

Decision 11-07-023 July 14, 2011

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

Rulemaking on the Commission's Own Motion to Review the Telecommunications Public Policy Programs.

Rulemaking 06-05-028  
(Filed May 25, 2006)

**DECISION AWARDING INTERVENOR COMPENSATION TO THE UTILITY REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISIONS 08-06-020 AND 10-11-033**

<b>Claimant: The Utility Reform Network (TURN)</b>	<b>For contribution to Decisions (D.) 08-06-020 and 10-11-033</b>
<b>Claimed: \$373,579.70</b>	<b>Awarded: \$373,490.17</b>
<b>Assigned Commissioner: Michael R. Peevey</b>	<b>Assigned ALJ: Maribeth A. Bushey</b>

**PART I: PROCEDURAL ISSUES**

**A. Brief Description of Decision:** **D.10-11-033:** Adopts forward looking modifications to California Lifeline in compliance with the Moore Universal Telephone Service Act.

**D.08-06-020:** Interim Decision Addressing California Teleconnect Fund, Payphone Enforcement and Public Policy Payphone Programs, and the Deaf and Disabled Telecommunications Program.

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

Claimant		CPUC Verified
<b>Timely filing of notice of intent (NOI) to claim compensation (§ 1804(a)):</b>		
1. Date of Prehearing Conference:	N/A	Correct
2. Other Specified Date for NOI:	8/11/2006	Correct
3. Date NOI Filed:	8/11/2006	Correct
4. Was the notice of intent timely filed?		Yes
<b>Showing of customer or customer-related status (§ 1802(b)):</b>		
5. Based on ALJ ruling issued in proceeding number:	R.06-05-028	Correct

6. Date of ALJ ruling:	8/29/2006	Correct
7. Based on another CPUC determination (specify):		
8. Has the claimant demonstrated customer or customer-related status?		Yes
<b>Showing of “significant financial hardship” (§ 1802(g)):</b>		
9. Based on ALJ ruling issued in proceeding number:	R.06-05-028	Correct
10. Date of ALJ ruling:	8/29/2006	Correct
11. Based on another CPUC determination (specify):		A rebuttable presumption pursuant to §1804(b)(1) is applied to TURN’s participation here, as a substantive finding on significant financial hardship was issued on November 4, 2005 in A.05-02-027, within a year of the commencement of this proceeding.
12. Has the claimant demonstrated significant financial hardship?		Yes
<b>Timely request for compensation (§ 1804(c)):</b>		
13. Identify Final Decision	D.08-06-020 and D.10-11-033	Correct
14. Date of Issuance of Final Decision:	6/16/2008 and 11/23/2010	Correct
15. File date of compensation request:	1/24/2011	Correct
16. Was the request for compensation timely?		Yes

## PART II: SUBSTANTIAL CONTRIBUTION

### A. Claimant’s claimed contribution to the final decision:

Contribution	Citation to Decision or Record	Showing Accepted by CPUC
<b>Payphones</b> One of the Public Purpose Programs (PPP) under review in this proceeding was the program relating to payphones – the Payphone Enforcement Program		Yes

<p>and the Public Policy Payphone Program. TURN agreed with the Commission’s tentative assessment that the payphone programs were not meeting their stated goals. However, TURN opposed the proposals put forward mainly by the CA Payphone Association (CPA) to totally eliminate the payphone programs.</p> <p>With regard to the Public Payphone Program TURN argued that such payphones are still required to meet public policy interests in health, safety and welfare. TURN identified specific areas where payphones served a legitimate need even in the face of proliferating wireless technology. Thus, for example, TURN discussed the criteria for placement of public purpose payphones in rural communities with poor wireless service, in emergency situations, in low-income or disadvantaged communities where consumers may find that wireless service is too expensive and in communities with a high concentration of seniors and/or people with disabilities. TURN also asserted that parties seeking elimination of the payphone program presented little evidence to support their positions and thus the Commission had an inadequate record to support such an outcome.</p> <p>In addition, TURN objected to the proposal made by the Assigned Commissioner to fold the payphone program into the CA Teleconnect Fund (CTF). TURN argued that the Commission lacked the legal authority to use the CTF to support other PPPs since all sections of the Public Utilities (P.U.) Code relating to subsidies for various aspects of universal service provide that the money in each fund may not be “appropriated...transferred</p>	<p>TURN Comments, pp. 26-27 (7/28/2006). TURN Comments on Scoping Memo and ACR, pp. 3-6 (9/7/2007). TURN Reply Comments on Scoping Memo and ACR, pp. 4-5 (9/28/2007). TURN Comments on Interim Decision, p. 3 (6/2/2008).</p> <p>TURN Reply Comments on Scoping Memo and ACR, pp. 3, 5-8 (9/28/2007). TURN Comments on Interim</p>	
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<p>or otherwise diverted to any other fund or entity.” TURN also referenced prior Commission decisions to support this conclusion. Further, TURN argued that since CTF only funds certain governmental/quasi-governmental entities and community-based organizations (CBOs) that meet very specific requirements and that the subsidy is for only 50% of cost, then applying those requirements to payphones would result in an extremely narrow and limited set of eligible payphone subsidy recipients thus limiting the effectiveness of the program.</p> <p>In D.08-06-020 the Commission held that “payphones have an important role in meeting our universal service goals, and Californians continue to use public payphones, especially in emergency situations” consistent with TURN’s advocacy. In addition, the Decision established criteria for designating a public policy payphone that were consistent with the criteria proposed by TURN. While D.08-06-020 did not speak to the proposal made by the Assigned Commissioner to use CTF funds for payphones, the final decision did not adopt that proposal, consistent with TURN’s position. Instead, D.08-06-020 held that the reconfigured public purpose payphone program would be initially funded with any remaining funds in the existing payphone program accounts and if additional funds were required the Commission would develop a new surcharge.</p>	<p>Decision, pp. 4-5 (6/2/2008).</p> <p>D.08-06-020, pp. 43-46; FOF 18, 19; COL 25, 25; OP 22 and 23.</p>	
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<p>the Commission wait at least until these same issues are resolved at the federal level.</p> <p>In a Scoping Memo and ACR issued 7/13/2007 the Commission recognized, as TURN had argued, that new communications services do not pay surcharges and that could be a problem in the future. The ACR also acknowledged that “[n]o party...identified significant near-term threats to the current intrastate surcharge methodology” consistent with TURN’s advocacy. Thus, the Commission held that “At this time, the prudent course is to monitor any impacts to our funding mechanism, as well as potential changes on the federal level and with other states. We will reassess this position as necessary to ensure adequate funding for these important programs.” This ruling was also reflected in D.10-11-033 in that the final decision did nothing to change the funding mechanism from current practice. This was entirely consistent with TURN’s advocacy.</p>	<p>Scoping Memo and ACR, p. 3 (7/13/2007).</p>	
<p><b>LifeLine Affordability</b></p> <p>A significant issue in this proceeding was assessing and preserving the affordability of LifeLine service. Consistent with the decades-old policy of the Commission and Legislature to maintain the affordability to basic phone service, the Commission issued its OIR in this docket “to reform California LifeLine in order to guarantee high- quality communication services were affordable and widely available to all.” In a subsequent Ruling, the Assigned Commission specifically asked for input on affordability issues.</p> <p>In the initial comments in this docket,</p>	<p>OIR, p. 1; D.10-11-033 at pp. 1-2</p> <p>ACR Reopening the Record, p. 2 (9/19/2008)</p>	<p>Yes</p>

<p>AT&amp;T and Verizon put affordability squarely in play with their proposals that LifeLine rates could be increased dramatically with minimal impact on subscribership (e.g. AT&amp;T proposed a 32% increase; Verizon argued for increases between 62 to 76%). Verizon, in particular, argued that the 2004 Field Affordability Study supports the conclusion that LifeLine customers can afford higher rates.</p> <p>TURN consistently took the position in this proceeding that the Commission's major goal should be to ensure that the LifeLine program remained viable and affordable both for LifeLine customers as well as to the rest of CA ratepayers who pay surcharges to support the program. In addition, TURN expressed concerns that given the significant changes that have already occurred in the LifeLine program over the last several years (e.g. income verification, certification, etc.) and the major decline in subscribership, the Commission should not make any new modifications in the program until the existing problems were resolved. TURN also proposed that the Commission freeze LifeLine rates at existing levels to ensure affordability.</p> <p>In response to the AT&amp;T and Verizon proposals to dramatically increase LifeLine rates, TURN countered these proposals with an analysis prepared by TURN consultant Dr. Trevor Roycroft. Dr. Roycroft examined in detail Verizon's interpretation of the 2004 Field Affordability Study as well as the impact such rate increases would have on low-income consumers. Dr. Roycroft's analysis convincingly demonstrated that the Affordability Study shows that rate increases for LifeLine are likely to have negative</p>	<p>See, for example, TURN Comments, pp. 18-20 (7/28/2006). TURN Comments on Scoping Memo and ACR, pp. 3-6 (8/24/2007).</p> <p>TURN Reply Comments, pp. 7-8 and attached affidavit of Dr. Roycroft (9/15/2006).</p>	
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<p>consequences. In addition, Dr. Roycroft performed an analysis of the economic characteristics of California and low-income consumers. Finally, Dr. Roycroft performed an analysis of a representative budget for a LifeLine - eligible California family that clearly demonstrates that when the actual costs of living in California are considered, even rate increases of “just a few dollars per month” have dramatic impacts on the affordability of telephone service.</p> <p>In an ACR Reopening the Record (9/19/2008), the Commission specifically asked about the affordability of LifeLine. In response, TURN had Dr. Roycroft update his affordability analysis of 2006. Dr. Roycroft focused on the impact of the interim measure authorized in D.08-09-042 that allowed increases in LifeLine rates to 25% of the authorized basic rate increases resulting in a \$0.81 per year increase for 2009 and 2010. Finding that the permitted rate increase would “increase the likelihood that subscription to basic telephone service will become less affordable”, Dr. Roycroft recommended a LifeLine rate freeze.</p> <p>In addition, TURN had advocated that the Commission perform its own affordability analysis prior to making changes in LifeLine that would result in rate increases for LifeLine customers. As a result of TURN advocacy here and in the docket related to changes to the CHCF-B, the Commission did, in fact, authorize an affordability study. In D.08-09-042 where the Commission authorized basic service rate increases and a transition to market rates, the Commission held that: “we do find merit in conducting another</p>	<p>ACR, p. 2. TURN Comments on Reopening the Record, pp. 6-7 and attached affidavit of Dr. Roycroft (10/3/2008). TURN Reply Comments on Reopening the Record, pp. 4-8 (10/8/2008).</p> <p>See, for example, TURN Comments on Scoping Memo and ACR, pp. 3-6 (8/24/2007). TURN Comments on Reopening the Record, p. 5 (10/3/2008). TURN Comments on Chong PD, pp. 7, 10-11 (4/8/2009).</p>	
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<p>Affordability Study as it has proven useful in the context of evaluating the California Lifeline program. We believe that the Commission should undertake such an Affordability Study in the 2009-2010 fiscal period and will request an appropriation from the Legislature to conduct such a study as part of its ongoing evaluation of the California Lifeline program in R.06-05-028” (D.08-09-042, pp. 28-29 [9/24/2008]). These proceedings are very much interrelated and TURN’s advocacy resulted in the ordering of an affordability study for LifeLine although it was not ordered in the instant case.</p> <p>With respect to the affordability of LifeLine generally, D.10-11-033 held that the Commission must “ensure continued affordable and widespread availability of high quality telecommunications services for all Californians.” (COL 2). The Decision states that, “the changes to CA LifeLine methodology adopted by this decision will best ensure consumer in CA have affordable access to the communication service of their choosing.” (p. 34). In addition, the decision noted that affordability analysis is “helpful” in assessing the effectiveness of the LifeLine program and that “there are many considerations to take into account in structuring how California LifeLine should work to keep phone service affordable going forward.” Although the specific data on affordability introduced into the record by Dr. Roycroft is not cited to in the decision, the Final Decision relies on the record as a whole to find that its changes keep LifeLine affordable and that affordability is a core principle of the program. These outcomes are entirely consistent with the arguments</p>	<p>D.10-11-033, COL 2; pp. 34, 38-39.</p>	
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<p>and materials presented by TURN.</p> <p>Finally, as will be discussed in more detail below, the Commission, to further ensure that LifeLine rates are affordable, ultimately instituted a freeze on LifeLine rates until 2013 entirely consistent with TURN’s proposal to freeze LifeLine rates.</p>	<p>D.10-11-033, pp. 3, 54, 56, 109, 114 OP 9 and 10.</p>	
<p><b>LifeLine Rate Freeze</b></p> <p>As discussed above the issue of affordability had been a part of this proceeding since its inception. However, in the ACR Reopening the Record (9/19/2008), the Commission specifically requested input on affordability, rate shock and impacts on non-LifeLine customers who pay the surcharge to support the LifeLine program.</p> <p>TURN proposed a LifeLine freeze at 2007 levels with a rate review every two years based on affordability. TURN also proposed that the Commission should follow a policy of gradualism such that subsequent increases in LifeLine rates be constrained to a maximum annual percentage increase equal to 50% of the rate of inflation as measured by the Bureau of Labor Statistics’ Consumer Price Index for Urban areas (CPI-U). TURN presented specific analysis of the impact of this proposal on LifeLine consumers as well as on the ratepayers who pay surcharges to support the LifeLine program demonstrating that a freeze would have a very small impact on the surcharge but significant benefits for low-income consumers.</p> <p>TURN also argued that a freeze was</p>	<p>ACR, p. 2.</p> <p>TURN Reply Comments, pp. 8-9 (9/15/2006). TURN Comments on Scoping Memo and ACR, pp. 3-4 (8/24/2007). TURN Comments on Reopening the Record, p. 13. (10/3/2008). TURN Motion for Clarification of LifeLine Rates, pp. 2, 5-7 (8/16/2010). TURN Comments on Chong PD, pp. 6-7.</p>	<p>Yes</p>

<p>appropriate given the cap on basic rates due to expire on 1/1/2011 and the potential for geographic deaveraging. These two events, TURN argued, could result in significant rate increases under the proposals being considered by the Commission for changes in the LifeLine subsidy methodology.</p> <p>In addition, TURN argued that LifeLine customers need a stable, consistent and predictable rate. This was one of the reasons TURN supported a LifeLine rate freeze with rate reviews every two years. TURN also argued that with the deregulation of basic rates and the ability for carriers to deaverage rates, LifeLine customers could be paying varying amounts over a year as carriers changed their basic rates.</p> <p>The final decision was consistent with TURN’s advocacy for a cap on LifeLine rates. For example, D.10-11-033 held that: “In order to ensure an orderly phase-in of the new methodology and provide a transition period to both carriers and LifeLine customers, we will cap the LifeLine rate at \$6.84 for the next two years for most customers.” (p. 56). The decision also noted TURN’s position on this issue (pp. 108-109).</p> <p>D.10-11-033 also reflected TURN’s concerns that LifeLine customers need consistent rates. Thus, the Commission will only permit annual increases in LifeLine rates stating, “We are, however, mindful of the concern that many LifeLine customers may need some consistency in their monthly expenses for phone service so that they may properly budget their monthly living costs. If we simply adopted the Specific Support Amount methodology, LifeLine customers could end up</p>	<p>TURN Comments on Scoping Memo and ACR, pp. 4-6 (8/24/2007).</p> <p>See, for example, TURN Reply Comments, p. 9 (9/15/2006). TURN Comments on Scoping Memo and ACR, pp. 3-6 (8/24/2007). TURN Comments on Reopening the Record, p. 5 and attached affidavit of Dr. Trevor Roycroft (10/3/2008).TURN Comments on Chong PD, p.11 (4/8/2009).</p> <p>D.10-11-033, pp. 3, 54, 56, 108-109, 114, OP 9 and OP 10.</p> <p>D.10-11-033, pp. 47-48; COL 20</p>	
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<p>paying different amounts throughout the year because the amount of the subsidy would remain constant over the period of a year, but carriers may change their basic rates whenever they wish. Therefore, we will set the LifeLine rate of each participating carrier only once a year.” (pp. 47-48).</p> <p>TURN submits that the work associated with our “Motion for Clarification” is part of our substantial contribution on the rate freeze issue. The Commission had not ruled on that motion by the time it issued D.10-11-033. It took the unusual step of including an ordering paragraph that not only deemed the motion “moot” (since the decision itself addressed the matters raised in TURN’s motion), but also declared that the motion “does not substantially contribute to the resolution of this proceeding.” TURN is concerned that this additional language may be interpreted as an attempt to pre-ordain the effort underlying the motion as ineligible for intervenor compensation. The Commission needs to keep in mind that at the time TURN filed its Motion, the question of how LifeLine rates would be handled had been languishing in a regulatory limbo for more than a year, with the last action being withdrawal of a PD that had gone through several different iterations. With less than six months to go before the start of 2011 and the complete deregulation of basic service rates (and the attendant risk of dramatic rate increases for LifeLine customers unless the Commission took action), it was entirely reasonable for TURN to take action in an attempt to ensure that the clock would not run out on the opportunity to adopt and implement the freeze before January 1, 2011.</p>	<p>TURN Motion for Clarification of LifeLine Rates (8/16/2010). TURN Rebuttal re Motion for Clarification of LifeLine Rates, pp. 1-5, 5-8 (9/10/2010). D.10-11-03, OP 42. D.10-11-033, pp. 3, 54,56, 109, 114 OP 9 and OP 10.</p>	
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<p>Ultimately, a new PD was issued on 9/28/2010 that adopted many of the recommendations proposed by TURN particularly the freeze on LifeLine rates and the freeze on the subsidy draw for carriers. TURN submits that the material provided to the Commission on the freeze issues due to our August 2010 motion (including the arguments in the numerous responses and TURN’s reply) helped shape the freeze provisions of the new PD and, ultimately, the outcomes adopted in D.10-11-033. Under these circumstances, the Commission should find that TURN’s efforts on the Motion were in fact a component of our substantial contribution on the rate freeze issues.</p>		
<p><b>LifeLine Subsidy Draw Freeze</b></p> <p>TURN supported a cap on the amount of money a carrier is reimbursed for providing LifeLine service. Dr. Roycroft demonstrated that LifeLine providers could reap inappropriate rewards from the LifeLine program as they increased rates for basic service when the basic rate cap was fully lifted. Neither the Chong PD nor the Bohn PD supported a freeze on the carriers’ draw. However, the final decision modified the Bohn PD and adopted such a provision, freezing the carrier draw until 1/1/2013. The adopted outcome is totally consistent with TURN’s position on this issue.</p>	<p>TURN Reply Comments on Reopening the Record, pp. 14-15 and Roycroft reply affidavit, p. 21 (10/8/2008). TURN Motion for Clarification of LifeLine Rates, pp. 7-9 (8/16/2010). TURN Rebuttal re Motion for Clarification of LifeLine Rates, pp. 5-8 (9/10/2010). TURN Comments on Bohn PD, pp. 2, 8-9 (10/18/2010).</p> <p>D.10-11-033, pp. 56-57, 108-109, 115, OP 15.</p>	<p>Yes</p>
<p><b>LifeLine Subsidy Methodology</b></p> <p>One of the major issues in this proceeding was whether the Commission should change the existing methodology for determining the</p>		<p>Yes</p>



<p>to the basic service rate of the particular carrier providing basic service in the territory of the LifeLine subscriber since this would result in varying prices for LifeLine across CA.</p> <p>TURN also expressed concerns that the proposals being considered by the Commission lacked detailed analytical support. In fact, TURN was the only party to provide detailed economic analysis of each of the proposed methodologies and the impact on both LifeLine consumers as well as on the ratepayers who pay surcharges to support the LifeLine program.</p> <p>As a result of TURN’s analysis and raising clarifying questions for the Commission staff relating to the initial Chong PD, Staff held a workshop in which TURN was an active participant. In spite of requests of TURN and some other parties, the workshop was not transcribed so there is no record of the workshop details. Among the issues TURN raised and that were discussed at the workshop were work papers and assumptions for the calculations in the PD relating to the impacts of the various alternatives for the subsidy mechanism as well as the treatment of the federal portion of the LifeLine subsidy for each of the alternatives under consideration.</p> <p>In its pleadings TURN identified numerous errors and inconsistencies in the Chong PDs’ analysis of the subsidy mechanism options. As a result, Commissioner Chong issued 2 revised PDs. And, the final decision cleaned up some of the most egregious analytical problems identified by TURN such as many of the calculations and assumptions.</p> <p>TURN also argued against the proposal</p>	<p>TURN Reply Comments, pp. 9-11 (9/15/2006). TURN Comments, pp. 4-6 (8/24/2007). TURN Comments on Reopening the Record, p. 13 and attached Roycroft Affidavit, pp. 12-16 (10/3/2008). TURN Reply Comments on Reopening the Record, pp. 9-11 (10/8/2008).</p> <p>TURN Letter to ALJ Bushey seeking clarification of the Chong PD (2/20/2009). ACR Setting Workshop (2/25/2009). Staff Workshop, 3/6/2009.</p> <p>TURN Comments on Chong PD, pp. 13-15 (4/8/2009). TURN Comments on Bohn PD, p. 7 (10/18/2010).</p>	
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<p>in the Chong PD permitting a LifeLine rate floor of \$0.0. TURN's arguments included the fact that a zero rate would be economically inefficient and cause those who must pay to support the LifeLine program to pay higher surcharges for no valid reason.</p> <p>While TURN did not ultimately prevail in its advocacy against the "specific support amount" option, TURN's efforts did result in a better-reasoned final outcome that had improved analytical support. TURN's efforts also resulted in the rejection of the "floating subsidy option."</p> <p>In addition, TURN's efforts resulted in substantive changes in the Chong PD (and ultimately in the D.10-11-033), for example the change from a zero floor for LifeLine to a minimum charge of \$5.00 which the decision stated was important "so that every customer is contributing some amount to LifeLine, and to help moderate the price fluctuations among the different carriers. We believe that the LifeLine customer should be invested in the purchase of phone service to understand that there is a cost associated with it" (p. 65).</p>	<p>Comments of TURN on Chong PD, pp. 2-4, 11-12 (4/8/2009). TURN Reply Comments on Chong PD, pp. 6-7 (4/13/2009).</p> <p>Chong Revised PD, pp. 60, 77, FOF 37 (5/21/2009). D.10-11-033, pp. 65-66, FOF 22.</p>	
<p><b>LifeLine Program Expansion</b></p> <p>A major issue in this proceeding, and in fact a significant factor in establishing the proceeding was consideration of whether the LifeLine program should be expanded to encompass new technologies such as wireless. TURN consistently took the position that it was not philosophically opposed to wireless LifeLine. However, TURN argued that there were many significant, complex and challenging issues that had to be analyzed and</p>	<p>See, for example, TURN Comments, pp. 9-16 (7/28/2006). TURN Reply Comments, pp. 5-8 (9/15/2006). TURN Comments, pp. 6-11</p>	<p>Yes</p>

<p>resolved before a reasoned decision could be made on wireless LifeLine. In its pleadings TURN highlighted many of those issues including the issues the Commission had previously identified in D.00-10-028. Included in the issues that TURN argued must be resolved were: jurisdictional questions related to both CPUC authority over wireless as well as concerns whether the Commission had legal authority under the CA P.U. Code; analysis of what program expansion would cost; the elements of a wireless LifeLine product and price; safety issues associated with wireless E-911 capability as well as the issue of a mobile handset leaving the home resulting in a household having no telephone service. In addition, TURN argued that the Commission should delay any consideration of wireless expansion so that the difficult and complex implementation issues could be better resolved.</p> <p>In D.10-11-033, the Commission acknowledged that the issues raised by TURN and other parties and reflected in D.00-10-028 must be resolved. To accommodate some of TURN’s concerns the Commission held that wireless carriers could currently offer LifeLine on a voluntary basis so long as the wireless LifeLine service included all the current elements of basic service.</p> <p>In addition, the D.10-11-033 delayed making “any immediate changes to California LifeLine to accommodate voluntary participation by wireless, VoIP and other non-traditional providers,” instead requiring those carriers to adjust their service offerings to comply with existing rules, consistent with TURN’s arguments. Further, the Commission created a</p>	<p>(8/24/2007). TURN Reply Comments on Reopening the Record, pp. 11-13 (10/8/2008). TURN Comments on Chong PD, pp. 15-24; TURN Reply Comments on Chong PD, pp. 1-5. TURN Comments on Bohn PD, pp. 14-20 (10/18/2010).</p> <p>D.10-11-033, pp. 67-73, COL 10.</p> <p>D.10-11-033, pp. 69, 103-105, FOF 79, COL 52.</p>	
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<p>Phase 2 for this proceeding to consider implementation issues for wireless LifeLine consistent with TURN’s arguments that there were still may issues that required resolution. Among the issues for Phase 2 consideration that were raised by TURN are (listed in D.10-11-033 at pp. 103-105): issues associated with 911 accessibility and the “ineffectiveness of cordless telephones when the power is out at a residence; “what types of services would LifeLine customers of wireless an/or other non-traditional carriers...need; what level of service would LifeLine customers receive; how the Commission can ensure that wireless LifeLine meets the Moore Act rate requirement; and pricing for these different LifeLine offerings.</p>		
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**B. Duplication of Effort (§§ 1801.3(f) & 1802.5):**

<b>Claimant</b>		<b>CPUC Verified</b>
<b>a. Was Division of Ratepayer Advocates (DRA) a party to the proceeding?</b>	Yes	Yes
<b>b. Were there other parties to the proceeding?</b>	Yes	Yes
<p><b>c. If so, provide name of other parties:</b></p> <p>Greenlining Institute, NCLC, Assistive Technology Law Center, Corporation for Education Network, DDTPAC, CA Community Technology Policy Group, CCASDHH, World Inst. On Disability, Disability Rights Advocates, Butte County Office of Education, The Equipment Program Advisory Committee, CA Comms. Access Foundation, LIF, AT&amp;T California, Verizon California, SureWest Telephone, Small LECs, Frontier, Cox Communications, Comcast, Verizon Wireless, Cricket Communications, Sprint Nextel, T-Mobile, Cingular Wireless, CA Payphone Assoc.</p>		Correct
<p><b>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:</b></p> <p>TURN collaborated with DRA, NCLC and the Disability Rights Advocates especially on the LifeLine issues. NCLC and the Disability Rights Advocates joined in several of TURN’s pleadings</p>		We agree that TURN took reasonable steps to coordinate its

<p>and when appropriate we divided certain elements of the work. As part of this collaboration, TURN worked to ensure to the extent practicable that the consumer perspective presented on the issues was relatively consistent.</p> <p>TURN submits that the Commission should find that TURN took all reasonable steps to avoid duplication and, to the extent that there was any overlap, TURN’s work supplemented and complemented that of DRA and the other consumer parties.</p>	<p>presentation with that of other parties, as evidenced by its timesheet entries and multiple joint filings, and make no reductions to this claim for duplication of effort between TURN and other parties.</p>
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**PART III: REASONABLENESS OF REQUESTED**

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

<p><b>Claimant’s explanation as to how the cost of claimant’s participation bore a reasonable relationship with benefits realized through claimant’s participation</b></p>	<p><b>CPUC Verified</b></p>
<p>As with many quasi-legislative proceedings, the precise benefits to consumers from TURN’s participation in this docket are difficult to quantify. However, the issues at stake in this proceeding and the rules promulgated by the Commission directly impact all consumers – both the beneficiaries of the Commission’s Public Purpose Programs as well as the consumers whose surcharges support the programs.</p> <p>This proceeding was long and exceedingly complex, involving many challenging issues for the Commission and the parties. TURN participated in all aspects of this proceeding. In particular, Commissioner Chong issued a Proposed Decision that was followed by several revised PDs. After TURN and other parties devoted substantial time and resources to reviewing, analyzing and commenting on those PDs, they were withdrawn. A hiatus of nearly a year followed, and then Commissioner Bohn issued his PD, which was substantially different in key areas as compared to the Chong PDs. TURN submits that the hours and resources devoted to the Chong PDs are reasonable and should be included in full, even though ultimately the Commission did not consider those PDs. In general, in light of the importance and complexity of the policy issues addressed, the Commission should find TURN’s request for intervenor compensation to be reasonable.</p>	<p>We agree with TURN that the benefits to consumers as with many quasi-legislative proceedings are difficult to quantify. However, the rules developed by the Commission in this proceeding directly impact all consumers—both beneficiaries of the Commission’s Public Purpose Programs as well as the consumers whose surcharges support the programs.</p> <p>After some minor adjustments to TURN’s claim, the remaining hours and costs are reasonable and should be compensated.</p>

**B. Specific Claim:**

CLAIMED						CPUC AWARD			
ATTORNEY AND ADVOCATE FEES									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
C. Mailloux	2006	32.50	335	D.06-11-009	10,887.50	2006	32.50	335	10,887.50
C. Mailloux	2007	1.75	360	D.08-04-037	630.00	2007	1.75	360	630.00
C. Mailloux	2008	15.00	390	D.09-04-029	5,850.00	2008	15.00	390	5,850.00
C. Mailloux	2009	185.50	390	D.10-06-016	72,345.00	2009	185.50	390	72,345.00
C. Mailloux	2010	95.50	390	D.10-09-040	37,245.00	2010	95.50	390	37,245.00
W. Nusbaum	2006	204.25	375	D.06-10-007	76,593.75	2006	204.25	375	76,593.75
W. Nusbaum	2007	92.75	405	D.08-04-019	37,563.75	2007	92.75	405	37,563.75
W. Nusbaum	2008	75.25	435	D.09-02-024	32,733.75	2008	75.25	435	32,733.75
W. Nusbaum	2009	54.75	435	D.09-08-020	23,816.25	2009	54.75	435	23,816.25
W. Nusbaum	2010	12.50	435	D.10-07-012	5,437.50	2010	12.50	435	5,437.50
R. Finkelstein	2006	1.50	405	D.06-10-018	607.50	2006	1.50	405	607.50
R. Finkelstein	2007	1.25	435	D.07-11-033	543.75	2007	1.25	435	543.75
R. Finkelstein	2009	1.50	470	D.09-08-025	705.00	2009	1.50	470	705.00
R. Costa	2006	30.80	235	D.07-05-050	7,238.00	2006	30.80	235	7,238.00
R. Costa	2007	14.75	255	D.08-04-037	3,761.25	2007	14.75	255	3,761.25
R. Costa	2008	10.00	275	D.09-04-029	2,750.00	2008	10.00	275	2,750.00
R. Costa	2009	27.75	275	D.08-04-010	7,631.25	2009	27.75	275	7,631.25
<b>Subtotal: \$326,339.25</b>						<b>Subtotal: \$326,339.25</b>			
EXPERT FEES									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
T. Roycroft	2006	38.95	160	D.07-05-050	6,232.00	2006	38.95	160	6,232.00
T. Roycroft	2007	16.00	175	D.08-04-037	2,800.00	2007	16.00	175	2,800.00
T. Roycroft	2008	35.25	190	D.09-07-049	6,697.50	2008	35.25	190	6,697.50
T. Roycroft	2009	63.75	200	Adopted here	12,750.00	2009	63.75	200	12,750.00
T. Roycroft	2010	43.00	210	Adopted here	9,030.00	2010	43.00	210	9,030.00
<b>Subtotal: \$37,509.50</b>						<b>Subtotal: \$37,509.50</b>			
OTHER FEES (Travel)									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
C. Mailloux	2009	14.00	195	½ D.10-06-016 rate	2,730.00	2009	14.00	195	2,730.00
<b>Subtotal: \$2,730.00</b>						<b>Subtotal: \$2,730.00</b>			

<b>INTERVENOR COMPENSATION CLAIM PREPARATION **</b>									
<b>Item</b>	<b>Year</b>	<b>Hours</b>	<b>Rate \$</b>	<b>Basis for Rate*</b>	<b>Total \$</b>	<b>Year</b>	<b>Hours</b>	<b>Rate \$</b>	<b>Total \$</b>
W. Nusbaum	2006	1.00	187.50	½ D.06-10-007 rate	187.50	2006	1.00	187.50	187.50
W. Nusbaum	2010	15.00	217.50	½ D.10-07-012 rate	3,262.50	2010	15.00	217.50	3,262.50
<b>Subtotal: \$3,450.00</b>						<b>Subtotal: \$3,450.00</b>			
<b>COSTS</b>									
<b>Item</b>	<b>Detail</b>			<b>Amount \$</b>	<b>Amount \$</b>				
Attorney Travel	Airfare & Ground Transp. - Attendance at All-Party Meetings			674.20	674.20				
Attorney Parking	Attendance at All-Party Meetings			41.00	41.00				
Attorney Lodging	Attendance at All-Party Meetings			183.32	183.32				
Attorney Meals	Attendance at All-Party Meetings			89.53	-0-				
Consultant Travel	Airfare - Attendance at Workshop			799.80	799.80				
Consultant Mileage to Airport	Attendance at Workshop			92.40	92.40				
Consultant Cab Fare	Attendance at Workshop			83.00	83.00				
Copies	Various Pleadings			334.80	334.80				
Lexis	Legal Research			404.35	404.35				
Telephone	Conference Calls			842.25	842.25				
Postage	Mailing Pleadings			6.30	6.30				
<b>Subtotal: \$3,550.95</b>						<b>Subtotal: \$3,461.42</b>			
<b>TOTAL REQUEST: \$373,579.70</b>						<b>TOTAL AWARD: \$373,490.17</b>			
<p>* 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.</p> <p>**Reasonable claim preparation time typically compensated at ½ of preparer's normal hourly rate.</p>									

**C. Comments Documenting Specific Claim**

<p>Comment 1</p>	<p><b>Reasonableness of TURN hours:</b></p> <p>Due to the complex nature of this rulemaking and the very significant public policy issues involved, TURN’s entire telecommunications staff recorded significant amounts of time for the organization’s efforts. William Nusbaum generally served as TURN’s lead attorney for the proceeding, but at various times Christine Mailloux performed the lead role. At all times Regina Costa, TURN’s Telecommunications Research Director, supported the efforts of TURN’s attorneys. In addition, TURN engaged Dr. Trevor Roycroft to perform economic analysis of affordability (a critical issue) as well as on the various options the Commission considered for modifying the LifeLine subsidy methodology. In 2009 and 2010, Ms. Mailloux became lead counsel for the LifeLine issues and her increased hours reflect that while Mr. Nusbaum took on more of the role of assisting Ms. Mailloux as needed (for example, participating in strategy development writing materials and presenting issues at meetings with Commissioners’ offices). Robert Finkelstein recorded 4.25 hours in his role generally supervising the work of TURN’s attorneys. Given the complexity and importance of the issues in this rulemaking, the Commission should find that TURN’s use of attorney and expert witness time was reasonable.</p> <p>There were several specific elements of this rulemaking and TURN’s participation therein which increased the hours sought in this request. As discussed above in Section III.A., there were numerous PDs and revised PDs from assigned Commissioner Chong that required substantial time and resources to address, but then went nowhere for over a year. In addition, in May 2009 TURN and DRA filed a “Motion to Institute Alternative Dispute Resolution” (ADR) after issuance of a PD about which most of the parties expressed serious concerns and there appeared to be a possibility that parties could reach agreement on issues related to the rate design and wireless expansion if give an opportunity to discuss the specific proposals. Given the significance of the issues and the Commission’s strong interest in the utilization of the ADR process, TURN sought to use that process to break what appeared to be a serious logjam in the case. The hours devoted to this effort included discussions with the parties, Commissioners’ advisors and the ALJ as well as drafting the Motion and filing a reply to responses. In addition there is a significant expense for an all-party conference call hosted by TURN to discuss this matter. While the Commission did not grant the ADR Motion, TURN submits that the approximately 20 hours devoted to this effort are worthy of compensation since the work represented a good-faith effort to move the proceeding to a balanced resolution. In addition, TURN has only claimed the hours of Ms. Mailloux and 1.5 hours of Mr. Finkelstein’s time (as supervising attorney) for this effort, and is voluntarily not including the hours Mr. Nusbaum devoted to the effort. In a similar vein, TURN’s request for the time associated with the “Motion for Clarification” from August 2010 (discussed in greater detail in the substantial contribution section above under “LifeLine Rate Freeze”) includes only the hours recorded by Ms. Mailloux, even though Mr. Nusbaum and Ms. Costa participated in that effort.</p> <p>A very small number of hourly entries reflect meetings and workshops attended by two</p>
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or more of TURN's attorneys and expert witnesses. In past compensation decisions the Commission has on occasion deemed such entries as reflecting internal duplication that is not eligible for an award of intervenor compensation. This is not the case here. These meetings were essential to TURN developing and implementing its strategy for this proceeding. TURN's requested hours do not include any for any TURN attorney or expert witness where his or her presence at a meeting was not necessary in order to achieve the meeting's purpose. As the time records attached to this request make clear, at times TURN had more than one staff participating in events such as conference calls and the various workshops that occurred during this proceeding. TURN submits that this was a reasonable use of staff time given the complexity of the issues, and the need for collaboration among TURN staff to develop and advocate TURN's positions. In addition, the Commission should consider the fact that the industry always has multiple attendees at workshops to ensure all relevant issues are adequately covered. In particular, Mr. Nusbaum and Ms. Costa attended the DRA LifeLine Summit in December 2009. TURN submits that this was a reasonable use of staff time and should be fully compensable.

In general, TURN's use of staff time was reasonable given the duration and complexity of the issues. For example, Mr. Nusbaum, as TURN's lead attorney in this case, devoted 204 hours in 2006 representing less than 1 month of work time over the course of a year. In 2007, Mr. Nusbaum logged just 11 days, 9 days in 2008, 7 days in 2009 and 1.5 days in 2010. The significant decrease in Mr. Nusbaum's time in 2009 and 2010 was consistent with having Ms. Mailloux become lead attorney in the proceeding. Ms. Mailloux's time was similarly efficient with very few hours in the early years of the case (2006, 2007, and 2008) and then an increase in hours when she became lead attorney representing about 24 days of work in 2009 and only 12 days in 2010.

TURN is requesting 14 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 All-Party Meetings. The travel time reflects only the amount of time Ms. Mailloux spent traveling (rather than time she was also working to prepare for the meetings or on other matters). Ms. Mailloux's attendance at the workshops was critical to TURN's contribution to the proceeding due to the importance and complexity of the Chong PD pending at the time. TURN is not billing for the time of Mr. Mark Toney, its Executive Director who also attended those meetings to impress upon the Commission the importance of these issues to TURN.

Finally, TURN is requesting compensation for 16 hours devoted to compensation-related matters, primarily preparation of this request for compensation. While slightly higher than the number of hours TURN tends to seek for compensation-related matters, this is a reasonable figure given the size and complexity of the request for compensation itself. In D.10-07-012, the Commission awarded compensation for the full 13.0 hours requested for compensation-related work in a somewhat less complex proceeding. Mr. Nusbaum prepared the compensation request because, as the attorney with the most overall consistent participation in the proceeding, he was best situated to prepare the request in the lowest number of hours. TURN submits that having another TURN

	<p>attorney with a lower billing rate handle preparation of the compensation request would have required substantially more hours to gain sufficient familiarity with the work over a four year period and the final decision, such that the total cost to consumers may well have been higher than it is here.</p>
<p>Comment 2</p>	<p><b>Allocation of hours:</b> TURN has allocated its time entries by activity codes. The list of codes and their description:</p> <p>GP - General Preparation: time for activities necessary to participate in the docket</p> <p>W – Issues associated with the several workshops, DRA LifeLine Summit, Staff Report, comments on the Staff report and assorted meetings with Commissioners and their advisors including “All-Party Meetings”</p> <p>P – Issues associated with payphones</p> <p>PR – Issues associated with “procedural” matters including TURN’s Motion for ADR, TURN/DRA Motion for Public Input, and Motion for LifeLine Freeze, etc.</p> <p>A - Issues associated with affordability concerns for LifeLine</p> <p>F - Issues associated with rate freeze, deaveraging basic rate impacts and freeze on carrier draw for LifeLine</p> <p>S – Issues associated with the “funding mechanism” and the various options the Commission considered for the subsidy methodology and LifeLine programs in other states and at the FCC</p> <p>E - Issues associated with expansion of the LifeLine program to include wireless and other non-traditional communications technologies.</p> <p># - Where time entries cannot easily be identified with a specific activity code. For these entries, the allocation of time spent on activities can be broken down as such: PR 5%, A 25%, F 25%, S 30%, E 15%</p>
<p>Comment 3</p>	<p><b>Reasonableness of hourly rates:</b> For the most part, TURN’s request uses hourly rates that that the Commission has previously approved for TURN’s representatives’ work in 2006-10 or that result from applying the 2009 and 2010 resolutions generally denying any hourly rate increases work performed in those years.</p> <p>The one exception is the hourly rate for Trevor Roycroft for 2009 and 2010. In D.09-07-049, the Commission approved an hourly rate of \$190 for work Dr. Roycroft performed in 2008. TURN seeks an hourly rate of \$200 for his work in 2009, and \$210 for work in 2010. Each of these figures is substantially below the rate he invoiced TURN for his work in those years (his billing rate in 2010 is \$230).</p> <p>In Res. ALJ-235 and Res. ALJ-247 (addressing hourly rates for 2009 and 2010, respectively), the Commission noted that it had earlier adopted procedures for “justifying the increase of rates beyond those generally adopted” and “requesting hourly increases which are greater than those generally adopted,” and that it would continue these previously adopted policies. Res. ALJ-235, p. 4; Res. ALJ-247, p. 5. In D.08-04-010, the Commission identified five circumstances that would normally qualify an</p>

intervenor representative for a rate increase. The fifth circumstance was described as follows:

Rate historically sought at low end of a given range: an intervenor representative who has historically sought rates at the low end of an applicable rate range may request an increase within that range if the representative can clearly demonstrate in the compensation request that the representative's previously adopted rate is significantly less than that of close peers (those with closely comparable training and experience and performing closely similar services). Such requests will be judged on a case-by-case basis, but at a minimum must show the previously adopted rate of the peer(s), and must include a detailed description of the work involved, to the degree that a comparison readily can be made.

The 2008, 2009 and 2010 range for Dr. Roycroft's category (expert witnesses with more than 13 years experience) is \$155-\$390. The 2008 authorized rate of \$190 places Dr. Roycroft in the lower 15% of that range. TURN submits that this falls within the "low end of the applicable rate range" as described in D.08-04-010.

Dr. Roycroft's "close peers" in telecommunications matters before the Commission would include Terry Murray, Scott Cratty and Elizabeth Kientzle, who in the past worked together in the firm Murray & Cratty. In D.06-09-011, covering TURN's work in the AT&T-SBC merger proceeding (A.05-02-027), the Commission approved hourly rates of \$350 for Ms. Murray and \$210 each for Mr. Cratty and Ms. Kientzle for work performed in 2005. Ms. Murray is an economist who spent many years on the Commission's staff, including a period as the director of the predecessor to DRA, before starting her practice providing expert consulting services, primarily focusing on telecommunications matters. In the merger proceeding, Ms. Murray provided services very similar to those Dr. Roycroft provided to TURN here, assisting in the development of TURN strategy and positions, performing technical analysis of the financial and competition-related issues raised in the proceeding, and sponsoring testimony or affidavits to present TURN's position. The most substantial difference appears to be Dr. Roycroft's more substantial educational credentials (Ms. Murray has a Master's degree, while Dr. Roycroft has a PhD in economics, and spent ten years on the faculty of Ohio University teaching courses on regulatory law and policy). Mr. Cratty and Ms. Kientzle both performed much of the technical analysis to support Ms. Murray's testimony, including cost analysis and cost modeling. Neither has the academic credentials of Dr. Roycroft, nor his extensive experience in various positions of increasing responsibility within the Indiana Office of Utility Consumer Counselor.

Mike Majoros would also be one of Dr. Roycroft's close peers, although Mr. Majoros's work in Commission proceedings has focused on depreciation-related matters in general rate cases for major energy utilities. In D.06-10-018, the Commission awarded compensation at an hourly rate of \$240 for Mr. Majoros's work in 2005 in the SCE GRC. While depreciation issues in a GRC setting are obviously different from the LifeLine and other PPP issues addressed here, both categories present complex regulatory and policy questions that require similar efforts to not only master but

	<p>achieve success in translating the answers into cogent and clear testimony and analysis. Both individuals have several decades of experience in regulatory matters, and both have addressed a wide array of complex regulatory issues in numerous jurisdictions.</p> <p>James Lazar would also be a close peer of Dr. Roycroft’s, although again Mr. Lazar’s work has focused primarily on energy-related regulatory matters. (TURN found few compensation-eligible intervenors using expert witnesses in telecommunication proceedings in our review of decisions seeking appropriate “peers” for this comparison.) In D.05-06-024, the Commission awarded NRDC compensation at an hourly rate of \$200 for Mr. Lazar’s work in 2004 in an SCE proceeding regarding the fate of the Mohave power plant. Mr. Lazar has a Master’s degree in Economics as well as an MPA, and his work over several decades of consulting has focused on an array of economic issues associated with regulated utility service. In the Mohave proceeding, Mr. Lazar testified on the impact of the plant’s closure and various available alternatives to replace the lost power from such a closure. He also assisted NRDC in analyzing proposals and testimony of other parties, and was integral to that organization’s work. Dr. Roycroft’s work with TURN in the instant proceeding was very similar in nature. Mr. Lazar and Dr. Roycroft have very similar credentials, with one difference being that Dr. Roycroft has a PhD and university-level teaching experience.</p> <p>TURN submits that this showing establishes that Dr. Roycroft qualifies for a rate increase for 2009 and 2010 under the fifth circumstance identified in D.08-04-010. However, TURN believes this is the first time an intervenor has sought to justify an increase consistent with that part of the 2008 decision. Therefore, should the ALJ Division or anyone else at the Commission believe that TURN’s showing in support of this request is missing any element, TURN requests that we be so informed and provided an opportunity to supplement the request for compensation accordingly.</p>
<p>Comment 4</p>	<p><b>Reasonableness of expenses:</b>  The Commission should find TURN’s direct expenses reasonable in light of the duration and complexity of this proceeding. The expenses consist of electronic research, photocopying and postage expenses for the multiple pleadings drafted in this docket. The expenses also include phone calls necessary to coordinate work among the organizations TURN collaborated with. The expenses also include a significant expense for an all-party conference call held on April 22, 2009 regarding the possibility of starting an ADR process to settle specific issues. The expenses also include reasonable charges for Ms. Mailloux’s travel to attend the 2009 All-Party Meetings and for Dr. Roycroft to attend the workshop hosted by the Communications Division on the calculations in the Chong PD. These expenses cover limited days of travel, including only two days of hotel expenses and reasonable expenses for meals and parking. As discussed above, TURN is requesting that Ms. Mailloux’s and Dr. Roycroft’s travel be reimbursed because “but for” the All-Party Meetings, and workshops they would not have traveled to San Francisco.</p>

**D. CPUC Adoptions and Disallowances:**

Item	Adoptions
2009/2010 hourly rates for Roycroft	In part III, Section C TURN justifies its request for an increase in the 2009 and 2010 hourly rates requested for Roycroft. We approve these rates as requested because TURN has sufficiently outlined Roycroft’s background and experience and more importantly has satisfied the requirements outlined in D.08-04-010 (Section 4.3.3 at 9). <sup>1</sup> D.08-04-010 approves a range of \$155-\$390 for experts with 13 years or more of experience. In adopting increases to Roycroft’s rates beyond what we would normally consider, (\$200 for 2009 and \$210 for 2010) we are persuaded here by these facts: inclusive of the increases we make to Roycroft’s hourly rates here, the adopted rates are still in the mid-range of \$155-\$390 established in D.08-04-010 for experts with 13 years or more of experience with similar backgrounds and expertise; TURN has requested on numerous occasions that the Commission consider an increase in the rates established for Roycroft dating as far back as compensation claims in which TURN requested \$200 for his 2006 work, <sup>2</sup> and the fact that according to TURN, Roycroft’s 2010 hourly billing rate is \$230. With the increases we approve here and the fact that Resolutions ALJ-235; ALJ-247 and ALJ-267 disallow COLA increases for 2009-2011 intervenor work, we expect that Roycroft’s rates approved here are stabilized and will be subject to the same scrutiny for increases similar to other attorneys and experts many of whom have seen no increases in their hourly rates for the last three years.
Item	Disallowances
Disallowance of Meals	Consistent with our past practices in D.09-10-055 and D.10-03-020, we disallow \$89.53 of TURN’s costs related to meal expenses. We do not compensate intervenors for meals.

**PART IV: OPPOSITIONS AND COMMENTS**

**A. Opposition: Did any party oppose the claim?**

No
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**B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(c)(6))?**

Yes
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<sup>1</sup> Rate historically sought at low end of a given range: an intervenor representative who has historically sought rates at the low end of an applicable rate range may request an increase within that range if the representative can clearly demonstrate in the compensation request that the representative’s previously adopted rate is significantly less than that of close peers (those with closely comparable training and experience and performing closely similar services). Such requests will be judged on a case-by-case basis, but at a minimum must show the previously adopted rate of the peer(s), and must include a detailed description of the work involved, to the degree that a comparison readily can be made.

<sup>2</sup> See D.07-05-050.

**FINDINGS OF FACT**

1. Claimant has made a substantial contribution to Decisions (D.) 08-06-020 and 10-11-033.
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 \$373,490.17.

**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 \$373,490.17.
2. Within 30 days of the effective date of this decision, The CPUC Intervenor Compensation fund shall pay claimant the total award. 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 April 9, 2010, the 75<sup>th</sup> 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 July 14, 2011, at San Francisco, California.

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

I abstain.

/s/ Michel Peter Florio  
Commissioner

**APPENDIX****Compensation Decision Summary Information**

<b>Compensation Decision:</b>	D1107023	<b>Modifies Decision?</b> No
<b>Contribution Decision(s):</b>	D0806020 and D1011033	
<b>Proceeding:</b>	R0605028	
<b>Author:</b>	ALJ Maribeth A. Bushey	
<b>Payer:</b>	The CPUC Intervenor Compensation Fund	

**Intervenor Information**

<b>Intervenor</b>	<b>Claim Date</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>	<b>Multiplier?</b>	<b>Reason Change/Disallowance</b>
The Utility Reform Network	01-24-11	\$373,579.70	\$373,490.17	No	disallowance of cost for meals

**Advocate Information**

<b>First Name</b>	<b>Last Name</b>	<b>Type</b>	<b>Intervenor</b>	<b>Hourly Fee Requested</b>	<b>Year Hourly Fee Requested</b>	<b>Hourly Fee Adopted</b>
Christine	Mailloux	Attorney	The Utility Reform Network	\$335	2006	\$335
Christine	Mailloux	Attorney	The Utility Reform Network	\$360	2007	\$360
Christine	Mailloux	Attorney	The Utility Reform Network	\$390	2008/2010	\$390
William	Nusbaum	Attorney	The Utility Reform Network	\$375	2006	\$375
William	Nusbaum	Attorney	The Utility Reform Network	\$405	2007	\$405
William	Nusbaum	Attorney	The Utility Reform Network	\$435	2008/2010	\$435
Robert	Finkelstein	Attorney	The Utility Reform Network	\$405	2006	\$405
Robert	Finkelstein	Attorney	The Utility Reform Network	\$435	2007	\$435
Robert	Finkelstein	Attorney	The Utility Reform Network	\$470	2009	\$470
Regina	Costa	Attorney	The Utility Reform Network	\$235	2006	\$235
Regina	Costa	Attorney	The Utility Reform Network	\$255	2007	\$255
Regina	Costa	Attorney	The Utility Reform Network	\$275	2008-2009	\$275

Trevor	Roycroft	Expert	The Utility Reform Network	\$160	2006	\$160
Trevor	Roycroft	Expert	The Utility Reform Network	\$175	2007	\$175
Trevor	Roycroft	Expert	The Utility Reform Network	\$190	2008	\$190
Trevor	Roycroft	Expert	The Utility Reform Network	\$200	2009	\$200
Trevor	Roycroft	Expert	The Utility Reform Network	\$210	2010	\$210

**(END OF APPENDIX)**