

Decision 08-12-054 December 18, 2008

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
To Revise Its Electric Marginal Costs, Revenue
Allocation, and Rate Design.

(U 39 M)

Application 06-03-005
(Filed March 2, 2006)

**DECISION GRANTING INTERVENOR COMPENSATION
TO THE UTILITY REFORM NETWORK AND VOTE SOLAR INITIATIVE
FOR SUBSTANTIAL CONTRIBUTION TO DECISION 07-09-004
AND DENYING COMPENSATION
TO AGRICULTURAL ENERGY CONSUMERS ASSOCIATION**

TABLE OF CONTENTS

Title	Page
DECISION GRANTING INTERVENOR COMPENSATION TO THE UTILITY REFORM NETWORK AND VOTE SOLAR INITIATIVE FOR SUBSTANTIAL CONTRIBUTION TO DECISION 07-09-004 AND DENYING COMPENSATION TO AGRICULTURAL ENERGY CONSUMERS ASSOCIATION.....	2
1. Background.....	2
2. Requirements for Awards of Compensation.....	6
2.1. Preliminary Procedural Issues.....	7
3. Substantial Contribution.....	8
3.1. Contributions of TURN.....	11
3.1.1. MCRA Settlement.....	11
3.1.2. RRD Settlement.....	12
3.1.3. SLP Settlement.....	13
3.1.4. MM Settlement.....	13
3.2. Contributions of VSI.....	15
3.2.1. MCRA Settlement.....	15
3.2.2. RRD Settlement.....	16
3.2.3. SLP Settlement.....	16
3.3. Contributions of AECA.....	17
4. Contributions of Other Parties.....	18
5. Reasonableness of Requested Compensation.....	21
5.1. Hours and Costs Related to and Necessary for Substantial Contribution.....	23
5.2. Intervenor Hourly Rates.....	25
5.2.1. TURN.....	25
5.2.2. VSI.....	27
5.2.3. AECA.....	27
5.3. Direct Expenses.....	27
6. Productivity.....	28
7. Award.....	32
7.1. TURN.....	32
7.2. VSI.....	34
7.3. AECA.....	35
7.4. Right to Audit.....	35
8. Comment Period on Proposed Decision.....	35

9. Assignment of Proceeding	36
Findings of Fact.....	36
Conclusions of Law	37
ORDER	37
Appendix	

**DECISION GRANTING INTERVENOR COMPENSATION
TO THE UTILITY REFORM NETWORK AND VOTE SOLAR INITIATIVE
FOR SUBSTANTIAL CONTRIBUTION TO DECISION 07-09-004
AND DENYING COMPENSATION
TO AGRICULTURAL ENERGY CONSUMERS ASSOCIATION**

This decision awards The Utility Reform Network (TURN) \$115,398.73 and Vote Solar Initiative (VSI) \$23,088.75 in compensation for their substantial contributions to Decision 07-09-004. This represents a decrease of \$21.25 from amount requested by TURN due to the \$520/hour 2007 rate for Michel Florio and a decrease of \$7,915.00 [or 25.5%] from the amount requested by VSI due to hours disallowed because of lack of any identified activity and a 25% reduction for duplicative work. The request by Agricultural Energy Consumers Association is denied due to a lack of documentation and incomplete information about its compensation factor.

1. Background

Consistent with the Commission's Rate Case Plan (RCP), Pacific Gas and Electric Company's (PG&E) general rate case (GRC) was considered in two phases. Phase 1 considered revenue requirement issues and Phase 2 considered marginal cost, revenue allocation, and rate design issues. PG&E filed its 2007 GRC Phase 1 Application (A.) 05-12-002 on December 2, 2005. PG&E's Phase 2 proposal was filed on March 2, 2006 as A.06-03-005.

Many public participation hearings (PPHs) were held at various locations in PG&E's service territory during April and May 2006 in A.05-12-002. Letters, electronic mail messages, and petitions representing the views of hundreds of ratepayers were also received at the Commission.

A prehearing conference (PHC) was held on May 3, 2006. On May 25, 2006, the Assigned Commissioner's Ruling and Scoping Memo was issued.

Consistent with the Scoping Memo schedule, PG&E served updated testimony on June 26, 2006, Division of Ratepayer Advocates (DRA) served its testimony on September 13, 2006, and other parties served their testimony on October 27, 2006. A meet and confer session to consider settlement issues occurred on September 20, 2006. A mandatory settlement conference was then held on November 1, 2006. On November 6, 2006, PG&E, on behalf of the Settling Parties, contacted the assigned Administrative Law Judge (ALJ) David Fukutome and requested an extension of the schedule to accommodate further settlement discussions. That request was granted by ALJ Ruling of November 9, 2006. Subsequent requests for extensions of time to accommodate the settlement process were granted by ALJ Rulings of December 14, 2006, January 9, 2007, March 22, 2007, and April 24, 2007. An evidentiary hearing was held April 17, 2007.

The process produced seven settlement agreements, each with a different focus, five of which are implicated in the requests for compensation. Five rate design settlement agreements and the commercial building master meter settlement agreement were supplemental to the marginal cost and revenue allocation settlement agreement filed on February 9, 2007. The rate design settlement agreements use the revenue allocation agreed to in the MCRA and address rate design issues not resolved there. The marginal cost, revenue allocation, and rate design phase of this application was submitted for decision on May 25, 2007. We briefly describe below some elements of the settlements relevant to the instant requests for intervenor compensation.

- The Marginal Cost and Revenue Allocation Settlement (MCRA) (February 9, 2007) addressed three major issues: 1) marginal cost values to be employed for purposes of this settlement to establish the cost of providing service by rate group for the generation and

distribution functions even though the parties disagreed on specific principles to calculate marginal costs; 2) electric revenue should be allocated on an overall revenue-neutral basis resulting in total bundled rates that increased only 2.8% for the residential class, 3.2% for non-CARE residential customers, and 4.0% for agricultural class; and 3) each customer group is to be held responsible for approximately the same percentage contribution to each component of rates by implementing changes to the revenue requirement for each component by applying to each rate schedule the same percentage change to rates by component required to collect the revenue requirement for that component, with specific exceptions. (Decision (D.) 07-09-004, pp. 6-7.)

- The Residential Rate Design Settlement (RRD) (March 16, 2007) described the manner in which residential rates would be designed and included, in part, the following components: 1) total bundled residential California Alternate Rates for Energy (CARE) rates remain unchanged subject to MCRA; 2) total bundled rates for usage up to 130% of baseline will not be changed so long as AB 1X's rate restrictions are effective, subject to certain caveats, and revenue increases and reductions to the residential class will be implemented as proportional changes to the generation surcharges in Tiers 3, 4, and 5; 3) if a reduction to the residential class in excess of 3% is expected, PG&E will consult with DRA and The Utility Reform Network (TURN) to determine the proper method of allocating that revenue between tiers, but rates for usage up to 130% of baseline will not be reduced; 4) distribution and generation rates for non-CARE residential rates would be collected in each tier in same proportion as generation and distribution revenue is allocated, prior to determining California Solar Initiative (CSI) rates; 5) CSI rate will be determined as an equal proportion of pre-CSI distribution revenue in each tier as required to collect the CSI revenue allocated to the non-CARE residential schedules; and 6) customers who aren't submetered are required to take service on Time-Of-Use (TOU) rate schedule in order to receive CSI incentives for installing solar systems and TOU schedules are extended to multi-family accounts.

- The Small Light and Power Rate Design Settlement (SLP) (April 27, 2007) described the manner in which rates for this customer class would be designed and included, in part, the following components: 1) updates to the basic rate designs for each of the applicable small light and power rate schedules; 2) an increase to the maximum demand limit from 500 to 1000 kilowatts (kW) for solar system capacity among participating Schedule A-6 customers who install a solar photovoltaic system; and 3) calculation of the CARE discount for commercial CARE customers under Schedule E-CARE shall be based on a rate per kW-hour (kWh) discount, rather than the current methodology to simplify billing and improve customer understanding.
- The Agricultural Rate Design Settlement (ARD) (May 4, 2007) described the manner in which agricultural rates would be designed and included, in part, the following components: 1) an overall 4% rate increase for the class; 2) increases to fixed monthly customer charges; and 3) methods for updating the schedules including a widening of TOU energy charge differentials and mitigation of summer maximum demand charges where necessary.
- The Commercial Building Master Meter Settlement (MM) (April 27, 2007) describes principles to govern the manner in which commercial building owners may allocate costs to their commercial tenants so that those tenants may receive price signals through the allocation of non-common master meter energy costs. Provisions include: 1) parties' agreement that is in the public interest that commercial building tenants receive price signals and have the opportunity to participate in dynamic pricing and energy conservation programs; 2) Building Owners and Managers Association (BOMA) agreement to encourage its membership to participate in dynamic pricing and energy conservation programs and to timely pass on to commercial tenants dynamic pricing and energy conservation options; 3) PG&E agreement to revise two internal Rules to implement MM settlement goals; 4) clarification that no new utility relationships or contracts are formed between PG&E, owners and

tenants; and 5) a description of how dynamic pricing and energy conservation programs may be made available to commercial building tenants, and providing for the payment of associated costs. (D.07-09-004, pp. 13-14.)

D.07-09-004 adopted electric marginal costs and principles for allocating revenue to customer classes, as well as design of rates.¹ All of the settlements were adopted. Revised rates were effective November 1, 2007 allowing PG&E to collect the revenue requirement determined in Phase 1 of its 2007 GRC, and as modified by subsequent revenue requirement authorizations.

2. Requirements for Awards of Compensation

The intervenor compensation program, which is set forth in Pub. Util. Code §§ 1801-1812,² requires California jurisdictional utilities to pay the reasonable costs of an intervenor's participation if that party makes a substantial contribution to the Commission's proceedings. The statute provides that the utility may adjust its rates to collect the amount awarded from its ratepayers.

All of the following procedures and criteria must be satisfied for an intervenor to obtain a compensation award:

1. The intervenor must satisfy certain procedural requirements including the filing of a sufficient notice of intent (NOI) to claim compensation within 30 days of the PHC, pursuant to Rule 17.1 of the Commission's Rules of Practice and Procedure

¹ This decision only addresses the requests for compensation related to contributions to D.07-09-004. D.07-05-048 awarded AECA intervenor compensation solely related to D.06-11-030. Intervenor compensation requested by TURN in relation to D.08-07-045, also issued in this proceeding, is pending.

² All subsequent statutory references are to the Public Utilities Code unless otherwise indicated.

(Rules), or at another appropriate time that we specify.
(§ 1804(a).)

2. The intervenor must be a customer or a participant representing consumers, customers, or subscribers of a utility subject to our jurisdiction. (§ 1802(b).)
3. The intervenor must file and serve a request for a compensation award within 60 days of our final order or decision in a hearing or proceeding. (§ 1804(c).)
4. The intervenor must demonstrate “significant financial hardship.” (§§ 1802(g) and 1804(b)(1).)
5. The intervenor’s presentation must have made a “substantial contribution” to the proceeding, through the adoption, in whole or in part, of the intervenor’s contention or recommendations by a Commission order or decision or as otherwise found by the Commission. (§§ 1802(i) and 1803(a).)
6. The claimed fees and costs must be reasonable (§ 1801), necessary for and related to the substantial contribution (D.98-04-059), comparable to the market rates paid to others with comparable training and experience (§ 1806), and productive (D.98-04-059).

In the discussion below, the procedural issues in Items 1-4 above are combined and a separate discussion of Items 5-6 follows.

2.1. Preliminary Procedural Issues

Under § 1804(a)(1) and Rule 17.1(a)(1), a customer who intends to seek an award of intervenor compensation must file an NOI before certain dates. In a proceeding in which a PHC is held, the intervenor must file and serve its NOI between the date the proceeding was initiated until 30 days after the PHC is held. (Rule 17.1(a)(1).) The PHC in this matter was held on May 3, 2006. TURN and Agricultural Energy Consumers Association (AECA) timely filed their NOI

on May 26, 2006 and Vote Solar Initiative (VSI) timely filed its NOI on June 2, 2006.

On June 21, 2006, an ALJ Ruling was issued that found TURN and AECA were eligible for compensation because each (i) had timely filed an NOI to claim compensation in this proceeding, (ii) was a customer as defined by § 1802(b)(1)(C), (iii) had fulfilled the requirements of § 1804(a)(2)(A) by providing statements of the nature and extent of its planned participation and an itemized estimate of the compensation it expects to request, and (iv) had shown by a rebuttable presumption of eligibility based upon an earlier finding of significant financial hardship. On June 28, 2006, an ALJ Ruling found that VSI similarly was eligible for compensation, except that it qualified as a customer under §1802(b)(1)(B).

Regarding the timeliness of the request for compensation, AECA filed its request for compensation on November 2, 2007 and TURN and VSI each filed their request for compensation on November 6, 2007, all within 60 days of D.07-09-004 being issued on September 7, 2007. Pursuant to Rule 1.12, TURN sought and received permission from ALJ on November 15, 2007 to file an Amendment to correct an omission and calculation error that added \$15,520 in attorney's fees to the request. No party opposed any of the requests.

3. Substantial Contribution

In evaluating whether a customer made a substantial contribution to a proceeding, we look at several things. First, we look at whether the Commission adopted one or more of the factual or legal contentions, or specific policy or procedural recommendations put forward by the customer. (§ 1802(i).) Second, if the customer's contentions or recommendations paralleled those of another party, we look at whether the customer's participation unnecessarily duplicated

or materially supplemented, complemented, or contributed to the presentation of the other party. (§§ 1801.3(f) and 1802.5.)

As described in § 1802(i), the assessment of whether the customer made a substantial contribution requires the exercise of judgment:

In assessing whether the customer meets this standard, the Commission typically reviews the record, composed in part of pleadings of the customer and, in litigated matters, the hearing transcripts, and compares it to the findings, conclusions, and orders in the decision to which the customer asserts it contributed. It is then a matter of judgment as to whether the customer's presentation substantially assisted the Commission.³

With this guidance in mind, we turn to the claimed contributions made to the proceeding. The entirety of PG&E's request in this proceeding was resolved by the MCRA settlement agreement, five supplemental rate design settlement agreements, and the supplemental MM settlement agreement. The MM settlement agreement was contested by TURN, while all other settlement agreements were uncontested.

It can be difficult to identify specific contributions to a settled outcome since Rule 12.6 precludes disclosure of settlement discussions, and because each settlement term reflects a negotiated compromise between various parties. D.07-09-004 does not provide a summary of the various parties' positions regarding marginal costs, revenue allocation, and rate design prior to settlement making it harder to assess the substantial contribution of each of the intervenors to these uncontested settlements. However, it is undisputed that TURN, VSI, and AECA each participated in negotiations that led to one or more of the

³ D.98-04-059, 79 CPUC2d 628, at 653.

settlements adopted. Further, the Commission found that, “[E]ach settlement included participation and agreement from each of the parties that prepared testimony related to the particular customer class being addressed.”

(D.07-09-004 at 20.)

For example, D.07-09-004 identified 22 parties representing all affected rate classes that participated in negotiations related to the primary MCRA settlement and described some contribution from each of these parties:

While there were a number of differences in the marginal costs and revenue allocations proposed by the various parties in prepared testimonies, settlement appears to provide a reasonable compromise of parties’ positions in developing marginal costs and calculating revenue allocation for this proceeding. The settlement does not adopt any of the Settling Parties’ marginal cost principles or proposals, but the Settling Parties do agree that it is reasonable for the Commission to approve the marginal costs in the settlement for the purposes of establishing unit costs in the development of revenue allocation and rate design in this proceeding and for customer-specific contract rate floors for customer retention and attraction. (D.07-09-004 at Subsection 5.2.)

Although the Commission has held that “mere participation in settlement negotiations” is not sufficient to guarantee productive participation, it has recognized that active participation in settlements does justify compensation, especially when it contributed to the development of a record that assisted the Commission. (D.00-07-047, p. 6; D.00-07-015, p. 5.) The particular contributions of TURN, VSI, and AECA in relation to the settlements adopted by the Commission are discussed below.

3.1. Contributions of TURN

TURN regularly intervenes in Commission proceedings on behalf of ratepayers, primarily on the issues of consumer rights and affordable rates. TURN's activities included extensive testimony on a wide range of the marginal cost, revenue allocation, and rate design issues, and participation in lengthy settlement negotiations related to all these issues, particularly the impact on residential customers. Following testimony served by PG&E in March 2006 regarding marginal costs, revenue allocation, and rate design, TURN served extensive testimony by two experts, William B. Marcus and Michel P. Florio. No party served rebuttal testimony. From September 2006 through April 2007, TURN's attorneys and experts engaged in settlement discussions with various parties and devoted substantial time and resources to the review and revision of proposals for marginal cost principles, revenue allocation, and rate design. Although it was not successful on every argument presented, the settlements and Decision reflect the significant impacts of TURN's advocacy. TURN was successful, in cooperation with DRA, in minimizing large rate increases for residential customers. The successful negotiations led to three settlement agreements joined by TURN that reflect TURN's contributions. TURN opposed a fourth settlement, as described below.

3.1.1. MCRA Settlement

TURN had a substantial role in the MCRA settlement process as reflected by adoption of marginal cost values solely for settlement purposes without vigorously contested calculation principles (MCRA Settlement, p. 5) and a related impact on revenue allocation principles (MCRA Settlement, p. 6) that limited the increase in costs assigned to residential customers. PG&E proposed to increase the residential class average bundled rate by 3.9% above system

average percent change, with a 4.4% increase for non-CARE customers (PG&E Update Testimony, 6/26/06, p. 2-2). The MCRA Settlement provided for a lower 2.8% increase for residential class and 3.2% increase for non-CARE residential customers. (MCRA Settlement, pp. 13-14.) TURN also submitted testimony on revenue allocation principles and proposing revenue allocation for generation costs instead of PG&E's proposal to bundle generation and Department of Water Resources costs. TURN argued against CARE rate increases and changes to the CARE allocation methodology as proposed by PG&E, instead advocating the long-standing equal cents per kWh allocation. Both TURN positions were incorporated into the settlement. (MCRA Settlement at 12-13.) TURN also successfully advanced a modification to PG&E's proposal that non-CARE public purpose costs be allocated by total system average percentage (SAP) so that Direct Access (DA) loads are included for costs collected through Public Purpose Program rates. (MCRA Settlement, p. 13.) The MCRA Settlement also reflected movement towards TURN's position about how certain costs – interruptible rate credits, energy efficiency incentives, and solar programs – were allocated to residential customers that resulted in a substantial reduction from that proposed by PG&E. (MCRA Settlement, p. 12.)

3.1.2. RRD Settlement

Total bundled residential CARE rates remain unchanged consistent with TURN's position. (RRD Settlement, p. 6.) TURN recommended that solar program costs associated with the Commission's implementation of the CSI should not lead to any rate increase for first 130% of baseline usage because the rates already include an excess share of solar rebate costs. This view is reflected in the RRD Settlement provision for only a minimal increase to baseline rates for CSI costs. (RRD Settlement, p. 9.) The RRD Settlement also reflects TURN's view

that revenue increases to the residential class be implemented as proportional changes to the generation surcharges in Tiers 3, 4, and 5 as required to collect revenue allocated to the residential class. (RRD Settlement, p. 8.) Together with DRA, TURN reached agreement with PG&E to consult with DRA and TURN if it expects revenue allocation decreases to the residential class of more than 3%. (RRD Settlement, p. 8.) Additionally, TURN worked with PG&E and Western Manufactured Housing Communities Association (WMA) to resolve issues relating to the master meter discount for submetered mobilehome parks to preserve the discount agreed to by TURN, PG&E, and WMA in PG&E's 2004 GRC Phase 2 (A.04-06-024) and to protect residential ratepayers from significant increases advocated by WMA. (RRD Settlement, pp. 6-8.)

3.1.3. SLP Settlement

TURN had limited participation in the SLP Settlement and didn't offer testimony on small light and power rates. However, TURN claims it addressed minimum charges and intra-class revenue allocation for small commercial customers during settlement discussions. Some elements of the SLP Settlement, such as calculation of the CARE discount based on a rate per kWh discount, are consistent with positions TURN took in RRD testimony.

3.1.4. MM Settlement

TURN opposed the MM settlement proposed by PG&E and BOMA and, in comments argued that: 1) the MM Settlement lacked sufficient information for the Commission to evaluate it; 2) the MM Settlement provided no guidance regarding how the master meter customer would allocate electricity costs between submetered and nonsubmetered tenants in a partially submetered building; 3) the Commission had already expressed concerns with meter accuracy and reliability, meter reading, billing and adjustments in prior

decisions; 4) tenants would receive bills from building owners that might not provide clear and useful information to allow a tenant to verify charges; 5) claimed benefits related to dynamic pricing were speculative; and 6) the MM Settlement primarily benefited building owners. TURN argued the Commission should find the MM Settlement was not in the public interest and recommended the MM Settlement be rejected or, if the Commission were inclined to adopt it, TURN urged the Commission to condition approval on PG&E's and BOMA's acceptance of certain modifications as proposed by TURN.

The Decision stated TURN raised legitimate issues and questions related to the reasonableness of the settlement, particularly as to costs to commercial tenants and whether they would have an effective opportunity to more efficiently meet their electricity needs. (D.07-09-004, p. 35.) The Commission agreed with some of the concerns raised by TURN and conditioned adoption of the MM Settlement on PG&E's and BOMA's agreement to conduct a statistically significant survey regarding commercial building master metering and also adopted many of the consumer protections TURN recommended. (D.07-09-004, pp. 39-42.) The Commission clearly noted the substantial contribution of TURN to its treatment of the MM Settlement:

In its comments, TURN has raised legitimate issues and questions related to the reasonableness of the settlement. While the replies of BOMA and PG&E adequately address many of TURN's concerns, imposition of certain conditions related to monitoring and customer information are necessary to support a finding that the settlement is reasonable in light of the record. (D.07-09-004, p. 35.)

As described above, we concur that TURN made a substantial contribution to D.07-09-004. The Commission benefited from TURN's participation, analysis, and discussion of the issues.

3.2. Contributions of VSI

When VSI filed a Motion to Intervene and requested appearance status in June 2006, it stated it planned to participate in this proceeding by attending workshops, preparing written testimony, presenting witnesses, reviewing documents, attending hearings, and filing briefs on issues of rate design relating to use of renewable resources by PG&E customers. An ALJ Ruling issued June 16, 2006 granted VSI's Motion. On June 9, 2006, to support its eligibility to claim intervenor compensation, VSI filed authorization from Michael Meyers and Catharine Sutker, jointly a "customer," to represent their concerns in proceedings before the Commission. VSI provided their personal financial information under seal. On the same day, VSI also filed a motion requesting a protective order directing that the personal financial information be withheld from public inspection. The Motion was granted by ALJ Ruling issued June 21, 2006.

VSI offered testimony by Edward Smeloff, Robert Redlinger and two PG&E customers but filed no other documents or comments in the proceeding. VSI asserts it made a substantial contribution to the proceeding as a result of participation in three of the settlement agreements approved by D.07-09-004 and that its efforts will result in benefits to ratepayers, particularly by creating important new incentives for ratepayers to install solar systems. A description of VSI's contributions is set forth below.

3.2.1. MCRA Settlement

VSI testified about the role rate design can play in encouraging energy efficiency and customer-sited renewable energy investments. Similar to the stated positions of DRA & TURN, VSI advocated a 2% cap on revenue allocation. This position was reflected in the lower rates adopted in the MCRA Settlement than originally sought by PG&E. (MCRA Settlement, pp. 13-14.)

3.2.2. RRD Settlement

VSI testimony described and discussed PG&E's residential TOU rates. It focused on changes since the 2003 GRC wherein PG&E closed the E-7 tariff to new customers and opened E-6 tariff which is more complex and has lower on-peak to off-peak ratio of energy charges that don't send clear price signals to customers to reduce peak consumption. This view was supported by testimony from PG&E residential customers who decided not to install solar photovoltaic systems due to lower savings and longer cost recovery periods with the E-6 tariff. VSI recommended modifications to the E-6 tariff to reflect higher ratios of peak to part-peak and off-peak energy charges to send clear price signals to customers to reduce peak consumption and invest in solar systems. The RRD settlement incorporated VSI's recommendations to reopen the E-7 rate and provide a time-variant tariff for E-6 and EL-6 customer classes that creates incentives for ratepayers to install solar systems. (D.07-09-004 at 23.) Along with TURN and DRA, VSI also argued that revenue for CSI and other charges should be collected through an equal-cents/kWh charge. This position is reflected in the RRD Settlement. (RRD Settlement at 9.)

3.2.3. SLP Settlement

VSI testified about how small and medium commercial tariffs should be revised to satisfy SB1 (CSI), similar to its position in RRD Settlement discussions. VSI recommended changes to tariffs to reflect higher ratios of peak to part-peak and off-peak energy charges to send clearer price signals to customers to reduce peak consumption and invest in solar systems. VSI also argued customer charges shouldn't be increased and explained how energy efficiency projects are negatively impacted by fixed customer charges. The SLP Settlement reflects VSI influence where revised TOU tariffs are deemed to fulfill the requirements of SB1

in terms of “creating the maximum incentive for ratepayers to install solar systems...” (D.07-09-004 at 12; SLP at 9.) The SLP Settlement also expanded solar incentives for small and medium commercial customers by creating a limited pilot program that doubled the maximum demand limit for Schedule A-6 customers that install a solar photovoltaic system. (SLP Settlement at 7-8.) In addition, to the extent there were small increases to SLP fixed monthly customer charges, they reflect the expected give and take among various parties including VSI and were found reasonable by the Commission. (SLP Settlement at 8.)

As described above, we concur, in part, that VSI made a substantial contribution to D.07-09-004. The Commission benefited from VSI’s participation, analysis, and discussion of the issues.

3.3. Contributions of AECA

AECA is a non-profit organization representing the energy interests of “California Agriculture” including growers, cattle ranchers, county farm bureaus, and agricultural water districts. AECA, found eligible as a Category 3 customer, has already been granted intervenor status and compensation in this proceeding for its contribution to D.06-11-030.

In its initial filing, PG&E proposed to increase agricultural rates by more than 14% overall, and by 25% for some customers, in what AECA characterized as the largest price increase imposed on any customer class since the 2001 energy crisis. AECA offered testimony by Richard McCann, PhD., who argued that PG&E’s rate design proposals were punitive to California agriculture customers, who have shifted consumption to off-peak periods and PG&E over-allocated revenue responsibility to the agricultural class. AECA recommended the Commission either freeze agricultural marginal costs until further studies could be done to develop a long-term solution or alternatively adopt the DRA proposal

to cap all class allocation rates to 2% increase. AECA suggested several theories for the over-allocation including PG&E's failure to recognize TOU load-shifting by agricultural customers, a decline in the number of agricultural customers, and excessive customer service costs allocated to the agricultural class. The ARD Settlement reflected the concerns of AECA in establishing an overall 4% rate increase, rather than 14% as proposed by PG&E. It also included a modification of the rate design to expand TOU energy charge differentials to enhance load-shifting off-peak thereby reducing costs to the agricultural class.

As described above, we concur that AECA made a substantial contribution to D.07-09-004. The Commission benefited from AECA's participation, analysis, and discussion of the issues.

4. Contributions of Other Parties

Due to the confidentiality provisions governing settlements, it is difficult to make clear determinations of credit for any specific outcome in the many settlement agreements adopted by the Commission. However, based on a careful review of the application, testimony submitted by each intervenor and others, the various implicated settlements, submitted comments, and D.07-09-004, which adopted the settlements, the Commission is able to draw some conclusions about whether any reductions are warranted due to overlap and duplication. A 25% reduction to VSI's request is warranted.

Section 1801.3(f) requires an intervenor to avoid participation that duplicates that of similar interests otherwise adequately represented by another party, or participation unnecessary for a fair determination of the proceeding. Section 1802.5, however, allows an intervenor to be eligible for full compensation where its participation materially supplements, complements, or contributes to the presentation of another party if that participation makes a substantial

contribution to the Commission order. In this proceeding, there were 22 parties that participated in some part of the prolonged negotiations that led to adoption of seven settlement agreements resolving a plethora of general rate case issues. The named intervenors each played an important role not only with advancing their positions but also in working with the other parties to achieve consensus on the substantive issues ultimately resolved.

We agree with TURN that in a proceeding involving multiple participants, it is virtually impossible to completely avoid some duplication of the work of other parties. However, we agree TURN took reasonable steps to keep duplication to a minimum and to ensure that its work served to supplement, complement, or contribute to the showing of the other very active party in this proceeding, DRA. (§ 1802.5.) TURN states it collaborated closely with DRA throughout this proceeding, selected its areas of emphasis carefully, and coordinated coverage of and participation in the numerous settlement negotiation meetings. This claim is supported by the testimony. For example, TURN addressed various issues in its testimony that DRA did not, including allocation of non-CARE public purpose program costs, CTC and Nuclear Decommissioning Costs, and Energy Efficiency Shareholder Incentives. TURN was also an active negotiator regarding both the residential master metering discount and BOMA's proposal for new commercial submetering, including filing comments on the latter, where DRA essentially abstained from these issues. Finally, TURN contends without protest that its settlement negotiations in conjunction with other parties led to reductions in PG&E's proposed revenue allocation to the residential class and other improvements in rate design to assure rate equity. The Commission agrees with TURN that its work was neither unnecessary nor duplicative of the work of any other party.

VSI raised the same issues as TURN and DRA regarding overall lower increases to residential rates and collection of CSI funds on an equal-cents/kWh basis. The California Farm Bureau (CFB), PV Now and CAL SEIA joined these parties on the CSI issue. VSI asserts its contribution did not duplicate the efforts of other parties on either issue. We disagree. VSI's testimony on these issues is slim compared to that of the other parties and did not supplement, complement, or uniquely contribute to the record. However, we recognize that the addition of another party echoing these concerns may well have had an impact during the settlement negotiations that resulted in accommodation of these concerns, including lower increases to residential rates.

In its testimony, VSI also explained the differences between E-7 and E-6 TOU tariffs and how PG&E's change from the E-7 to E-6 tariff diminished incentives to residential customers to install a solar PV system. This position is reflected in the re-opening of E-7 rate class and some tariff adjustments in the RRD Settlement. However, the same position was argued more thoroughly in the testimony submitted jointly by PV Now and CAL SEIA, particularly that of Daniel M. Pelligrini. VSI also nominally opposed PG&E's requested increases to fixed charges for small commercial customers in its testimony, a position significantly developed by DRA in its testimony. The Commission agrees that some portion of VSI's work, primarily in settlement negotiations, was not unnecessary or duplicative, but much of its written testimony was duplicative of or less developed than testimony by DRA and TURN.

AECA's contribution was not duplicative because most of the issues included in its written testimony were confined to the agricultural class and

raised by AECA following its deep involvement in the agricultural definition settlement earlier in the proceeding.⁴ Although the CFB also sought lower increases for agricultural rates, including support for a 2% cap, most of CFB's testimony was focused on marginal costs and DRA's proposal to allocate CSI and other costs on equal cents per kWh. The Commission agrees with AECA that its work was neither unnecessary nor duplicative of the work of any other party.

5. Reasonableness of Requested Compensation

TURN's amended and corrected request is \$115,419.98 for its participation in D.07-09-004 as follows:

⁴ D.06-11-030.

Work on Proceeding

Attorney/Staff	Year	Hours	Hourly Rate	Total
Michel Florio	2006	32.00	\$485.00	\$15,520.00
Michel Florio	2007	4.25	\$525.00	\$ 2,231.25
Matthew Freedman	2006	69.00	\$280.00	\$19,320.00
Matthew Freedman	2007	33.50	\$300.00	\$10,050.00
Hayley Goodson	2006	100.25	\$195.00	\$19,548.75
Hayley Goodson	2007	81.50	\$210.00	\$17,115.00
Attorney/Staff Subtotal:				\$83,785.00

Expert Witnesses

William Marcus/JBS Energy 1/1/06-4/30/06		0.33	\$210.00	\$ 69.30
William Marcus/JBS Energy 5/1/06-4/17/07		87.34	\$220.00	\$19,214.80
Jeff Nahigian/JBS Energy 5/1/06 -7/26/07		58.00	\$165.00	\$ 9,570.00
Expert Witness Subtotal				\$28,854.10

Preparation of NOI and Compensation Request

Attorney/Staff	Year	Hours	Hourly Rate	Total
Matthew Freedman	2006	0.50	\$140.00 (50%)	\$ 70.00
Hayley Goodson	2007	23.25	\$105.00 (50%)	\$ 2,441.25
Subtotal Hourly Compensation:				\$ 2,511.25
Expenses:				\$ 269.63
Total Requested Compensation				\$115,419.98

VSI requests \$31,003.75 for its participation in D.07-09-004, as follows:

Work on Proceeding

Attorney/Staff	Year	Hours	Hourly Rate	Total
John P. Ross	2006	81.90	\$125.00	\$10,237.50
John P. Ross	2007	49.05	\$130.00	\$ 6,376.50
Edward A. Smeloff	2006	14.75	\$300.00	\$ 4,425.00
Greggory L. Wheatland	2006	20.80	\$345.00	\$ 7,176.00
Greggory L. Wheatland	2007	4.00	\$355.00	\$ 1,420.00

Subtotal: \$29,635.00

Preparation of NOI and Compensation Request

Attorney/Staff	Year	Hours	Hourly Rate	Total
John P. Ross	2006	5.00	\$ 62.50 (50%)	\$ 312.50
John P. Ross	2007	2.75	\$ 65.00 (50%)	\$ 178.75
Greggory L. Wheatland	2006	2.00	\$172.50 (50%)	\$ 345.00
Greggory L. Wheatland	2007	3.00	\$177.50 (50%)	\$ 532.50
Subtotal Hourly Compensation:				\$ 1,368.75
Total Requested Compensation				\$31,003.75

AECA requests \$24,074.73 for its participation in D.07-09-004, as follows:

Work on Proceeding

Attorney/Expert	Year	Hours	Hourly Rate	Total
Steven Moss & Richard McCann	--	113.25	\$175.00	\$19,818.75
Michael Boccadoro 3/3/06 - 5/3/07	--	8.25	\$150.00	\$ 1,237.50
Dan Geis 3/3/06 - 11/2/07	--	78.75	\$125.00	\$ 9,843.75
Subtotal:				\$30,900.00

Preparation of NOI and Compensation Request

Attorney/Staff	Year	Hours	Hourly Rate	Total
Dan Geis	2007	3.00	\$62.50 (50%)	\$ 187.50
Subtotal Hourly Compensation:				\$ 187.50
Expenses:				\$ 57.04
Total AECA Compensation				\$31,144.54
Total Requested Compensation-77.3% Compensation factor				\$24,074.73

5.1. Hours and Costs Related to and Necessary for Substantial Contribution

We first assess whether the hours claimed for the customer’s efforts that resulted in substantial contributions to Commission decisions are reasonable by

determining to what degree the hours and costs are related to the work performed and necessary for the substantial contribution.

TURN documented its claimed hours by presenting a daily breakdown of the hours of its attorneys, accompanied by a brief description of each activity. The hourly breakdown reasonably supports the claim for total hours.

Similarly, VSI documented its claimed hours by presenting a daily breakdown of the hours of its attorneys, accompanied by a brief description of each activity. With the exception of 1.75 hours of Ross's time dated "12/11/06" for which no description is provided, the hourly breakdown reasonably supports the claim for total hours. Therefore, the Commission disallows 1.75 hours of Ross's 2006 claimed hours from VSI's November 6, 2007 request and reduces the total hours from 81.90 to 80.15.

Given the circumstances of this proceeding and that VSI did not allocate its time and costs among issues, we cannot determine the exact amount to disallow for the duplicative and unnecessary work discussed above. Therefore, the Commission will use our discretion and reduce the amount awarded by 25%. We caution VSI that we may make even larger disallowances in the future if it again fails to allocate its time and costs among the issues.

We also find deficiencies in AECA's claim. A bare list of 18 numbered invoices from Steven Moss & Richard McCann of "M-Cubed," apparently expert witnesses who prepared AECA's written testimony, is offered as sole documentation for AECA's claim for a total of 113.25 hours of work related to the "PG&E Rate Case." However, the relevance of the work to this compensation claim is unclear. No actual invoices are included in AECA's claim that would identify, as required by Rule 17.4(b), the specific date and task performed and what issue was addressed by the task. We acknowledge above that AECA made

a substantial contribution to D.07-09-004 through its testimony and participation in the Agricultural Settlement. However, AECA also contributed to a prior decision in this proceeding, D.07-05-048, and was awarded compensation for that effort. Without any information about the actual work of these consultants, we cannot evaluate whether the activities warrant the time and rate claimed here as connected to D.07-09-004. Therefore, we are compelled to disallow these hours in their entirety.

The hourly breakdown of Geis's time is also somewhat troubling for its lack of information, particularly no description of the issue involved for each identified activity. For example, it has repeated entries similar to "Conference call w/PG&E" and "Discuss w/McCann." Further, only 2.00 hours, or about 2.4% of Geis's time is specifically identified as related to the settlement. If AECA were not seeking compensation for such a narrow set of issues related to one particular settlement agreement, this limited amount of description would be insufficient under Rule 17.4(b) and AECA is hereby notified that more explicit explanation will be required in any future compensation claim.

5.2. Intervenor Hourly Rates

We next take into consideration whether the claimed fees and costs are comparable to the market rates paid to experts and advocates having comparable training and experience and offering similar services.

5.2.1. TURN

TURN seeks an hourly rate of \$485.00 for Florio's work performed in 2006. We previously approved this rate for Florio in D.06-11-031, and adopt it here. TURN seeks an hourly rate of \$525.00 for Florio's work performed in 2007, which represents a 3% cost of living adjustment and an additional 5% "step" increase applicable to attorneys or experts under the conditions described in D.07-01-009

(issued in Rulemaking 06-08-019). We previously approved a 2007 hourly rate of \$520.00, instead of \$525.00 as requested, for Florio in D.08-03-012 because D.07-01-009 also provides that step increases may not result in rates above the highest rate for any given range for a given year (D.07-01-009, p. 6). We therefore approve a rate of \$520, the highest rate for the range of applicable 2007 rates, for Florio's work.

TURN seeks an hourly rate of \$280.00 for Freedman's work performed in 2006. We previously approved this rate for Freedman in D.08-08-026, and adopt it here. TURN seeks an hourly rate of \$300.00 for Freedman's work performed in 2007. We previously approved this rate for Freedman in D.07-10-012, and adopt it here.

TURN seeks an hourly rate of \$195.00 for Goodson's work performed in 2006. We previously approved this rate for Goodson in D.07-05-018, and adopt it here. TURN seeks an hourly rate of \$210.00 for Goodson's work performed in 2007. We previously approved this rate for Goodson in D.07-12-026, and adopt it here.

TURN also relied on expert witnesses, Marcus and Nahigian. TURN seeks an hourly rate of \$210.00 for Marcus' work performed between January 1, 2006 and April 30, 2006. We previously approved this rate for Marcus in D.06-10-018, and adopt it here. TURN seeks an hourly rate of \$220.00 for Marcus' work performed between May 1, 2006 and April 17, 2007. We previously approved this rate for Marcus in D.07-05-018, and adopt it here. TURN seeks an hourly rate of \$165.00 for Nahigian's work performed between October 4, 2006 and July 26, 2007. We previously approved this rate for Nahigian in D.07-12-026 and adopt it here.

5.2.2. VSI

VSI seeks an hourly rate of \$125.00 for Ross's work performed in 2006. We previously approved this rate for Ross in D.07-06-011, and adopt it here. TURN seeks an hourly rate of \$130.00 for Ross's work performed in 2007 which appears to reflect a 3% cost of living adjustment increase over the approved 2006 rate rounded to the nearest \$5 increment and we adopt it here.

VSI seeks an hourly rate of \$300.00 for Smeloff's work performed in 2006. We previously approved this rate for Smeloff in D.07-06-011, and adopt it here.

VSI seeks an hourly rate of \$345.00 for Wheatland's work performed in 2006. We previously approved this rate for Wheatland in D.07-06-011, and adopt it here. VSI seeks an hourly rate of \$355.00 for Wheatland's work performed in 2007 which appears to reflect a 3% cost of living adjustment increase over the approved 2006 rate rounded to the nearest \$5 increment and we adopt it here.

5.2.3. AECA

AECA seeks an hourly rate of \$125.00 for Geis's work performed in 2006 and 2007. We previously approved this rate for 2006 for Geis in D.07-05-048, and adopt it here.

AECA seeks an hourly rate of \$150.00 for Boccadoro's work performed in 2006 and 2007. We previously approved this rate for 2006 for Boccadoro in D.07-05-048, and adopt it here.

AECA seeks an hourly rate of \$175.00 for the work of Moss and McCann. Although we previously approved this rate for both experts in D.06-04-065 and D.07-05-048, the claim for their compensation is disallowed because of a lack of documentation as described above.

5.3. Direct Expenses

The itemized direct expenses submitted by TURN include the following:

Lexis Research	\$ 89.86
Photocopying	\$ 46.00
Telephone & Fax	\$ 47.77
Parking, Tolls, Fees	\$ 11.00
Consultant Travel	\$ 75.00
Total Expenses	\$269.63

The cost breakdown included with the request shows the miscellaneous expenses to be commensurate with the work performed. JBS Energy's travel expenses of \$75.00 are explained as the cost billed by Marcus for one round trip from his office in West Sacramento to San Francisco in order to attend the evidentiary hearing on the proposed MCRA Settlement at which his presence was necessary. This travel request does not constitute routine commuting and the amount is less than the 2006 standard mileage rate of \$0.445/mile set by the Internal Revenue Service and approved by the Commission for travel by JBS Energy in D.07-12-026. Therefore, we find all of TURN's expenses to be reasonable.

VSI requested no expenses.

The itemized direct expenses submitted by AECA include the following:

Photocopying	\$47.80
Postage	\$ 9.24
Total Expenses	\$57.04

We find all of AECA's expenses to be reasonable.

6. Productivity

D.98-04-059 directed customers to demonstrate productivity by assigning a reasonable dollar value to the benefits of their participation to ratepayers.

(D.98-04-059, pp. 34-35.) The costs of a customer's participation should bear a reasonable relationship to the benefits realized through its participation. This showing assists us in determining the overall reasonableness of the request. However, it can be difficult to quantify in dollars the benefit of any one party's involvement in a series of multi-party negotiated settlements where evidentiary hearings were limited to adoption of the settlement agreements. Nonetheless, the Commission has previously recognized that compensation may be appropriate where specific monetary benefits are difficult to establish. (D.05-04-041.)

TURN argues its most obvious impact was on keeping rates lower for residential customers than proposed by PG&E. TURN argued for a 2% revenue allocation cap for residential class average bundled rates instead of 3.9% sought by PG&E. An increase of 2.9% was adopted in the MCRA Settlement. TURN also claims it preserved residential CARE rates at present levels, protected rates for 130% of baseline usage despite escalating costs for solar programs, and ensured that other increases or decreases to residential non-CARE rates would equitably flow to Tiers 3, 4, and 5. The Commission agrees that through its advocacy, TURN played a significant, if difficult to quantify, role in the adopted settlements that affords rate protection to all residential class consumers. Thus, the Commission finds that TURN's efforts have been productive.

TURN also persuaded the Commission that several modifications were needed to the MM Settlement in order to protect the public interest, primarily relating to consumer protections for tenants of master-metered commercial office buildings. The focus of TURN's advocacy was for small commercial tenants to have more information and an effective opportunity to efficiently meet their electricity needs. The small commercial class of tenants benefited from the

consumer protections advocated by TURN because more efficient use of energy will result in lower bills. Thus, the Commission finds that TURN's efforts have been productive.

VSI advocated a 2% revenue allocation cap for residential and small light and power rates, collection of CSI funds on equal cents/kWh basis, and for changes to residential and small light and power tariffs to send clear price signals to consumers to reduce consumption in peak hours and provide incentives to install solar systems. VSI joined several other parties in advancing the 2% cap and CSI cost issues, but implies its participation was a substantial factor in favorable settlement results on these issues. We disagree and find VSI's efforts to be partially duplicative on these issues as discussed above in Section 5 and, thus, not fully productive. Similarly, we find VSI's efforts to explain problems with the E-6 and E-7 tariffs that reduced incentives to residential customers to install solar systems to be somewhat duplicative of the work of other parties including PV Now and CAL SEIA and, thus, not fully productive.

However, we recognize that VSI's expertise, development of customer witnesses, and participation with all parties in the settlement negotiations likely had a productive impact on the final results which accommodated most of VSI's concerns. As noted above, to the extent rate increases are lower, ratepayers benefit monetarily. Although precise monetary benefits to ratepayers cannot be quantified, the Commission agrees that residential and small light and power consumers will receive substantial benefits as a result of limited rate increases. We agree to the extent that changes in rate design lead to lower energy usage at peak times, ratepayers benefit monetarily by avoiding energy costs. We also agree that more customer-sited solar energy sources will advance the Commission's goals for development of solar and other renewable energy

sources as articulated in CSI and the Energy Action Plan. Though hard to quantify, these benefits are substantial to all energy consumers in the long term. Therefore, we find VSI's efforts were productive in part, largely through its efforts with other parties to advance these issues in settlement.

There are two obstacles to consideration of the productivity of AECA's participation in D.07-09-004. The first is discussed above in Section 6.1 where no useful documentation was provided to identify and describe the tasks performed by Steven Moss and Richard McCann of "M-Cubed" for which AECA seeks \$19,818.75, or 63.6% of its gross claim for compensation. We lack sufficient information by which to evaluate whether AECA's work was productive as to this amount.

Second, AECA applies a 77.3% compensation factor to claim compensation only for representing those it determined to be "small agricultural customers." To analyze the proper cost-benefit ratio, AECA's total cost of participation must be allocated between its members who are small and large customers. AECA states the 77.3% compensation factor was approved by the Commission in the prior award of intervenor compensation to AECA in D.07-05-048. In that decision, AECA reiterated the position it took in D.06-04-065 where the Commission agreed significant hardship had been shown for individual AECA members with annual electric bills of less than \$50,000, or 77.3% of AECA's membership and adjusted compensation in the same proportion. In D.07-05-048, the Commission again agreed that the principle benefits of AECA's efforts went to all members more or less equally and concluded the requested 77.3% allocation was reasonable. However, the Commission also specifically pointed out that where other issues might be involved in a compensation request "[a]n

appropriate allocation of costs should be developed for each individual request based on the circumstances surrounding that request.” (D.07-05-048 at 13.)

Specifically where electric rates are affected by AECA’s participation, consistent with AECA’s focus in this request, the Commission stated that members with large electric bills would likely benefit more than members with relatively small electric bills. In such circumstances, benefits presumably flow more to members with larger bills and equal allocation of costs would “likely violate the principle that allocation of costs of participation should be based on the perceived benefits of that participation.” (D.07-05-048 at 14.) The Commission directed AECA to fully justify its allocation of costs in future intervenor compensation requests and include an analysis to show which customers face significant financial hardship if they participate in the proceeding and an allocation methodology that “properly aligns the costs of AECA’s participation with the benefits of that participation...” (D.07-05-048 at 14-15.)

No such analysis was performed by AECA in this request for compensation despite the fact that the focus of its participation was to generally lower agricultural rates. One possibility is that it may be more appropriate to allocate costs of participation based on the number of members weighted by the size of their annual electric bills. In any event, AECA performed no such analysis in its request for compensation nor in response to a specific request for such made by the ALJ in March 2008. Therefore, the Commission finds that there is insufficient evidence to conclude that any of AECA’s costs of participation bear a reasonable relationship to the benefits realized by small agricultural interests.

7. Award

7.1. TURN

As set forth in the table below, we award TURN a total of \$115,398.73:

Work on Proceeding

Attorney/Staff	Year	Hours	Hourly Rate	Total
Michel Florio	2006	32.00	\$485.00	\$15,520.00
Michel Florio	2007	4.25	\$520.00	\$ 2,210.00
Matthew Freedman	2006	69.00	\$280.00	\$19,320.00
Matthew Freedman	2007	33.50	\$300.00	\$10,050.00
Hayley Goodson	2006	100.25	\$195.00	\$19,548.75
Hayley Goodson	2007	81.50	\$210.00	\$17,115.00
Attorney/Staff Subtotal:				\$83,763.75
Expert Witnesses				
William Marcus/JBS Energy 1/1/06-4/30/06		0.33	\$210.00	\$ 69.30
William Marcus/JBS Energy 5/1/06-4/17/07		87.34	\$220.00	\$19,214.80
Jeff Nahigian/JBS Energy 5/1/06- 7/26/07		58.00	\$165.00	\$ 9,570.00
Expert Witness subtotal				\$28,854.10

Preparation of NOI and Compensation Request

Attorney/Staff	Year	Hours	Hourly Rate	Total
Matthew Freedman	2006	0.50	\$140.00 (50%)	\$ 70.00
Hayley Goodson	2007	23.25	\$105.00 (50%)	\$ 2,441.25
NOI and Compensation Request Total:				\$ 2,511.25

CALCULATION OF FINAL AWARD

Work on Proceeding	\$ 83,763.75
Expert Witnesses	\$ 28,854.10
NOI and Compensation Request Preparation	\$ 2,511.25
Expenses	\$ 269.63
TOTAL AWARD	\$115,398.73

Consistent with previous Commission decisions, we order that interest be paid on the award amount (at the rate earned on prime, three-month commercial paper, as reported in Federal Reserve Statistical Release H.15) commencing on

January 20, 2008, the 75th day after TURN filed its compensation request, and continuing until full payment of the award is made.

7.2. VSI

As set forth in the table below, we award VSI a total of \$23,088.75:

Work on Proceeding				
Attorney/Staff	Year	Hours	Hourly Rate	Total
John P. Ross	2006	80.15	\$125.00	\$10,018.75
John P. Ross	2007	49.05	\$130.00	\$ 6,376.50
Edward A. Smeloff	2006	14.75	\$300.00	\$ 4,425.00
Greggory L. Wheatland	2006	20.80	\$345.00	\$ 7,176.00
Greggory L. Wheatland	2007	4.00	\$355.00	\$ 1,420.00
Subtotal:				\$29,416.25

Preparation of NOI and Compensation Request				
Attorney/Staff	Year	Hours	Hourly Rate	Total
John P. Ross	2006	5.00	\$ 62.50 (50%)	\$ 312.50
John P. Ross	2007	2.75	\$ 65.00 (50%)	\$ 178.75
Greggory L. Wheatland	2006	2.00	\$172.50 (50%)	\$ 345.00
Greggory L. Wheatland	2007	3.00	\$177.50 (50%)	\$ 532.50
Subtotal Hourly Compensation:				\$1,368.75

CALCULATION OF FINAL AWARD

Work on Proceeding	\$29,416.25
NOI and Compensation Request Preparation	\$ 1,368.75
Subtotal	\$30,785.00
25% reduction for duplication	\$ 7,696.25
TOTAL AWARD	\$23,088.75

Consistent with previous Commission decisions, we order that interest be paid on the award amount (at the rate earned on prime, three-month commercial paper, as reported in Federal Reserve Statistical Release H.15) commencing on

January 20, 2008, the 75th day after VSI filed its compensation request, and continuing until full payment of the award is made.

7.3. AECA

For the reasons set forth above, we award AECA no compensation due to a lack of documentation and a failure to provide an analysis of the cost of its participation in relation to the projected benefits to the small agricultural class it claims to represent.

7.4. Right to Audit

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. TURN's, VSI's, and AECA's records should identify specific issues for which each requested 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.

8. Comment Period on Proposed Decision

This is an intervenor compensation matter. As provided by Rule 14.6(c)(6), we normally waive the otherwise applicable 30-day comment period for this decision. However, given that AECA is denied compensation, we provide the opportunity to file comments on the proposed decision. On November 18, 2008, the proposed decision (PD) was issued. Pursuant to Rule 14.3, Comments on the PD were due on December 8, 2008, 20 days after the PD was served. No comments were filed and no changes have been made to the PD.

9. Assignment of Proceeding

Rachelle B. Chong is the assigned Commissioner and David Fukutome is the assigned ALJ in this proceeding.

Findings of Fact

1. TURN and VSI have satisfied all the procedural requirements necessary to claim compensation in this proceeding.
2. AECA has substantive deficiencies in its request for compensation.
3. TURN and AECA made a substantial contribution to D.07-09-004 as described herein.
4. VSI made a substantial contribution to D.07-09-004 primarily in settlement negotiations, but some of its work was duplicative of other parties.
5. TURN, VSI, and AECA requested hourly rates for its representatives that, as adjusted, are reasonable when compared to the market rates for persons with similar training and experience.
6. VSI claimed 1.75 hours for Ross's time for which no description of the activity is provided.
7. AECA did not provide adequate documentation of the activities performed by its expert witnesses as required by Rule 17.4(b) for the Commission to evaluate the reasonableness of the claimed compensation for their work.
8. AECA did not provide an analysis of its allocation of costs of participation between its small and large members.
9. TURN and AECA requested related expenses that are reasonable and commensurate with the work performed.
10. The total of the reasonable compensation for TURN is \$115,398.73.
11. The total of the reasonable compensation for VSI is \$23,088.75.
12. The appendix to this decision summarizes today's award.

Conclusions of Law

1. TURN has fulfilled the requirements of §§ 1801-1812, which govern awards of intervenor compensation, for its request for compensation for its work toward D.07-09-004 and is entitled to intervenor compensation for its claimed expenses incurred in making substantial contributions to this Decision.

2. TURN should be awarded \$115,398.73 for its contribution to D.07-09-004.

3. VSI has fulfilled the requirements of §§ 1801-1812, which govern awards of intervenor compensation, for its request for compensation for its work toward D.07-09-004 and is entitled to intervenor compensation for its claimed expenses, as adjusted herein, incurred in making substantial contributions to this Decision.

4. VSI should be awarded \$23,088.75 for its contribution to D.07-09-004.

5. AECA is not awarded any intervenor compensation because it failed to document the reasonableness of the compensation claimed.

6. This order should be effective today so that TURN and VSI may be compensated without further delay.

O R D E R

IT IS ORDERED that:

1. The Utility Reform Network (TURN) is awarded \$115,398.73 as compensation for its substantial contributions to Decision (D.) 07-09-004.

2. Vote Solar Initiative (VSI) is awarded \$23,088.75 as compensation for its substantial contributions to D.07-09-004.

3. Agricultural Energy Consumers Association's request for compensation is denied.

4. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company shall pay TURN and VSI 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 January 20, 2008, the 75th day after the filing date of TURN's and VSI's requests for compensation, and continuing until full payment is made.

This order is effective today.

Dated December 18, 2008, at San Francisco, California.

MICHAEL R. PEEVEY

President

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

TIMOTHY ALAN SIMON

Commissioners

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:	D0812054	Modifies Decision? N
Contribution Decision(s):	D0709004	
Proceeding(s):	A0603005	
Author:	ALJ Fukutome	
Payer(s):	Pacific Gas and Electric Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	11/06/07	\$115,419.98	\$115,398.73		Adjusted hourly rate
Vote Solar Initiative	11/06/07	\$ 31,003.75	\$ 23,088.75		Duplicate effort; unidentified activity
Agricultural Energy Consumers Association	11/02/07	\$ 24,074.73	\$ 0.00		Lack of documentation of experts' time and compensation factor

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Michel	Florio	Attorney	The Utility Reform Network	\$485.00	2006	\$485.00
Michel	Florio	Attorney	The Utility Reform Network	\$525.00	2007	\$520.00
Matthew	Freedman	Attorney	The Utility Reform Network	\$280.00	2006	\$280.00
Matthew	Freedman	Attorney	The Utility Reform Network	\$300.00	2007	\$300.00
Hayley	Goodson	Attorney	The Utility Reform Network	\$195.00	2006	\$195.00
Hayley	Goodson	Attorney	The Utility Reform Network	\$210.00	2007	\$210.00

William	Marcus	Policy Expert	The Utility Reform Network	\$210.00	1/1/06 - 4/30/06	\$210.00
William	Marcus	Policy Expert	The Utility Reform Network	\$220.00	5/1/06 - 4/17/07	\$220.00
Jeff	Nahigian	Policy Expert	The Utility Reform Network	\$165.00	5/1/06 - 7/26/07	\$165.00
John P.	Ross	Policy Expert	Vote Solar Initiative	\$125.00	2006	\$125.00
John P.	Ross	Policy Expert	Vote Solar Initiative	\$130.00	2007	\$130.00
Edward	Smeloff	Policy Expert	Vote Solar Initiative	\$300.00	2006	\$300.00
Greggory	Wheatland	Attorney	Vote Solar Initiative	\$345.00	2006	\$345.00
Greggory	Wheatland	Attorney	Vote Solar Initiative	\$355.00	2007	\$355.00

(END OF APPENDIX)