



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

FILED

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Order Instituting Rulemaking on the Commission's Own Motion to Develop Standard Rules and Procedures for Regulated Water and Sewer Utilities Governing Affiliate Transactions and the Use of Regulated Assets for Non-Tariffed Utility Services (formerly called Excess Capacity).	Application 09-04-012
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**NOTICE OF INTENT OF THE CONSUMER FEDERATION OF CALIFORNIA
TO CLAIM INTERVENOR COMPENSATION IN A.09-04-012**

The Consumer Federation of California ("CFC"), pursuant to Public Utilities Code Section 1804(a) and Rule 17.1 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), submits its Notice of Intent to Claim Intervenor Compensation in this proceeding, and seeks a determination of its eligibility to be compensated for participation in this rulemaking.

I. WHO WE ARE.

The Consumer Federation of California is a non-profit federation of several organizations, as well as individual members. Organizational members include consumer groups, senior citizen groups, labor organizations and other organizations that are composed of California consumers, all of whom are residential customers of California public utilities. The following are among the diverse groups which belong to the Federation:

- California Public Interest Research Group
- Communications Workers of America
- Older Women's League
- California Nurses Association
- California Service Employees International Union - State Council
- California Teachers Association
- California Federation of Teachers
- Customers for Automobile Reliability and Safety
- Consumer Attorneys of California

California Teamsters Public Affairs Council
United Food and Commercial Workers – States Council
Southern California District Council of Laborers

There are approximately 30 to 40 other organizational members and over 400 individual members who reside throughout the state. A list of some communities in which they reside follows:

Agoura	Folsom	Oxnard
Ahwahnee	Hemet	Redding
Alameda	Hollister	Sacramento
Arcata	Irvine	San Clemente
Atherton	Joshua Tree	San Diego
Belvedere	Laguna Niguel	San Francisco
Berkeley	Long Beach	San Luis Obispo
Bishop	Los Angeles	Santa Barbara
Carmel	Magalia	Sebastopol
Crescent City	Manteca	Stockton
Carmichael	Mendocino	Sun City
Davis	Moreno Valley	Ukiah
Diamond Springs	Oakland	Walnut Creek
Fresno	Orange	Willits

CFC takes a broad view of consumer issues, considering the impact of public policy on the quality and cost of goods and services as well as its effects on working Californians, their families and their communities. The Executive Director of CFC, who is appointed by the Board of Directors and officers of CFC, is authorized by the Bylaws of CFC to represent the interests of members of the CFC in legislative and regulatory proceedings.

II. TIMELY FILING

This Notice is timely because it is filed on the 30th day after the November 4, 2009 issuance of the “Scoping Memo And Ruling of Assigned Commissioner and Administrative Law Judge,” and in accordance with its terms:

Any party that expects to claim intervenor compensation for its participation in this rulemaking shall file its notice of intent to claim intervenor compensation no later than 30 days after the scoping memo is issued.¹

¹ Order Initiating Rulemaking (“OIR”) at 20.

III. CUSTOMER STATUS

The CFC meets the definition of “customer” under Public Utilities Code Section 1802(b)(1):

(b)(1)“Customer” means any of the following:

- (A) A participant representing consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the commission.
- (B) A representative who has been authorized by a customer.
- (C) A representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers, or to represent small commercial customers who receive bundled electric service from an electrical corporation.

The CFC intends to participate in this proceeding on behalf of residential and small commercial customers who receive bundled electric service from PG&E. CFC’s Executive Director is authorized by the bylaws of CFC to, *inter alia*, “promote the interests of urban and rural consumers, using peaceful, lawful methods to achieve the following objectives: ... [r]epresent consumers before public and private agencies at all levels.” Consumer Federation of California Bylaws, Article I.”

A copy of the by-laws of the Consumer Federation of California was filed with the Commission on April 20, 2006 in the Solar Incentive Rulemaking (R.06-03-004) and on July 6, 2006, in the Affiliate Transaction Rulemaking (R.05-10-030). CFC was found eligible to seek compensation in both of those proceedings, on May 16, 2006 in R.06-03-004 and on July 25, 2006 in R.05-10-030. CFC has since been found eligible to seek compensation on March 7, 2007, in A.06-09-016/A.06-09-021; on May 7, 2007, in I.07-01-022; on December 28, 2007 in R.07-01-021; on April 23, 2008 in A.07-12-006; on July 11, 2008 in R.07-05-025; and on May 13, 2009, R.08-12-009.

III. FINANCIAL HARDSHIP

The CFC is eligible for intervenor compensation because participation or intervention in this proceeding will cause its membership “significant financial hardship,” as that term is defined

in Public Utilities Code section 1802(g). The costs of effective participation, including fees paid attorneys and other reasonable costs of participation, are far greater than the economic interest of any individual member of the CFC.

This proceeding was initiated “to create generic rules for all water and sewer companies with regard to transactions with a parent company and/or affiliates and with regard to the use of regulated assets and personnel for non-tariffed utility products and services.”² As demonstrated by the Statements and Comments filed by CFC and others, there are many different rules to be examined in this proceeding, e.g., rules developed in generic rulemakings concerning electric utility affiliate transactions (D.06-12-029) and use of utility assets for non-tariffed services (D.00-07-018), rules proposed in the OIR and rules imposed on utilities in merger and other applications (D.04-01-051, Valencia Water; D.02-12-068, California American; D.98-06-068, Golden State; D.97-12-011, Cal Water; D.93-09-036, San Gabriel; and D.85-06-023, San Jose). The cost of examining these rules, and others, and presenting a resolution which equitably allocates costs and benefits of ‘mixed’ transactions outweighs the benefit any individual customer would derive from the elimination of cross-subsidization of affiliates and non-tariffed transactions..

II. NATURE AND EXTENT OF REPRESENTATION

The CFC states, pursuant to Public Utilities Code section 1804(a)(2)(A), that it has and will continue to fully participate in this proceeding. CFC has already filed a prehearing conference statement³ and a Reply,⁴ and its attorney participated in two days of workshops held November 12 and 13, 2009. CFC’s participation will include continued participation in workshops, settlement discussions, hearings and such other activities as may be required to adequately represent its members, including the filing of comments, rule proposals and such other actions scheduled by the Commission.

² OIR at 1.

³ July 16, 2009 Comments of the Consumer Federation of California.

⁴ Reply PHC of CFC, August 20, 2009.

The extent of CFC's involvement in this proceeding will necessarily depend on the procedure adopted by the Commission to consider the rules, the manner in which issues in the case are handled, and on the resources available to it at the time participation will be useful. The CFC will avoid unnecessary duplication of the presentation of any other party.

IV. ESTIMATE OF COSTS OF PARTICIPATION

CFC has made a preliminary estimate of the costs it will incur to effectively participate in this proceeding:

	\$ 70,000.00
Fees of Alexis Wodtke (200 hours at \$350/hour)	
	75.00
Other Costs: Postage, photocopies, deliveries, and supplies	
Total	\$70,075.00

This estimate is, of necessity, preliminary only, as the number of participants in this proceeding, the nature of their comments and the Commission's determination of how to proceed are all subject to change.

Rule 17.1(c) requires a party to "identify all issues on which the intervenor intends to participate and seek compensation," and to state the expected budget for participating on each issue. To prepare such a statement, the CFC has preliminarily identified the following issues will be considered by the Commission, and assigned its budget among them.

	ISSUE	BUDGET
1.	Water Companies' relationships with their affiliates	\$10,000
2.	Adequacy of existing regulation of affiliate transactions	\$5,000
3.	Transferability to water industry of affiliate rules for energy utilities	\$5,000
4.	Proposals for revised rules	\$15,000
5.	Extent of water companies' non-tariffed services.	\$10,000
6.	Evidence of subsidization of non-tariffed services with utility assets	\$5,000
7.	Benefits derived from excess capacity rules	\$5,000
8.	Proposals for revised rules	\$15,000
10	TOTAL	\$70,000

ECONOMIC INTEREST

Members of the Consumer Federation of California are hardworking Californians, when they are able to find employment. The recession has hit them hard. Like most Californians, they depend on the California Public Utilities Commission to maintain control over prices consumers pay for water, gas, telephone and electric service. High utility bills hurt the California economy. Bills that are higher than they should be, due to cross-subsidization of non-regulated affiliates and transactions, must be reduced.

CFC's interest in this proceeding is to prevent utilities from forcing customers, as a condition of receiving water service, to pay excessive charges to support a utility's family or its diversion of resources from the utility business.

CONCLUSION

The Consumer Federation of California respectfully requests that the Commission find that CFC is eligible for compensation in this proceeding. Specifically, CFC requests that the Commission issue a preliminary ruling in which it finds that: (1) CFC is a customer as defined in Public Utilities Code Section 1802(b); (2) CFC has made an adequate showing of significant financial hardship as defined in Public Utilities Code Section 1802(g); and (3) CFC has met the requirements of Public Utilities Code section 1804(a) for eligibility for compensation. If necessary, CFC will make a further showing of hardship at the time of filing its request for compensation.

Dated: December 4, 2009

Respectfully submitted,

CONSUMER FEDERATION OF CALIFORNIA

By: // s //

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CERTIFICATE OF SERVICE

I hereby certify that on December 4, 2009, I served by e-mail all parties on the service list for A.09-09-019 for which an email address was known, true copies of the original of the following document which is attached hereto:

**NOTICE OF INTENT OF THE CONSUMER FEDERATION OF CALIFORNIA
TO CLAIM INTERVENOR COMPENSATION IN A.09-04-012**

The names and e-mail addresses of parties served by e-mail are shown on an attachment.

Dated: December 4, 2009

Respectfully submitted,

_____/s/_____/

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