Decision 11-03-046 March 24, 2011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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).	Rulemaking 09-04-012 (Filed April 16, 2009)

DECISION GRANTING INTERVENOR COMPENSATION TO THE UTILITY REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 10-10-019

Claimant: The Utility Reform Network	**For contribution to** Decision (D.) 10-10-019
Claimed: $97,793.92	**Awarded:** $91,892.49 (reduced 6%)
Assigned Commissioner: John Bohn	**Assigned ALJ:** David M. Gamson

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:

The Decision adopts standards rules for all Class A and B water and sewer utilities[1] regarding affiliate transactions and the use of regulated assets and personnel for non-tariffed utility products and services. These rules supersede most affiliate transaction rules adopted in individual general rate cases and the previous set of excess capacity rules from D.00-07-018.

B. Claimant must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:

	Claimant	CPUC Verified
Timely filing of notice of intent (NOI) to claim compensation (§ 1804(a)):		
1. Date of Prehearing Conference:	N/A	Correct
2. Other Specified Date for NOI:	December 4, 2009	Correct, within 30 days of the issuance of the

[1] All water and sewer utilities with 2,001 or more service connections.

		scoping ruling.
3. Date NOI Filed:	December 1, 2009	Correct
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.08-05-023	Correct
6. Date of ALJ ruling:	April 22, 2009	Correct
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.08-05-023	Correct
10. Date of ALJ ruling:	April 22, 2009	Correct
11. Based on another CPUC determination:	A rebuttable presumption pursuant to §1804(b)(1) is applied to TURN's participation here, as a substantive finding on significant financial hardship (referenced above) was issued within a year of the commencement of this proceeding.	
12. Has the claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision	D.10-10-019	Correct
14. Date of Issuance of Final Decision:	October 19, 2010	Correct
15. File date of compensation request:	December 20, 2010	Correct
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I:

#	Claimant	CPUC	Comment
2	TURN		Pursuant to Rules of Practice and Procedure 17.1, the Administrative Law Judge has discretion to set the filing dates for NOIs. In this proceeding, the Order Instituting Rulemaking specified that NOIs should be filed "no later than 30 days after the scoping memo is issued." The Scoping Memo was issued on November 4, 2009.
7, 11	TURN		The ALJ has not yet issued a Ruling on TURN's Notice of Intent to Claim Compensation filed in this docket. Therefore, TURN relies upon previous Commission rulings to demonstrate its customer status and its significant financial hardship.

PART II: SUBSTANTIAL CONTRIBUTION

A. Claimant's description of its claimed contribution to the final decision:

Contribution	Citation to Decision or Record	Showing Accepted by CPUC
The Commission staff proposed draft rules that TURN generally supported. While TURN made proposals to strengthen the rules, a substantial amount of its time was spent in written pleadings and oral advocacy during the workshops, defending the rules and responding to water utility arguments. The water utilities opposed the adoption of any standardized affiliate transaction rules or rules governing non-tariffed products and services because they claimed there is no opportunity to engage in anticompetitive behavior in the water markets and that the record did not show harm from previous utility behavior. The utilities pointed to existing cost allocation requirements as sufficient to guard against future harm. TURN disagreed and made arguments supporting the rules in every pleading it filed and during the workshop. It noted that other parties, in earlier filings, discussed problems with previous affiliate transactions and the importance of adopting a standard set of rules to facilitate enforcement and ensure fairness. The Final Decision cites to the Workshop Report on this point, rejecting the water utilities arguments that several of the Rules are not necessary. The Workshop Report cites to TURN's participation in the workshop process and its support for	CWA Opening Comments on the Workshop Report, May 7, 2010, at 2-3; CWA Opening Comments on the PD, October 4, 2010 at 1-5. TURN Opening Comments on the Workshop Report, filed May 7, 2010, at 1-2; TURN Reply Comments on the Workshop Report, filed May 17, 2010 at 3-4; TURN Reply Comments on the PD, filed October 11, 2010 at 1-5. Final Decision at 16-17, 23-26.	Yes

the Rules. The Final Decision also includes TURN's positions relating to the risk of relying completely on existing cost allocation methodologies in the face of a developing market and diversified corporate structures. The Final Decision adopts final rules for both affiliate transactions and non-tariffed products and services and spends multiple pages discussing the need and legal basis for the rules.		
In addition to objections over the general concept of adopting affiliate transaction rules, CWA objected to the use of the energy affiliate transaction rules as a model or baseline. TURN continuously urged the Commission staff to move forward with the Draft Rules that were based on the energy rules and pointed out that the water utilities had numerous opportunities through the workshops and rule proposals to revise the rules and tailor them more to the water industry. TURN also pointed out that some issues of non-discrimination, cross subsidy and fairness were the same regardless of the overall differences between the two industries. The Final Decision notes that the adopted rules ended up as a combination of existing water industry rules and energy industry rules and that the adopted rules take into account the smaller size of water utilities and difference in affiliate relationships, "using the results of parties' efforts to narrow issues through the workshop process." Additionally, throughout the Final Decision, the Commission compares the interests of the electricity utilities to the water utilities and finds that the objectives and purposes of the rules	CWA Opening Comments on Workshop Report, filed May 7, at 3-4, 7.; TURN Reply Comments on Workshop Report, Filed May 7, 2010, at 1; TURN Reply Comments on the PD, October 11, 2010 at 2. Final Decision at 2, 28-30.	Yes

apply to both industries thereby justifying use of the energy affiliate rules as a baseline.		
The Draft Rules contained a very narrow and vague definition of "costs." The definition of cost was a frequent and lengthy topic of discussion during the workshops. TURN proposed a detailed definition with subcategories of costs that should be included in the definition. Although the Final Decision does not discuss the changes to the definition from the draft to the final version of the rules, there are significant changes. The Final Decision did not adopt TURN's complete proposal; however, the rule has a much more detailed definition of "cost," with specific definitions for subcategories of costs including indirect costs as TURN proposed. The final version of the rules also rejects the attempts to narrow the definition by CWA and other water utilities.	TURN Opening Comments on the Workshop Report, May 7, 2010 at 8. Final Decision, Appendix A, Rule II.F.	Yes
During the workshop process, there were numerous discussions regarding Rule III and, in particular, the provisions relating to the use of customer information. Parties' positions evolved over time as a result of those discussions and the subsequently filed comments. Initially the water utilities proposed eliminating several non-discrimination provisions of Rule III and adding language that would limit the applicability of the Rule. After Workshop discussions, the water utilities proposed revisions to the rule instead of wholesale elimination. Specifically in regards to customer information, CWA attempted to revise the rule so that the companies' individual privacy policies would serve as a floor for requirements to protect customer privacy.	TURN comments on revisions to proposed rules, March 23, 2010, at 6-8. CalWater Letter re: Proposed Rules, January 26, 2010, at 3. CWA proposed revisions to the Rules post February Workshops. Final Decision at 48-51.	Yes

In addition to its support for all of the non-discrimination provisions in Rule III, TURN made several substantive proposals to strengthen the customer information section of Rule III in the face of industry opposition. TURN pushed to maintain explicit reference to the use of customer consent for release of the information and TURN cautioned against reference to company privacy policies or state and federal law regarding the use or release of customer information. Calling Rule III the "heart" of the Rules, the Commission adopts a strong and detailed version of Rule III and rejected the utilities' arguments to eliminate or severely weaken the Rule. While the adopted version of Rule III does not contain all of TURN's proposals regarding customer information, it eliminated the reference to the companies' individual privacy policies as a floor for privacy protection, maintains the limitations on utilities gaining customer consent to release information exclusively to affiliates and other non-discrimination protections. TURN's work in defending Rule III and the customer information provisions during the workshops and in comments supported the overall debate about Rule III.		
CWA proposed to revise Rule VIII. A. to limit the Commission's ability to call witnesses from affiliate companies. TURN opposed the CWA revised language and urged that Commission adopt a rule that clearly states the Commission's jurisdiction to require affiliate officers to testify. The Workshop Report identified this as a Bucket 3 issue, referring it to possible ADR.	CWA Comments on Workshop Report, Filed May 7, 2010, at 17. TURN Reply Comments on Workshop Report, filed May 17, 2010, at 9-10. Final Decision at 69-70.	Yes

The Final Decision, citing to TURN's discussion of Commission precedent on this issue, rejects CWA's proposed edits to the rule and adopts the original language. The Decision states, "This rule is consistent with conditions we have imposed in the past, in all holding company decisions since 1985, and in the energy affiliate rules."		
CWA proposed to amend some of the rules so that they would apply only to those affiliates "operating in a competitive market." They proposed amending Rule I.A., and Rule III. B., among others, to include that language. Subsequently, after the strong opposition of TURN and other parties, CWA changed their proposal, but continued to advocate for limits on the rules to apply only in circumstances where affiliates are attempting to "compete in a California water market." TURN opposed this language for several reasons. First, the terms used by the water utilities, such as "competitive market" were unclear. Second, the objectives of the Rules were not just to guard against anti-competitive behavior, but also to guard against cross subsidy and improper cost allocation which would apply to affiliates operating in traditional, monopoly markets. The discussion in the Final Decision rejects the proposal to limit the applicability to affiliates operating in a competitive market. The Commission clearly states that these rules have additional objectives than just protecting against anti-competitive behavior. Indeed, the need for transparency and uniformity to ensure reasonable rates and to ensure financial integrity is a top objective. Therefore,	CWA Reply Comments on the Staff Report, filed May 17, 2010, at 10. TURN Opening Comments on Staff Report, filed May 7, 2010, at 12. Final Decision at 27, 50-51.	Yes

limiting these rules to only those affiliates operating in a competitive market or in situations related to competitive markets would not help achieve the other objectives. The Commission also discussed CWA's proposed language for Rule III.C to only include affiliates operating in a competitive market. The Commission rejects that limitation even though it adopts other revisions to that Rule proposed by CWA.		
The original staff proposal allowed DWA to determine if the rules should apply to Class B, C, and D water utilities. TURN opposed this proposal and argues that DWA should not have sole discretion. Instead, TURN proposed that the rules apply to all water utilities except those granted an explicit waiver from the rules. CWA opposed TURN's position and advocated that DWA should have the authority and create a presumption that the rules should not apply unless DWA affirmatively acts. The Final Decision adopts a compromise position. It cites to TURN's proposal, but then determines that an exemption process would be too resource intensive. However, the Commission acknowledged that the rules should be "applied uniformly to all similar utilities." So, it removed DWA discretion as to Class A and B utilities and exempted Class C and D.	CWA Opening Comments on Staff Report, filed May 7, 2010, at 5; TURN Opening Comments on Workshop Report, filed May 7, 2010 at 6. Final Decision at 34-35.	Yes
TURN supported the proposal in the Staff Rules to define an affiliate as having more than 10% of its outstanding voting securities owned or controlled by the parent company or another affiliate. CWA and other water utilities opposed the proposal, advocating for a 50%	TURN Opening Comments on Workshop Report, filed May 7, 2010, at 6-7; TURN Reply Comments on the PD, October 11, 2010 at 5-7. Final Decision at 41.	Yes

ownership/control standard. The Final Decision includes TURN's comments in the discussion, "TURN also would use 10% as the threshold, because the advantages conferred to an affiliate by virtue of having access to bills and customer information are the same regardless of the level of ownership." The Final Decision adopts a definition of affiliate that includes a 10% threshold of voting securities.		
CWA proposed to eliminate the requirement that water utilities submit compliance plans arguing that such plans would be unnecessary and burdensome. TURN supported the provision in the Draft Rule that requires water utilities to file ongoing compliance plans with the Commission. The Final Decision notes that, "DRA and TURN contend that CWA failed to explain why it would be burdensome to provide the information called for in the compliance plan." The Final Decision also cites to comments where TURN argues that CWA's proposal to issue a one-time statement of compliance does not go far enough. The Commission rejects CWA's proposal and maintains a detailed compliance plan requirement.	CWA Opening Comments on Workshop Report, filed May 7, 2010, at 22; CWA Opening Comments on the Proposed Decision, filed October 4, 2010, at 17-18. TURN Opening Comments on the Workshop Report, filed May 7, 2010, at 18. Final Decision at 74.	Yes

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

	Claimant	CPUC Verified
a. Was Division of Ratepayer Advocates (DRA) a party to the proceeding?	Yes	Correct
b. Were there other parties to the proceeding?	Yes	Correct
c. If so, provide name of other parties: The Consumer Federation of California (CFC), California Water Association (CWA) and several Class A and B investor owned water utilities.		Correct

d. Describe how you coordinated with DRA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party: TURN and DRA worked very closely together on these issues. When appropriate, we coordinated our overall strategy. This collaboration created an efficiency that allowed TURN to keep its hours relatively low given the time-and resource-intensive nature of some of the work in the proceeding. While we did not file joint pleadings in this docket, TURN worked with DRA to try and address areas where DRA did not focus its advocacy and to support DRA on certain other issues. This coordination was especially important during the resource-intensive workshop process and through the numerous opportunities to review and edit the proposed rules. TURN's work did not duplicate CFC's work although we also coordinated on some issues with CFC, including during the workshop process. As the Final Decision indicates, CFC's advocacy often took a different position on issues such as the ability to offer services using excess capacity or the sharing of officers and employees between affiliates.	Correct

PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

Claimant's explanation as to how the cost of claimant's participation bore a reasonable relationship with benefits realized through claimant's participation	CPUC Verified
As with most quasi-legislative dockets, the precise financial benefits of TURN's participation are difficult to quantify. However, of all the industries regulated by the Commission, water represents perhaps the most "essential" service to consumers. This makes customers of these investor owned water utilities particularly vulnerable to rate increases and poor service quality. TURN devoted significant resources to this proceeding, recognizing that strong affiliate transaction and excess capacity rules are critical to ensuring that customers are not subject to improper cross subsidy, unfair business practices, and the resulting rate increases or degradation in service. These rules also help to guard against anti-competitive behavior so that nascent competitors in industries related to water service could compete against the monopoly water provider and their affiliates, thereby bringing competitive choices and related benefits to the consumer. While most consumers may not be directly impacted by these Rules, TURN's work to develop strong and effective rules is in the public interest. TURN's advocacy in this proceeding supplemented the record and provided support for the Commission to adopt a strong and comprehensive set of rules. TURN's substantial contribution (as described above) warrants compensation for all of TURN's reasonable efforts addressing those issues. The Commission should find that TURN's costs of participation bear a reasonable relationship to	After the reductions we make to TURN's claim, the remaining hours and costs are reasonable and should be compensated.

the benefits realized through participation.	

B. Specific Claim:

CLAIMED						CPUC AWARD			
ATTORNEY AND ADVOCATE FEES									
Item	**Year**	**Hours**	**Rate $**	**Basis for Rate***	**Total $**	**Year**	**Hours**	**Rate $**	**Total $**
C. Mailloux	2009	25.50	390	D.10-06-016	9,945.00	2009	25.50	390	9,945.00
C. Mailloux	2010	47.25	390	D.10-09-040	18,427.50	2010	43.25	390	16,867.50
R. Costa[2]	2009	51.50	275	D.10-06-016	14,162.50	2009	51.50	275	14,162.50
R. Costa	2010	180.25	275	D.10-07-012	49,568.75	2010	165.50	275	45,512.50
					***Subtotal:* $92,103.75**				***Subtotal:* $86,487.50**
OTHER FEES (travel):									
Item	**Year**	**Hours**	**Rate $**	**Basis for Rate***	**Total $**	**Year**	**Hours**	**Rate $**	**Total $**
C. Mailloux	2009	10.00	195	½ 2009 rate	1,950.00	2009	10.00	195	1,950.00
					***Subtotal:* $1,950.00**				***Subtotal:* $1,950.00**
INTERVENOR COMPENSATION CLAIM PREPARATION **									
Item	**Year**	**Hours**	**Rate $**	**Basis for Rate***	**Total $**	**Year**	**Hours**	**Rate $**	**Total $**
C. Mailloux	2009	1.50	195	½ 2009 rate	292.50	2009	1.00	195	195.00
R. Costa	2009	1.00	138	½ 2009 rate	138.00	2009	.50	137.50	68.75
C. Mailloux	2010	10.75	195	½ 2010 rate	2,096.25	2010	10.75	195	2,096.25
					***Subtotal:* $2,526.75**				***Subtotal:* $2,360**

COSTS				
#	**Item**	**Detail**	**Amount $**	**Amount $**
1	Copies	Various Pleadings	38.80	28.00
2	Lexis	Legal Research	153.39	153.39
3	Phone charges	Conference calls, long distance	10.65	10.65
4	Postage	Various pleadings	12.94	8.74
5	Travel – meals	Attending workshop and PHC	103.43	-0-
6	Travel – lodging		96.61	96.61
7	Travel – airfare		718.60	718.60
8	Travel-parking		79.00	79.00

[2] Although Regina Costa's hours are included in the "Attorney and Advocate Fees" category, we believe since she provided her professional expert advice in this proceeding, her role is closer to that of an "expert" rather than an "advocate". TURN'S description of Costa as the "research director and subject matter expert" does not contradict our approach.

***Subtotal:* $1,213.42**	***Subtotal:* $1,094.99**
TOTAL REQUEST: $97,793.92	**TOTAL AWARD: $91,892.49**

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

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.

C. Comments Documenting Specific Claim:

Comment #	Description/Comment
Comment 1	**Reasonableness of TURN Hours:** Once TURN intervened, it participated in all critical stages of the docket, including the labor-intensive workshop process. The workshops were valuable because they gave parties the opportunity to discuss the issues directly and it gave Staff direct input into the necessary elements for each of the Rules. As discussed below, this effort required TURN's advocate to review numerous sets of the draft rules with edits from several parties and then make TURN's own comments and edits. TURN focused its advocacy on several issues, reviewing the rules and making proposed edits on those issues such as cost allocation, regulatory oversight, and non-discrimination in addition to overarching issues such as the need for the rules. As a result, TURN advocates had to review each party's comments in total, including all of the proposed edits except specific issues that TURN did not address, such as ring fencing and other financial health issues. TURN took a very different position than the water utilities and coordinated our work with the other consumer advocate parties in the case, making the hours spent in the case reasonable and effective. Through our work to strengthen the rules and to respond to utility attempts to eliminate and revise the rules, the rules contain strong provisions on regulatory oversight, non-discrimination, cost allocation and the provision of non-tariffed products and services. TURN's primary attorney on this case, Christine Mailloux, took a leave of absence from mid-December 2009 to April 1, 2010. As a result, Regina Costa was TURN's sole advocate during the workshops and the process of revising the rules. Ms. Costa's hours during the first quarter of 2010 reflect the significant work to attend three separate workshops, prepare for each workshop and then review notes and propose rule revisions. At several points during this process, staff requested that parties prepare and provide notes of the workshop discussion and review the notes of other participating parties for accuracy, in addition to the proposed rule revisions. Finally, Ms. Costa worked with Ms. Mailloux upon her return, so that Ms. Mailloux could effectively assist with opening and reply comments on the Workshop Report that was issued soon after her return.

	TURN is requesting 2.5 hours of time for the preparation of its Notice of Intent to Claim Compensation. This amount of time, while still reasonable, is higher than TURN typically requests for preparation of this document. The TURN advocates had to familiarize themselves with the existing record due to the fact that TURN intervened in the case after the initial round of opening and reply comments had been filed. TURN had to scrutinize previous filings and discuss events in the docket with other parties to decide which issues it would cover and its overall case strategy in order to provide a meaningful estimate of hours and to give the Commission an estimate of the issues it would cover. TURN is requesting 10 hours of Ms. Mailloux's time for travel at half her approved hourly rate. These hours are not "general commuting," as Ms. Mailloux generally works from her home in San Diego. She traveled to San Francisco specifically to attend the Prehearing Conference on September 30th, 2009 and the first workshop to review the rules on November 12th and 13th. The time was reduced by the amount of time Ms. Mailloux spent working to prepare for the PHC and workshop and to work on other matters. As TURN's lead advocate in this proceeding, Ms. Mailloux's attendance at both events was critical to TURN's contribution to the proceeding. Ms. Mailloux is one of only two attorneys at TURN with experience on water issues and had been working with Ms. Costa to review the record in this case. Prepping a different attorney to appear on behalf of TURN in order to avoid the travel costs would have been inefficient and likely have led to a net increase in the amount of compensation requested due to increased attorney time. TURN intervened in the proceeding after parties filed their initial pleadings and prehearing conference statements; therefore, Ms. Mailloux attended the PHC, along with Ms. Costa, to enter an appearance, state TURN's intention for the proceeding and participate in the discussion about the direction and objectives for the case. The first workshop was also an extremely important event because it was potentially the only opportunity to discuss the rules and proposed revisions in a face-to-face session. Only after the first workshop did staff and the ALJ determine that there would be subsequent workshops. Both Ms. Mailloux, as the attorney, and Ms. Costa, as the research director and subject matter expert, attended the workshop but they focused on different issues in their preparation for the workshop and participation during the workshop.
Comment 2	**Allocation of Hours:** TURN has allocated its hours by issue area for ease of reference. **Rules relating to Nontariff Products and Services (NT)** 10%: time spent analyzing the draft rules governing the provision of non-tariff products and services, proposing revisions and responding to the utility proposals to revise or eliminate the rules. **Regulatory Oversight (RO)** 20% : time spent analyzing the draft rules and responding to utility proposals on issues relating to Rule VIII, Regulatory Oversight including the provisions governing the appearance of affiliate officers before the

	Commission, access to books and records and the filing of compliance plans in addition to transaction reports and notification of the creating of new affiliates. **Cost Allocation and Cross Subsidy (CA)** 15%: time spent analyzing the draft rules governing cost issues, definition of costs, and provisions to minimize the potential for cross subsidization including some separation issues (Rule IV) and shared corporate support (Rule VI) and other related issues. This category would also include time spent to respond to utility efforts to revise or eliminate some rules. **Non-Discrimination (ND)** 15%: time spent analyzing the draft rules governing utility and affiliate transactions to prevent anti-competitive and discriminatory behavior. This includes time spent on Rule III and Rule IV and other related issues and responding to utility proposals to revise or eliminate the rules. **Policy and Legal Justification for the Rules (RU)** 20%: time spent researching and developing written and oral advocacy on the justification for the affiliate transaction rules, including the use of the existing electric industry affiliate transaction rules as a baseline. **Procedural Process (PP)** 10%: time spent discussing and analyzing issues relating to the procedure and process in the docket. This includes time spent discussing the workshop process, the process to propose and analyze rule revisions and the potential of starting an alternative dispute resolution process for specific rules and issues. **General Preparation (GP)** (10%) : time for activities necessary to participate in the docket that typically do not vary by the number of issues addressed, such as initial review of the draft rules and parties comments, participation in prehearing conferences, initial review of the Workshop Report and similar activities. The percentages represent an allocation of time spent by issue for entries where it is not easy to identify work on individual issues. Those entries covering multiple substantive issues, including codes NT, RO, CA, ND and RU, are marked with a "#" on the time sheets. TURN requests compensation for all of the time included in this request for compensation, and therefore does not believe allocation of the time associated with these entries is necessary. However, if such allocation needs to occur, the percentage distribution of hours is noted above.
Comment 3	**Reasonableness of Expenses:** The Commission should find TURN's direct expenses reasonable. The expenses consist of photocopying expenses, expenses for legal research conducted via the Lexis/Nexis database in support of TURN's advocacy in this proceeding, and phone and postage costs for TURN's participation in this proceeding. The expenses also include reasonable charges for Ms. Mailloux's travel to attend the September 2009 Prehearing Conference and the November 2009 workshop. These expenses cover three days of travel, including only one day of hotel expense. As discussed above, TURN is requesting that Ms. Mailloux travel be reimbursed because "but for" the

	PHC and workshop, she would not have traveled to San Francisco.

D. CPUC Disallowances & Adjustments:

Item	Reason
Time associated with NOI preparation	We find TURN's request for 2.5 hrs to prepare TURN's NOI to be excessive. We approve a more reasonable amount of 1.5 hrs, slightly higher than we normally would for this task. Disallowances: .5 from Mailloux's 2009 hrs and .5 hrs from Costa's 2009 hrs.
Disallowance of costs for "working meals"	We disallow TURN's request for $103.43 for meal compensation, as the Commission provides no compensation for this expense[3].
Hours and costs associated with correcting TURN's opening comments	We disallow the hours and costs for TURN to make corrections to its opening comments.[4] We have compensated TURN for this task before correction. Disallowances: 2.00 hrs of 2010 Mailloux's time 1.00 hrs of 2010 Costa's time $10.80 Photocopying $ 4.20 Postage expense
Costa 2010 hours	Costa logs approximately 7.75 hrs (9/14, 9/21 and 9/23) for reviewing proposed decision, reviewing PD for comment and reviewing PD for writing reply comments. We find the time spent repeatedly reviewing the PD to be excessive. We disallow 3.75 hrs for this task. The adjusted total more closely represents our standards on reasonableness of hours.
Mailloux 2010 hours	Mailloux logs 2 hrs for "analysis of proposed decision." We disallow this time as it duplicates the compensated efforts of Costa as we have indicated above.
Costa 2010 hours	TURN requests approximately 28.75 hrs of compensation (5.25 hrs Mailloux, 23.5 hrs Costa) for preparation of its Opening Comments on the Proposed Decision of Commissioner Bohn. We have reviewed this document, totaling eight pages, and find these hours to be excessive considering the length of the document and its brevity. In comparison, TURN requests a total of 45.75 hours to prepare its 22 page "Comments on the Staff Report to Commissioner Bohn and Judge Gamson Re:OIR.09-04-012 and Related Workshops", which we consider to be reasonable given the analysis and research that TURN contributed in this work. As such, we

[3] *See* D.10-03-020, D.09-10-055 and D.07-12-040.

[4] TURN's Motion to Accept Corrected Opening Comments of The Utility Reform Network filed on June 3, 2010 and Amended Comments of The Utility Reform on The Staff Report to Commissioner Bohn and Judge Gamson Re: OIR.09-04-012 and Related Workshops filed on June 4, 2010.

	disallow 10 hrs of Costa's time for this task. The adjusted time more closely reflects our standards on reasonableness of hours.

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the claim?	No
B. Comment Period: Was the 30-day comment period waived?	Yes

FINDINGS OF FACT

1. Claimant has made a substantial contribution to Decision (D.) 10-10-019.

2. The claimed fees and costs, as adjusted herein, 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 $91,892.49.

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 $91,892.49.

2. Within 30 days of the effective date of this decision, San Jose Water Company, California Water Service Company, Golden State Water Company, California-American Water Company, Valencia Water Company, Park Water Company, Suburban Water Company, San Gabriel Valley Water Company, and Great Oaks Water Company shall each pay their respective shares of the award. We direct San Jose Water Company, California Water Service Company, Golden State Water Company, California-American Water Company, Valencia Water Company, Park Water Company, Suburban Water Company, San Gabriel Valley Water Company, and Great Oaks Water Company to allocate payment responsibility amongst themselves based on their 2010 California-jurisdictional water revenues, 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 March 6, 2011, 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.

This decision is effective today.

Dated March 24, 2011, at San Francisco, California.

MICHAEL R. PEEVEY
President
TIMOTHY ALAN SIMON
CATHERINE J.K. SANDOVAL
MARK FERRON
Commissioners

I abstain.

/s/ MICHEL PETER FLORIO
Commissioner

APPENDIX

Compensation Decision Summary Information

Compensation Decision:	D1103046	**Modifies Decision?** No
Contribution Decision:	D1010019	
Proceeding:	R0904012	
Author:	ALJ David M. Gamson	
Payer(s):	San Jose Water Company, California Water Service Company, Golden State Water Company, California-American Water Company, Valencia Water Company, Park Water Company, Suburban Water Company, San Gabriel Valley Water Company, and Great Oaks Water Company.	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	12-20-10	$97,793.92	$91,892.49	No	excessive hours, disallowance of meals, disallowance of time, and costs associated with correcting TURN's error

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Christine	Mailloux	Attorney	The Utility Reform Network	$390	2009/2010	$390
Christine	Mailloux	Expert	The Utility Reform Network	$275	2009/2010	$275

(END OF APPENDIX)