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**FILED**

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

Application of Southern California Edison Company (U338E) for Authority to Establish Its Authorized Cost of Capital for Utility Operations for 2013 and to Reset the Annual Cost of Capital Adjustment Mechanism.

Application 12-04-015  
(Filed April 20, 2012)

And Related Matters.

Application 12-04-016  
Application 12-04-017  
Application 12-04-018

**ADMINISTRATIVE LAW JUDGE'S RULING  
ON NOTICE OF INTENT TO CLAIM  
INTERVENOR COMPENSATION FILED BY L. JAN REID**

**1. Summary**

This ruling finds L. Jan Reid (Reid) eligible to submit a claim for intervenor compensation for his participation in Pacific Gas and Electric Company's (PG&E) test year 2013 cost of capital application pursuant to Public Utilities Code Sections 1801-1812, which was consolidated with Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas

Company's test year 2013 cost of capital applications.<sup>1</sup> A finding of eligibility however, does not necessarily guarantee an award of compensation.

A finding of significant financial hardship cannot be made at this time because of an incomplete filing by Reid. His significant financial hardship request is deferred pending either a complete showing of significant financial hardship or rebuttal presumption of eligibility as part of a request for an award of compensation, if he eventually files one.

Reid should become familiar with and use the Commission's December 2011 updated Intervenor Compensation Guide and standardized forms designed to expedite preparation and processing of the intervenor compensation documents.

## **2. Timelines**

An intervenor who intends to seek compensation for participation in a Commission proceeding must file a Notice of Intent to Claim Intervenor Compensation (NOI) no later than 30 days after a Prehearing Conference (PHC), or a date otherwise set by the Commission.<sup>2</sup> The PHC in this proceeding was held on June 4, 2012. Reid filed his NOI on July 5, 2012, and served a copy on all parties of record. Hence, Reid has satisfied the requirement that an NOI must be filed within 30 days after a PHC is held and served on all parties to the proceeding.

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<sup>1</sup> All statutory references herein are to the Public Utilities Code unless noted otherwise.

<sup>2</sup> Section 1804 (a)(1) and Rule 17.1 of the Commission's Rules of Practice and Procedure (Rules).

### 3. Nature and Extent of Planned Participation

Reid identified his planned participation in this proceeding, as required by Section 1804(a)(2)(A)(i). Reid’s participation in this proceeding will focus on regulatory and business risks and financial models applicable to PG&E. Reid and his consultant will present estimates of an appropriate capital structure, cost of debt, cost of preferred stock, and return on equity for PG&E’s test year 2013.

### 4. Itemized Estimate of Expected Compensation

Reid submitted an itemized estimate of compensation that he expects to request for his participation in PG&E’s test year 2013 cost of capital proceeding, pursuant to Section 1804 (a)(2)(A)(ii). Reid will provide time records, expense records, and justification for hourly rates in a request for an award of compensation, if he eventually files one. The total amount of his estimate is \$99,900 as detailed below.

| Category          | Hours | Rate     | Total       |
|-------------------|-------|----------|-------------|
| Reid              | 30    | \$195.00 | \$ 5,850.00 |
| Consultant Knecht | 334   | 275.00   | 91,850.00   |
| Compensation Time | 20    | 97.50    | 1,950.00    |
| Office Costs      |       |          | 250.00      |
| Total             |       |          | \$99,900.00 |

Reid has filed a reasonable estimate of expected compensation in this proceeding, pursuant to Section 1804(a)(2)(A)(ii).

### 5. Significant Financial Hardship

Section 1804(b)(1) allows a customer to include in either its NOI or its request for an award of compensation a showing that its participation will pose a significant financial hardship. A finding of significant financial hardship shall create a rebuttal presumption of eligibility for compensation in other commission

proceedings commencing within one year of the date of that finding, pursuant to Section 1804(b)(1).

Reid elected to include his showing of significant financial hardship as part of his NOI in this proceeding. Reid referenced his May 17, 2012 NOI filing in Rulemaking 12-03-014 to demonstrate financial hardship. Reid requests that his showing of significant financial hardship in that proceeding be applicable in this instant proceeding as well.

However, details of his financial hardship were tendered under seal in the rulemaking proceeding and not included in his instant filing. Absent a full showing of financial hardship in this proceeding or a rebuttal presumption of eligibility in other commission proceedings commencing within one year of the date of his present NOI filing a finding of significant financial hardship cannot be made. Therefore, a determination of significant financial hardship is deferred pending either submit a complete showing of significant financial hardship or rebuttal presumption of eligibility as part of a request for an award of compensation, if he eventually files one.

## **6. Customer**

Article 5 of the Public Utilities Code requires the Commission to compensate any “customer” who fulfills certain criteria for participating in Commission proceedings. Section 1802(b) defines “customer” in three ways: The first category applies to a participant representing consumers; the second category applies to a representative authorized by a customer; and the third category applies to a “representative of a group or organization that is authorized pursuant to its articles or bylaws to represent the interests of residential customers, or to represent small commercial customers who receive bundled electric service from an electrical corporation.”

Reid states that he is a customer under the first category. He receives electric and gas service from PG&E.

Further, the Commission requires that a customer in the first category “must represent the broader interests of at least some other customers.”<sup>3</sup> As part of this requirement, the NOI must describe how the intervenor’s “participation goes beyond your own self-interest and will benefit other customers generally.” Reid states that he will take positions that he believes will benefit all residential customers of PG&E, not just himself.

Reid’s NOI complies with the necessary requirements by verifying (under penalty of perjury) that he receives residential service from PG&E, and that the issues he will address are intended to benefit other PG&E residential customer generally, not just himself. Reid is a Category A customer.

## **7. Intervenor’s Economic Interest**

The NOI must state the intervenor’s economic interest in the proceeding as that interest relates to the issues on which the intervenor intends to participate, pursuant to Rule 17.1(e) of the Commission’s Rules of Practice and Procedure. Reid meets this requirement by stating that he is a customer of PG&E.

## **8. Other Matter**

Reid prepared his NOI based on the eligibility rules and information requirements set forth in Decision (D.) 98-04-059, as modified by D.99-02-039 and consistent with the Commission’s April 2005 Intervenor Compensation Program Guide.

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<sup>3</sup> See the Commission’s “Intervenor Compensation Program Guide” at 7.

However, additional amendments to the intervenor compensation rules were adopted pursuant to D.06-12-041 and modifications to the Commission's Intervenor Compensation Program Guide were made on December 2011. Reid should become familiar with and use the Commission's December 2011 updated Intervenor Compensation Guide and standardized forms designed to expedite preparation and processing of intervenor compensation documents.

### **9. Conclusion and Consultation with Assigned Commissioner**

Reid is eligible to request intervenor compensation. Reid's eligibility to request compensation for his participation in PG&E's test year 2013 cost of capital application does not ensure that he will receive compensation. This ruling is made after consultation with the assigned Commissioner, pursuant to Section 1804(b)(1).

**IT IS RULED**, after consultation with the assigned Commissioner, that:

1. L. Jan Reid filed a timely notice of intent to claim intervenor compensation. The Notice of Intent to Claim Compensation meets the requirements of Public Utilities Code Section 1804(a) and Rule 17.1 of the Commission's Rules of Practice and Procedure.
2. L. Jan Reid is a customer of Pacific Gas and Electric Company as defined by Public Utilities Code Section 1802(b)(1)(A).
3. A finding of significant financial hardship cannot be made at this time because of an incomplete filing.
4. L. Jan Reid's request for a finding of significant financial hardship is deferred pending either a complete showing of significant financial hardship or rebuttal presumption of eligibility for compensation as part of a request for an award of compensation, if he eventually files one.

5. L. Jan Reid should become familiar with and use the Commission's December 2011 updated Intervenor Compensation Guide and standardized forms designed to expedite preparation and processing of intervenor compensation documents.

6. L. Jan Reid (Reid) is eligible to request intervenor compensation for his participation in Pacific Gas and Electric Company's test year 2013 application. This finding of eligibility does not ensure that Reid will receive compensation.

Dated July 20, 2012, at San Francisco, California.

/s/ MICHAEL J. GALVIN

Michael J. Galvin  
Administrative Law Judge