

Decision 06-09-008 September 7, 2006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application of Verizon Communications, Inc. (Verizon) and MCI, Inc. (MCI) to Transfer Control of MCI's California Utility Subsidiaries to Verizon, Which Will Occur Indirectly as a Result of Verizon's Acquisition of MCI.

Application 05-04-020
(Filed April 21, 2005)

**OPINION GRANTING INTERVENOR COMPENSATION AWARDS TO
THE GREENLINING INSTITUTE, LATINO ISSUES FORUM,
DISABILITY RIGHTS ADVOCATES, AND THE UTILITY
REFORM NETWORK FOR THEIR CONTRIBUTIONS
TO DECISION 05-11-029**

1. Summary

This decision grants intervenor compensation awards of \$92,241.46 to the Greenlining Institute (Greenlining), \$70,102.37 to the Latino Issues Forum (LIF), \$29,767.14 to the Disability Rights Advocates, and \$297,543.49 to The Utility Reform Network (TURN) (collectively, intervenors). These awards are made for each intervenor's substantial contributions to Decision (D.) 05-11-029.

2. Background

D.05-11-029 granted the joint application of Verizon Communications, Inc. (Verizon) and MCI, Inc. (MCI) to transfer control of MCI's California utilities to Verizon. Greenlining, LIF, Disability Rights Advocates, and TURN requested compensation awards of \$116,623.46, \$82,343.62, \$59,567.39, and \$339,540.99, respectively, for their substantial contributions to that decision. Commission approval of the transfer was made subject to three conditions: 1) adoption by

Verizon of a settlement agreement negotiated with Greenlining and LIF to participate in a statewide Broadband Task Force; 2) an increase in corporate philanthropy over the next five years by an additional \$20 million, and a commitment to make a good faith effort to increase diversity of suppliers from 15% to 20% by 2010; and 3) a commitment to contribute \$3 million per year to a non-profit corporation that would encourage broadband services in underserved communities. While evidentiary hearings were deemed unnecessary in this proceeding, each of the intervenors actively participated by conducting discovery, sponsoring expert testimony, and filing briefs and comments on the proposed and alternate decisions.

Verizon filed responses opposing the full award amount requested by each intervenor. The intervenors, except LIF, filed separate replies.

3. Requirements for Awards of Compensation

3.1. Introduction

The intervenor compensation program, established in Pub. Util. Code §§ 1801-1812,¹ requires California jurisdictional utilities to pay the reasonable costs of an intervenor's participation, as determined by the Commission, if the intervenor's presentation makes a substantial contribution to the Commission's decision and if participation imposes a significant financial hardship.

We carefully review each intervenor's request to determine whether it complies with statutory requirements and related standards and requirements established by the Commission. We do so because the costs of compensation

¹ Subsequent statutory references are to the Public Utilities Code unless otherwise indicated.

awards are ultimately paid by utility ratepayers. By ensuring that the requirements for awards are met, we provide assurance that ratepayers receive value for the compensation costs that they underwrite.

3.2. Requirements for Intervenor

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 prehearing conference (PHC). (§ 1804(a).)
2. The intervenor must be a “customer,” *i.e.*, a participant representing consumers, customers, or subscribers of a utility subject to our jurisdiction, or an authorized representative. (§ 1802(b).)
3. The intervenor must file a request for a compensation award within 60 days of the final order or decision in a hearing or proceeding. (§ 1804(c).)
4. The intervenor must demonstrate “significant financial hardship.” (§§ 1802(g), 1804(a)(2)(B), 1804(b)(1).)
5. The intervenor’s presentation must have made a “substantial contribution” to the proceeding. (§ 1802(i).)
6. The requested compensation must be reasonable. Among other things, the claimed fees and costs must be comparable to the market rates paid to experts and advocates having comparable training and experience and offering similar services. (§ 1806.)

For discussion here, the procedural issues in Items 1-4 are combined, followed by separate discussions on Items 5 and 6.

3.3. Procedural Issues

The PHC in this matter was held on June 21, 2005. Greenlining filed its NOI on June 30, 2005, LIF on July 18, 2005, Disability Rights Advocates on July 20, 2005, and TURN on July 21, 2005. All NOI filings are timely.

Each intervenor is authorized pursuant to its bylaws or articles of incorporation to represent the interests of residential or small commercial customers. We therefore find that each qualifies as a customer pursuant to § 1802(b)(1)(C).

TURN, Disability Rights Advocates and Greenlining made a showing of financial hardship in their NOIs. LIF made its showing of financial hardship, pursuant to § 1804(a)(2)(B), in its request for compensation. TURN's NOI referred to the showing of financial hardship it made in another proceeding (NOI dated May 20, 2005, filed in Application (A.) 05-02-027). In its NOI, Greenlining showed that it meets the financial hardship condition through a rebuttable presumption of eligibility, pursuant to § 1804(b)(1), because it met this requirement in another proceeding within one year of the commencement of this proceeding (Administrative Law Judge (ALJ) Ruling dated April 8, 2005, in A.04-12-014). We find that TURN, Disability Rights Advocates, Greenlining and LIF all meet the financial hardship condition, pursuant to § 1802(g), as the economic interests of their individual members are small compared to the overall costs of effective participation.

D.05-11-029 was issued on November 23, 2005. Greenlining timely filed its request for compensation on January 18, 2006, LIF on January 20, 2006, and TURN and Disability Rights Advocates on January 23, 2006.²

We find that each intervenor has met all of the procedural requirements necessary to claim compensation in this proceeding. We now separately address each intervenor's showing regarding substantial contribution and the reasonableness of its request.

4. Substantial Contribution

In evaluating whether a customer made a substantial contribution to a proceeding, we look at several things. First, we consider whether the ALJ or Commission adopted one or more of the factual or legal contentions, or specific policy or procedural recommendations put forward by the customer. (See § 1802(i).) Second, if the customer's contentions or recommendations paralleled those of another party, we consider whether the customer's participation materially supplemented, complemented, or contributed to the presentation of the other party or to the development of a fuller record that assisted the Commission in making its decision. (See §§ 1802(i) and 1802.5.) As described in § 1802(i), the assessment of whether the customer made a substantial contribution requires the exercise of judgment.

Should the Commission not adopt any of the customer's recommendations, it may still award compensation if the customer's participation substantially contributed to the decision or order in other ways.

² The 60th day following issuance of D.05-11-029 was Sunday, January 22; consequently, the TURN and Disability Rights Advocates requests filed on the next business day were timely.

With this context in mind, we consider the contributions of each intervenor.

4.1 Greenlining

Greenlining's request identifies the following contributions:

Greenlining's participation assisted the Commission in guaranteeing benefits to low-income ratepayers and underserved communities. Greenlining's contribution is especially significant in three areas of the new Verizon's leadership role: supplier diversity, philanthropy, and bridging the digital divide.

Greenlining is responsible not just for what has been termed by the Commission as the "Greenlining Agreement," but also served as one catalyst for the Commission's decision to enlarge the new California Emerging Technology Fund from \$60 million to \$100 million. Greenlining is now working with Verizon, as well as AT&T [Pacific Bell Telephone Company], to leverage this amount to \$189 million, and to grow the original Telemedicine Fund from \$5 million to \$30 million.

The Commission benefited from Greenlining's participation in this proceeding even where the Commission chose not to adopt all of Greenlining's specific recommendations. Therefore, full compensation is appropriate. (Greenlining Request, at 2-3.)

We find that Greenlining's participation in this proceeding and its leadership in crafting a settlement, a central part of the Commission's decision, made a substantial contribution to D.05-11-029. However, as discussed in the section regarding the reasonableness of its request, some of the time spent by Greenlining is disallowed for compensation.

4.2 LIF

LIF concentrated its efforts in this proceeding on demonstrating the existence of a “digital divide” in access to advanced telecommunications resources in underserved communities and in providing resources to remedy this problem. It took part in the settlement agreement that, among other elements, targeted underserved communities to receive a major share of increased philanthropy, and this contributed to the efforts of Greenlining in reaching settlement. We find that LIF’s participation in this proceeding constituted a substantial contribution to D.05-11-029. However, as discussed in the next section regarding the reasonableness of its request, some of the time spent by LIF is disallowed for compensation.

4.3 Disability Rights Advocates

Disability Rights Advocates focused primarily on the needs of consumers with disabilities and the telecommunication barriers they face in light of the proposed merger. It acknowledges that none of its recommendations was adopted in the final decision, but asserts that its contribution was substantial in developing a thorough factual record. Verizon argues the compensation request of Disability Rights Advocates should be denied, commenting that not only did the final decision reject that agency’s position as “highly dubious” and lacking “a credible basis” (Decision, at 87), so too did the Alternate Decision, which found that agency’s concerns regarding degradation of service quality “dubious.” (Alternate Decision, at 53.) Disability Rights Advocates responds that, as the only intervenor contributing factual evidence to the record regarding people with disabilities, its “substantial contribution ensured their needs were identified and thoroughly considered by the Commission.”

Disability Rights Advocates points to the final decision's adoption of both the Greenlining settlement and the Community Emerging Technology Fund (CETF) as incorporating aspects of its recommendations so as to warrant compensation. The record does not support this claim. Disability Rights Advocates was a consistent critic of the Greenlining settlement from the outset, dismissing it as "entirely fail[ing] to address the needs of people with disabilities." (Comments, dated November 8, 2005, at 8.) By the same token, the final decision's creation of the CETF was modeled on the Greenlining settlement, broadband legislation (SB 909), and a similar fund adopted in the PG&E bankruptcy, and reflects no contribution on the part of Disability Rights Advocates.

Nevertheless, we find that some compensation should be awarded Disability Rights Advocates. In rare instances, we have compensated an intervenor, even where we rejected that intervenor's recommendations, where (1) the intervenor's participation directly furthers important public policy, and (2) the issues under consideration are particularly novel or complex. Those standards are met here.

Specifically, we want to take into consideration the needs of persons with disabilities, and we welcome Disability Rights Advocates' representation of those needs even where ultimately we reject its recommendations. Further, rapid changes in telecommunications technology and in the market for telecommunications services present issues that are both novel and complex.

Thus, we will partially compensate Disability Rights Advocates. Recognizing our rejection of all its recommendations, we will reduce the claim for professional hours by 50%.

4.4 TURN

TURN argued in its testimony and pleadings that insufficient local competition exists to offset negative competitive impacts of the merger. Although the final decision did not agree, the Commission did impose a requirement that Verizon offer stand-alone digital subscriber lines without a requirement that other bundled services be purchased. TURN also argued that all subdivisions of § 854 should apply to a merger of this magnitude, a position rejected by the final decision but supported by an Alternate Decision sponsored by Commissioner Brown. Commissioner Brown and Commissioner Grueneich in their dissents to the final decision and in a second Alternate Decision also agreed with TURN's position that evidentiary hearings should have been conducted by the Commission. Several merger conditions proposed by TURN and supported by the Commission's Office of Ratepayer Advocates (ORA)³ were not adopted by the final decision but were supported by the first Alternate Decision.

Verizon agrees that TURN is entitled to compensation in this proceeding, but it argues that the amount of the award should be reduced for three reasons: TURN's request exceeded the estimate set forth in the NOI; its Hirschman-Herfindahl Index (HHI) analysis and criticisms of the Attorney General's Opinion did not make a substantial contribution; and it seeks compensation for work on §§ 854(b) and (c) issues that was outside the scope after the assigned Commissioner ruled that those provisions were not applicable. Verizon also

³ Pursuant to Senate Bill 608, the Office of Ratepayer Advocates became the Division of Ratepayer Advocates, effective January 1, 2006.

criticizes the number of attorneys and experts that TURN employed for this proceeding.

TURN responds that the Commission in D.03-04-034 confirmed that § 1804(b)(2) does not require a reduction in award because an NOI fails to mention all issues raised by an intervenor; the HHI analysis and the criticism of the Attorney General's Opinion "encourage[d] debate over the full range of legal, policy and implementation issues" (D.06-02-016, at 9-10) and found support in the Alternate Decision; and work on the §§ 854(b) and (c) issues was not outside the scope of the proceeding based on the ruling of a single Commissioner that was not endorsed by the full Commission until the final decision. As to its use of additional staff and consultants, TURN responds that Verizon itself suggested that TURN augment its resources if it was otherwise unable to meet the aggressive procedural schedule adopted in this proceeding.⁴

TURN acknowledges that the Commission's final decision did not adopt its recommendations. However, it believes that it made a substantial contribution because the decision addressed issues raised by TURN and an Alternate Decision relied on several of TURN's proposals. We agree that TURN made a substantial contribution in this proceeding. This proceeding exemplifies the kind of proceeding where, because of the importance and complexity of the policy issues addressed, an intervenor may substantially contribute by assisting the Commission to develop a comprehensive record, even though the

⁴ See Applicants' Opposition to Intervenors' Motion for Modification of Procedural Schedule (September 8, 2005) ("To the extent that Moving Parties nevertheless have found themselves unable to manage the various proceedings, they should have augmented their resources. The CPUC's generous intervenor compensation program provides both the ability and the incentive to do so.")

Commission's decision may not have adopted the intervenor's recommendations on those issues.

5. Reasonableness of Requested Compensation

After we have determined the scope of a customer's substantial contribution, we look at whether the compensation requested is reasonable. The tables below detail the request of each intervenor for their respective participation in this proceeding.

Greenlining requests \$116,623.46, as follows:

Advocate	Year	Hours	Rate	Amount
Gnaizda	2005	145.9	\$490.00	\$ 71,491.00
Gnaizda	2006	18.4	\$490.00	\$ 9,016.00
Berrio	2005	40.8	\$325.00	\$ 13,260.00
Camarena	2005	1.2	\$250.00	\$ 300.00
Camarena	2006	3.5	\$250.00	\$ 875.00
Vaeth	2005	54.75	\$150.00	\$ 8,212.50
Vaeth	2006	3	\$150.00	\$ 450.00
Cacananta	2005	5.6	\$125	\$ 700.00
Lapidario	2005	11.55	\$125	\$ 1,443.75
Lapidario	2006	2	\$125	\$ 250.00
Palpallatoc	2005	48.25	\$110	\$ 5,307.50
Palpallatoc	2006	8	\$110	\$ 880.00
Gamboa	2005	9	\$360	\$ 3,240.00
Phillips	2005	1.5	\$360	\$ 540.00
Travel	2005			\$ 328.38
Subtotal				\$116,294.13
Photocopies				\$ 214.80
Postage				\$ 114.53
Subtotal				\$ 329.33
TOTAL				\$116,623.46

LIF requests \$82,343.62, as follows:

Advocate	Year	Hours	Rate	Amount
Brown	2005	118.50	\$450	\$53,325.00
Arteaga	2005	34	\$350	\$11,900.00
Chabran	2005	14	\$200	\$ 2,800.00
Gallardo	2005	47.25	\$300	\$14,175.00
Subtotal				\$82,200.00
Photocopies				\$ 4.95
Postage				\$ 135.48
Supplies				\$ 3.19
Subtotal				\$ 143.62
TOTAL				\$82,343.62

Disability Rights Advocates requests \$59,567.39, as follows:

Representative	2005 Rate	Hours	Amount
Melissa Kasnitz/ Attorney	\$425	45.2	\$19,210.00
Comp. Request*	\$212.50	1.9	\$403.75
Kevin Knestrick/ Attorney	\$190	53.4	\$10,146.00
Comp. Request*	\$95	0.8	\$76.00
Lisa Burger/ Attorney	\$170	98.7	\$16,779.00
Comp. Request*	\$85	22.0	\$1,870.00
Paralegals/Law Clerks	\$90	43.7	\$3,933.00
Comp. Request*	\$45	0.8	\$36.00
Timothy Gilbert/ Consultant	\$200	30	\$6,000.00
Expenses			\$1,113.64
Total			\$59,567.39

* Time preparing compensation request claimed at 1/2 hourly rate.

TURN requests \$339,540.99, as follows:

Advocate	Year	Hours	Rate	Amount
Nusbaum	2005	262	\$400	\$104,800.00
Nusbaum (comp. request)	2005	16	\$200	\$ 3,200.00
Costa	2005	.50	\$230	\$ 115.00
Mailloux	2005	5.25	\$325	\$ 1,706.25
Finkelstein	2005	5.75	\$395	\$ 2,271.25
Finkelstein (comp. request)	2005	3.50	\$197.50	\$ 691.25
Murray	2005	291.25	\$350	\$101,937.50
Cratty	2005	264.75	\$225	\$ 59,568.75
Kientzle	2005	264.75	\$225	\$ 59,568.75
Roycroft	2005	15.50	\$200	\$ 3,100.00

Subtotal				\$336,958.75
Photocopies				\$ 1,999.00
Postage				\$ 23.49
Lexis				\$ 526.95
Phone, Fax				\$ 14.80
Misc.				\$ 18.00
TOTAL				\$339,540.99

In general, the components of this request must constitute reasonable fees and costs of the customer's preparation for and participation in a proceeding that resulted in a substantial contribution. The issues we consider to determine reasonableness are discussed below.

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

To assess the reasonableness of the hours claimed for the customer's efforts that resulted in substantial contributions to Commission decisions, we analyze to what degree the hours are related to the work performed and necessary for the substantial contribution.

5.1.1. Greenlining

According to Greenlining's timesheets, its participation in this proceeding included extensive discovery, preparation of pleadings and development of the proposed settlement agreement with Verizon. Verizon agrees that Greenlining's efforts warrant compensation, but argues that certain hours related to activities that occurred *after* the Commission's decision – in particular time and expense associated with a meeting with Verizon's chief executive officer following the decision – should be disallowed in that § 1802 refers to activities that contributed to the Commission "in the making of its order or decision." Verizon cites also D.05-08-028 (post-decision work cannot be characterized as assisting Commission in its work). Greenlining objects to so narrow a reading of § 1802 but provides no authority supporting compensation for the kind of post-decision

work conducted here. Greenlining does not dispute Verizon's calculation of 70.8 hours by four individuals that were devoted to post-decision work. Our order today disallows these hours, along with 13.55 hours described in Greenlining's timesheets as typing documents and making travel arrangements, since such administrative tasks normally are captured in an attorney's hourly rates.

5.1.2. LIF

As it did in addressing Greenlining's request, Verizon agrees that LIF's efforts warrant compensation, but again suggests that certain hours related to activities that occurred after the Commission's decision – in particular time and expense associated with a meeting with Verizon's chief executive officer following the decision – should be disallowed in that § 1802 refers to activities that contributed to the Commission "in the making of its order or decision." LIF does not dispute Verizon's calculation of 10.25 hours devoted to post-decision work, and our order today disallows these hours.

5.1.3. Disability Rights Advocates

As discussed in Section 4.3 (Substantial Contribution), the number of professional hours claimed by Disability Rights Advocates is reduced by 50%. This includes the time of its attorneys, paralegals, and consultant. Considering this reduction, we find the resulting number of hours to be reasonable in comparison to the work performed.

5.1.4. TURN

TURN documented its claimed hours by presenting a daily breakdown of the hours of its attorneys, accompanied by a brief description of each activity. TURN represents that it coordinated its efforts with other intervenors to minimize duplication of effort. The hourly breakdown reasonably supports the claim for total hours. However, as TURN acknowledges, the Commission's

decision rejected most of TURN's recommendations. The first and second Alternate Decisions gave more credence to TURN's reasoning, along with that of ORA, but even here only an estimated 60% to 75% of the issues raised by TURN were acknowledged in any significant manner. Accordingly, we exercise our judgment to reduce by 25% the total hours of TURN's lead attorney. TURN's pleadings were voluminous and well crafted, but it is the "substantial contribution" to the Commission's decision that we must measure and evaluate. By that standard, we believe that in this case the reduction in attorney hours is appropriate.

5.2. Market Rate Standard

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. In D.05-11-031, we established guidelines and principles for setting intervenors' hourly rates for work performed in 2005. That decision also set forth a range of rates for attorneys and experts based on levels of experience.

5.2.1 Greenlining

Greenlining seeks an hourly rate of \$490 for attorney Gnaizda for work performed in 2005 and 2006; \$325 for attorney Berrio for 2005 work; and \$360 for expert Gamboa for 2005 work. We previously approved these same rates for 2005 work in D.06-04-021, and we adopt them here.

Greenlining requests a rate of \$360 for expert Phillips for 2005. We previously approved a rate of \$335 for Phillips for 2005 in D.06-04-021, and we adopt that rate here.

Attorney Camarena is new to our proceedings. Greenlining is requesting a rate of \$250 for 2005 work. This rate is within the range of rates set forth in

D.05-11-031 for attorneys with Camarena's level of experience (5-7 years) and we adopt that rate here.

Greenlining is requesting a 2005 rate of \$150 for expert Vaeth. We previously approved this rate in D.06-04-021, and we adopt it here.

Greenlining is requesting rates for paralegals Cacananta, Lapidario, and Palpallatoc of \$125, \$125, and \$110, respectively. These rates are within the guidelines of D.05-11-031, and we adopt them here.

5.2.2 LIF

For 2005 work, LIF seeks hourly rates of \$450 for attorney Brown, \$300 for attorney Gallardo, and \$350 for attorney Arteaga. In D.06-04-021, we approved 2005 rates of \$390 for Brown and \$275 for Gallardo, and we adopt those rates here. We approved a rate of \$340 for Arteaga for 2004 work in D.05-05-009. In D.05-11-031, the Commission determined that rates established for work completed in 2004 will not change in 2005 except in response to specified circumstances, and we therefore adopt a rate of \$340 for Arteaga for 2005. LIF seeks a rate of \$200 an hour for expert Chabran for 2005. We previously approved the same rate for Chabran in D.04-06-036, and we adopt it here.

5.2.3 Disability Rights Advocates

Disability Rights Advocates seeks an hourly rate of \$425 for attorney Kasnitz for work performed in 2005. In D.06-05-030 and D.06-04-021, we previously approved a 2005 rate for Kasnitz of \$350, and adopt that rate here.

Disability Rights Advocates seeks 2005 hourly rates of \$190 for attorney Knestrick, and \$170 for attorney Burger. We previously approved a 2005 rate of \$190 for Disability Rights Advocates attorneys Markwalder and Basrawi in D.06-05-030 and D.06-04-021, respectively. Markwalder and Basrawi have

similar experience to Knestrick and Burger. We adopt the requested 2005 rates of \$190 for Knestrick, and \$170 for Burger, in this proceeding.

Disability Rights Advocates seeks a 2005 hourly rate of \$90 for its paralegals and law clerks. We previously approved this same rate in D.06-05-030 and adopt it here.

Disability Rights Advocates seeks a 2005 rate of \$200 for its expert/consultant Timothy Gilbert. Disability Rights Advocates included its claim for Gilbert's work in its listing of related expenses. Gilbert has over 25 years experience involving issues of access for persons with disabilities, and provided unique expertise in this area. The requested rate of \$200 for Gilbert is within the guidelines of D.05-11-031, and we adopt it here.

5.2.4 TURN

TURN seeks hourly rates for 2005 of \$325 for attorney Mailloux, \$395 for attorney Finkelstein and \$230 for expert Costa. We previously approved these rates in D.06-04-021 and D.06-04-023, and we adopt them here.

TURN seeks a 2005 rate of \$400 for attorney Nusbaum. D.06-05-020 adopted a 2005 rate for Nusbaum of \$365, and we will adopt that rate here.

Regarding the consultants from Murray and Cratty, LLC, TURN seeks hourly rates for 2005 work of \$350 for Murray, \$225 for Cratty and Kientzle, and \$200 for Roycroft. In D.05-11-031, we set forth guidelines for setting 2005 rates for representatives whose last authorized rate was for work done before 2004, allowing for annual increases of 3% from the last authorized rate. We last approved rates of \$320 for Murray and \$185 each for Cratty and Kientzle for 2001 work in D.05-12-038. Considering the 3% annual escalation factor from D.05-11-031, we adopt 2005 rates of \$350 for Murray (rate requested), and \$210 each for Cratty and Kientzle. In D.03-06-010, we last approved a rate of \$135 for

Roycroft for work performed in 2001-2003. Using the same formula from D.05-11-031, we award Roycroft a rate of \$155 (using 2001 as a base year) .

5.3. Productivity

D.98-04-059 directed customers to demonstrate productivity by assigning a reasonable dollar value to the benefits of their participation to ratepayers. The costs of a customer's participation should bear a reasonable relationship to the benefits realized through their participation. This showing assists us in determining the overall reasonableness of the request.

Because this proceeding dealt with a merger that the final decision found beneficial to ratepayers, it is difficult to determine a dollar value for the work undertaken by intervenors. In the case of other proceedings where dollar value was hard to determine, we have considered factors such as the breadth of the proceeding and the policies at issue. Here, there are millions of potentially affected subscribers and the policy debate includes such considerations as industry structure and service to low-income communities. The intervenors significantly advanced our thinking on the important public policy questions we addressed, and on that basis we find their participation productive.

5.4. Direct Expenses

The itemized direct expenses submitted by intervenors include costs for travel, photocopying, postage, telephone, Lexis services and messenger services.

Greenlining requests \$329.33 for copying and postage. This is reasonable and we approve it.

LIF seeks \$143.62 for postage, copying and supplies, which is reasonable. The request is approved.

Disability Rights Advocates seeks \$1,113.64 for photocopies, postage and other related expenses. These expenses are reasonable.

TURN seeks \$2,582.24, most of it for photocopying and Lexis costs, an amount that is reasonable considering the extent of work TURN undertook in the proceeding.

6. Total Awards

As set forth in the tables below, we award intervenor compensation as follows:

Greenlining:

Advocate	Year	Hours	Rate	Amount
Gnaizda	2005	121	\$490	\$59,290.00
Berrio	2005	40.8	\$325	\$13,260.00
Camarena	2005	1.2	\$250	\$ 300.00
Camarena	2006	3.5	\$250	\$ 875.00
Vaeth	2005	53.55	\$150	\$ 8,032.50
Cacananta	2005	5.6	\$125	\$ 700.00
Palpallatoc	2005	35.75	\$110	\$ 3,932.50
Lapidario	2005	11.55	\$125	\$1,443.75
Gamboa	2005	9	\$360	\$ 3,240.00
Phillips	2005	1.5	\$340	\$ 510.00
Travel	2005			\$ 328.38
Subtotal				\$91,912.13
Photocopies				\$ 214.80
Postage				\$ 114.53
Subtotal				\$ 329.33
TOTAL				\$92,241.46

LIF:

Advocate	Year	Hours	Rate	Amount
Brown	2005	116	\$390	\$ 45,240.00
Arteaga	2005	26.25	\$340	\$ 8,925.00
Chabran	2005	14	\$200	\$ 2,800.00
Gallardo	2005	47.25	\$275	\$ 12,993.75
Subtotal				\$ 69,958.75
Photocopies				\$ 4.95
Postage				\$ 135.48
Supplies				\$ 3.19
Subtotal				\$ 143.62
TOTAL				\$ 70,102.37

Disability Rights Advocates:

Advocate	Year	Hours	Rate	Amount
Kasnitz	2005	22.6	\$350	\$7,910.00

Comp. Request*	2005	1.9	\$175	\$332.50
Knestrick	2005	26.7	\$190	\$5,073.00
Comp. Request*	2005	0.8	\$95	\$76.00
Burger	2005	49.35	\$170	\$8,389.50
Comp. Request*	2005	22.0	\$85	\$1,870.00
Paralegals/Law Clerks	2005	21.85	\$90	\$1,966.50
Comp. Request*	2005	0.8	\$45	\$36.00
Gilbert	2005	\$200	15	\$3,000.00
Expenses				\$1,113.64
Total				\$29,767.14

* Time preparing compensation at ½ hourly rate.

TURN:

Advocate	Year	Hours	Rate	Amount
Nusbaum	2005	196.50	\$365	\$ 71,722.50
Nusbaum (comp. request)	2005	16	\$182.50	\$ 2,920.00
Costa	2005	.50	\$230	\$ 115.00
Mailloux	2005	5.25	\$325	\$ 1,706.25
Finkelstein	2005	5.75	\$395	\$ 2,271.25
Finkelstein (comp. request)	2005	3.50	\$197.50	\$ 691.25
Murray	2005	291.25	\$350	\$101,937.50
Cratty	2005	264.75	\$210	\$ 55,597.50
Kientzle	2005	264.75	\$210	\$ 55,597.50
Roycroft	2005	15.50	\$155	\$ 2,402.50
Subtotal				\$294,961.25
Photocopies				\$ 1,999.00
Postage				\$ 23.49
Lexis				\$ 526.95
Phone, Fax				\$ 14.80
Misc.				\$ 18.00
TOTAL				\$297,543.49

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 the 75th day after each intervenor filed its compensation request and continuing until full payment of the award is made. Payments are to be made by Verizon.

We remind all intervenors that Commission staff may audit records relevant to this award, and that intervenors must make and retain adequate

accounting and other documentation to support all claims for intervenor compensation. The records of Greenlining, LIF, and TURN should identify specific issues for which each requested compensation, the actual time spent by each employee or consultant, the applicable hourly rate, fees paid to consultants, and any other costs for which compensation was claimed.

7. Waiver of Comment Period

This is an intervenor compensation matter. Accordingly, as provided by Rule 77.7(f)(6) of our Rules of Practice and Procedure, we waive the otherwise applicable 30-day comment period for this decision.

8. Assignment of Proceeding

Michael R. Peevey is the Assigned Commissioner and Glen Walker is the assigned ALJ in this proceeding.

Findings of Fact

1. Greenlining, LIF, Disability Rights Advocates and TURN have met all of the procedural requirements necessary to claim compensation in this proceeding.
2. Greenlining made a substantial contribution to D.05-11-029, as described herein.
3. LIF made a substantial contribution to D.05-11-029 as described herein.
4. Disability Rights Advocates made a substantial contribution to D.05-11-029, as set forth herein.
5. TURN made a substantial contribution to D.05-11-029 as described herein.
6. The total reasonable compensation for Greenlining is \$92,241.46.
7. The total reasonable compensation for LIF is \$70,102.37.
8. The total reasonable compensation for Disability Rights Advocates is \$29,767.14.

9. The total reasonable compensation for TURN is \$297,543.49.

10. The appendix to this decision summarizes today's award.

Conclusions of Law

1. Greenlining, LIF, Disability Rights Advocates, and TURN have fulfilled the requirements of Pub. Util. Code §§ 1801-1812, which govern awards of intervenor compensation, and are entitled to intervenor compensation for their claimed compensation, as set forth herein, incurred in making substantial contributions to D.05-11-029.

2. Greenlining should be awarded \$92,241.46; LIF \$70,102.37; Disability Rights Advocates \$29,767.14; and TURN \$297,543.49, for their substantial contributions to D.05-11-029.

3. Pursuant to Rule 77.7(f)(6), the comment period for this compensation decision may be waived.

4. This order should be effective today so that Greenlining, LIF, Disability Rights Advocates, and TURN may be compensated without further delay.

5. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. Greenlining Institute is awarded \$92,241.46 in compensation for its contribution to Decision (D.) 05-11-029.

2. Latino Issues Forum is awarded \$70,102.37 in compensation for its contribution to D.05-11-029.

3. Disability Rights Advocates is awarded \$29,767.14 in compensation for its contribution to D.05-11-029.

4. The Utility Reform Network is awarded \$297,543.49 in compensation for its contribution to D.05-11-029.

5. Within 30 days of the effective date of this decision, the four awards described herein shall be paid by Verizon Communications, Inc. 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 the 75th day after the respective filing of the request for compensation and continuing until full payment is made.

6. Application 05-04-020 is closed.

This order is effective today.

Dated September 7, 2006, at San Francisco, California.

MICHAEL R. PEEVEY

President

GEOFFREY F. BROWN

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

Commissioners

Compensation Decision Summary Information

Compensation Decision:	D0609008	Modifies Decision?
Contribution Decision(s):	D0511029	
Proceeding(s):	A0504020	
Author:	ALJ Walker	
Payer(s):	Verizon Communications, Inc.	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	1/23/06	\$ 339,540.99	\$297,543.49	No	Attorney Fees, activities
Latino Issues Forum	1/20/06	\$ 82,343.62	\$ 70,102.37	No	Attorney Fees, activities
Greenlining Institute	1/18/06	\$ 116,623.46	\$ 92,241.46	No	Attorney Fees, activities
Disability Rights Advocates	1/23/06	\$ 59,567.39	\$ 29,767.14	No	Attorneys Fees, activities

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Susan	Brown	Attorney	Latino Issues Forum	\$450	2005	\$390
Enrique	Gallardo	Attorney	Latino Issues Forum	\$300	2005	\$275
Richard	Chabran	Expert	Latino Issues Forum	\$200	2005	\$200
Luis	Arteaga	Expert	Latino Issues Forum	\$370	2005	\$340
Robert	Gnaizda	Attorney	Greenlining Institute	\$490	2005	\$490
Itzel	Berrio	Attorney	Greenlining Institute	\$325	2005	\$325
Carrie	Camarena	Attorney	Greenlining Institute	\$250	2005-2006	\$250
Chris	Vaeth	Expert	Greenlining Institute	\$150	2005	\$150
Jasper	Cacananta	Paralegal	Greenlining Institute	\$125	2005	\$125
Millie	Lapadario	Paralegal	Greenlining Institute	\$125	2005	\$125
Pamela	Palpallatoc	Paralegal	Greenlining Institute	\$110	2005	\$110
John	Gamboa	Expert	Greenlining Institute	\$360	2005	\$360
Michael	Phillips	Expert	Greenlining Institute	\$360	2005	\$335
William	Nusbaum	Attorney	The Utility Reform Network	\$400	2005	\$365
Regina	Costa	Expert	The Utility Reform Network	\$230	2005	\$230
Christine	Mailloux	Attorney	The Utility Reform Network	\$325	2005	\$325
Robert	Finkelstein	Attorney	The Utility Reform Network	\$395	2005	\$395

Terry	Murray	Expert	The Utility Reform Network	\$350	2005	\$350
Scott	Cratty	Expert	The Utility Reform Network	\$225	2005	\$210
Elizabeth	Kientzle	Expert	The Utility Reform Network	\$225	2005	\$210
Trevor	Roycroft	Expert	The Utility Reform Network	\$200	2005	\$155
Melissa	Kasnitz	Attorney	Disability Rights Advocates	\$425	2005	\$350
Kevin	Knestrick	Attorney	Disability Rights Advocates	\$190	2005	\$190
Lisa	Burger	Attorney	Disability Rights Advocates	\$170	2005	\$170
Timothy	Gilbert	Expert	Disability Rights Advocates	\$200	2005	\$200
Paralegal		Paralegal	Disability Rights Advocates	\$90	2005	\$90

(END OF COMPENSATION SUMMARY INFORMATION)