

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Application 10-05-006
(Filed May 6, 2010)

REQUEST OF L. JAN REID FOR AWARD OF COMPENSATION

I. Summary

Pursuant to Public Utilities (PU) Code §1804(c), L. Jan Reid requests an award of compensation in the amount of \$34,265.94 for substantial contributions to the December 3, 2010 “Assigned Commissioner and Administrative Law Judge’s Joint Scoping Memo and Ruling” (Scoping Memo) and to Decision (D.) 11-05-005, both issued in Rulemaking (R.) 10-05-006. The Scoping Memo resolved issues that were litigated in R.08-02-007.¹ D.11-05-005 modified the Cost Allocation Mechanism (CAM) adopted in D.06-07-029 and ensured that the CAM is consistent with provisions of Senate Bill 695 (Stats. 2009, ch. 337).

In drafting this request, I have generally followed the template for compensation requests set forth in the Commission’s “Intervenor Compensation Program Guide,” Appendix B, published in April 2005.

¹ The Commission has stated that “Contributions made during the pendency of R.08-02-007 to issues within the scope of this proceeding may be considered for compensation in this proceeding.” (Order Instituting Rulemaking for R.10-05-006, p. 26)

II. The Scoping Memo is A Commission Order

Pursuant to Public Utilities Code Section (PUC §) 1804 (c), intervenors may claim intervenor compensation following the issuance of a final order or decision by the commission in a hearing or proceeding. As discussed below, the Scoping Memo constitutes a Commission order because of the following reasons:

1. The Scoping Memo was jointly issued by the Assigned Commissioner and by Administrative Law Judge (ALJ) Peter Allen. The Commission has effectively ceded certain authority to the Assigned Commissioner regarding scoping memos, and ALJs are agents of the Commission.
2. The Scoping Memo is a final decision because only the category is appealable. (Scoping Memo, p. 1)
3. The Scoping Memo is a Commission order because it considers the comments and opinions of parties and discusses the parties' contributions to the Scoping Memo.
4. The Scoping Memo resolves the resource planning standards issues litigated in R.08-02-007.
5. In part, the Scoping Memo effectively includes a decision that was planned² but never issued in Rulemaking (R.) 08-02-007.

Therefore, I request that the Commission find that the Scoping Memo constitutes a Commission order for intervenor compensation purposes.

² My workshop notes indicate that ALJ Victoria Kolakowski informed workshop attendees on August 7, 2009 that a decision would be issued regarding planning standards.

A. Background

R.10-05-006 is a successor proceeding to R.08-02-007. The Commission has found that “Contributions made during the pendency of R.08-02-007 to issues within the scope of this proceeding may be considered for compensation in this proceeding.” (R.10-05-006, Order Instituting Rulemaking (OIR), May 13, 2010, p. 26)

A workshop was held on August 6-7, 2009 concerning resource planning standards. Workshop participants discussed a Staff Proposal and two Alternative Proposals.

The Commission has noted that: (OIR, pp. 7-8)

An alternative joint proposal was offered by SDG&E and SCE (Joint Alternative), and a variation of the Staff Proposal was offered by L. Jan Reid, both of which were considered in the workshop. Comments and reply comments were filed by parties.

The Scoping Memo resolved the resource planning standards issues litigated in R.08-02-007. (See Scoping Memo, pp. 4-45)

B. Contributions of Parties

On numerous occasions, the Scoping Memo discusses the contributions of parties to the Scoping Memo. For example, the Commission states that “In comments both SDG&E and PG&E opposed the utilization of TEVaR, while Jan Reid proposed utilities risk management plans must change over time with the ‘dynamics of both energy markets and risk management practices.’ ” (Scoping Memo, pp. 4-45)

Thus, the scoping memo is effectively both a scoping memo and a Commission order.

III. Timely Filing of Request for Award of Compensation

This request is timely under Public Utilities Code § (PUC §) 1804(c) and Rule 17.3 of the Commission's Rules of Practice and Procedure because the request is filed prior to the closing of R.10-05-006, which is still open. Rule 17.3 states that "A request for an award of compensation may be filed after the issuance of a decision that resolves an issue on which the intervenor believes it made a substantial contribution, but in no event later than 60 days after the issuance of the decision closing the proceeding." Therefore, the request is timely because R.10-05-006 has not been closed. I will send this pleading electronically to the Docket Office on January 20, 2012, intending that it be timely filed.

Reid late filed a Notice of Intent to claim intervenor compensation (NOI) in R.08-02-007 on July 11, 2009. Reid, who is a party in R.10-05-006, timely filed a Notice of Intent to claim intervenor compensation (NOI) in R.10-05-006 on August 9, 2010 pursuant to the June 22, 2010 ruling of Administrative Law Judge Victoria Kolakowski.³ Reid filed an amended NOI on January 4, 2011. (See D.11-03-019, slip op. at 6)

³ On June 22, 2010, ALJ Kolakowski issued two rulings in this proceeding, one of which is referenced above. The title of the referenced ruling is "Administrative Law Judge's Ruling Revising the Schedule for the Proceeding and Regarding Staff's Proposals for Resource Planning Assumptions - Part 2 (Long Term Renewable Resource Planning Standards)."

IV. Customer Status

In his NOIs, Reid claimed that he is a Category 1 customer as defined in PU Code §1802(b), has met the eligibility requirements of PU Code §1804(a), has established significant financial hardship, and is eligible to apply for compensation in this proceeding. The Commission has not ruled on the NOIs, but I hope for such a ruling before the Commission acts on the instant compensation request.

V. Significant Financial Hardship

PU Code §1802(g) defines significant financial hardship:

"Significant financial hardship" means either that the customer cannot afford, without undue hardship, to pay the costs of effective participation, including advocate's fees, expert witness fees, and other reasonable costs of participation, or that, in the case of a group or organization, the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding.

PU Code §1804(b)(1) states that "A finding of significant financial hardship shall create a rebuttable presumption of eligibility for compensation in other commission proceedings commencing within one year of the date of that finding."

On March 10, 2011, the Commission found that "Reid demonstrated that his participation would impose a significant financial hardship by filing, under seal, a summary of his annual gross income, net income, annual expenses, cash, and other assets." (D.11-03-019, slip op. at 6)

The instant rulemaking commenced within one year of the date of the issuance of D.11-03-019, in accordance with PU Code §1804(b)(1).

Based on my estimate of the cost of effective participation as compared to my income, expenses, and assets, I do not have the resources to pay for the costs of effective participation. I believe that I qualify for a ruling of eligibility for compensation on the merits of this pleading and through the rebuttable presumption created in D.11-03-019.

VI. Substantial Contribution to Resolution of Issues

As defined in PU Code §1802(h), the participation of Reid in R.08-02-007 and R.10-05-006 has made a “substantial contribution” to the Commission's decisions. I discuss my contributions to specific issues below.

A. Planning Standards

1. Risk Management

The Scoping Memo notes that “In comments both SDG&E and PG&E opposed the utilization of TEVaR [Time to Expiration Value at Risk], while Jan Reid proposed [that] utilities risk management plans must change over time with the ‘dynamics of both energy markets and risk management practices.’ (June 4th 2010, 1-2.)” (Scoping Memo, p. 9)

The Commission found that “In light of these concerns, the Commission will give each metric, including TEVaR, its appropriate weight in its assessment of risk.” (Scoping Memo, p. 9)

Thus, Reid made a substantial contribution to the Commission’s resolution of the TEVaR issue.

2. Energy Efficiency Planning Standards

The Commission has stated that:

Reid indicated that the 2008 [Energy Efficiency] EE Goals should serve as the starting point, with changes to known variants such as the Title 20 and Title 24 Codes and Standards. (Scoping Memo, pp. 35-36)

...

DRA, TURN, SCCA, NRDC, and Reid all support the inclusion of savings decay replacement, while the three IOUs oppose including savings decay replacement.

We have revised the Planning Standards (Part 3) and the resulting assumptions are contained in the Standardized Planning Assumptions (Part 1). For the common values, parties will use the Mid Case Incremental Uncommitted results, with the exception of the Low Case results for BBEES. Additionally, the demand forecast will be further reduced by the inclusion of the CEC's recommended decrement for EE measure savings decay. (Scoping Memo, p. 37)

The Commission agreed with Reid on the savings decay sub-issue and effectively agreed with Reid on the starting point for EE goals. Therefore, Reid made a substantial contribution to the Commission's resolution of the EE Planning Standards issue.

3. Alternative Proposal to Energy Division Staff Proposal

On July 1, 2009, the Commission released a document entitled "Staff Proposal on Resource Planning Standards (Staff Proposal). The Staff Proposal was drafted by Energy Division staff with technical assistance from their consultant, Environmental Economics, Inc.

The Commission has explained that: (R.10-05-006, Order Instituting Rulemaking (OIR), May 13, 2010, pp. 7-8, footnotes omitted)

A workshop was held on the Staff Proposal on August 6-7, 2009. An alternative joint proposal was offered by SDG&E and SCE (Joint Alternative), and a variation of the Staff Proposal was offered by L. Jan Reid, both of which were considered in the workshop. Comments and reply comments were filed by parties.

The Commission also stated that: (OIR, p. 8)

We recognize that much of the groundwork needed to develop system plans was achieved through the workshops, filings, and negotiations in R.08-02-007. We feel the work performed in that proceeding is foundational, and will be used as a starting point for the current proceeding.

The initial Staff Report proposed that the investor owned utilities (IOUs) use a concurrent model and file a combined plan that would include both a System and a Bundled plan. Reid argued that: (Proposal and Pre-Workshop Questions of L. Jan Reid, July 18, 2009, pp. 9-10)

It is not necessary for the IOUs to file a combined plan. The results of a combined plan will only be marginally different than the sum of individual IOU plans. It is unlikely that the slightly increased reliability of a combined plan would be justified by the cost of Commission processing of such a plan. The Combined Plan will be burdensome for the IOUs, for intervenors, and for the Commission. Therefore, I recommend that the Commission reject the Combined Plan.

Reid also addressed this issue in response to Energy Division Question 9. (See Comments of L. Jan Reid on the Staff Proposal, August 21, 2009, pp. 9-10)

The Commission effectively agreed with Reid on this issue and did not require the IOUs to file a combined plan.

For the reasons discussed above, Reid's alternative proposal and comments on the Staff Proposal made a substantial contribution to the planning standards that the Commission established in R.10-05-006.

4. Natural Gas Prices

Southern California Edison Company (SCE) argued that: (SCE Comments, August 21, 2009, p. 19)

For example, the Straw Proposal recommends the use of the MPR methodology for natural gas forecasting. SCE has opposed using a long-term NYMEX forward curve due to the limited market liquidity in outer years, which may make these forecasts volatile and unreliable. In SCE's view, fundamentals-based forecasts are more suitable for long-term planning.

Reid opposed SCE's proposal and argued that: (Reply Comments of L. Jan Reid on Staff and Alternative Proposals, August 31, 2009, p. 9)

SCE fails to define "outer years" and it fails to introduce any studies into the record to substantiate its claim that NYMEX forward curves are unreliable in outer years. Forward curves are the product of buyers and seller in a market whereas fundamental forecasts are produced for participants who need forecasts. Unlike participants in a forward market, the providers of fundamental forecasts do not make or lose money based on the correctness of their forecast.

The Commission effectively agreed with Reid when it found that: (Scoping Memo, p. 13)

We agree that the NYMEX gas price inputs should be updated to capture the most up-to-date gas futures. Therefore, the IOUs should utilize the 2009 MPR gas price methodology, with the NYMEX future price inputs based on the 22 trading day average over one month, from July 26, 2010 to August 24, 2010.

Reid recommended that: (Proposal and Pre-Workshop Questions of L. Jan Reid, July 18, 2009, Table 3, p. 7)

Seven gas price scenarios shall be performed ranging from \$2/mmbtu below the forward curve to \$5/mmbtu above the forward curve in \$1/mmbtu increments. (e.g., \$2 below curve, \$1 below curve, at curve, etc.)

On the day the Scoping Memo was issued (December 3, 2010), the forward curve for natural gas averaged \$5.43/million British thermal units (MMBtu) for the period 2011-2020.⁴ Thus, Reid recommended gas price scenarios ranging from \$3.43/MMBtu to \$10.43/MMBtu.

The Commission ordered that: (Scoping Memo, p. 21)

In the sensitivity analysis for natural gas prices, the IOUs shall use low and high natural gas prices of \$2 per million British thermal units (MMBtu) and \$10 per MMBtu respectively based on feasible extremes of long-term gas prices.

Although the Commission did not adopt Reid's exact recommendation, the Commission's high-price scenario was similar to Reid's high-price scenario. Thus, Reid made a substantial contribution to the Commission's resolution of the natural gas price scenario issue.

5. Combined Heat and Power (CHP) Planning

The Cogeneration Association of California (CAC) recommended that: (CAC Comments, June 4, 2010, p. 9.)

4,323 MW of existing CHP capacity must be retained by the IOUs as a required, unchanging base case assumption, per D.07-09-040 and D.07-12-052, as modified by D.08-09-045; and 2,240 MW to 4,000 MW of incremental CHP capacity must be procured by the IOUs as a placeholder for the "High-Need" and "Low-Need" sensitivity analysis.

⁴ Source: Calculated from data available from the InterContinental Exchange.

Reid opposed CAC's proposal and argued that: (Reply Comments of L. Jan Reid on the Comments of Other Parties on Part I Resource Planning Assumptions, June 28, 2010, pp. 2-3)

CAC's proposal is not supported by past Commission decisions and is not consistent with established legal precedent. Therefore, the Commission must reject CAC's proposal.

The Commission found that: (Scoping Memo, p. 23)

The common values assumptions developed by Staff and adopted herein anticipates increases in CHP in IOU service territories at the midpoint between no incremental CHP and the IOUs' portion of the nearly 4,000 MW of incremental state-wide CHP that ARB targets in its AB 32 Scoping Plan.

As discussed above, the Commission did not adopt CAC's proposal. Thus, Reid made a substantial contribution to the CHP planning issue.

B. Energy Auctions

1. Utility Owned Generation

Reid recommended that: (Comments of L. Jan Reid on Senate Bill 695, October 1, 2010, p. 2)

The Commission should find that IOUs can recover the net capacity costs of Utility Owned Generation (UOG) via a non-bypassable charge if the Commission finds that the UOG benefits all customers in a utility's service territory, regardless of whether the UOG is approved for system reliability or local reliability purposes.

...

The Commission should grant authorization in this proceeding to allow utility-owned generation to be eligible for CAM treatment.

The Commission found that “Cost Allocation Mechanism treatment for utility-owned generation is permitted.” (D.11-05-005, Ordering Paragraph 2, slip op. at 19) Thus, Reid made a substantial contribution to the Commission’s resolution of the UOG issue.

2. Pre-Approval of Utility Owned Generation

The Alliance for Retail Energy Markets (AREM) criticized the Proposed Decision (PD) for rejecting “AREM’s position that the statute requires the Commission to have ordered the utilities to build facilities in order for CAM to be applicable and that any project for which the utility has made an application on its own initiative may not be afforded CAM treatment.” (AREM PD Comments, p. 2)

Reid opposed AREM’s position and argued that: (Reid PD Reply Comments, p. 2)

If the Commission issued an order pre-approving utility owned generation without a utility application, the order would be unlawful. Such an order would be unlawful because the Commission would have failed to ensure that rates are just and reasonable, failed to protect the due process rights of interested parties, and failed to determine whether or not the project was cost-effective. The Commission cannot determine whether or not a project is cost-effective if a utility does not propose a project.

The Commission effectively agreed with Reid when it found that: (D.11-05-005, slip op. at 10)

AREM also argues that utility-owned generation projects “should be permitted only when competitive options are completely unavailable.” This condition unnecessarily ties the Commission’s hands, as the Commission would then not be able to select (and CAM) a highly attractive utility-owned generation project if any competitive option, regardless of the comparative merits, was somehow available. This interpretation is not in, nor supported by SB 695, and we decline to impose such a tortured and restrictive interpretation.

Thus, Reid made a substantial contribution to the Commission's resolution of the UOG Pre-Approval issue.

3. Commission Authority

The Commission refers to pages 11-12 of Reid's October 1, 2010 comments and states that "Reid appears to support the Commission having continued authority to require an auction, and for the Commission to use an auction." (D.11-05-005, slip op. at 11-12, footnote omitted)

Reid argued that: (Reply Comments of L. Jan Reid on Senate Bill 695, October 8, 2010, p. 6)

It is the Commission, not the IOUs, who have the option of choosing a method for cost allocation. Only the Commission has the authority to "require" or "allow" consistent with PUC § 365.1(c)(2)(B), not PG&E and SDG&E. If the legislature had intended for the IOUs to have this option, it would have been clearly reflected in the statute. There is no such provision in the statute.

Reid also argued that: (Comments of L. Jan Reid on Senate Bill 695, October 1, 2010, p. 11)

At its option, the Commission may use a method other than an energy auction to determine the net capacity costs. In part, PU § 365.1(c)(2)(B) states that "An energy auction shall not be required as a condition for applying this allocation, but may be allowed as a means to establish the energy and ancillary services value of the resource for purposes of determining the net costs of capacity to be recovered from customers pursuant to this paragraph, and the allocation of the net capacity costs of contracts with third parties shall be allowed for the terms of those contracts."

The Commission agreed with Reid when it found that “Since the statutory language is directed at the Commission, not the utilities, and gives the Commission the choice, the only interpretation consistent with the intent of the statutory language is that the Commission can choose to require an auction.” (D.11-05-005, slip op. at 13)

Thus, Reid made a substantial contribution to the Commission’s resolution of the Commission Authority issue.

4. All Customers

Reid argued that: (Comments of L. Jan Reid on Senate Bill 695, October 1, 2010, p. 10)

Some of the IOUs or LSEs may sell power to LSEs, CCAs, or POU, who in turn supply electricity to their customers. In this instance, the Commission should interpret “all customers” to mean any individual, business, or institution (entities) which receives electricity service in the state of California from an electrical corporation, regardless of whether or not that entity is a customer of an IOU.

The Commission effectively agreed with Reid when it found that “our prior determinations in D.08-09-012 on customers subject to the nonbypassable charge and the CAM process do not need to be revisited.” (D.11-05-005, slip op. at 8)

Thus, Reid made a substantial contribution to the Commission’s resolution of the All Customers issue.

* * *

Taken as a whole, Reid’s work made a substantial contribution to both the December 3, 2010 Scoping Memo and to D.11-05-005.

VII. Overall Benefits of Participation

Reid contributed to the proceeding in a manner that was productive and will result in benefits to ratepayers that exceed the costs of participation.

In consolidated Rulemaking 97-01-009 and Investigation 97-01-010, the Commission required intervenors seeking compensation to show that they represent interests that would otherwise be underrepresented and to present information sufficient to justify a finding that the overall benefits of a customer's participation will exceed the customer's costs. (D.98-04-059, 79 CPUC2d 628, Finding of Fact 13 at 674, Finding of Fact 42 at 676) The Commission noted that assigning a dollar value to intangible benefits may be difficult.

As mentioned previously, Reid made a substantial contribution to the proceeding. It is reasonable to assume that the resolution of the issues raised in this proceeding will benefit ratepayers in the future.

If the Commission had found that it did not have the authority to mandate auctions, and this had resulted in an increase of just \$1/megawatt hour (MWh) for an electricity plant that produced 1,000,000 MWh of electricity annually, ratepayers would have paid an additional \$100,000 annually – more than twice the compensation that I have requested in this proceeding.

The Commission can safely find that the participation of Reid in this proceeding was productive. Overall, the benefits of Reid's contributions to both D.11-05-005 and the December 3, 2010 Scoping Memo justify compensation in the amount requested.

VIII. Duplication

Reid contributed to the proceeding in a manner that did not repeat the work of other parties. Reid represents customer interests that would otherwise be underrepresented in this proceeding. In the Commission's own words, "The

Commission should encourage the presentation of multiple points of view, even on the same issues, provided that the presentations are not redundant.”

(D.98-04-059, 79 CPUC2d 628, 642)

As ALJ Minkin noted in her eligibility ruling for Aglet Consumer Alliance in Application (A.) 98-09-003 et al.:

Participation in Commission proceedings by parties representing the full range of affected interests is important. Such participation assists the Commission in ensuring that the record is fully developed and that each customer group receives adequate representation. (Ruling dated July 7, 1999, p. 3)

As a matter of personal policy, I do not participate in Commission proceedings where my showing is likely to duplicate the showings of other consumer representatives such as the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN). For example, I did not serve testimony in Phase 2 of A.09-12-020 because my showing would likely have duplicated the showings of DRA and TURN.⁵

In this proceeding, Reid and TURN have been the sole active parties who represent only residential and small commercial customers.⁶ DRA was an active party, but by its charter DRA must represent the interests of all customers, not only residential and small commercial customers. Reid conferred with DRA and TURN on several occasions during this proceeding.⁷ (See Attachment A)

⁵ A.09-12-020 is PG&E’s most recent general rate case application.

⁶ In his NOI, Reid stated that “Although I represent myself in this proceeding, I will take positions that I believe will benefit all residential customers of PG&E and not just myself.” (NOI, p. 2)

⁷ I do not claim compensation for all of these communications.

IX. Reasonableness of Requested Compensation

In this pleading, Reid requests compensation in the total amount of \$34,265.94 for time reasonably devoted to this proceeding. Below is a summary table and listing of hours claimed, hourly rates, and direct expenses. A more detailed breakdown of the time devoted to this proceeding by Reid is provided in Attachment A to this pleading.

TABLE 1. COMPENSATION REQUESTED

\$ 14,911.00	80.6 hours, Reid 2009 professional time, at \$185/hr.
758.50	8.2 hours, Reid 2009 compensatory time at \$92.50/hr.
15,762.00	85.2 hours, Reid 2010 professional time, at \$185/hr.
1,905.50	10.3 hours, Reid 2011 professional time, at \$185/hr.
851.00	9.2 hours, Reid 2011 compensatory time at \$92.50/hr.
<u>77.94</u>	Reid direct costs
\$ 34,265.94	Total request

Reid's work was performed efficiently. L. Jan Reid is a former Commission employee who has testified on many occasions on issues such as renewables procurement, cost-of-capital, utility finance, and electricity and natural gas procurement issues.

Reid has allocated his professional time to major subjects, except for general activities that cannot reasonably be assigned to substantive issues. See Section X below for more detail.

A. Hours Claimed

Daily listings of the specific tasks performed by Reid in connection with this proceeding are available in Attachment A to this pleading. The cost listings demonstrate that the hours claimed are reasonable given the scope and time-frame of this part of the instant rulemaking.

No compensation for administrative time is requested, in accordance with Commission practice. (D.99-06-002, discussion, slip op. at 8-10) I understand that the Commission may audit my books and records to the extent necessary to verify the basis for any award, pursuant to PU Code §1804(d).

B. Hourly Rates

I request Commission approval of: (1) an hourly rate of \$185 for professional work performed by Reid in 2009; (2) an hourly rate of \$185 for professional work performed by Reid in 2010; (3) an hourly rate of \$185 for professional work performed by Reid in 2011; and (4) an hourly rate of \$92.50 (one half of a 2011 professional rate of \$185) for compensatory work performed by Reid in 2009 and 2011. The reduced rate for compensation time is consistent with Commission practice. (D.89-09-046, slip op. at 1.)

The Commission has previously awarded Reid compensation for 2008-2010 professional work at a rate of \$185 per hour. (D.10-10-015, Appendix)

Reid is an economist by education and experience. Reid holds a B.A. degree in economics and an M.S. degree in applied economics and finance, both from the University of California, Santa Cruz. Reid was employed at the Commission for almost seven years, often appearing as an expert witness for the Office of Ratepayer Advocates (now the Division of Ratepayer Advocates) on policy and technical issues relating to utility finance, cost of capital, and electric

procurement. Since his retirement from the Commission in June 2005, Reid has worked in various ratemaking proceedings, focusing on cost of capital and complex electric and gas procurement issues.

C. Direct Expenses

The direct expenses of \$77.94 or 0.2% of the total compensation request, listed in Table 1, are reasonable and were necessary for the substantial contribution of Reid in this proceeding. Copying costs are computed at 8 cents per page. Postage costs are included at actual costs.

I request compensation in full for these expenses without reduction for any adjustment in compensation hours that the Commission might impose. Such compensation is consistent with past Commission practice.

X. Allocation of Costs by Major Issue

Assigned Commissioner Michael Peevey issued a scoping memo in R.08-02-007 on August 28, 2008. The following issues were identified in the Scoping Memo:⁸ planning standards, GHG uncertainty, GHG programs inventory, quantifying energy efficiency, methodologies to estimate firm capacity from demand-side resources, customer risk preference study, and other LTPP program implementation issues.

Commissioner Michael Peevey and ALJ Peter Allen jointly issued a Scoping Memo and Ruling in R.10-05-006 on December 3, 2010. The following issues were identified in the Scoping Memo: integration of renewable generation, Once Through Cooling policy implementation, local reliability, greenhouse gas goals, energy efficiency assumptions, and demand response assumptions.

⁸ See Assigned Commissioner's Ruling and Scoping Memo on the 2008 Long-Term Procurement Proceeding, Phase I, August 28, 2008, pp. 1-2.

I have identified and allocated my professional time to the following issues: Risk Management, Energy Efficiency Planning Standards (Energy Efficiency), Alternative Proposal to Energy Division Staff Proposal (Alternative Proposal), Natural Gas Prices, Combined Heat and Power (CHP) planning, Other Planning Standards, Utility Owned Generation (UOG), Commission Authority, and the meaning of the term All Customers (All Customers).

Allocation of professional time to major issues is shown in Table 2 below. The allocations in Table 2 are based on my time records in Attachment A to this pleading.

TABLE 2. ALLOCATION OF PROFESSIONAL TIME BY MAJOR ISSUES

Cost Category	Hours
General Work	72.7
Issues:	
All Customers	1.7
Alternate Proposal	6.0
Combined Heat and Power	3.3
Commission Authority	17.9
Energy Efficiency	13.5
Energy Storage	3.3
Natural Gas Prices	12.1
Other Planning Standards	33.7
Risk Management	1.4
Utility Owned Generation	<u>10.5</u>
Issues subtotal	<u>103.4</u>
Total	177.9

XI. Conclusion

Reid has satisfied the requirements of timely filing an NOI, customer status, and demonstration of financial hardship. Reid has met all of the requirements of Section 1801 et seq. of the Public Utilities Code, and therefore requests an award of compensation in the amount of \$34,265.94.

* * *

Dated January 20, 2012, at Santa Cruz, California.

/s/

L. Jan Reid
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VERIFICATION

I, L. Jan Reid, make this verification on my behalf. The statements in the foregoing document are true to the best of my knowledge, except for those matters that are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Dated January 20, 2012 at Santa Cruz, California.

/s/

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