN Reply Brief, April 25, 2013, pp. 12-13</p>	<p>Yes</p>

<p>The Commission agreed, citing to TURN’s opening brief.</p>	<p>D.15-04-023, §5.1.10  p. 93 -- “As TURN notes (TURN Opening Brief at 14), PG&amp;E witness Harrison testified that if PG&amp;E had known about the missing interior welds on the Segment 180 pups, it would have immediately ‘yank[ed] that pipe out of the ground.’ 3 Jt. Tr. 337-338. And as TURN further notes, that amounts to an admission that for 54 years, PG&amp;E operated an unsafe pipeline in violation of Section 451. TURN Opening Brief at 14.”</p>	
<p><b>Integrity Management: Seam Weld Defects</b></p> <p>TURN supported the analyses of CPSD and NTSB and argued that PG&amp;E should have considered and analyzed a variety of historical data and information regarding seam defects as part of its integrity management plan, and that consideration of such data would have resulted in identifying an unstable manufacturing threat. TURN also showed that PG&amp;E’s argument that an original mill test rendered any defect stable was unreasonable given the evidence.</p> <p>The Commission agreed that PG&amp;E failed to adequately incorporate and analyze known seam defect data into its integrity management program. The Commission agreed with TURN that PG&amp;E’s reliance on an original mill test was unreasonable.</p>	<p>TURN Opening Brief, March 11, 2013, p. 27-31.  TURN Reply Brief, April 25, 2013, p. 26-29.</p> <p>D.15-04-023, Sec. 5.2.4.2  p. 122 – “ Indeed, as TURN points out, the argument that the industry could rely on mill tests is illogical given the evidence that ASME B 31.1.8, Section 841.411 established a requirement for a post-construction, pre-operation field</p>	<p>Yes</p>

	strength test. TURN Opening Brief at 30. There would be no need for such requirements, later codified by both GO 112 and the CFR, if a mill test was adequate to assess integrity.”	
<p><b>Integrity Management: Cyclic Fatigue</b></p> <p>TURN supported the CPSD analysis that PG&amp;E should have assessed the threat of cyclic fatigue, especially on pipelines that lacked a post-installation pressure test.</p> <p>The Commission agreed and found that PG&amp;E violated federal regulations by failing to consider and test for the threat of cycling fatigue.</p>	<p>TURN Reply Brief, April 25, 2013, p. 29-31.</p> <p>D.15-04-023, Sec. 5.2.4.3, p. 125-128.</p>	Yes
<p><b>Integrity Management: Pressure Spiking on Line 132</b></p> <p>TURN showed that PG&amp;E’s intentional pressure spiking of Line 132 should have resulted in considering any identified manufacturing threat as unstable, based on federal regulations and the timing and extent of pressure spiking.</p> <p>The Commission agreed and found that PG&amp;E violated federal regulations by not classifying the manufacturing defects on Line 132 as unstable after the pressure increase.</p>	<p>TURN Opening Brief, March 11, 2013, p. 20-23.</p> <p>TURN Reply Brief, April 25, 2013, p. 31-35.</p> <p>D.15-04-023, Sec. 5.2.4.4.2, p. 133-139.</p> <p>p. 136-137: “ Also, as TURN explains (TURN Opening Brief at 28), PG&amp;E did not consider Segment 180 to be greater than 50 years old at the time of its 2004 BAP because Segment 180 was installed in 1956. However, the age of the pipe should be measured from its manufacturing date, not its installation date. Id., referring to 10 Jt. Tr. 966.”</p>	Yes
<p><b>Integrity Management: BAP Method</b></p> <p>TURN supported the CPSD position</p>	TURN Opening Brief, March	Yes

<p>that PG&amp;E failed to use an appropriate method to evaluate the unstable manufacturing threats by focusing on the use of ECDA, rather than hydrotesting or ILL.</p> <p>The Commission agreed that PG&amp;E ignored available information and thus violated federal regulations by using an inappropriate assessment method.</p>	<p>11, 2013, p. 18-20.</p> <p>TURN Reply Brief, April 25, 2013, p. 31-35.</p> <p>D.15-04-023, Sec. 5.2.4.4.3, p. 139-141.</p>	
<p><b>Integrity Management: Violations on Other Lines</b></p> <p>TURN provided testimony showing that intentional pressure spiking on Lines other than Line 132 should have resulted in the use of other assessment methods to evaluate the threat of an unstable manufacturing defect.</p> <p>The Commission agreed that PG&amp;E's intentional pressure spiking affected other pipeline segments, but did not find that TURN's analysis supported the finding of separate violations.</p>	<p>Exh. TURN-01, Testimony of Marcel Hawiger, April 24, 2012, p. 13-20.</p> <p>TURN Opening Brief, March 11, 2015, p. 38-41.</p> <p>D.15-04-023, Sec. 6.1, p. 206-207 ("Where CPSD focused its analysis in this proceeding on Line 132, TURN has shown that the violations affected more than just Segment 180 and Line 132. However, we do not find that TURN has supported the determination of violations separate and distinct from those noted above.")</p>	<p>Yes</p>

<b>Intervenor's Claimed Contribution(s) to D.15-04-021 (I.11-02-016)</b>	<b>Specific References to Intervenor's Claimed Contribution(s)</b>	<b>CPUC Discussion</b>
<p><b>Public Utilities Code § 451</b></p> <p>TURN argued that, since its inception, Section 451 has imposed a separate and independent obligation on utilities to maintain the records necessary to furnish and maintain safe facilities.</p>	<p>TURN Opening Brief, March 25, 2013, pp. 4-7.</p> <p>TURN Reply Brief, April 24, 2013, pp. 4-9.</p>	<p>Yes</p>

<p>Citing extensively to TURN’s briefs, the Commission agreed that Section 451 imposes a separate safety obligation, and concluded (as TURN argued) that there is no redundancy in the co-existence of the general, overarching safety obligation imposed by Section 451 and other specific safety requirements in GO 112 and federal regulations.</p>	<p>D.15-04-021, §5.3, pp. 48-63  p. 53 – “Moreover, as noted by TURN, if Pub. Util. Code § 451 did not serve as a separate and individual basis for finding safety violations, as asserted by PG&amp;E, that would mean that ‘prior to the effective date of GO 112 in 1961, California had no laws mandating the safe operation of gas and electric facilities – meaning that for the prior 50 years that PG&amp;E operated gas facilities, it could engage in unsafe practices with impunity.’ [quoting TURN’s Reply Brief] Clearly, the Legislature would never have intended such an absurd result.”  p. 54 – “Further as noted by TURN, ‘GO 112 and its successors were efforts by the Commission to establish clear “minimum requirements” for transmission pipeline safety, as much as could reasonably be expressed in a code of safety rules. Furthermore, GO 112 explicitly did not address requirements for ‘abnormal or unusual conditions’ and did not prescribe ‘all details of engineering and construction.’” [quoting TURN’s Reply Brief]  p. 55 – “As noted by TURN ‘Section 451 and the GO 112 series of regulations are complementary efforts designed to ensure that utilities promote safety in every aspect of their gas operations.’” [quoting TURN’s Reply Brief]</p>	
<p><b>Public Utilities Code § 463</b>  TURN argued that, for ratemaking purposes, the Commission should also consider whether disallowances based on PG&amp;E imprudence are</p>	<p>TURN Opening Brief, March 25, 2013, pp. 7-9.</p>	<p>Yes</p>

<p>appropriate.</p> <p>Citing TURN’s testimony, the Commission agreed that it had the authority to consider the prudence of PG&amp;E’s actions and to consider whether ratemaking disallowances were appropriate.</p>	<p>D.15-04-021, pp. 77-81, quoting TURN’s testimony on p. 80.</p>	
<p><b>Violations Related to Segment 180 – Design and Installation of Segment 180</b></p> <p>In support of CPSD, TURN conducted cross-examination and presented briefing arguing that PG&amp;E violated Section 451 by failing to have accurate records regarding the source, specifications, and reconditioning of the failed pipe in Segment 180.</p> <p>The Commission found that PG&amp;E lacked sufficient and accurate records regarding the design and installation of Segment 180, including the possibility that PG&amp;E used salvaged pipe without proper reconditioning.</p>	<p>TURN Opening Brief, March 25, 2013, pp. 17-19.</p> <p>TURN Reply Brief, April 24, 2013, pp. 16-17.</p> <p>D.15-04-021, pp. 86-89.</p>	<p>Yes</p>

<p><b>Violations Related to Segment 180 – Pressure Test Records</b></p> <p>In support of CPSD, TURN argued that PG&amp;E violated Section 451 in failing to document a pre-service pressure test of Segment 180, in light of PG&amp;E’s acknowledgment that it had followed the 1955 ASME standards.</p> <p>The Commission found that PG&amp;E violated Section 451 by failing to retain a record of a pressure test, in light of PG&amp;E’s representation that it was complying with the 1955 ASME standards.</p>	<p>TURN Opening Brief, March 25, 2013, pp. 20-21.</p> <p>TURN Reply Brief, April 24, 2013, pp. 18-19.</p> <p>D.15-04-021, pp. 96-99.</p>	<p>Yes</p>
<p><b>Violations Related to All Transmission Lines – Pressure Test Records</b></p> <p>Based on an exhibit (TURN-4) prepared by TURN and entered into the record through TURN’s cross examination, TURN showed that PG&amp;E lacked pressure test records for at least 23,760 pipe segments, in violation of the ASME standards, GO 112 and Section 451.</p> <p>Citing Exhibit TURN-4, the Commission found that PG&amp;E violated the ASME standards, GO 112 and Section 451 by failing to retain pressure test records for these segments.</p>	<p>TURN Opening Brief, March 25, 2013, pp. 21-24.</p> <p>TURN Reply Brief, April 24, 2013, pp. 19-20.</p> <p>D.15-04-021, pp. 151, 154-155.</p>	<p>Yes</p>
<p><b>Violations Related to All Transmission Lines – Salvaged and Reused Pipe</b></p> <p>In support of CPSD, TURN conducted cross-examination and presented briefing arguing that PG&amp;E violated Section 451 by</p>	<p>TURN Opening Brief, March 25, 2013, pp. 25-28.</p>	<p>Yes</p>

<p>failing to track its use of reconditioned pipe in its system and by failing to document the work performed to recondition pipe prior to installation.</p> <p>The Commission found that PG&amp;E violated Section 451 by failing to retain records showing that it had properly reconditioned used pipe prior to installation and by failing to keep track of where reused or reconditioned pipe had been installed.</p>	<p>D.15-04-021, pp. 175-178, citing to TURN’s cross-examination on p. 176, fn. 566.</p>	
<p><b>Violations Related to All Transmission Lines – Data in GIS</b></p> <p>In support of CPSD, TURN conducted cross-examination and presented briefing arguing that PG&amp;E failed to make reasonable efforts to verify the accuracy of information in its GIS system in violation of Section 451.</p> <p>The Commission found that PG&amp;E did not verify the accuracy of the data used in its GIS system and that the inaccurate, missing or assumed data in the system prevented PG&amp;E from operating its transmission system in a safe manner, in violation of Section 451.</p>	<p>TURN Opening Brief, March 25, 2013, pp. 28-31.</p> <p>TURN Reply Brief, April 24, 2013, pp. 20-22.</p> <p>D.15-04-021, pp. 184-185.</p>	<p>Yes</p>

<b>Intervenor's Claimed Contribution(s) to D.15-04-024 (Penalties Decision)</b>	<b>Specific References to Intervenor's Claimed Contribution(s)</b>	<b>CPUC Discussion</b>
<p><b>Commission Authority to Impose Remedies Other than Fines</b></p> <p>TURN argued that, in addition to levying fines pursuant to Section 2017, the Commission had the authority to disallow recovery of costs of safety-related spending that would otherwise be recovered from ratepayers. TURN pointed out that D.12-12-030 made PSEP costs charged to ratepayers subject to disallowance and TURN recommended that those costs be disallowed.</p> <p>The Commission found that it had authority to disallow expenditures that are needed to redress violations found in these cases. The Commission noted that, under the subject-to-refund language in D.12-12-030, it had authority to require PG&amp;E's shareholders to absorb costs that the PSEP Decision originally allocated to ratepayers. Although the Commission ultimately decided to disallow future safety-related costs in PG&amp;E's GT&amp;S case, the Commission agreed with TURN's analysis of the Commission's authority.</p>	<p>TURN Opening Brief on Fines and Penalties, May 6, 2013, pp. 4-9.</p> <p>D.15-04-024, §4.2, pp. 27, 30.</p>	<p>Yes</p>
<p><b>Penalty Factors: Severity of the Offense and Conduct of the Utility</b></p> <p>TURN argued that PG&amp;E's violations should be found severe based on both the physical and</p>	<p>TURN Opening Brief on Fines and Penalties, May 6, 2013, pp. 25-26.</p>	<p>Yes</p>

<p>economic harm caused by the violations, including the economic harm to San Bruno residents and ratepayers generally.</p> <p>TURN argued that PG&amp;E’s conduct in preventing, detecting, and rectifying the violation warranted a maximum fine, including the points that PG&amp;E’s compliance with post-explosion mandates should not be considered a mitigating factor and that PG&amp;E had withheld responsive information from a TURN-CPSD data request in the Recordkeeping case.</p> <p>The Commission found all of PG&amp;E’s offenses to be severe, and agreed with TURN that PG&amp;E’s violations caused economic harm to ratepayers.</p> <p>The Commission found that PG&amp;E did not act in good faith to discovery, disclose and remedy the violations, finding, e.g., that PG&amp;E’s post-explosion compliance with mandates was not evidence of good faith and that PG&amp;E had failed to properly respond to data requests in the Recordkeeping case.</p>	<p>TURN Reply Brief on Fines and Penalties, June 7, 2013, p. 3.</p> <p>TURN Opening Brief on Fines and Penalties, May 6, 2013, pp. 26-28.</p> <p>TURN Reply Brief on Fines and Penalties, June 7, 2013, pp. 3-4, 16-26.</p> <p>D.15-04-024, §5.1, pp. 43-48.</p> <p>p. 44 – “We find that PG&amp;E’s violations have caused economic harm to ratepayers. As noted by TURN, the San Bruno explosion caused economic harm to the residents of San Bruno.”</p> <p>D.15-04-024, §5.2, pp. 53-56.</p>	
<p><b>Penalty Factors: PG&amp;E Financial Resources</b></p> <p>TURN conducted extensive discovery and cross examination, and provided extensive argument in various pleadings to support</p>	<p>TURN Opening Brief on Fines and Penalties, May 6, 2013, p. 28-43.</p> <p>TURN Reply Brief on Fines and</p>	<p>Yes</p>

<p>the Overland analysis concerning PG&amp;E’s ability to pay a penalty of over \$2 billion without harming ratepayers or impairing the utility’s financial health. TURN was one of the few parties to cross examine PG&amp;E’s witness Fornell concerning his analysis, and TURN rebutted PG&amp;E’s specific arguments against the Overland analysis and metrics.</p> <p>The Commission concluded that PG&amp;E’s rebuttal to Overland’s analysis was unconvincing, and that PG&amp;E could issue non-revenue producing equity while meeting investor expectations. The Commission also agreed with TURN that Wall Street expectations indicate that a penalty amount of \$2.25 billion is in the range of Wall Street expectations and would not negatively impact ratepayers.</p>	<p>Penalties, June 7, 2013, p. 47-51.</p> <p>D.15-04-024, Sec. 5.3, p. 57-71.</p> <p>D.15-04-024, p. 59 (describing TURN’s positions and recommendations related to penalty factors).</p> <p>D.15-04-024, p. 68 (“As TURN notes ‘The Commission should be cognizant of Wall Street expectations only to the extent they may affect the company’s financial health to such an extent that they affect utility ratepayers.’ In this respect, Wall Street has signaled that CPSD’s proposed penalty amount may not have the adverse impact on PG&amp;E’s financial health predicted by PG&amp;E.”) (footnotes omitted)</p>	
<p><b>Structure of Penalty Amount</b></p> <p>TURN strongly advocated for fines and penalties that include both a fine payable to the General Fund, in order to provide deterrence, as well as a disallowance of utility costs in order to reimburse ratepayers for numerous safety investments made necessary due to PG&amp;E’s violations. TURN recommended a fine of \$670 million and disallowances of approximately \$1 billion in costs, resulting in an after-tax impact of \$1.46 billion.</p>	<p>TURN Opening Brief on Fines and Penalties, May 6, 2013, pp. vii-viii, 2-3.</p> <p>TURN Reply Brief on Fines and Penalties, June 7, 2013, p. 8-9.</p> <p>Joint Parties’ Appeal of the POD, October 2, 2014, p. 12-21.</p> <p>Remedies POD, September 2, 2014,</p>	<p>Yes</p>

<p>The original POD recommended a \$950 fine, a disallowance of \$400 million, and PG&amp;E payment for additional remedies of up to \$50 million. The final Decision 15-04-024 agreed with the Joint Parties (TURN, ORA and CCSF) that a greater PG&amp;E contribution to gas safety spending was warranted, and the Commission adopted a \$300 million fine, a \$400 million rebate, an \$850 million disallowance of future costs, and payment for additional remedies of up to \$50 million.</p>	<p>p. 80-83.  D.15-04-024, Sec. 6, p. 77-94  D.15-04-024, p. 79 (“Similarly, we take into consideration CPSD and parties’ proposals that any penalty imposed should consist of a combination of a fine paid to the state’s General Fund, a disallowance of rate recovery of certain costs associated with improving PG&amp;E’s gas transmission pipeline system and recordkeeping systems, shareholder-funded improvements to PG&amp;E’s gas pipeline system, and other remedies.”)  D.15-04-024, p. 89 (“This decision differs from the Penalties POD, which would impose a \$950 million fine on PG&amp;E to be paid to the General Fund under PU Code section 2107. We prefer to allocate more resources to infrastructure improvements, and doing so is supported by the record in this proceeding.”)</p>	
<p><b>Amount of Penalty: Unrecovered Costs</b></p> <p>PG&amp;E argued that various past costs incurred by the company should be counted against any potential penalty. TURN showed that PG&amp;E’s alleged “unrecovered costs” were speculative, constituted normal cost overruns and/or contravened ratemaking principles.</p> <p>The Commission agreed that PG&amp;E’s alleged unrecovered costs were speculative and should not be credited against any penalty.</p>	<p>TURN Reply Brief on Fines and Penalties, June 7, 2013, p. 29-44.</p> <p>D.15-04-024, p. 82-85  D.15-04-024, p. 82 (“We are unpersuaded by PG&amp;E’s arguments that ‘other unrecoverable gas transmission costs in 2013 and beyond’ should be counted in any penalties imposed here. Many of the</p>	<p>Yes</p>

	unrecoverable costs identified by PG&E are both outside of the scope of this proceeding and speculative and should be given no weight.”)	
<p><b>Other Remedies</b></p> <p>TURN proposed four other remedies relating to: (1) tracking in a centralized database where PG&amp;E has placed re-used or otherwise reconditioned pipe; (2) documenting all assumptions made in MAOP Validation; (3) funding costs of an independent audit of MAOP Validation; and (4) funding an independent audit of Project Mariner.</p> <p>The Commission adopted TURN’s first proposed remedy and incorporated the other three into other adopted remedies.</p> <p>The Commission adopted CPSD’s proposed remedy for PG&amp;E to implement the recommendations of the PwC audit, a document that TURN entered into the record through its testimony in I.11-02-016.</p>	<p>TURN Opening Brief on Fines and Penalties, May 6, 2013, pp. viii-x, 47-49.</p> <p>D.15-04-024, pp. 140, 144-145, 159, Appendix E, p. 13.</p> <p>D.15-04-024, p. 146</p>	<p>Yes</p>

<p><b>Intervenor’s Claimed Contribution(s) on Procedural Matters Related to I.12-01-007 and I.11-02-016</b></p>	<p><b>Specific References to Intervenor’s Claimed Contribution(s)</b></p>	<p><b>CPUC Discussion</b></p>
<p><b>Overview:</b> Given the high stakes involved in these cases, numerous important procedural issues were hotly contested. Either by itself or as part of a coalition involving other parties, TURN won several procedural victories in I.12-01-007 and I.11-02-016 (and sometimes on matters relating to all three of the San Bruno OIIs).</p>		<p>Yes</p>

<p>Examples of these victories are documented below.</p>		
<p>In I.12-01-007, TURN (joined by City of San Bruno and DRA) filed a motion to exclude Exhibit PG&amp;E-43, the “Hall &amp; Associates conclusions document.”</p> <p>The Commission granted the motion.</p>	<p>Motion of TURN et al, February 5, 2013.</p> <p>ALJ Ruling, I.12-01-007, February 13, 2013.</p>	<p>Yes</p>
<p>In I.12-01-017, TURN opposed a motion by PG&amp;E to strike two citation references in TURN’s opening brief.</p> <p>The Commission agreed with TURN with respect to one of the citations and denied PG&amp;E’s motion with respect to that citation.</p>	<p>Response of TURN to PG&amp;E Motion, April 5, 2013.</p> <p>Email ruling in I.12-01-007, April 8, 2013, memorialized in ALJ’s Second Ruling Memorializing E-Mail Rulings, May 2, 2013, #18.</p>	<p>Yes</p>
<p>In I.12-01-007, I.11-02-016 and I.11-11-009, TURN filed a pleading in support of CPSD’s motion to strike portions of PG&amp;E’s “Coordinated Remedies Brief,” based on extra-record information related to amounts claimed to be paid by PG&amp;E shareholders.</p> <p>The Commission granted CPSD’s motion.</p>	<p>Response of TURN to CPSD Motion to Strike, May 31, 2013.</p> <p>Email ruling in I.12-01-007, I.11-02-016 and I.11-11-009, June 3, 2013, memorialized in ALJ’s Third Ruling Memorializing E-Mail Rulings, May 2, 2013, #2.</p>	<p>Yes</p>
<p>In I.12-01-007, I.11-02-016 and I.11-11-009, TURN (joined by DRA) filed in support of CPSD’s motion to file an amended brief on fines and remedies issues. TURN and ORA pointed out that CPSD’s motion was appropriate in light of “unorthodox events” related to CPSD’s original fines</p>	<p>Joint Response of DRA and TURN to CPSD Motion to File Amended Brief, July 10, 2013.</p>	<p>Yes</p>

and remedies proposal. The Commission granted the motion.	Email ruling in I.12-01-007, I.11-02-016 and I.11-11-009, July 12, 2013, memorialized in ALJ's Third Ruling Memorializing E-Mail Rulings, May 2, 2013, #3.	
In I.12-01-007, I.11-02-016 and I.11-11-009, TURN (along with other parties), opposed PG&E's motion to reopen the record based on CPSD's revised penalty recommendation in its amended brief.  The Commission denied PG&E's motion, agreeing with TURN's analysis that CPSD's new recommendation did not present new facts, but rather reached different conclusions based on existing facts in the record.	Opposition of TURN to Motion of PG&E to Reopen the Record, July 26, 2013.  ALJ Ruling in I.12-01-007, I.11-02-016 and I.11-11-009, August 1, 2013.	Yes
In I.12-01-007, I.11-02-016 and I.11-11-009, TURN and ORA filed a joint motion to strike portion of PG&E's August 21, 2013 response to the ALJs' questions.  The Commission granted the motion.	Joint Motion of DRA and TURN to Strike References Outside the Record in PG&E's Response to the ALJs' July 30, 2013 Ruling, September 9, 2013.  ALJ Ruling, September 16, 2013.	Yes

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

	<b>Intervenor's Assertion</b>	<b>CPUC Discussion</b>
<b>a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?<sup>1</sup></b>	Yes	Yes
<b>b. Were there other parties to the proceeding with positions similar to yours?</b>	Yes	Yes

<sup>1</sup> The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p><b>c. If so, provide name of other parties:</b> CPSD, City and County of San Francisco, City of San Bruno</p>	<p><b>Yes</b></p>
<p><b>d. Intervenor’s claim of non-duplication:</b></p> <p>TURN became involved in these cases because of their obvious importance to pipeline safety and to ratepayers -- as well as the clear relationship with PG&amp;E’s PSEP case, in which TURN was a key party. TURN notes that the OIIs specifically invited participation of other parties. PG&amp;E brought to bear not just its considerable in-house legal resources, but tremendous resources of a large outside law firm. It quickly became apparent that, because of its limited resources, CPSD could benefit from assistance from other aligned parties with significant experience in CPUC matters. TURN worked cooperatively with CPSD to ensure that it was complementing, and not duplicating, CPSD’s work, with regard to TURN’s testimony, discovery, cross-examination, and briefing. In addition, early on, TURN determined that these cases had the potential to lead to significant issues about rate recovery for work to remediate PG&amp;E’s violations, and TURN recognized that CPSD lacked TURN’s ratemaking expertise. TURN was the first party with ratemaking expertise to participate actively in these cases; ORA became an active participant later in the cases. TURN’s ratemaking expertise and experience in the PG&amp;E PSEP case proved particularly important in making informed recommendations regarding the allocation of penalties among refunds and disallowances.</p> <p>In addition, TURN sometimes found it necessary to offer views contrary to those of CPSD. When TURN believed that CPSD management was causing the division to advocate for a penalty that was contrary to the public interest, TURN was a loud voice in opposition to CPSD’s proposal, which CPSD ultimately modified to more closely reflect TURN’s recommendation, as reflected in CPSD’s “Amended Reply Brief on Fines and Remedies” filed on July 16, 2013.</p> <p>Because of the mismatch of resources between PG&amp;E, on the one hand, and CPSD and intervenors on the other hand, TURN joined in numerous meetings and calls with CPSD, ORA, CCSF and City of San Bruno to coordinate our efforts and avoid duplication. 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. Often, this coordination led to joint pleadings from some or all of these parties, such as the appeal of the Penalties POD, in order to conserve resources. In other situations, the parties found it strategically important to present separate views and pleadings that reflected the different perspective and areas of focus of the aligned parties. For example, the aligned parties each presented different proposals for penalties and other remedies, which reflected the different perspective of each of the parties, and provided the Commission with a variety of well-explained options for its final penalty determination.</p> <p>In sum, TURN brought an important and unique perspective, as well as considerable experience in ratemaking and enforcement matters, to a case in which CPSD and the intervenors worked cooperatively and (generally) collaboratively to complement each others’ efforts and to avoid undue duplication. Accordingly, the Commission should find that TURN’s participation was efficiently coordinated with the</p>	<p><b>Yes</b></p>

<p>participation of other aligned parties 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 those other parties.</p>	
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**C. Additional Comments on Part II:**

#	Intervenor’s Comment	CPUC Discussion
<p>Contributions to D.15-04-023</p>	<p><u>Support for CPSD Analysis:</u>                      As is apparent from the text of D.15-04-023, many of the primary factual arguments and analyses were advanced by CPSD witness Stepanian, based on his analysis and on the NTSB San Bruno report. However, on legal issues TURN provided separate legal analysis and argument. On certain factual issues related to integrity management, TURN conducted additional cross-examination and provided argument and analysis that substantiated and/or contributed to the CPSD positions.</p>	<p>Verified</p>
<p>Contributions to D.15-04-021</p>	<p><u>Support for CPSD Analysis:</u>                      As is also apparent from the text of D.15-04-021, many of the primary factual arguments and analyses were advanced by CPSD witnesses. However, as in I.12-01-007, on legal issues TURN provided separate legal analysis and argument. With respect to PG&amp;E’s recordkeeping management, TURN’s testimony presented the PwC report that was referenced frequently in the decision. TURN also developed through discovery and cross examination the key facts related to PG&amp;E’s failure to retain pressure test records for tens of thousands of segments. On various other factual issues related to reconditioned pipe and GIS errors, TURN conducted additional cross-examination and provided argument and analysis that substantiated and/or contributed to the CPSD positions.</p>	<p>Verified</p>
<p>All</p>	<p>TURN suggests that the Decisions demonstrate that TURN made a substantial contribution on most, if not all, of the issues which it addressed in this proceeding. There were a few issues on which the Commission did not fully adopt TURN’s recommendations or analyses. For example, the Commission disallowed future costs, rather than requiring shareholders to cover past costs, as</p>	<p>Verified</p>

	<p>recommended by TURN. Nevertheless, TURN suggests that the breadth and scope of its contributions to these decisions warrants compensation for all of TURN’s time and expenses in these proceedings based on the standards of the intervenor compensation statute.</p> <p>The Commission has interpreted the Section 1802(i) definition of “substantial contribution,” in conjunction with Section 1801.3, so as to effectuate the legislature’s intent to encourage effective and efficient intervenor participation. The statutory provision of “in whole or in part,” as interpreted by multiple Commission decisions on intervenor compensation requests, has established as a general proposition that when a party makes a substantial contribution in a multi-issue proceeding, it is entitled to compensation for time and expenses even if it does not prevail on all of the issues. See, for example, D.98-04-028; D.98-08-016, pp. 6, 12; D.00-02-008, pp. 4-7, 10.</p> <p>The standard for an award of intervenor compensation is whether TURN made a substantial contribution to the Commission’s decision, not whether TURN prevailed on each and every particular issue. See, D.08-04-004, pp. 5-6; D.09-04-027, p. 4; D.10-06-046, p. 5.</p> <p>In this case, TURN’s position and/or analyses were adopted on most of the issues addressed by TURN in testimony or briefs. TURN thus suggests that full compensation for all hours and expenses is warranted in these proceedings.</p>	
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**PART III: REASONABLENESS OF REQUESTED COMPENSATION**

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

<p><b>a. Intervenor’s claim of cost reasonableness:</b></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. TURN can take a significant share of credit for the \$400 million refund to ratepayers and the \$850 million of shareholder-funded safety improvements, all of which will benefit ratepayers. The requested compensation amount is a very small fraction of the ratepayer savings and other benefits directly attributable to</p>	<p><b>CPUC Discussion</b></p> <hr/> <p>Verified</p>
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<p>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 helped to enhance public safety, in addition to leading to an allocation of penalty amounts that will benefit ratepayers. Furthermore, TURN’s recommendations on significant legal issues, such as the applicability of §451 as a stand-alone safety obligation, were adopted by the Commission. These recommendations have important, but not easily quantifiable, policy impacts on ratepayers. Accordingly, the Commission should conclude that TURN’s overall request is reasonable in light of the substantial benefits to PG&amp;E ratepayers and to public safety that are directly attributable to TURN’s participation in the case.</p>	
<p><b>b. Reasonableness of hours claimed:</b></p> <p><b><u>ATTORNEY HOURS:</u></b></p> <p>TURN’s request in this case includes approximately 1,370 hours of attorney time, including approximately 885 hours contributed by TURN’s Legal Director Thomas Long and approximately 480 hours by TURN’s staff attorney Marcel Hawiger. TURN suggests that such an amount of time, while undoubtedly considerable, is quite reasonable for given the level of work and contentious litigation required for the San Bruno proceedings.</p> <p><u>Thomas Long</u></p> <p>Mr. Thomas Long was TURN’s lead attorney in the San Bruno investigations. Mr. Long conducted significant research, discovery and cross-examination and prepared numerous pleadings related to the following general topics in dispute in these proceedings:</p> <ul style="list-style-type: none"> <li>• The legal authority of the CPUC to impose certain penalties and/or remedies, including ratemaking disallowances;</li> <li>• The scope and applicability of Public Utilities Code Sections 451 and 463, as well as the many iterations of General Order 112, and the federal pipeline safety regulations;</li> <li>• PG&amp;E’s recordkeeping obligations with respect to Segment 180, its entire transmission system, and the management of its recordkeeping systems;</li> <li>• PG&amp;E’s obligations under Integrity Management regulations;</li> <li>• The appropriate size of the penalty under applicable CPUC standards and other applicable law;</li> <li>• The appropriate allocation of the penalty among fines, refunds, disallowances and other requirements; and</li> <li>• Numerous procedural issues, as detailed in the substantial contribution section of this pleading.</li> </ul> <p>Mr. Long took over (from Mr. Hawiger) sole responsibility for I.11-02-016 in February 2012. In addition to conducting discovery, cross-examination and preparation of pleadings, Mr. Long also presented his own testimony regarding an</p>	<p>Verified. TURN in its intervenor compensation claim in R.11-02-019 noted that it would claim its settlement hours attributable to that proceeding in a separate intervenor compensation claim. The Commission finds it reasonable to compensate TURN for such hours in this compensation decision.</p>

internal consultant report (the PwC Report) regarding PG&E's management of its recordkeeping systems and regarding disallowances as an appropriate remedy for PG&E's violations. In this way, TURN was able to achieve an extra measure of efficiency by combining attorney and witness responsibilities.

With respect to I.12-01-007 and the penalty issues applicable to the three cases, Mr. Long and Mr. Hawiger jointly represented TURN, conferring as necessary to coordinate strategy and to divide up issues and responsibilities to avoid overlap as much as possible.

#### Marcel Hawiger

Mr. Hawiger provided litigation support in proceeding I.12-01-007. Mr. Hawiger submitted expert testimony concerning the extent of PG&E's violations of Integrity Management regulations caused by PG&E's pressure spiking of other transmission lines in addition to Line 132. Mr. Hawiger also provided expert testimony concerning PG&E's deficient integrity management assessment methods for certain manufacturing threats. His testimony was identified as Exhibit TURN-01 in I.12-01-007.

Mr. Hawiger devoted approximately 500 hours to work in these proceedings. Mr. Hawiger conducted significant research, discovery and cross-examination and took the lead in preparing sections of pleadings related to the following general topics in dispute in these proceedings:

- The impact of pressure spiking and cyclic fatigue on unstable manufacturing threats;
- PG&E's inappropriate use of ECDA as the primary evaluation method on multiple pipelines;
- PG&E's financial resources to pay \$2.2 billion in fines and penalties, including potential impacts on borrowing costs and ratepayer impacts;
- The different tax impacts on PG&E and ratepayers of fines versus disallowances; and
- The deficiencies in PG&E's arguments that any penalty be reduced to account for alleged past "unrecovered costs."

TURN requests compensation for all of Mr. Hawiger's time in these proceedings. TURN suggests that 500 hours is a reasonable amount of time given the significant issues and extensive and active litigation and settlement negotiation that occurred over the course of almost four years. Mr. Hawiger's dual role as attorney and expert witness in I.12-01-007 reduced time and expenses for outside consulting and contributed to efficiency in addressing the relevant integrity management issues.

#### Time Pursuing a Global Settlement

TURN here claims its time devoted to extensive negotiations among the parties to the three San Bruno investigations and the PG&E PSEP case (R.11-02-019) in an effort to reach a "global settlement" of those four proceedings – a total of approximately 220 hours for both TURN attorneys. These settlement discussions were dubbed "global" because they related to the intertwined issues in all four cases. Although one of the

cases that was under discussion in the negotiations was the PSEP portion of R.11-02-019, TURN claims those hours here because, as TURN explained in its compensation claim in R.11-02-019 resulting in D.13-09-022, TURN found that it was 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. As a result, TURN did not claim any of these settlement hours in R.11-02-019. Instead, TURN claims these hours here because they were integrally related to TURN's work in the San Bruno investigations.

Although the negotiations were ultimately not successful in reaching a settlement, these hours should be fully compensated in light of the Commission's policy of encouraging settlement efforts. TURN notes that, recently in D.14-02-014 and D. 15-01-049, the Commission made no reduction to TURN's requested compensation for time spent in unsuccessful settlement negotiations. The settlement talks here were purposeful and assisted in clarifying and focusing the disputed issues among the parties. In particular, the negotiations helped lead to the development of many of the positions and remedies that TURN proposed in its pleadings in these cases.

Consistent with his role as lead attorney, Mr. Long served as TURN's lead negotiator, with Mr. Hawiger joining the negotiations on a limited basis as necessary, particularly when the discussions related to matters within his areas of focus. TURN urges the Commission to find that the number of hours TURN attorneys spent on settlement talks was reasonable and that the overall effort contributed to some of TURN's substantial contributions in the case.

#### Hours Related to I.11-11-009

TURN here claims a relatively small number of hours (10.0) for time related to I.11-11-009. Although TURN is not claiming a substantial contribution to the Violations Decision in that docket, TURN claims these hours because they were related to, and necessary for, TURN's substantial contributions to the other three decisions in the San Bruno investigations. The issues in I.11-11-009 (particularly the "assumed SMYS" issue) overlapped with Integrity Management-related issues in both I.12-01-007 and I.11-02-016. In addition, it was necessary to have a basic understanding of the alleged violations in I.11-11-009 in developing TURN's penalty recommendations related to all three dockets. Accordingly, TURN requests that the Commission find that these hours are reasonable and should be compensated.

#### 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 of TURN's attorneys. In past compensation decisions, the Commission has sometimes 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, 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, settlement discussions and hearings at which more than one TURN attorney was present. 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. For example, settlement negotiations required an understanding and input on diverse issues related to both the underlying violations, as well as the various factors (including financial resources) that impact penalties. It would have been more time-consuming and inefficient for each attorney to master all of these issues rather than to have both TURN attorneys present at such meetings.

Likewise, there were a number of issues (such as integrity management), where both TURN attorneys needed to be present in meetings or hearings in order to address discrete topics. The Commission should consider the fact that TURN's use of two attorneys was extremely efficient, as other parties (including PG&E) generally had many more representatives participating at each such meeting or hearing.

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 to advance the intervenor's advocacy efforts.

#### Summary of Attorney Hours

In light of the significant number of novel and challenging issues that TURN's attorneys addressed in these cases of great importance to public safety and ratepayers, as well as the numerous and wide-ranging substantial contributions detailed above, TURN submits that the recorded attorney hours are reasonable and should be compensated in full.

#### **CONSULTANT EXPERT WITNESS HOURS:**

TURN retained the services of three consulting firms to address three key issues in these proceedings – 1) the level of PG&E's financial resources to pay a penalty, and 2) the validity and accuracy of PG&E's modeling of the impacts of cyclic fatigue on Segment 180 of Line 132, and 3) the extent of PG&E's violations of integrity management regulations due to pressure spiking and the use of ECDA on other transmission lines besides Line 132. Seven expert witnesses from these firms contributed almost 130 hours of consulting time. Such an amount is quite limited given the scope of this proceeding, and the technical issues related to PG&E's operations and management of its pipeline system over the course of decades.

Unlike most proceedings, however, TURN did not submit expert testimonies by these consultants. Rather, the various experts assisted TURN in preparing discovery, cross examination, and analysis and arguments for pleadings. One consultant provided technical database analyses to support the testimony of TURN attorney/witness Hawiger.

**Financial Resources – Economics and Technology, Inc. and JBS Energy, Inc.**

The issue of financial resources was integral to the calculation of a potential penalty amount. Indeed, the ALJs requested separate testimony and pleadings concerning the financial impact on PG&E of fines or disallowances and relative tax implications of different penalty structures (ALJ Ruling, 7/30/13). The CPSD submitted the testimony of Overland Consulting, and PG&E submitted rebuttal testimony from Wells Fargo.

In order to analyze the validity of the competing claims concerning the impact of a potential multi-billion dollar penalty on PG&E's financial health and borrowing costs, TURN retained the services of Economic and Technology, Inc. (ETI), as well as some limited consulting from Mr. William Marcus of JBS Energy, Inc. ETI is a Boston-based consulting firm specializing in public utility economics, regulation and public policy. Analyses and services for this case were provided primarily by Mr. Colin B. Weir, Vice President at ETI, with support from Dr. Lee Selwyn, President of ETI.

Mr. Weir has provided consulting services since 2003. Mr. Weir specializes in financial, econometric and statistical analyses. He has coauthored numerous reports and testified before the FCC, state public utilities commissions, and state and federal courts and in various jurisdictions. Mr. Selwyn founded EIT in 1972 and has consulted on utility regulation, economics and public policy for over forty years. Their Statements of Qualifications are included as Attachment 5.

Mr. Weir conducted extensive discovery and analysis to evaluate the central claim in Overland's testimony concerning the ability of the utility to use retained earnings and/or new equity to fund penalties in the range of \$2.2 billion. While TURN did not submit any testimony on this issue, Mr. Weir's analysis was essential to TURN's recommendations and positions on these issues. Mr. Weir's work was integral to developing TURN's cross-examination of PG&E witness Fornell, supporting TURN's positions in settlement negotiations, and his work was reflected in our extensive briefing concerning the issue of Financial Resources.

Mr. Selwyn contributed a limited number of hours (11) for oversight and review.

Mr. Weir and Mr. Selwyn devoted approximately 57 hours to perform discovery, research and financial analysis. TURN suggests that such an amount of time is reasonable, given the significance of this issue toward setting a potential level of penalties in this proceeding.

Additionally, both Mr. William Marcus of JBS Energy, Inc. provided very limited but crucial input, primarily concerning tax issues related to fines and disallowances. Mr. Marcus's input was critical to TURN's responses to the ALJ questions posed in the ALJ Ruling of 7/30/13. Mr. Marcus devoted approximately 4.5 hours to the proceeding.

**Segment 180 – Berkeley Engineering and Research, Inc.**

PG&E's witness Caligiuri provided technical testimony concerning the mechanical properties of Segment 180, making various allegations concerning the origins of the

ductile tear, the impacts of cyclic fatigue, and the potential occurrence of a post-installation pressure test. These technical matters related to certain violations by PG&E with respect to both the original installation of Segment 180 as well as subsequent integrity management activities.

In order to evaluate these technical issues, TURN retained the services of Dr. Glen Stevick of Berkeley Engineering and Research, Inc. Dr. Stevick and his associates reviewed extensive metallurgical data and workpapers concerning Segment 180, conducted modeling of the impacts of cyclic fatigue, and provided expert advice regarding Dr. Caligiuri's conclusions. Dr. Stevick was an invaluable resource providing technical advice and responses to a number of questions concerning metal fatigue, crack growth, cyclic fatigue and metal failure. These questions were relevant to a number of PG&E arguments concerning the relevance of cyclic fatigue and the nature of the rupture of Segment 180 on Line 132.

Mr. David Xu of BEAR, Inc. evaluated Dr. Caligiuri's failure analysis by assessing the actual data and modeling crack growth modeling conducted by Exponent.

Due to the timing of the case, TURN did not sponsor testimony from BEAR, Inc. Rather, TURN used the information to conduct discovery and cross-examination of Dr. Caligiuri concerning his conclusions. TURN used this information as the basis for a portion of its Reply Brief in I.12-01-007. TURN's briefing on this issue was one of the bases for the Commission discounting Dr. Caligiuri's conclusions. (See, D.15-04-023, p. 79).

**Integrity Management Violations – TURN and JBS Energy, Inc.**

TURN attorney Marcel Hawiger also sponsored expert witness testimony concerning PG&E's additional violations due to the pressure spiking of transmission lines other than Line 132, and due to the use of an inappropriate assessment method (ECDA) to evaluate unstable manufacturing threats.

Mr. Greg Ruzzovan of JBS Energy, Inc., whose specialties include data compilation and analysis, provided extensive database support for Mr. Hawiger's testimony. Mr. Ruzzovan merged PG&E's extremely large BAP and PSEP databases concerning the threats and assessment methods for all of PG&E's pipeline segments, and analyzed the relational data. Mr. Ruzzovan's analysis was essential to quantifying the extent of PG&E's violations on other transmission pipelines. These data formed the basis of Mr. Hawiger's analytical quantification of PG&E's violations in Exhibit TURN-01 in I.12-01-007.

Although the Commission did not find there was enough evidence of separate violations, the Commission agreed that TURN had shown that "the violations affected more than just Segment 180 and Line 132." (D.15-04-032, p. 206-207).

<b>c. Allocation of hours by issue:</b>			Verified.
<b>Code</b>	<b>Description</b>	<b>Attorney Hours (percentage of total)</b>	
GP	General work necessary for participation which does not necessarily vary with the number of issues	57.00 (4.32)	
#	Work covering multiple issues that cannot be easily segregated	167.25 (12.69)	
GH	General hearing work	51.25 (3.89)	
Sett	Participation in settlement discussions and reviewing settlement offers and documents; relevant for both 2006-08 and 2010-12	218.50 (16.58)	
Legal	Significant legal issues, including the scope of Sec. 451 and 463	68.00 (5.16)	
FR	The ability of PG&E to absorb a certain penalty amount with impairing the utility's financial health or significantly raising borrowing costs.	155.75 (11.81)	
IM	Integrity management policies and practices and conformance with applicable laws.	167.25 (12.69)	
SC	Evaluation of PG&E's historic corporate culture and prioritization of safety versus financial performance	14.50 (1.10)	
180	Issues related to the installation, testing and IM of Segment 180	61.75 (4.68)	
Proc	Procedural matters, including filing and responding to various motions	64.00 (4.85)	
Authority	Authority of the Commission to impose remedies other than fines, including disallowances	8.00 (0.61)	
Penalty	Structure of any penalty (fines, disallowances, remedies) and evaluation of factors (other than financial resources)	114.00 (8.65)	
Coord	Coordination among intervenors, including discussions among intervenors aside from settlement discussions	27.75 (2.1)	
POD	Review POD; Appeal of POD re penalty structure	9.50 (0.72)	
Implementat ion	Implementation of penalties/disallowances as proposed in the Decision Different	2.75 (0.21)	
RK-180	Recordkeeping violations related to Line 132, Section 180	14.50 (1.10)	
RK-All	Recordkeeping violations related to all transmission lines	106.00 (8.04)	
RK-Mgmt	Recordkeeping violations related to overall management issues	10.50 (0.80)	
TOTAL		1318.25	

TURN uses a combination of activity and issue codes when itemizing the hourly work performed by attorneys and consultants.

Some work is fundamental to active participation in a Commission proceeding, and may not be allocable by issue and/or the amount of time required may not vary by the number of issues. Examples of these tasks include reviewing other parties’ testimony and filings, reviewing the proposed and any alternate decision; attending prehearing conferences and ex parte meetings; and preparing compensation filings. TURN uses the activity code “GP” to represent such general participation time that is not allocable by issue.

TURN addressed multiple substantive issues in the four non-consolidated proceedings. Some of the daily work in this proceeding spanned multiple issues and could not be separately coded by issue. TURN generally used the activity code “#” to denote work that covers multiple issues and cannot be easily allocated to specific issues.

TURN used the following activity and issue codes for time accounting in this proceeding:

The 130 hours of expert witness time was spent by the individual consultants on issues as detailed in the previous section. In total, consultant time was devoted as follows: 50% to the issue of financial resources; 20% to integrity management issues; and 30% to Segment 180 (including cyclic fatigue and crack growth) issues.

Based purely on the actual daily time sheets, TURN’s attorney time was allocated by issue and activity as detailed in the following table:

The above table includes some codes that specify activities, and also includes general codes such as “#” and “GP” that could not be allocated to a specific issue. Such codes reflect work on one or more issues. However, by using these numbers in combination with a review of the briefs and pleadings prepared by TURN’s attorneys, TURN can approximate the allocation of attorney time to specific issue areas. For example, almost none of the work coded as “#” likely involved “settlement” work, as settlement negotiations were not reflected in any pleadings or other work. On the other hand, a review of the pleadings and personal recollection of the attorneys indicates that more time was devoted to “legal” issues than reflected in the allocation based only on timesheet entries. TURN thus approximates the allocation of attorney time by major issues as shown in the following table:

<b>Code</b>	<b>Description</b>	<b>% of Attorney Time</b>
Sett	Participation in settlement discussions and reviewing settlement offers and documents; relevant for both 2006-08 and 2010-12	15.00%
Legal	Significant legal issues, including the scope of Sec. 451 and 463	20.00%
FR	The ability of PG&E to absorb a certain penalty amount with impairing the utility's financial health or significantly raising borrowing costs.	15.00%
IM	Integrity management policies and practices and conformance with applicable laws.	15.00%
180	Issues related to the installation, testing and IM of Segment 180	5.00%

Proc	Procedural matters, including filing and responding to various motions	
		5.00%
Penalty	Structure of any penalty (fines, disallowances, remedies) and evaluation of factors (other than financial resources)	
		10.00%
RK	Recordkeeping violations	
		15.00%
<hr/>		
TOTAL		100.00%
<p>As TURN described in the opening sections of this compensation request, our substantial contribution to the Commission’s decision warrants an award of full compensation. However, should the Commission determine that a reduction is called for on any particular issue, it should determine the appropriate reduction to the hours that fall into that category and, if necessary, apply an appropriate percentage reduction to the hours designated “#” in the hourly time sheets.</p>		
<b>Code</b>	<b>Description</b>	
GP	General work necessary for participation which does not necessarily vary with the number of issues	
#	Work covering multiple issues that cannot be easily segregated	
GH	General hearing work	
Sett	Participation in settlement discussions and reviewing settlement offers and documents; relevant for both 2006-08 and 2010-12	
Legal	Significant legal issues, including the scope of Sec. 451 and 463	
FR	The ability of PG&E to absorb a certain penalty amount with impairing the utility's financial health or significantly raising borrowing costs.	
IM	Integrity management policies and practices and conformance with applicable laws.	
SC	Evaluation of PG&E's historic corporate culture and prioritization of safety versus financial performance	
180	Issues related to the installation, testing and IM of Segment 180	
Proc	Procedural matters, including filing and responding to various motions	
Authority	Authority of the Commission to impose remedies other than fines, including disallowances	

Penalty	Structure of any penalty (fines, disallowances, remedies) and evaluation of factors (other than financial resources)	
Coord	Coordination among intervenors, including discussions among intervenors aside from settlement discussions	
POD	Review POD; Appeal of POD re penalty structure	
Implementation	Implementation of penalties/disallowances as proposed in the Decision Different	
RK-180	Recordkeeping violations related to Line 132, Section 180	
RK-All	Recordkeeping violations related to all transmission lines	
RK-Mgmt	Recordkeeping violations related to overall management issues	

**B. Specific Claim:\***

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Marcel Hawiger	2011	12.00	\$350	D12-05-034, p. 10.	\$4,200.00	12.00	\$350.00	\$4,200.00
Marcel Hawiger	2012	168.00	\$375	Res. ALJ-281 + 5% step A.10-11-015 (SCE GRC)	\$63,000.00	168.00	\$375.00	\$63,000.00
Marcel Hawiger	2013	275.50	\$400	D.14-05-015, p. 28	\$110,200.00	275.50	\$400.00	\$110,210.00
Marcel Hawiger	2014	21.75	\$410	D.14-05-015, p. 28; Resolution ALJ-303 (2.56% COLA)	\$8,917.50	21.75	\$410.00	\$8,917.50
Marcel Hawiger	2015	4.75	\$410	Res. ALJ-308	\$1,947.50	4.75	\$410.00	\$1,947.50
Thomas Long	2012	418	\$530	D.13-10-065, p. 6	\$221,540.00	418.00	\$530.00	\$221,540.00
Thomas Long	2013	412.50	\$555	D.14-05-015, p.28	\$228,937.50	412.50	\$555.00	\$228,937.50
Thomas Long	2014	41.75	\$570	Per Res. ALJ-303	\$23,797.50	41.75	\$570.00	\$23,797.50
Thomas Long	2015	12.50	\$570	Per Res. ALJ-308	\$7,125.00	12.50	\$570.00	\$7,125.00
Glen Stevick	2012	10	\$375	Requested per Res. ALJ-308	\$3,750.00	10.00	\$350.00 <sup>[A]</sup>	\$3,500.00
David Xu	2012	26.00	\$150	Requested per Res. ALJ-308	\$3,900.00	26.00	\$150.00	\$3,900.00
Lee Selwyn	2012	11.00	\$400	Requested per Res. ALJ-308	\$4,400.00	11.00	\$400.00	\$4,400.00
Colin Weir	2012	45.25	\$300	Requested per Res. ALJ-308	\$13,575.00	45.25	\$275.00	\$12,443.75

Colin Weir	2013	0.50	\$300		\$150.00	0.50	\$280.00	\$140.00
Greg Ruzovan	2012	27.09	\$195	D.13-08-022	\$5,282.55	27.09	\$200.00	\$5,418.00
Jim Helmich	2013	5.00	\$210	D.12-03-024 approved \$195 rate for 2011	\$1,050.00	5.00	\$210.00	\$1,050.00
William Marcus	2012	0.84	\$260	D.10-11-032, p. 10.	\$218.40	0.84	\$260.00	\$218.40
William Marcus	2013	3.00	\$265	D.14-05-015	\$795.00	3.00	\$265.00	\$795.00
William Marcus	2015	0.66	\$265	Use 2013 Rate	\$174.90	0.66	\$270.00	\$178.20
<b>Subtotal: \$702,960.85</b>						<b>Subtotal: \$701,708.35</b>		
<b>INTERVENOR COMPENSATION CLAIM PREPARATION **</b>								
<b>Item</b>	<b>Year</b>	<b>Hours</b>	<b>Rate \$</b>	<b>Basis for Rate*</b>	<b>Total \$</b>	<b>Hours</b>	<b>Rate</b>	<b>Total \$</b>
Marcel Hawiger	2015	13	\$205	D.14-05-015, p. 28; Resolution ALJ-303 (2.56% COLA)	\$2,665.00	13	\$205.00	\$2,665.00
Thomas Long	2015	13	\$285	Per Res. ALJ-308	\$3,705.00	13	\$285.00	\$3,705.00
<b>Subtotal: \$6,370.00</b>						<b>Subtotal: \$6,370.00</b>		
<b>COSTS</b>								
<b>#</b>	<b>Item</b>	<b>Detail</b>			<b>Amount</b>	<b>Amount</b>		
1	Copying	Hard copies of pleadings necessary for CPUC or parties without email			\$962.00	\$962.00		
2	Postage	Postage to mail hard copies to CPUC or parties without email			\$82.13	\$82.13		
3	Phone	Phone bill for calls or conference calls necessary for proceeding			\$28.91	\$28.91		
4	Research	Lexis research; purchase of AMSE publication			\$592.23	\$521.52 <sup>[B]</sup>		
	Subtotal				<b>\$1,665.27</b>	<b>\$1,594.56</b>		
<b>TOTAL REQUEST: \$710,996.12</b>						<b>TOTAL AWARD: \$709,652.91</b>		
<p>*We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor'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.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate.</p>								

<b>ATTORNEY INFORMATION</b>			
<b>Attorney</b>	<b>Date Admitted to CA BAR<sup>2</sup></b>	<b>Member Number</b>	<b>Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation</b>
Marcel Hawiger	1/23/1998	194244	N
Thomas Long	12/11/1986	124776	N

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

<b>Attachment or Comment #</b>	<b>Description/Comment</b>
Attachment 1	<b>Certificate of Service</b>
Attachment 2	<p><b>Attorney Hourly Time Sheets</b></p> <p>A daily listing of the specific tasks performed TURN attorneys Thomas Long and Marcel Hawiger in connection with this proceeding is set forth in Appendix A. TURN’s attorneys maintained detailed contemporaneous time records indicating the number of hours devoted to work on this case. In preparing this appendix, Mr. Long and Mr. Hawiger reviewed all of the recorded hours devoted to this proceeding and included only those that were reasonable for the underlying task.</p>
Attachment 3	<b>Consultant Hourly Time Sheets</b>
Attachment 4	<b>Itemized Direct Costs</b>
Attachment 5	<b>Statements of Qualification of Weir, Selwyn, Stevick and Xu</b>
Comment 1: Compensation Claim Preparation	<p><u>Work Related to Compensation Request</u></p> <p>TURN requests compensation for 26 hours of work related to the completion of this compensation request, even though TURN attorneys actually needed to devote approximately 46 hours to prepare the compensation request. Consistent with Commission direction, TURN bills such work at one-half of the standard hourly rates. While this amount is greater than for a typical compensation request, TURN submits that such an amount is reasonable given the length of litigation time, the number of hourly entries for attorneys and consultants involved in these proceedings, the number of pleadings covered by this request, and the fact that this compensation request covers four primary decisions (as well as numerous procedural rulings) in three dockets. For example, a significant amount of time was necessary simply to review and properly code the hundreds of hourly entries for attorneys and expert witnesses.</p>
Comment 2: Attorney Hourly Rates	<p>The Commission has authorized the 2011-2014 hourly rates for TURN attorney Hawiger. TURN requests that the Commission authorize Mr. Hawiger’s 2014 hourly rate of \$410 for work performed in 2015, consistent with Resolution ALJ-308.</p> <p>The Commission has authorized hourly rates of and the 2012-2013 hourly rates of \$530 and \$555 for TURN attorney Long for 2012 and 2013. For 2014, TURN requests that the</p>

<sup>2</sup> This information may be obtained through the State Bar of California’s website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch> .

	<p>Commission authorize an hourly rate of \$570 for Mr. Long, which is consistent with the 2.58% increase authorized in Resolution ALJ-303. TURN requests that the Commission authorize the same hourly rate for Mr. Long for 2015.</p>
<p>Comment 3: Consultant Hourly Rates</p>	<p>For most consultants, TURN requests that the Commission authorize as the hourly rate the rate that was actually billed by the witness for relevant work in this proceeding. In the case of Mr. William Marcus, TURN used the authorized 2013 rate for Mr. Marcus’s work in 2015, and does not request a new rate be authorized for Mr. Marcus at this time.</p> <p><b><u>JBS Energy, Inc.</u></b></p> <p>The Commission has previously authorized hourly rates for witnesses Marcus, Ruszovan and Helmich. For any year in which an hourly rate has not been authorized, TURN asks that the Commission authorize the new rates as described below. These rates reflect the rates actually billed by the consultant, except that TURN does not in this request seek authorization for Mr. Marcus’s actual billing rate for 2015 due to less than 1 hour of billed time.</p> <p><b><u>Jim Helmich</u></b></p> <p>For work performed beginning in 2013 by Jim Helmich of JBS Energy, TURN seeks an hourly rate of \$210. JBS Energy began charging this rate for Mr. Helmich’s work as of March 1, 2013. The Commission has previously adopted a \$195 rate for his work in 2010 (D.12-03-024, in PG&amp;E 2011 GRC A.09-12-020). TURN seeks the increase because it reflects the market rate that JBS Energy charged all of its clients for work Mr. Helmich in 2013.</p> <p>James Helmich is a California registered civil engineer with nearly 40 years of experience in energy economics, analysis and engineering. He has an M.S. degree from University of California, Berkeley, from 1974, and has been a principal of JBS Energy since 1984. His responsibilities include engineering, energy project economic evaluations and project management activities as well as corporate management and administration. A statement of Mr. Helmich’s qualifications may be found at <a href="http://jbsenergy.com/Energy/Associates/Jim_Helmich/jim_helmich.htm">http://jbsenergy.com/Energy/Associates/Jim_Helmich/jim_helmich.htm</a>.</p> <p>Mr. Helmich is at the upper end of the 13+ year experience band in the Commission’s range for expert witnesses. In Resolution ALJ-387, addressing authorized rates for 2013, the hourly rate range for this band is \$165-\$410. The \$210 rate for work Mr. Helmich performed in most of 2013 is in the first (that is, lowest) quartile of the scale for experts with similar training and experience.</p> <p>The Commission should also approve the \$210 rate for work performed after March 1, 2014 because it is the market rate that JBS Energy charges each of its clients for work performed by Mr. Helmich. If the Commission were to approve a lower rate for his work during that period, there would be a shortfall between the amount JBS invoiced for Mr. Helmich’s work and the amount awarded for that work. The Commission has long recognized that JBS Energy is a unique and valued resource because the firm consistently provides first-rate analysis at cut-rate prices. This is so for Mr. Helmich’s work even at a \$210 hourly rate.</p> <p>TURN submits that this information is more than sufficient for the Commission to grant the requested increase to Mr. Helmich’s hourly rate. 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.</p>

**William Marcus**

The Commission already authorized hourly rates for Mr. Marcus for 2012 and 2013. The Commission authorized an hourly rate of \$265 for Mr. Marcus for 2013. TURN uses this \$265 rate for the very limited (less than 1 hour) amount of work billed in 2015. This rate is less than the actual billed rate for 2015. TURN reserves the right to request that the Commission authorize a different 2015 rate for Mr. Marcus in a future compensation request.

**Greg Ruzovan**

The Commission has previously authorized the hourly rate of \$195 for Mr. Ruzovan for 2012, and TURN requests use of the same rate in this proceeding.

**ETI and BEAR, Inc.:**

To TURN's knowledge, the Commission has not previously authorized any rates for witnesses Selwyn, Weir, Stevick and Xu, TURN requests that the Commission authorize the actual billed rates for the reasons discussed below. The statements of qualifications of these witnesses are included in Attachment 5.

**Lee Selwyn**

Dr. Selwyn founded Economics and Technology, Inc. in 1972 and has consulted on utility regulation, economics and public policy for over forty years. Dr. Selwyn has an M.S. and a Ph.D. from MIT. He has testified in about forty jurisdictions, primarily on telecommunications policy, regulation and public policy. Even though Dr. Selwyn has focused on telecommunications issues, the work of ETI in this proceeding focused on PG&E's "financial resources" and financial health, and was thus unrelated to the nature of the line of business.

TURN requests that the Commission authorize an hourly rate of \$400 for Dr. Selwyn for 2012. The range of hourly rates for experts with 13+ years of experience for 2012 work is \$160-\$400 (Resolution ALJ-308, p. 4).

**Colin Weir**

Mr. Weir is Vice-President at ETI, where has provided consulting services since 2003. Mr. Weir specializes in financial, econometric and statistical analyses. He has coauthored numerous reports and testified before the FCC, state public utilities commissions, and state and federal courts and in various jurisdictions.

The range of hourly rates for experts with 7-12 years of experience for 2012 work is \$160-\$275 (Resolution ALJ-308, p. 4). Mr. Weir's actual hourly rate of \$300 slightly exceeds this range. However, TURN suggests that the fact that Mr. Weir's experience is in the area of financial analysis, and the fact that he had nine years' of experience in 2012, warrant the adoption of an hourly rate that is 10% above the range.

**Glen Stevick**

Dr. Stevick has an M.S. and a Ph.D. in Mechanical Engineering from U.C. Berkeley and has conducted failure analysis, evaluation of fracture mechanics and mechanical equipment design since 1982. Dr. Stevick founded Berkeley Engineering and Research, Inc. in 1986, and since that time has conducted failure analyses, project design and field investigation. His numerous projects, patents and publications are summarized in his attached Statement of Qualifications. Of particular relevance to this case, Dr. Stevick has conducted numerous analyses of ductile fatigue, ductile fracture and crack growth.

	<p>TURN requests that the Commission establish an hourly rate of \$350 for Mr. Stevick for 2012. The range of hourly rates for experts with 13+ years of experience for 2012 work is \$160-\$400 (Resolution ALJ-308, p. 4). Mr. Stevick had thirty years’ of professional engineering experience in 2012. His extensive experience in technical analyses, his consulting experience and his professional education warrant an hourly rate of \$350, which is below the upper end of the range for experts of his experience.</p> <p><b><u>David Xu</u></b></p> <p>Dr. Xu has been a Principal Engineer at BEAR, Inc. since 2009. Dr. Xu is an expert on fracture mechanics, failure analysis and crack initiation. He has a Ph.D., M.S. and B.S. in Material Science and Engineering from U.C. Berkeley. He held various teaching responsibilities at Cal since 2007.</p> <p>TURN requests that the Commission establish an hourly rate of \$150 for Dr. Xu for 2012. Dr. Xu had five years’ of professional work by 2012, and three years of professional consulting work. The range of hourly rates for experts with 0-6 years’ of experience for 2012 is \$130-\$190. (Resolution ALJ-308, p. 4). Dr. Xu’s extensive education and consulting experience justifies a rate higher than \$150, but TURN only requests the rate actually charged by vendor.</p>
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**D. CPUC Disallowances and Adjustments:**

Item	Reason
A	<p>TURN requests a rate of \$375.00 per hour for Stevick in 2012. However, in its justification section TURN requests a rate of \$350.00 per hour. Stevick’s near 30 years of technical expertise supports a rate above the minimum. However, given that Stevick has no experience practicing before the Commission, we find a rate of \$350.00 per hour to be reasonable for Stevick in 2012.</p> <p>TURN requests a rate of \$150.00 per hour for Xu in 2012. The Commission finds a rate of \$150.00 per hour reasonable, given Xu’s 3 years of experience of professional consulting work.</p> <p>TURN requests a rate of \$400.00 per hour for Selwyn in 2012. Selwyn has over 30 years of experience working on policy issues before various regulatory agencies. The Commission finds reasonable a rate of \$400.00 per hour reasonable for Selwyn in 2012.</p> <p>TURN requests a rate of \$300.00 per hour for Weir in 2012 and 2013. Weir had 9 years of experience working in economic and statistical research and analysis in regulatory industries. However, the highest rate for experts with 9 years of experience in 2012 was \$275.00. The Commission finds reasonable rates of \$275.00 and \$280.00 per hour for Weir in 2012 and 2013, respectively.</p>
B	The Commission does not compensate for publication purchases.

**PART IV: OPPOSITIONS AND COMMENTS**

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

**FINDINGS OF FACT**

1. The Utility Reform Network has made a substantial contribution to Decision (D.) D.15-04-021, D.15-04-023, and D.15-04-024.
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 compensation is \$709,652.91.

**CONCLUSIONS OF LAW**

1. I.12-01-007, I.11-11-009, and I.11-02-016 should be consolidated for purposes of addressing The Utility Reform Network's intervenor compensation request in these three proceedings.
2. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

**ORDER**

1. The Utility Reform Network shall be awarded \$709,652.91.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company shall pay The Utility Reform Network the total award. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning August 22, 2015, the 75<sup>th</sup> day after the filing of The Utility Reform Network's request, and continuing until full payment is made.

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

Dated \_\_\_\_\_, at Sacramento, California.

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

<b>Compensation Decision:</b>		<b>Modifies Decision?</b>	
<b>Contribution Decision(s):</b>	D.15-04-021, D.14-04-023, D.15-04-024		
<b>Proceeding(s):</b>	I.12-01-007, I.11-11-009, I.11-02-016		
<b>Author:</b>	ALJ Yip-Kikugawa		
<b>Payer(s):</b>	Pacific Gas and Electric Company		

**Intervenor Information**

<b>Intervenor</b>	<b>Claim Date</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>	<b>Multiplier?</b>	<b>Reason Change/Disallowance</b>
The Utility Reform Network	April 09, 2015	\$710,996.12	\$709,652.91	N/A	Reduced hourly rate, non-reimbursable cost

**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>
Thomas	Long	Attorney	The Utility Reform Network	\$530.00	2012	\$530.00
Thomas	Long	Attorney	The Utility Reform Network	\$555.00	2013	\$555.00
Thomas	Long	Attorney	The Utility Reform Network	\$570.00	2014	\$570.00
Thomas	Long	Attorney	The Utility Reform Network	\$570.00	2015	\$570.00
Marcel	Hawiger	Attorney	The Utility Reform Network	\$350.00	2011	\$350.00
Marcel	Hawiger	Attorney	The Utility Reform Network	\$375.00	2012	\$375.00
Marcel	Hawiger	Attorney	The Utility Reform Network	\$400.00	2013	\$400.00
Marcel	Hawiger	Attorney	The Utility Reform Network	\$410.00	2014	\$410.00
Marcel	Hawiger	Attorney	The Utility Reform Network	\$410.00	2015	\$410.00
Glen	Stevick	Expert	The Utility Reform Network	\$375.00	2012	\$350.00

David	Xu	Expert	The Utility Reform Network	\$150.00	2012	\$150.00
Lee	Selwyn	Expert	The Utility Reform Network	\$400.00	2012	\$400.00
Colin	Weir	Expert	The Utility Reform Network	\$300.00	2012	\$275.00
Colin	Weir	Expert	The Utility Reform Network		2013	\$280.00
Greg	Ruszovan	Expert	The Utility Reform Network	\$195.00	2012	\$200.00
Jim	Helmich	Expert	The Utility Reform Network	\$210.00	2013	\$210.00
William	Marcus	Expert	The Utility Reform Network	\$260.00	2012	\$260.00
William	Marcus	Expert	The Utility Reform Network	\$265.00	2013	\$265.00
William	Marcus	Expert	The Utility Reform Network	\$265.00	2015	\$270.00

**(END OF APPENDIX)**