

Decision 10-04-026 April 8, 2010

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) for Approval of Demand Response Programs, Goals and Budgets for 2009-2011.	Application 08-06-001 (Filed June 2, 2008)
And Related Matters.	Application 08-06-002 Application 08-06-003

DECISION AWARDING INTERVENOR COMPENSATION TO THE UTILITY REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 09-08-027 AS MODIFIED BY DECISION 09-10-006

Claimant: The Utility Reform Network	For contribution to D.09-08-027 as modified by D.09-10-006
Claimed (\$): \$153,735.98	Awarded (\$): \$123,240.03 (20% reduction)
Assigned Commissioner: Grueneich	Assigned ALJ: Hecht

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision: The utilities requested approximately \$429.2 million for various demand response programs and aggregator contracts. The Commission approved budgets totaling \$349,509,463 for demand response programs for PG&E, SCE and SDG&E for 2009-2011. The Commission reduced aggregator contract budgets by approximately \$28 million and reduced the budgets for utility programs by about \$52 million.

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 (§ 1804(a)):		
1. Date of Prehearing Conference:	October 1, 2008	Yes
2. Other Specified Date for NOI:		
3. Date NOI Filed:	October 31, 2008	Yes

4. Was the notice of intent timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.08-06-001 et al.	Yes
6. Date of ALJ ruling:	December 5, 2008	Yes
7. Based on another CPUC determination (specify):		
8. Has the claimant demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.08-06-001 et al.	Yes
10. Date of ALJ ruling:	December 5, 2008	Yes
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.09-08-027	Yes
14. Date of Issuance of Final Decision:	August 24, 2009	Yes
15. File date of compensation request:	October 23, 2009	Yes
16. Was the request for compensation timely?		Yes

PART II: SUBSTANTIAL CONTRIBUTION

A. Claimant’s description of claimant’s contribution to the final decision (see § 1802(i), § 1803(a) & D.98-04-059)

Contribution	Citation to Decision or Record	Showing Accepted by CPUC
<p>Policy Issue – Cost Effectiveness: TURN provided analysis and argument showing that the utilities cost-effectiveness calculations improperly value local T&D benefits and are incorrect with respect to the inclusion and quantification of certain costs (labor adders, etc.).</p> <p>The Commission concluded that “some of these criticisms may have merit” but concluded that it was unnecessary to address the merits of these issues because the “estimates” used for c/e in “while somewhat flawed” were “sufficient for our purposes in this proceeding.” (p. 17)</p>	<p>Nahigian Direct Testimony, Sections II.B, III.A and B and IV.A.</p> <p>D.09-08-027, Sec. 7.1, p. 16-19.</p>	<p>Although TURN’s analysis was helpful in generally establishing the usefulness and limits of the utility cost effectiveness estimates, the Commission used the utilities’ estimates and deferred the more general policy</p>

<p>The Commission concluded that these issues should be addressed in R.07-01-041.</p>		<p>discussion to R.07-01-041. <i>See</i> disallowances in Section D.</p>
<p>Policy Issue – Baseline measurement: TURN recommended against the use of SCE’s proposed 3-in-10 baseline method and recommended that the Commission direct the utilities to place customers with highly variable loads on programs that do not require baseline calculation.</p> <p>The Commission agreed and ordered that all utilities use the 10-in-10 baseline methodology, and likewise ordered the utilities to prepare a report that would include “a plan for steering highly variable load customers towards demand response programs that do not require baseline calculation.”</p>	<p>Schilberg Direct Testimony, p. 9-11. D.09-08-027, Sec. 17.4, p. 139-142.</p>	<p>Yes</p>
<p>Policy Issue – Emergency Demand Response: TURN argued that the Commission should not include PG&E’s Air Conditioner Cycling program in its adopted cap on emergency-triggered DR. The Commission agreed and modified the Proposed Decision to reflect this recommendation.</p>	<p>TURN Comments on Proposed Decision, p. 4. Compares Sections 9 of PD and D.09-08-027.</p>	<p>Yes</p>
<p>Policy – MRTU Integration: TURN Recommended that the Commission proceeding slowly to implement functionality less than full participating load functionality until further developments of MRTU capabilities.</p> <p>The Commission as a general matter agreed that “it would be best to wait to make major changes to programs until the benefits of those changes are found to outweigh the costs.” (p. 129)</p>	<p>Schilberg Direct Testimony, p. 3-6. D.09-08-027, Sec. 16.3 and 16.4, p. 126-132.</p>	<p>Yes</p>
<p>SDG&E BIP – SDG&E requested</p>	<p>Nahigian Direct Testimony,</p>	<p>Yes</p>

<p>1657067, a slight increase over 2008. TURN recommended 993000. The Commission authorized 1475423 based on 2008 actual, a difference of about \$200,000.</p>	<p>Sec. V.F. D.09-08-027, Sections 10.1.1.2 and 10.1.1.3</p>	
<p>PG&E’s Capacity Bidding Program: TURN recommended discontinuing the CBP due to its low cost effectiveness, or alternatively, reducing the budget by over \$4 million based on excessive administrative costs.</p> <p>The Commission agreed that the low b/c ratio warrants reduced funding and that administrative expenses “should not be greater than the amount spent on incentives.” (p. 50). The Commission thus reduced the authorized budget by almost \$3 million.</p>	<p>Nahigian Direct Testimony, Sec. III.D.</p> <p>D.09-08-027, Sec. 10.2.2.3 “As noted by TURN and DRA, the benefit to cost ratio of this program, and especially the day-ahead option, are far below one, so it does not appear that this program is cost effective for PG&E at this time. However, there is value to having this program or a similar option operate statewide, and we hope that the benefit to cost ratio may be improved in the future. Given the relatively low benefit to cost ratio of PG&E’s program, however, it would not be reasonable to fully fund this program as requested by PG&E. Specifically, it is reasonable to expect that the funding spent on administrative expenses for a program should not be greater than the amount spent on incentives. For this reason, we will continue the PG&E program as an aggregator-managed program, but with a lower budget than proposed by PG&E. PG&E requests \$4,623,609 for administrative activities, and \$1,564,685 for incentives. We authorize a total funding of \$3,615,076 for PG&E’s Capacity Bidding Program for 2009-2011, as noted below.”</p>	<p>Yes</p>
<p>SDG&E’s Capacity Bidding Program: TURN recommended a reduction of program costs of about \$3.5 million</p>	<p>Nahigian Direct Testimony, Sec. V.E., p. 38. Schilberg Direct Testimony, p. 8-9.</p>	<p>Yes</p>

<p>based on excessive administrative costs and historical recorded expenses. TURN also argued that the b/c ratio was lower than calculated by SDG&E due to an unrealistic forecast of load impacts.</p> <p>The Commission agreed that it “is not clear whether the estimates of program potential load impact” are realistic, but then accepted SDG&E’s contention that interest in the program will increase. The Commission agreed that administrative costs should be no higher than incentives, but reduced the budget by only \$400,000 due to the expectation of higher future incentive costs.</p>	<p>D.09-08-027, Sec. 10.2.2.3, p. 50: “Consistent with our policy that the administrative costs should not exceed the incentive costs for a program in a given year, we reduce SDG&E’s proposed budget for this program by approximately \$400,000, the amount of the excess administrative costs for 2009.”</p>	
<p>PG&E’s Critical Peak Pricing Program:</p> <p>TURN recommended elimination of funding due to D.08-07-045 or reduction based on 2006-08 recorded. The Commission rejected TURN’s position, but alternatively found that “At the same time, we recognize that the funding for Critical Peak Pricing authorized in this decision should be discontinued if a new default Critical Peak Pricing program is adopted in A.09-02-022.”</p>	<p>Nahigian Direct Testimony, Sec. III.J.</p> <p>D.09-08-027, Sec. 10.2.3.</p>	<p>Yes</p>
<p>PG&E’s PeakChoice:</p> <p>TURN recommended a \$9.2 million reduction in funding due to excessive administrative costs. The Commission agreed with TURN that the administrative costs for PeakChoice are too high compared to total program costs. The Commission agreed that program costs should be no more than incentives and reduced budget from \$16.9 million to \$9.0 million, a reduction of almost \$8 million.</p>	<p>Nahigian Direct Testimony, Sec. III.E., p. 13-14.</p> <p>D.09-08-027, Sec. 11.1.3. “The forecasted expenditures for PeakChoice in 2008 were approximately \$2.8 million; as noted by TURN; total estimated costs of this program from its adoption in 2007 through the end of 2008 were approximately \$4 million. These numbers are much lower than the \$16.9 million requested by PG&E for this program in its application. PG&E does not provide sufficient rationale for such a large budget request.</p> <p>...</p>	<p>Yes</p>

	<p>In addition, as TURN notes, PG&E’s proposed administrative costs for this program are extremely high compared to the estimated costs of incentives under the program. As discussed above with respect to PG&E’s Capacity Bidding Program, it is reasonable to expect that administrative expenses for a program should not be greater than the amount spent on incentives. We approve a total budget for 2009-2011 of \$9 million, which allows for some growth of the program over 2008 forecast levels.”</p>	
<p>PG&E’s BEC/ABEC programs – TURN and DRA both recommended discontinuation of this program due to extremely low cost effectiveness. TURN also argued that the non-quantifiable benefits promoted by PG&E were not unique to this program. The Commission agreed on both counts and ordered discontinuation of both BEC and ABEC. PG&E had requested budgets of \$15.384 million for these programs.</p>	<p>Nahigian Direct Testimony, Sec. III.C., p. 11-12. D.09-08-027, Sec. 11.1.4</p>	<p>Yes</p>
<p>PG&E Legacy Conversion and Supportive Activities – TURN recommended eliminating the Legacy Demand Response Conversion program. The Commission agreed and reduced PG&E’s budget for miscellaneous supportive activities from \$29,483,000 requested to 16,902,000, by completely eliminating three projects, including the Legacy DR Conversion project.</p>	<p>Nahigian Direct Testimony, Sec. III.H., p. 17. D.09-08-027, Sec. 11.4 “Several of these items, including PG&E’s Legacy Demand Response Conversion, a Marketing Decision Support System upgrade, and Interval Meters and SDG&E’s Codes and Standards are not sufficiently supported by information in the utilities’ applications, and may be duplicative of activities already funded in these utilities’ AMI, energy efficiency or other proceedings. We do not approve additional funding for these efforts, which are not justified by</p>	<p>Yes</p>

	supportive information in the applications.”	
<p>TA/TI for SCE – TURN recommended a reduction of about \$35 million based on recorded costs in 2006-08 and high administrative costs relative to incentives. The Commission agreed with SCE that certain “administrative” costs really reflect program costs. The Commission rejected TURN’s argument about recorded costs based on SCE’s contention of “committed” funds, but also found that “SCE’s method of reporting money spent under its Technical Assistance and Technology Incentives program makes it difficult to determine the demand for this program or the budget required to sustain it through 2011. To address this, we require SCE to add a line to all future reports on this program to show the funds committed under this program in a given month and year.” (p. 82)</p>	<p>Nahigian Direct Testimony, Sec. IV.B. D.09-08-027, Sec. 12.1.1.1 and 12.1.3</p>	<p>Yes</p>
<p>TA/TI for PG&E – TURN recommended 1) a reduction of about 2.22 million due to high administrative costs, and 2) rejection of proposal to reduce customer contribution for new construction. The Commission agreed with TURN on the second point and found that “There is not sufficient information in the record on the desirability of making this change or the possible implications on PG&E’s line extension rules.” (p. 83)</p>	<p>Nahigian Direct Testimony, Sec. III.F. D.09-08-027, Sec. 12.1.1.2 and 12.1.3</p>	<p>Yes</p>
<p>SDG&E TA/TI – TURN recommended a eliminating SDG&E’s TA/TI budget due to SDG&E’s claims in the AMI proceeding. The Commission found that it is not reasonable to expect the benefits of AMI since SDG&E has not fully deployed the AMI system. The Commission stated that by 2012 “we expect SDG&E will be able to substantiate the claims made in its AMI</p>	<p>D.09-08-027, Sec. 12. 1.1.3 and 12.1.3</p>	<p>Yes</p>

<p>proceeding by substantially reducing or eliminating Technical Assistance and Technology Incentives costs.” (p. 82)</p>		
<p>Emerging Markets and Technologies: TURN recommended eliminating SDG&E’s budget based on overlap with AMI funding and reducing SCE’s budget based on 2008 recorded spending. The Commission rejected TURN’s arguments to reduce funding, though the Commission did require annual reporting of project results.</p>	<p>Nahigian Direct Testimony, Sec. V.A and B. D.09-08-027, Sec. 12.2.2 and 12.2.3</p>	<p>Yes</p>
<p>Education, Marketing and Outreach: TURN objected to budgets for utility-specific outreach and marketing campaigns and recommended specific cuts to several requests based on recorded historical spending.</p> <p>The proposed decision approved budgets only for 2009 and ordered that budgets for 2010-11 be established in A.08-07-021.</p> <p>The final Decision adopted the requested budgets but directed the utilities to coordinate these activities with similar activities funded in the energy efficiency proceedings and noted that these activities and budgets “may be reviewed and revised” in A.08-07-021. (p. 98)</p>	<p>TURN Opening Brief, p. 28-30. D.09-08-027, Sec. 13, p. 94-98. Proposed Decision, p. 88 (“We defer review of the utilities’ requested budgets for these specialized marketing programs for 2010 and 2011 to A.08-07-021 et al.”).</p>	<p>TURN did not prevail on most specific issues in these areas. <i>See</i> disallowances in Section D.</p>
<p>Pilot Programs: PG&E Smart AC: TURN recommended against authorization of PG&E’s SmartAC Ancillary Services Pilot as duplicative of SCE’s pilot. The Commission approved continuation of this pilot for 2010-11 without any further findings or discussion of the record.</p> <p>PG&E’s Integration Pilots: The Commission disagreed with TURN’s recommendation not to approve PG&E’s intermittent generation integration pilots.</p>	<p>Schilberg Direct Testimony, p. 2. D.09-08-027, Sec. 14, p. 98.</p> <p>Nahigian Direct Testimony, Sec. III.I. D.09-08-027, Sec. 14.1.1, p. 99-102.</p>	<p>The Commission disagreed with TURN’s recommendations in this area. The Commission approved the continuation of PG&E’s SmartAC Ancillary Services Pilot and approved PG&E’s intermittent</p>

		generation integration pilots. See disallowances in Section D.
<p>EM&V:</p> <p>TURN recommended reducing the EM&V budgets of SCE and SDG&E. The Commission rejected this recommendation. TURN also recommended against using \$162,000 for finalizing the evaluation of the terminated PEAK program. While, the Commission concluded that “it is not necessary to provide funding for evaluation of activities that we are denying or discontinuing in this application,” TURN is unsure whether this directive applied to the PEAK program EM&V.</p>	D.09-08-027, Sec. 23.1 and 23.2.	Although TURN did not make a substantial contribution in this area, we have previously disallowed all of TURN’s hours related to its efforts on marketing and education budgets, so we make no further reductions for the Commission’s rejection of TURN’s recommendations in this area.
<p>Process for Future Program and Budget Modifications: TURN opposed the utility requests to use advice letters for program revisions and recommended that any material changes to programs be addressed in applications.</p> <p>The Commission affirmed its earlier Ruling that any program changes must be submitted via an application.</p>	Nahigian Direct Testimony, Sec. II.D., p. 8. D.09-08-027, Sec. 25.3. Note that the Decision does not discuss TURN’s position in Sec. 25.2, but TURN did submit testimony on this issue.	Yes
<p>Permanent Load Shifting: TURN opposed Transphase’s standard offer proposal as too expensive based on too high an incentive level compared to cost. The Commission essentially agreed with TURN’s (and the IOUs’) position that the proposed program was not cost effective and too expensive</p>	Nahigian Rebuttal Testimony, p. 1-6. D.09-08-027, Sec. 21.3, p. 173-182.	Yes
<p>Backup Generation: TURN opposed the proposal by BluePoint Energy to make backup generators a demand response</p>	Nahigian Rebuttal Testimony, p. 6-9.	Yes

<p>program eligible for TA/TI incentives based on both policy and factual grounds. The Commission agreed with TURN's analysis.</p>	<p>D.09-08-027, Sec. 20.1, p. 165-167.</p>	
--	--	--

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

	Claimant	CPUC Verified
<p>a. Was DRA a party to the proceeding? (Y/N)</p>	Y	Yes
<p>b. Were there other parties to the proceeding? (Y/N)</p>	Y	Yes
<p>c. If so, provide name of other parties: San Francisco Community Power, North American Power Partners, EnerNOC, Energy Connect, Alliance for Retail Energy Markets, CPower, CLECA, Transphase, Energy Curtailment Specialists, Inc., Chapeau, Inc., California Demand Response Coalition</p>		Yes
<p>d. Claimant's description of how it coordinated with DRA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party:</p> <p>Most of the parties to the proceeding were demand response aggregators or vendors whose interests were not aligned with TURN's interests. Their participation added to TURN's workload on issues such as permanent load shifting, backup generation and cost effectiveness analysis.</p> <p>TURN explicitly coordinated with the DRA to allocate workload. The result was that TURN focused on program A&G costs, including marketing and education, as well as load impacts and certain cost-effectiveness issues. The DRA took the lead on aggregator contract issues and certain cost-effectiveness issues. DRA also addressed various program-specific issues. TURN supplemented DRA's analysis with independent argument concerning PG&E's BEC program.</p>		Yes

C. Additional Comments on Part II:

#	Claimant	CPUC	Comment
1	X		<p>TURN has identified the majority of recommendations and issues which we addressed in testimonies and/or briefs, including both issues where our recommendations were not accepted. While TURN has not identified absolutely all issues or recommendations, especially if the Commission did not adopt TURN's position or analysis, we did identify the issues that accounted for the vast majority of TURN's time and expenses in this proceeding.</p> <p>While there were several large dollar recommendations made by TURN (reducing SCE's TA/TI costs, SDG&E's program costs, Marketing, Education and Outreach Costs) which the Commission rejected, TURN suggests that the net contribution by TURN based on the specific recommendations adopted by the Commission (net reduction of about \$27 million), recommendations adopted by the proposed decision</p>

			(reducing ME&O costs) as well as the contribution to the Commission’s deliberations and analyses on other issues warrant our request for full recovery of all costs and expenses in this proceeding.
--	--	--	--

PART III: REASONABLENESS OF REQUESTED COMPENSATION

(Completed by Claimant except where indicated)

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

Concise explanation as to how the cost of claimant’s participation bears a reasonable relationship with benefits realized through participation (include references to record, where appropriate)	CPUC Verified																												
<p>TURN had recommended total reduction in utility budgets of about \$147 million, including about \$30 million in reductions for administrative costs associated with specific utility programs (TURN Opening Brief, p. 2-3). The other recommended reductions concerned TA/TI programs, marketing education and outreach (ME&O) spending and AMI overlap. The Commission reduced total program spending by about \$52 million. The reductions which were based in whole or in part on TURN’s specific recommendations totaled almost \$27 million, as shown in the Table below (based on Tables in Section 24 of D.09-08-027 and the text identified in Part II.A. above):</p> <table border="1" data-bbox="232 926 1130 1199"> <thead> <tr> <th>Program</th> <th>Requested</th> <th>Authorized</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>SDG&E BIP</td> <td>\$1,657,067</td> <td>\$1,457,423</td> <td>\$199,644</td> </tr> <tr> <td>PG&E Peak Choice</td> <td>\$16,954,000</td> <td>\$9,000,000</td> <td>\$7,954,000</td> </tr> <tr> <td>PG&E Legacy Conversion</td> <td>\$4,828,000</td> <td>\$0</td> <td>\$4,828,000</td> </tr> <tr> <td>PG&E CBP</td> <td>\$6,674,000</td> <td>\$3,615,076</td> <td>\$3,058,924</td> </tr> <tr> <td>PG&E BEC</td> <td>\$15,382,000</td> <td>\$4,623,996</td> <td>\$10,758,004</td> </tr> <tr> <td>Total</td> <td></td> <td></td> <td>\$26,798,572</td> </tr> </tbody> </table> <p>TURN’s analyses and recommendations were the primary basis for reductions of about \$16 million. TURN provided independent argument to support DRA’s analysis against continuation of the BEC program, which resulted in a budget reduction of another \$10.8 million.</p> <p>Assuming that our participation contributed about 50% to the elimination of the BEC program, TURN thus suggests that our participation resulted in reduced ratepayer costs of about \$21.4 million over the three-year period 2009-2011. This ratepayer benefit justifies our participation in this proceeding and the requested compensation request.</p> <p>TURN also notes that the Commission adopted several policy recommendations (baseline methodology, future evaluations of pilot results, etc.) that should provide direct and indirect rate payer benefits.</p>	Program	Requested	Authorized	Difference	SDG&E BIP	\$1,657,067	\$1,457,423	\$199,644	PG&E Peak Choice	\$16,954,000	\$9,000,000	\$7,954,000	PG&E Legacy Conversion	\$4,828,000	\$0	\$4,828,000	PG&E CBP	\$6,674,000	\$3,615,076	\$3,058,924	PG&E BEC	\$15,382,000	\$4,623,996	\$10,758,004	Total			\$26,798,572	<p>After the reductions and disallowances we make to this claim, the remainder of TURN’s hours and costs are reasonable and should be compensated.</p>
Program	Requested	Authorized	Difference																										
SDG&E BIP	\$1,657,067	\$1,457,423	\$199,644																										
PG&E Peak Choice	\$16,954,000	\$9,000,000	\$7,954,000																										
PG&E Legacy Conversion	\$4,828,000	\$0	\$4,828,000																										
PG&E CBP	\$6,674,000	\$3,615,076	\$3,058,924																										
PG&E BEC	\$15,382,000	\$4,623,996	\$10,758,004																										
Total			\$26,798,572																										

B. Specific Claim*:

CLAIMED						CPUC AWARD			
ATTORNEY AND ADVOCATE FEES									
Item	Year	Hours	Rate \$	Basis for Rate	Total \$	Year	Hours	Rate \$	Total \$
M. Hawiger	2009	139.0	325	D.08-08-027	45,175.00	2009	114.35	325	37,163.75
M. Hawiger	2008	34.25	325	D.08-08-027	11,131.25	2008	29.75	325	9,668.75
M. Florio	2009	1.0	535	D.09-08025	535.00	2009	1.0	535	535.00
H. Goodson	2009	0.5	280	D.09-10051	140.00	2009	0	280	0
N. Suetake	2008	4.5	225	D.09-04-027	1,012.50	2008	4.5	225	1,012.50
Subtotal: \$57,993.75						Subtotal: \$48,380.00			
EXPERT FEES									
Item	Year	Hours	Rate \$	Basis for Rate	Total \$	Year	Hours	Rate \$	Total \$
B. Marcus	2008	3.50	250	D.08-11-053	875.00	2008	3.5	250	875.00
J. Nahigian	2008	271.75	190	D.09-04-027	51,632.50	2008	201.37	190	38,260.30
J. Nahigian	2009	84.75	190	D.09-04-027 ALJ 235	16,102.50	2009	56.75	190	10,782.50
G. Schilberg	2008	106.11	200	D.09-04-027 ALJ 235	21,222.00	2008	96.91	200	19,382.00
G. Schilberg	2009	17.84	200	D.09-04-027 ALJ 235	3,568.00	2009	16.09	200	3,218.00
G. Jones	2008	1.98	120	D.09-04-027	237.60	2008	1.98	120	237.60
Subtotal: \$93,637.60						Subtotal: \$72,755.40			
INTERVENOR COMPENSATION CLAIM PREPARATION **									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
M. Hawiger	2009	12.00	162.50	D.08-08-027	1,950.00	2009	12.00	162.50	1,950.00
M. Hawiger	2008	.25	162.50	D.08-08-027	40.63	2008	.25	162.50	40.63
Subtotal: \$1,990.63						Subtotal: \$1,990.63			
COSTS									
#	Item	Detail			Amount	Amount			
1	Xeroxing	Photocopies for pleadings not emailed			114.00	114.00			
Subtotal: \$114.00						Subtotal: \$114.00			
TOTAL REQUEST: \$153,735.98						TOTAL AWARD: \$123,240.03			
*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. Claimant’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.

**Reasonable claim preparation time typically compensated at ½ of preparer’s normal hourly rate.

C. Attachments or Comments Documenting Specific Claim (not attached to final Decision):

Attachment or Comment #	Description/Comment															
Attach 1	Certificate of Service															
Attach 2	Attorney Time Sheets															
Attach 3	Expert Witness Time Sheets															
Attach 4	Direct Expenses															
Comment 1	<p>Reasonableness of Attorney Time: Most of the attorney hours in this proceeding reflect work performed by Marcel Hawiger, the lead attorney representing TURN in this proceeding. Mr. Hawiger spent approximately 170 hours, or the equivalent of four weeks of work, on this proceeding. Mr. Hawiger reviewed all the applications and testimonies, drafted all briefs and pleadings, conducted cross examination of utility witnesses and performed all discovery and other procedural work in this proceeding. Given the magnitude of the requests by the three IOUs for programs spanning three years, TURN suggests that this amount of attorney time represents a reasonable expenditure of effort. TURN also suggests that our relative success in contributing to Commission findings that resulted in over \$20 million in disallowances warrants full compensation for TURN’s attorney time.</p>															
Comment 2	<p>Allocation of attorney time by issue: TURN used the following codes to identify the primary issue categories: MRTU (issues related to MRTU pilots and transition to MRTU), Policy (policy issues related to price responsive and emergency DR programs), A&G (administrative and general cost levels of utility programs), BEC (issues related to PG&E’s BEC/ABEC program), C/E (cost effectiveness methodology and calculations), MEO (marketing, education and outreach costs), DISC (discovery issues). TURN used the code “GP” to describe work that is generic to proceedings (reading pleadings and testimonies of other parties, attending PHCs) and the term “#” to describe work that included more than one issue category. Much of the work labeled as GP, CE or # related to analysis or pleading preparation concerning specific utility programs (Section 5 of TURN’s opening brief).</p> <p>Based on a review of attorney time sheets and briefs, TURN estimates the following allocation of attorney time by issue category:</p> <table border="1" data-bbox="440 1549 1528 1875"> <thead> <tr> <th data-bbox="440 1549 727 1629">Code</th> <th data-bbox="727 1549 1252 1629">Issues</th> <th data-bbox="1252 1549 1528 1629">Approximate Allocation of Time</th> </tr> </thead> <tbody> <tr> <td data-bbox="440 1629 727 1675">MRTU</td> <td data-bbox="727 1629 1252 1675">Analysis of MRTU pilot</td> <td data-bbox="1252 1629 1528 1675">10</td> </tr> <tr> <td data-bbox="440 1675 727 1719">A&G</td> <td data-bbox="727 1675 1252 1719">Level of A&G expenses for programs</td> <td data-bbox="1252 1675 1528 1719">20</td> </tr> <tr> <td data-bbox="440 1719 727 1799">C/E</td> <td data-bbox="727 1719 1252 1799">Program cost effectiveness; General c/e measurement issues</td> <td data-bbox="1252 1719 1528 1799">10</td> </tr> <tr> <td data-bbox="440 1799 727 1875">BEC and Other Utility Programs</td> <td data-bbox="727 1799 1252 1875">C/E of the BEC/ABEC programs</td> <td data-bbox="1252 1799 1528 1875">30</td> </tr> </tbody> </table>	Code	Issues	Approximate Allocation of Time	MRTU	Analysis of MRTU pilot	10	A&G	Level of A&G expenses for programs	20	C/E	Program cost effectiveness; General c/e measurement issues	10	BEC and Other Utility Programs	C/E of the BEC/ABEC programs	30
Code	Issues	Approximate Allocation of Time														
MRTU	Analysis of MRTU pilot	10														
A&G	Level of A&G expenses for programs	20														
C/E	Program cost effectiveness; General c/e measurement issues	10														
BEC and Other Utility Programs	C/E of the BEC/ABEC programs	30														

	MEO	Marketing and education budgets	10
	Policy	Policy issues related to authorization of price-responsive and emergency DR programs	20
Total			100
Comment 3	<p>Reasonableness of Expert Witness Fees: TURN appreciates that this request includes considerable time spent by our two expert witnesses from JBS Energy, Inc. Participation in this proceeding required the witnesses to review voluminous testimony and data submissions by the three large electric IOUs (SDG&E, PG&E and SCE) pertaining to multiple demand response programs, with requests for funding spanning the next three years (2009-2011).</p> <p>Mr. Jeff Nahigian was the lead witness on cost-effectiveness and program cost issues. Mr. Nahigian reviewed historical cost data for all the programs in order to base his recommendations for future program costs. Mr. Nahigian identified numerous disallowances due to excessive administrative (A&G) expenses and due to overlap with prior AMI proceedings. The Commission did not agree with the AMI-related disallowances but generally agreed with Mr. Nahigian’s recommendation to limit A&G costs to no more than forecast incentive costs, resulting in disallowances totaling about \$16 million.</p> <p>Ms. Gayatri Schilberg was the lead witness addressing load impact measurement, baseline methodology and MRTU integration. The Commission adopted her two primary policy recommendations concerning baseline and MRTU integration. The Commission did not adopt her specific recommendations concerning disallowances of certain pilot programs.</p> <p>The Commission is familiar with the work of Mr. Nahigian and Ms. Schilberg from numerous past proceedings. TURN suggests that the time spent by these witnesses in this proceeding represents an efficient and effective use of witness expertise to review the necessary information, perform the analysis and form useful recommendations for the Commission’s consideration.</p>		

D. CPUC Disallowances & Adjustments:

TURN’s timesheets for its experts does not indicate allocation of time by major issue as required in D.98-04-059 (p.48). In Section C-Comment #3 of this claim, TURN states that expert Nahigian focused on cost-effectiveness and program cost issues by reviewing historical cost data for all the programs in order to base his recommendations for future program costs and expert Schilberg focused on issues relating to load impact measurement, baseline methodology and MRTU integration. Faced with the task of allocating expert time by major issue, we totaled hours spent reviewing, prepping, drafting and editing testimony presented by TURN in this proceeding. We then independently reduce these hours to determine the disallowances outlined in Section D. We caution TURN to comply with the requirement and allocate time for all participants, including its experts, by major issue in future claims to avoid the potential of erroneous disallowances.

#	Reason
2009-Nahigian	TURN requests 2.5 hrs of travel time, logged under professional hours for Nahigian’s attendance at a hearing on 01-09-09. This time is designated as “routine commuting” and as such is not compensable. (reduced \$475)
Policy Issue and Cost	Hawiger 2009 (all CE hrs)- reduced .25 hrs=\$81.25 Nahigian 2008 (30% reduction)-reduced 42.23 hrs=\$8,023.70

Effectiveness	Nahigian 2009 (30% reduction)-reduced 7.5 hrs=\$1,425
Education, Marketing and Outreach	Goodson 2009 (all MOE hrs)-reduced .50 hrs=\$140 Hawiger 2009 (40% reduction in A&G hours)-reduced 6.9 hrs=\$2,242.50 Nahigian 2008 (20% reduction)-reduced 28.15 hrs=\$5,348.50 Nahigian 2009 (20% reduction)-reduced 5.0 hrs=\$950
Pilot Programs	Schilberg 2008 (30% reduction)-reduced 9.2 hrs=\$1,840 Schilberg 2009 (30% reduction)-reduced 1.75 hrs= \$350
TURN's Reply Brief filed on 02-11-09	TURN requests a total of approximately 59 hrs (including Hawiger's 28.25 hours and Nahigian's 26 hours) in compensation for the preparation of this 24-page document. We find these hours to be excessive given the scope of the document and its length. As such we reduce these hours by 50%, as follows: 2009 Hawiger reduced 14 hours 2009 Nahigian reduced 13 hours
General (GP) Preparation Hours	We reduce TURN's general preparation hours equal to the same reduction percentage per work year we have listed above: 2008 Hawiger reduced 4.5 hrs (24% of GP hrs)=\$1,462.50 2009 Hawiger reduced 3.5 hrs (13% of GP hrs)=\$1,137.50

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))

A. Opposition: Did any party oppose the claim (Y/N)? No

B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(2)(6)) (Y/N)? Yes

FINDINGS OF FACT

1. Claimant has made a substantial contribution to Decision (D.) D.09-08-027 as modified by D.09-10-006.
2. The claimed fees and costs are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The total of reasonable contribution is \$123,240.03.

CONCLUSION OF LAW

1. The claim, with any adjustment set forth above, satisfies all requirements of Public Utilities Code §§ 1801-1812.

ORDER

1. Claimant is awarded \$123,240.03.
2. Within 30 days of the effective date of this decision, Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company shall pay their respective shares of the award. We direct Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company to allocate payment responsibility among themselves, based on their California-jurisdictional gas and electric revenues for the 2008 calendar year, to reflect the year in which the proceeding was primarily litigated. 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 January 6, 2010, the 75th day after the filing of claimant's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.
4. This proceeding remains open to address a pending application for rehearing.
5. This order is effective today.

Dated April 8, 2010, at San Francisco, California.

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
TIMOTHY ALAN SIMON
NANCY E. RYAN
Commissioners

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:	D1004026	Modifies Decision? No
Contribution Decision(s):	D0908027 as modified by D0910006	
Proceeding(s):	A0806001, A0806002, and A0806003	
Author:	ALJ Hecht	
Payer(s):	Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	10-23-09	\$153,735.98	\$123,240.03	No	lack of substantial contribution and the disallowance of hours for routine travel

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	\$325	2008	\$325
Marcel	Hawiger	Attorney	The Utility Reform Network	\$325	2009	\$325
Michel	Florio	Attorney	The Utility Reform Network	\$535	2009	\$535
Hayley	Goodson	Attorney	The Utility Reform Network	\$280	2009	\$280
Nina	Suetake	Attorney	The Utility Reform Network	\$225	2008	\$225
Bill	Marcus	Expert	The Utility Reform Network	\$250	2008	\$250
Jeff	Nahigian	Expert	The Utility Reform Network	\$190	2008	\$190
Jeff	Nahigian	Expert	The Utility Reform Network	\$190	2009	\$190
Gayatri	Schilberg	Expert	The Utility Reform Network	\$200	2008	\$200
Gayatri	Schilberg	Expert	The Utility Reform Network	\$200	2009	\$200
Gerrick	Jones	Economist	The Utility Reform Network	\$120	2008	\$120

(END OF APPENDIX)