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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement the Commission's Procurement Incentive Framework and to Examine the Integration of Greenhouse Gas Emissions Standards into Procurement Policies.	Rulemaking 06-04-009 (Filed April 13, 2006)

NOTICE OF INTENT TO CLAIM COMPENSATION OF THE NATURAL RESOURCES DEFENSE COUNCIL (NRDC)

December 28, 2006

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In accordance with Section 1804(a) of the Public Utilities Code, the Natural Resources Defense Council (NRDC) hereby gives notice of its intent to claim compensation in this proceeding. Section 1802(b) describes customers eligible to claim compensation for participation in CPUC proceedings. Section 1804(a) requires customers who intend to claim compensation to file a notice of intent to claim compensation within 30 days of the Prehearing Conference (PHC). The PHC for Phase 2 of this proceeding was held on November 28, 2006; therefore, this notice is timely filed. Section 1804(a) also lists the items that should be addressed in such a notice, including:

- A statement of the nature and extent of the customer's planned participation in the proceeding as far as it is possible to set it out when the notice of intent is filed (Section 1804(a)(2)(A)(i));
- An itemized estimate of the compensation that the customer expects to request, given the likely duration of the proceeding as it appears at the time (Section 1804 (a)(2)(A)(ii)); and
- The notice of intent may also include a showing by the customer that participation in the hearing or proceeding would pose a significant financial hardship.

Alternatively, such a showing shall be included in the request submitted pursuant to subdivision (c) (Section 1804(a)(2)(B)).

In this notice, NRDC 1) demonstrates that it is a customer that qualifies to claim compensation pursuant to Public Utilities Code Section 1802(b); 2) sets forth the nature and extent of its planned participation in the proceeding in accordance with Public Utilities Code Section 1804(a)(2)(A)(i); 3) sets forth an itemized estimate of the compensation it expects to request in accordance with Public Utilities Code Section 1804(a)(2)(A)(ii); and 4) provides its showing of financial hardship in accordance with Public Utilities Code Section 1804(a)(2)(B).

(1) NRDC is a Customer Eligible to Claim Compensation Pursuant to Public Utilities Code Section 1802(b).

Public Utilities Code Section 1802(b) defines a customer eligible to claim compensation as:

> [A]ny participant representing consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the commission; any representative who has been authorized by a customer; or any representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers…"

NRDC falls within the third category listed in Section 1802(b) because it is a "representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers…."

NRDC is a non-profit membership organization with a long-standing interest in minimizing the societal costs of the reliable energy services that a healthy California economy requires. We have participated in numerous California proceedings over the last two decades with a particular focus on representing our California members' interest in the utility industry's delivery of cost-effective energy efficiency programs, renewable energy resources and other sustainable energy alternatives.

NRDC is a formally organized group authorized pursuant to our bylaws to represent the interests of our members, nearly all of whom are residential customers. NRDC's bylaws state in Section 1.02(a) that: "Individual membership in the Corporation shall constitute an authorization for the Corporation to represent members' interests in regulatory and judicial proceedings within the scope of the activities of the Corporation."[1] The relevant section of the bylaws is included in Attachment 1.[2] Over 130,000 of NRDC's members live and purchase utility services in California. NRDC's members are dispersed throughout the state and the majority of these members are residential customers of Pacific Gas and Electric Company, Southern California Edison Company, or San Diego Gas and Electric Company. This qualifies NRDC as a Category 3 customer pursuant to Section 1802(b) of the Public Utilities Code.

The interests of the customers represented by NRDC are unique and are not adequately represented by other parties that have intervened in the case. NRDC's members highly prioritize the need to preserve environmental quality while minimizing

[1] The Certificate of Incorporation of the Natural Resources Defense Council, Inc., states that: "The purposes for which the corporation is formed are: To preserve, protect and defend natural resources, wildlife and environment against encroachment, misuse and destruction" and "[t]o take whatever legal steps may be appropriate and proper to carry out the foregoing purposes." Attachment 2 includes the relevant section of the Certificate.

[2] Contact Shari Walker at (415) 875-6100 for a complete copy of the bylaws.

the societal costs of providing electric service through energy efficiency, renewable resources and other cost-effective alternative energy resources.

In D. 98-04-059, page 29, footnote 14, the Commission reaffirmed its "previously articulated interpretation that compensation be proffered only to customers whose participation arises directly from their interests as customers." The Commission explained that "With respect to environmental groups, we have concluded they were eligible in the past with the understanding that they represent customers whose environmental interests include the concern that, e.g., regulatory policies encourage the adoption of all cost-effective conservation measures and discourage unnecessary new generating resources that are expensive and environmentally damaging. (D.88-04-066, mimeo, at 3.) They represent customers who have a concern for the environment which distinguishes their interests from the interests represented by Commission staff, for example." Consistent with this articulation, NRDC represents customers with a concern for the environment that distinguishes their interests from the interests represented by other consumer advocates who have intervened in this case.

(2) Statement of the Nature and Extent of NRDC's planned participation in the proceeding.

Section 1802(a)(2)(A)(i) provides that a notice of intent to claim compensation must include: "[a] statement of the nature and extent of the customer's planned participation in the proceeding as far as it is possible to set it out when the notice of intent is filed." NRDC will be an active participant in this proceeding. NRDC has an extended history of working to minimize the societal costs of reliable energy services. NRDC

intends to participate actively in Phase 2 of this proceeding. NRDC will submit briefs and comments, present testimony and witnesses, and participate in any workshops or hearings as required. To the extent possible, NRDC will coordinate its participation with other parties to avoid duplication.

(3) Itemized Estimate of the Compensation that NRDC Expects to Request.

Section 1804(a)(2)(A)(ii) provides that a notice of intent to claim compensation must include: "[a]n itemized estimate of the compensation that the customer expects to request, given the likely duration of the proceeding as it appears at the time." It is difficult to estimate potential compensation with certainty. However, NRDC expects to be a major participant and currently estimates a total budget of $46,250 comprised of the following components:

NRDC staff, hours and billing rates:

- 200 hours of scientist, Audrey Chang at an average hourly rate of $110; and
- 100 hours of scientist, Devra Wang at an average hourly rate of $130.
- 50 hours of scientist, Sheryl Carter at an average hourly rate of $175.

NRDC estimates total expenses (postage, copies, travel, etc) at about $2,500.

The amount of any future claim to compensation is dependent upon the final decision in this proceeding. NRDC will address the reasonableness of the hourly rates requested for NRDC's representatives in our request for compensation, if request for compensation is filed.

(4) Participation in the Proceeding Would Pose a Significant Financial Hardship to NRDC.

Section 1804(a)(2)(B) provides that "[t]he notice of intent may also include a showing by the customer that participation in the hearing or proceeding would pose a significant financial hardship. Alternatively, such a showing shall be included in the request submitted pursuant to subdivision (c)." NRDC proffers its showing of significant financial hardship at this time.

Public Utility Code Section 1804(b)(1) states in part that:

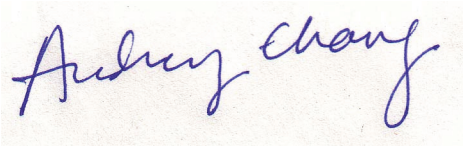
> "A finding of significant financial hardship shall create a rebuttable presumption of eligibility for compensation in other commission proceedings commencing within one year of the date of that finding."

NRDC received a finding of significant financial hardship in a ruling issued by Administrative Law Judge Gottstein in Application (A.) 05-06-004 et al. dated November 10, 2005. Because this proceeding commenced within one year after the date of this finding, the rebuttable presumption applies in this case.

In sum, NRDC respectfully requests a prompt determination of its eligibility for compensation in this proceeding.

Dated: December 28, 2006

Respectfully submitted,



Audrey Chang
Staff Scientist
Natural Resources Defense Council

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(415) 875-6100
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the **"Notice of Intent to Claim Compensation of the Natural Resources Defense Council (NRDC)" in the matter of R.06-04-009** to all known parties of record in this proceeding by delivering a copy via email or by mailing a copy properly addressed with first class postage prepaid.

Executed on December 28, 2006 at San Francisco, California.

Shari Walker
Natural Resources Defense Council
111 Sutter St., 20th Floor
San Francisco, CA 94104
415-875-6100
Swalker@nrdc.org

Attachment 1

CERTIFICATE OF INCORPORATION

OF

NATURAL RESOURCES DEFENSE COUNCIL, INC.

Pursuant to the Membership Corporations Law

We, the undersigned, for the purpose of forming a membership corporation, pursuant to the Membership Corporations Law of the State of New York, do hereby certify as follows:

FIRST: The name of the corporation shall be Natural Resources Defense Council, Inc.

SECOND: The purposes for which the corporation is to be formed are:

To preserve, protect and defend natural resources, wildlife and environment against encroachment, misuse and destruction.

To conduct research and to collect, compile and publish facts, information and statistics concerning natural resources, wild-life and environment and to conduct public education programs with respect thereto. '

To take whatever legal steps may be appropriate and proper to carry out the fore going purposes.

Attachment 2

AMENDED AND RESTATED BY-LAWS

of

NATURAL RESOURCES DEFENSE COUNCIL, INC.

A New York Not-for-Profit Corporation

(as amended through December 9,1999)

ARTICLE I.

Members

Section 1.01. Membership Qualification. Membership in the Corporation shall be open to such persons, corporations, partnerships and other organizations as may be determined by the Board of Trustees.

Section 1.02. Classes of Members. The Corporation shall have such classes of members as are provided for in or pursuant to these By-Laws.

(a) Individual, Family and Honorary Members. The Corporation shall have the following classes of members: Individual Members, Family Members and Honorary Members. Each Individual Member shall be entitled to one vote, Family Members shall be entitled to one vote per family and Honorary Members shall not be entitled to vote. Individual Membership in the Corporation shall constitute an authorization for the Corporation to represent members' interests in regulatory and judicial proceedings within the scope of the activities of the Corporation.

(b) Other Classes of Members. The Board of Trustees may from time to time create other classes of membership,