

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company to Set New Core Interstate Pipeline Capacity Planning Range (U39G).

Application 13-06-011
(Filed June 13, 2013)

DECISION GRANTING COMPENSATION TO THE UTILITY REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 15-10-050

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| Claimant: The Utility Reform Network | For contributions to D.15-10-050 |
| Claimed (\$): \$35,329.94 | Awarded (\$): \$35,508.06 |
| Assigned Commissioner: Michel P. Florio | Assigned ALJ: John S. Wong |

PART I: PROCEDURAL ISSUES

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| A. Brief Description of Decision: | D.15-10-050 adopted a new planning range, based on the forecast of core load, for the quantity of interstate pipeline capacity that PG&E must contract in order to ensure gas service reliability of core customers. The Decision also specified that the load of core transport aggregators (“CTAs”) should be included in calculating the planning range. |
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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: | August 23, 2013 | Verified |
| 2. Other Specified Date for NOI: | | |
| 3. Date NOI Filed: | September 23, 2013 | Verified |
| 4. Was the NOI timely filed? | | Yes |
| Showing of customer or customer-related status (§ 1802(b)): | | |
| 5. Based on ALJ ruling issued in proceeding number: | | |
| 6. Date of ALJ ruling: | | |
| 7. Based on another CPUC determination (specify): | See Note | |
| 8. Has the Claimant demonstrated customer or customer-related status? | | Yes, see below |
| Showing of “significant financial hardship” (§ 1802(g)): | | |
| 9. Based on ALJ ruling issued in proceeding number: | A.12-11-009 | Verified |
| 10. Date of ALJ ruling: | 9/6/2013 | Verified |
| 11. Based on another CPUC determination (specify): | | |
| 12. Has the Claimant demonstrated significant financial hardship? | | Yes |
| Timely request for compensation (§ 1804(c)): | | |
| 13. Identify Final Decision: | D.15-10-050 | Verified |
| 14. Date of Issuance of Final Order or Decision: | October 27, 2015 | Verified |
| 15. File date of compensation request: | December 18, 2015 | Verified |
| 16. Was the request for compensation timely? | | Yes |

C. Additional Comments on Part I:

| # | Claimant | CPUC |
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| 5 | TURN timely filed an NOI on September 23, 2013. Since the ALJ did not issue an eligibility ruling on the NOI, TURN hereby requests that the Commission, based on the information submitted in the NOI, issue a finding in the decision on this compensation request that TURN is a customer, has met the requirements for significant financial hardship and is eligible for compensation in this proceeding. TURN is a Category 3 customer and | The Commission finds that TURN has demonstrated Category 3 customer status in its NOI filed September 23, 2013. |

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| had received a finding of significant hardship on 9/6/2013 in A.12-11-09. | |
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PART II: SUBSTANTIAL CONTRIBUTION

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

| Intervenor's Claimed Contributions D.15-10-050 | Specific References to Intervenor's Claimed Contribution(s) | CPUC Discussion |
|---|---|-----------------|
| <p><u>Interstate Capacity Planning Range</u></p> <p>TURN supported PG&E's proposed interstate capacity planning range, though TURN argued that PG&E's analysis was too restrictive and thus resulted in a higher amount of capacity than necessary. TURN recommended that a more comprehensive analysis be performed to update the planning range in the future.</p> <p>The Commission adopted a slightly reduced planning range than proposed by PG&E in order to balance the need for reliability with the existence of excess capacity. The Commission declined to revisit the planning range methodology, but ordered an advice letter to update the volumes resulting from changes in load forecasts, and noted that parties can raise objections to the planning range in the advice letters.</p> | <p>TURN Opening Brief, February 28, 2014, p. 5-7.</p> <p>D. 15-10-050, pp. 8-11, 28-32</p> | <p>Verified</p> |
| <p><u>Holding capacity for CTA load</u></p> <p>TURN argued that PG&E should hold interstate capacity for both CTA and bundled core load, because such capacity provides a long-term reliability benefit for all core customers, that market conditions could change fairly rapidly, and all core customers are subject to the same priority of service rules.</p> <p>The Commission fully agreed that PG&E should continue to hold capacity for CTA load to ensure reliability and minimize potential large price spikes during any supply constraints.</p> | <p>TURN Opening Brief, February 28, 2014, p. 8-20.</p> <p>D.15-10-050, p. 22-25</p> <p>p. 23 – "One cannot predict with certainty what will occur in the future with respect to the California gas markets. Such things as unusually cold weather or pipeline disruptions, as has been experienced in the past, could</p> | <p>Verified</p> |

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| | <p>cause natural gas prices and pipeline capacity prices to spike.”</p> <p>p. 24 – “Although the Commission could leave this to market forces to sort out, such an approach could become a big problem if the markets for gas pipeline capacity and gas supplies become constrained, and the CTAs have to pay significantly higher prices for pipeline capacity and gas supplies.”</p> | |
| <p><u>Rules for Noncore Customers</u></p> <p>TURN argued that under existing rules core customers subsidize noncore customers, since the latter can benefit from excess capacity sales. TURN recommended that the Commission open a rulemaking to address changes in noncore markets, especially for electric generators, since the adoption of the core/noncore distinction.</p> <p>The Commission declined to undertake such a review “at this time.”</p> | <p>TURN Opening Brief, February 28, 2014, pp. 22-23.</p> <p>D.15-10-050, p. 32-33</p> | <p>Verified</p> |

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

| | Claimant | CPUC Verified |
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| <p>a. Was the Office of Ratepayer Advocates (ORA)¹ a party to the proceeding?</p> | <p>Yes</p> | <p>Verified</p> |
| <p>b. Were there other parties to the proceeding with positions similar to yours?</p> | <p>Yes</p> | <p>Verified</p> |
| <p>c. If so, provide name of other parties: PG&E.</p> | | <p>Verified</p> |
| <p>d. Describe how you coordinated with ORA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party:</p> <p>In this proceeding TURN engaged in several communications with PG&E to coordinate positions and minimize unnecessary duplication. TURN generally</p> | | <p>Verified</p> |

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill 96 (Budget Act of 2013: Public Resources), which was approved by the Governor on September 26, 2013.

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| <p>supported the position of PG&E, the applicant in this case. TURN did recommend a slightly different planning range, and the Commission agreed with TURN’s contention that PG&E’s proposed range was too conservative.</p> <p>TURN's compensation in this proceeding should not be reduced for duplication of the showings of other parties. In a proceeding involving multiple participants, it is virtually impossible for TURN to completely avoid some duplication of the work of other parties. In this case, TURN took all reasonable steps to keep such duplication to a minimum, and to ensure that when it did happen, our work served to complement and assist the showings of the other parties.</p> <p>Any incidental duplication that may have occurred here was more than offset by TURN’s unique contribution to the proceeding. Under these circumstances, no reduction to our compensation due to duplication is warranted given the standard adopted by the Commission in D.03-03-031.</p> | |
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C. Additional Comments on Part II:

| # | Intervenor’s Comment | CPUC Discussion |
|---|---|-----------------|
| | <p><u>Partial Contribution</u></p> <p>The Commission has interpreted the Section 1802 definition, 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 some of the issues. See, for example, D.98-04-028 (awarding TURN full compensation in CTC proceeding, even though TURN did not prevail on all issues); D.98-08-016, pp. 6, 12 (awarding TURN full compensation in SoCalGas PBR proceeding); D.00-02-008, pp. 4-7, 10 (awarding TURN full compensation even though we unsuccessfully opposed settlement).</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 a particular issue, or on every issue.</p> <p>In this proceeding, the Commission adopted positions consistent with TURN’s recommendations on the two</p> | |

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| | <p>key issues of the planning range, and the inclusion of CTA load. The Commission did not adopt TURN's recommendation for a rulemaking concerning the status of noncore customers.</p> <p>TURN suggests that the scope of TURN substantial contributions warrants compensation for all of TURN's time and expenses in this proceeding.</p> | |
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

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| <p>a. Intervenor's claim of cost reasonableness:</p> <p>The two primary issues in this proceeding have both direct economic impacts as well as impacts on reliability of gas service. The reduction in PG&E's planning range will reduce annual capacity procurement costs. While the exact amount depends on specific contract costs, the record shows that under the existing planning range of 746-1059 MMcfd, PG&E spent approximately \$166 million on pipeline reservation costs in 2013. The Commission adopted a range lower than proposed by PG&E, with the maximum end of the range equivalent very roughly to about 930 MMcfd. This should thus result in annual cost savings in the range of \$20 million. ((930/1059)*166)</p> <p>It is not possible to quantify easily the impact of including CTA load in the core planning range. The primary impact of this policy is to promote reliability of gas service for core customers. However, the policy would have financial benefits if extreme price spikes occur, which would have increased gas costs in the absence of holding firm interstate pipeline capacity.</p> | <p><u>CPUC Verified</u></p> <p>Verified</p> |
| <p>b. Reasonableness of Hours Claimed.</p> <p>TURN requests compensation for about 83 hours of professional attorney time in this proceeding.</p> <p>All of the attorney hours in this proceeding were due to the work of TURN's lead attorney, Marcel Hawiger. Mr. Hawiger has been a staff attorney with TURN since 1998. Mr. Hawiger has been the lead attorney on multiple proceedings, including Rulemaking 04-01-025 concerning natural gas supply reliability.</p> <p>In this proceeding, Mr. Hawiger was responsible for all litigation activities, including discovery, cross examination, and preparation of TURN's pleadings.</p> <p>While TURN's positions overlapped to a large extent with those of applicant PG&E, TURN presented unique arguments from a consumer</p> | <p>Verified</p> |

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| <p>perspective regarding the issue of how much interstate pipeline capacity PG&E should reserve. TURN suggests that the fact that the Commission adopted the positions advanced by TURN warrant compensation for all of TURN's time in this proceeding.</p> | |
| <p>c. Allocation of Hours by Issue</p> <p>This proceeding addressed two primary issues: 1) the amount of interstate pipeline capacity that PG&E should purchase for core load; and 2) whether CTA capacity should be included in the calculation of core load. Based on a review of time sheets and pleadings, and based on the personal recollection of TURN's attorney of record, TURN can state that the majority of time – likely about 75% - was devoted to research and arguments addressing the need to include CTA load in the planning range due to the nature of the reliability benefits from holding interstate pipeline capacity. About 15% of the time was devoted to the issue of the proper planning range, and about 10% to the issue of noncore customer benefit from core reliability standards.</p> <p>TURN uses a combination of activity and issue codes when itemizing the hourly work performed by attorneys and consultants. In this case, because all the work related to the primary issue of the purpose of interstate pipeline capacity, TURN did not segregate time by issue codes. Rather, TURN used the following activity codes for time accounting in this proceeding:</p> <p>GP General work necessary for participation which does not necessarily vary with the number of issues</p> <p>Legal Legal research re. CPUC precedent or case law</p> <p>Disc Drafting and reviewing data requests</p> <p>Coord Coordinate with other parties to discuss issues and minimize duplication</p> <p>GH General hearing work; including evidentiary hearings</p> <p># Work covering multiple issues that cannot be easily segregated</p> | <p>Verified</p> |

B. Specific Claim:*

| CLAIMED | | | | | | CPUC AWARD | | |
|--|------|-------|-------|---|--------------------|------------|-----------------------|--------------------|
| ATTORNEY, EXPERT, AND ADVOCATE FEES | | | | | | | | |
| Item | Year | Hours | Rate | Basis for Rate* | Total \$ | Hours | Rate | Total \$ |
| Marcel Hawiger | 2013 | 7.00 | \$375 | D.14-05-015, p. 28 | \$2,625.00 | 7.00 | \$400.00 ² | \$2,800.00 |
| Marcel Hawiger | 2014 | 65.50 | \$410 | D.14-05-015, p. 28; Resolution ALJ-303 (2.56% COLA) | \$26,855.00 | 65.60 | \$410.00 ³ | \$26,855.00 |
| Marcel Hawiger | 2015 | 11.25 | \$410 | Res. ALJ-308 | \$4,612.50 | 11.25 | \$410.00 ⁴ | \$4,612.50 |
| | | | | Subtotal: | \$34,092.50 | | Subtotal: | \$34,267.50 |
| INTERVENOR COMPENSATION CLAIM PREPARATION ** | | | | | | | | |
| Item | Year | Hours | Rate | Basis for Rate* | Total \$ | Hours | Rate | Total \$ |
| Marcel Hawiger | 2013 | 0.25 | 187.5 | 1/2 of 2012 authorized rate | \$46.88 | 0.25 | \$200.00 | \$50.00 |
| Marcel Hawiger | 2015 | 5.5 | 205 | Res. ALJ-303 (2.56% COLA); Res. ALJ-308 | \$1,127.50 | 5.5 | \$205.00 | \$1,127.50 |
| | | | | Subtotal: | \$1,174.38 | | Subtotal: | \$1,177.50 |

² Approved in D.14-11-019.

³ Approved in D.15-10-015.

⁴ Approved in D.15-10-010.

| COSTS | | | | | |
|--------------------------|---------------|---|--------------------|------------------------|--------------------|
| # | Item | Detail | Amount | Amount | |
| | Copying | Copying of testimony and pleadings for ALJ and Commissioner offices | \$8.80 | | \$8.80 |
| | FedEx/Postage | Postage and FedEx for testimonies and pleadings to CPUC | \$7.42 | | \$7.42 |
| | Lexis | Legal research with Lexis/Nexis | \$46.84 | | \$46.84 |
| Subtotal: | | | \$63.06 | Subtotal: | \$63.06 |
| TOTAL REQUEST \$: | | | \$35,329.94 | TOTAL AWARD \$: | \$35,508.06 |

When entering items, type over bracketed text; add additional rows as necessary.

*If hourly rate based on CPUC decision, provide decision number; otherwise, attach rationale.

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

| Attorney | Date Admitted to CA BAR ⁵ | Member Number | Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation |
|----------------|--------------------------------------|---------------|---|
| Marcel Hawiger | 1/23/1998 | 194244 | No |

PART IV: OPPOSITIONS AND COMMENTS

Within 30 days after service of this Claim, Commission Staff or any other party may file a response to the Claim (see § 1804(c))

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| A. Opposition: Did any party oppose the Claim? | No |
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| B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(2)(6))? | Yes |
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FINDINGS OF FACT

1. The Utility Reform Network has made a substantial contribution to D.15-10-050.
2. The requested hourly rates for The Utility Reform Network's representatives are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.

⁵ This information may be obtained at: <http://www.calbar.ca.gov/>.

3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$35,508.06.

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 shall be awarded \$35,508.06.
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 interest at the rate earned on prime, three-month commercial paper as reported in Federal Reserve Statistical Release H.15, beginning March 2 2016, the 75th 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.

This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

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|----------------------------------|----------------------------------|---------------------------|--|
| Compensation Decision: | | Modifies Decision? | |
| Contribution Decision(s): | D1510050 | | |
| Proceeding(s): | A1306011 | | |
| Author: | ALJ Wong | | |
| Payer(s): | Pacific Gas and Electric Company | | |

Intervenor Information

| Intervenor | Claim Date | Amount Requested | Amount Awarded | Multiplier? | Reason Change/Disallowance |
|----------------------------|-------------------|-------------------------|-----------------------|--------------------|-----------------------------------|
| The Utility Reform Network | December 18, 2015 | \$35,329.94 | \$35,506.06 | N/A | N/A |

Advocate Information

| First Name | Last Name | Type | Intervenor | Hourly Fee Requested | Year Hourly Fee Requested | Hourly Fee Adopted |
|-------------------|------------------|-------------|----------------------------|-----------------------------|----------------------------------|---------------------------|
| Marcel | Hawiger | Attorney | The Utility Reform Network | \$375.00 | 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 |

(END OF APPENDIX)