Decision 09-02-029 February 20, 2009

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Authorization to Enter into Long-Term Natural Gas Transportation Arrangements with Ruby Pipeline, for Cost Recovery in PG&E's Gas and Electric Rates and Nonbypassable Surcharges, and for Approval of Affiliate Transaction. (U39G and U39E)	Application 07-12-021 (Filed December 21, 2007)

DECISION GRANTING INTERVENOR COMPENSATION TO THE UTILITY REFORM NETWORK FOR ITS SUBSTANTIAL CONTRIBUTIONS TO DECISION 08-11-032

Claimant: The Utility Reform Network (TURN)	**For contribution to:** Decision (D.) 08-11-032
Claimed ($): 26,653	**Awarded ($):** 26,251 (1.5% less than requested)
Assigned Commissioner: Timothy Alan Simon	**Assigned Administrative Law Judge (ALJ):** Timothy Kenney

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:

D.08-07-046 grants the application filed Pacific Gas and Electric Company (PG&E) for authority to obtain firm, long-term capacity for its Core Gas Supply and Electric Fuels Departments on the proposed Ruby Pipeline. TURN supported PG&E's application.

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

	Claimant	California Public Utilities Commission (CPUC) Verified
Timely filing of notice of intent to claim compensation (§ 1804(a)):		
1. Date of Prehearing Conference:	February 29, 2008	**Yes**
2. Other Specified Date for Notice of Intent (NOI):	n/a	**n/a**
3. Date NOI Filed:	April 1, 2008	**Yes**
4. Was the notice of intent timely filed?		**Yes**[1]
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ's ruling issued in proceeding number:	A.07-12-021, the instant proceeding	**Yes**
6. Date of ALJ's ruling:	April 18, 2008	**Yes**
7. Based on another CPUC determination (specify):	n/a	**n/a**
8. Has the claimant demonstrated customer or customer-related status?		**Yes**
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ's ruling issued in proceeding number:	A.07-12-021, the instant proceeding	**Yes**
10. Date of ALJ's ruling:	April 18, 2008	**Yes**
11. Based on another CPUC determination (specify):	n/a	**n/a**
12. Has the claimant demonstrated significant financial hardship?		**Yes**

[1] The prehearing conference (PHC) was held on February 29, 2008. The 30th day after the PHC was March 31, 2008, a State holiday. TURN filed a timely NOI the following day, April 1, 2008, in accordance with Rule 1.14.

Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision	D.08-11-032	**Yes**
14. Date of Issuance of Final Decision:	November 7, 2008	**Yes**
15. File date of compensation request:	January 6, 2009	**Yes**
16. Was the request for compensation timely?		**Yes**

PART II: SUBSTANTIAL CONTRIBUTION (to be completed by Claimant except where indicated)

A. In the fields below, describe in a concise manner Claimant's contribution to the final decision (see § 1802(i), § 1803(a) & D.98-04-059)

Claimed Contribution	Citation to Decision or Record	Showing Accepted by CPUC
1. TURN's initial response to the application, filed Jan. 25, 2008, expressed tentative support for the Ruby Pipeline project, but also expressed concern about Section 4(f) of the draft Ruby-PG&E precedent agreement, which would have allowed Ruby to cancel the agreement if its construction costs increased by more than a certain amount. PG&E amended its application on Feb. 1, 2008, to include a revised precedent agreement dated Jan. 30, 2008, which removed Section 4(f) from the agreement. Subsequently, Ruby Pipleline's cost estimate increased by about 50%, but the price paid by PG&E did not change as a result.	Amendment to PG&E's application filed Feb. 1, 2008.	**Yes**

Claimed Contribution	Citation to Decision or Record	Showing Accepted by CPUC
2. TURN stated in its opening brief (pp. 1-2) that, due to cost changes since the Ruby Pipeline project was originally announced, the fixed price that PG&E had obtained for Ruby capacity is a "great deal" for ratepayers.	D.08-11-032, at p. 63, quoted TURN's brief in support of the Decision's conclusion that no better deal was available from Ruby or its competitors. TURN's support for the project is also cited at pp. 12, 29, 31, and 84.	**Yes**
3. TURN argued in its opening brief (pp. 4-5) that it would not have been reasonable for PG&E to conduct a request-for-offers process to obtain capacity on a new pipeline from the Rocky Mountains because of normal practices in the natural gas industry and the fact that PG&E was only seeking a fraction of a new pipeline's capacity.	D.08-11-032 cited TURN's argument at pp. 58-59 and expressed its agreement on pp. 59-60 in support of its finding that the process employed by PG&E was reasonable under the circumstances.	**Yes**
4. At page 2 of its opening brief, TURN argued that its earlier concerns about affiliate transactions were essentially moot because PG&E's parent company, PG&E Corp., had decided not to invest in the Ruby Pipeline project and there had been no attempt to renegotiate the deal on terms less favorable to ratepayers.	D.08-11-032 at pp. 81-84 agreed with TURN's position on this issue.	**Yes**
5. TURN argued in its opening brief (pp. 7-9) that the *potential* for affiliate abuse revealed by PG&E Corp.'s involvement with Ruby indicated a need for changes to the affiliate transaction rules.	The ALJ's Proposed Decision (PD) would have imposed additional affiliate restrictions on PG&E (PD at pp. 83-85). The final decision, however, deleted those provisions.	**Yes**

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

	Claimant	CPUC Verified
a. Was DRA a party to the proceeding? (Y/N)	Yes	Yes
b. Were there other parties to the proceeding? (Y/N)	Yes	**Yes**
c. If so, provide name of other parties: Gas Transmission Northwest Corporation, Californians for Renewable Energy, and L. Jan Reid.		
d. Describe how you coordinated with DRA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party: TURN and DRA took similar positions on PG&E's application, but emphasized different issues and arguments. The text of D.08-11-032 reflects those different emphases. CARE focused on GHG impacts that TURN did not address. Reid took the opposite position of TURN on the fundamental issue in the proceeding – whether PG&E's Application should be approved.		**Yes**

C. Additional Comments on Part II (use line reference # or letter as appropriate):

#	Claimant	CPUC	Comment
II.B.d	TURN	**Yes**	Although TURN and DRA both supported PG&E's application, both took care to avoid duplication with one another, providing facts and arguments only where they served to supplement, complement, or reinforce the primary case in chief, which was made by PG&E and Ruby LLC. This enabled TURN to reduce the amount of time that it might otherwise have devoted to the proceeding. At the same time, TURN's participation was effective, as reflected by the numerous references in the final decision to TURN's positions and arguments.

PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

Concise explanation as to how the cost of claimant's participation bears a reasonable relationship with benefits realized through participation (include references to record, where appropriate)	**CPUC Verified**
The Commission found (*e.g.*, Findings of Fact 6-8, p. 112) that the Ruby Pipeline project, which TURN supported, was likely to provide significant benefits to PG&E's ratepayers over the term of the PG&E-Ruby precedent agreement. TURN's participation significantly contributed to the Commission's conclusion, as described above, yet TURN's costs were modest and well below the $90,000 estimate provided in its NOI due to the efficiency of their participation.	**Yes**

B. Specific Claim:

CLAIMED						**CPUC AWARD**			
ATTORNEY AND ADVOCATE FEES									
Item	**Year**	**Hours**	**Rate $**	**Basis for Rate**	**Total $**	**Year**	**Hours**	**Rate $**	**Total $**
Michel Florio	2007	2.00	$520	D.08-03-012, p. 12	$ 1,040	2007	2.00	$520	$ 1,040
Michel Florio	2008	38.50	$535	D.08-07-043, p. 8	$20,598	2008	37.75	$535	$20,196
Marcel Hawiger	2008	11.25	$325	D.08-08-027, p. 5	$ 3,656	2008	11.25	$325	$ 3,656
				Subtotal:	**$25,294**			**Subtotal:**	**$24,892**

INTERVENOR COMPENSATION CLAIM PREPARATION									
Item	**Year**	**Hours**	**Rate $**	**Basis for Rate**	**Total $**	**Year**	**Hours**	**Rate $**	**Total $**
Michel Florio	2008	1.50	$267.5	50% of $535	$ 401	2008	1.50	$267.5	$ 401
Michel Florio	2009	3.50	$267.5	50% of 2008 rate	$ 936	2009	3.50	$267.5	$ 936
				Subtotal:	**$1,337**			**Subtotal:**	**$1,337**

COSTS-ROUNDED TO NEAREST DOLLAR				
#	**Item**	**Amount**		**Amount**
	Xeroxing	$ 22		$ 22
	Subtotal:	**$ 22**	**Subtotal:**	**$ 22**
	TOTAL REQUEST:	**$ 26,653**	**TOTAL AWARD:**	**$ 26,251**

C. Attachments or Comments Documenting Specific Claim:

Attachment or Comment #	Description/Comment
1	Detailed Time Reports for TURN's Attorneys and Expert Consultants
2	Detail of TURN's Expenses
3	Certificate of Service
III.B	The 38.5 hours claimed for Florio in 2008 include 0.75 hours spent reviewing and commenting on a draft of the joint response to the application for rehearing of D.08-11-032 filed by GTN. If that rehearing has not been resolved by the time a decision is issued on TURN's request, those 0.75 hours should be deleted from the request.
III.B.	For attorney Florio, TURN is using his 2008 rate for the small number of 2009 hours devoted to preparing this compensation request, but reserves the right to seek a higher hourly rate for his other work in 2009.

D. CPUC Disallowances & Adjustments (CPUC completes):

Item	Reason
2008 Hours Requested for Attorney Florio	TURN's requested hours for attorney Florio in 2008 include 0.75 hours for reviewing and commenting on the draft joint response to the application for rehearing of D.08-11-032 filed by Gas Transmission Northwest Corporation. However, the application for rehearing has not been decided. Thus, TURN's request for hours spent on this matter is premature. Rounded up to the nearest dollar, the amount disallowed is $402 (i.e., 0.75 hours x $535 per hour).

PART IV. OPPOSITION AND COMMENTS

Within 30 days after service of this claim, did Commission Staff or any other party may file a response to the claim (*see* § 1804(c))

A. Opposition:

Did any party oppose the claim (Y/N)? No

B. Comment Period:

Was the 30-day comment period waived (*see* Rule 14.6(c)(6)) (Y/N)? Yes

Findings of Fact

1. Claimant has made substantial contributions to D.08-11-032.

2. The claimed fees and costs, as adjusted herein, are comparable to market rates paid to experts and advocates having similar training and experience and offering similar services.

3. The amount of reasonable compensation, excluding interest, is $26,251.

Conclusion of Law

The claim, as adjusted by today's decision, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

O R D E R

IT IS ORDERED that:

1. Claimant is awarded $26,251.

2. Pacific Gas and Electric Company shall pay claimant the total award within 30 days of the effective date of this Order. The award shall include interest at the rate earned on prime, three-month commercial paper as reported in Federal Reserve Statistical Release H.15, beginning March 22, 2009, the 75th day after the filing of claimant's request, and continuing until full payment is made.

3. The comment period for today's decision is waived.

4. Application 07-12-021 remains open to address (i) other requests for compensation, and (ii) an application to rehear Decision 08-11-032.

This order is effective today.

Dated February 20, 2009, at San Francisco, California.

MICHAEL R. PEEVEY
President
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
TIMOTHY ALAN SIMON
Commissioners

APPENDIX A

Compensation Decision Summary Information

Compensation Decision:	D0902029	**Modifies Decision? No**
Contribution Decision(s):	D0811032	
Proceeding(s):	A0712021	
Author:	ALJ Kenney	
Payer(s):	Pacific Gas and Electric Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	1/6/2009	$26,653	$26,251	No	Premature claim for time spent reviewing pending application to rehear D.08-11-032.

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	$520	2007	$520
Michel	Florio	Attorney	The Utility Reform Network	$535	2008	$535
Marcel	Hawiger	Attorney	The Utility Reform Network	$325	2008	$325

(END OF APPENDIX A)