BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine	Rulemaking 10-05-006
Procurement Policies and Consider Long-Term	(Filed May 6, 2010)
Procurement Plans.	

INTERVENOR COMPENSATION CLAIM OF L. JAN REID AND DECISION ON INTERVENOR COMPENSATION CLAIM OF L. JAN REID

Claimant:	L. Jan Reid	For contribution to D.12-04-046
Claimed (\$): 65,830.70	Awarded (\$):
Assigned C	ommissiøner: Peevey	Assigned ALJ: Allen
		have set forth in Parts I, II, and III of this Claim is true to my best
Procedure,		urther certify that, in conformance with the Rules of Practice and this day upon all required persons (as set forth in the Certificate of
Procedure,	his Claim has been served ched as Attachment 1).	•

PART I: PROCEDURAL ISSUES (to be completed by Claimant except where indicated)

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	A. Brief Description of Decision:	The decision addresses issues in System Track I and Rules
		Track III of the Long Term Procurement Plan Rulemaking.
]		

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

		Claimant	CPUC Verified
	Timely filing of notice of intent to clai	im compensation (NOI) (§	1804(a)):
4	1. Date of Prehearing Conference:	June 14, 2010	
08 .	2. Other Specified Date for NOI:	August 13, 2010	
	3. Date NOI Filed:	August 9, 2010 Amended NOI was filed on January 4, 2011 (See D.11-03- 019, slip op. at 6)	
	4. Was the NOI timely filed? Yes.		
	Showing of customer or custom	er-related status (§ 1802(b)):
	5. Based on ALJ ruling issued in proceeding number:		
5	6. Date of ALJ ruling:		
	7. Based on another CPUC determination (specify):	D.11-03-019, Conclusion of Law 1, slip op. at 16	
	8. Has the Claimant demonstrated customer or custome	er-related status?	
	Showing of "significant finan	icial hardship" (§ 1802(g)):	
6	9. Based on ALJ ruling issued in proceeding number:		
U	10. Date of ALJ ruling:		
	11. Based on another CPUC determination (specify):	D.11-03-019, slip op. at 6	
	12. Has the Claimant demonstrated significant financia		
	Timely request for com		
-	13. Identify Final Decision:	D.13-01-022	
7	14. Date of Issuance of Final Order or Decision:	January 29, 2013	
	15. File date of compensation request:	April 2, 2013	
	16. Was the request for compensation timely? Yes.		

C. Additional Comments on Part I (use line reference # as appropriate):

	# Claimant CPUC		CPUC	Comment	
8	16	L. Jan		The request was due on the first business day which occurred 60 days after the	
	┛	Reid		decision was issued. The request would have been due on March 30, 2013 which was a Saturday. Monday, April 1 was a state holiday. Therefore, the request is due	
				on Tuesday, April 2, 2013.	

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). (For each contribution, support with specific reference to the record.)

9	Contribution	Specific References to Claimant's Presentations and to Decision	Showing Accepted by CPUC
	1. OTC Contracts	Subject to certain exemptions, the CPUC Energy Division Staff's (Staff's) OTC Proposal (See June 13, 2011 Ruling of ALJ Peter Allen, Appendix A) would prohibit a utility from entering into a contract with an OTC facility for longer than one year.	
		Reid argued that: (Opening Brief of L. Jan Reid on Track I and Track III Issues (Reid Opening Brief), p. 11)	
		"The Commission has a long history of supporting water policies that improve water quality and encourage water conservation."	

"The Commission has stated that: (CPUC Water Action Plan, December 15, 2005, p. 2)" "In light of increasing statewide concerns about water quality and supply, the Com- mission will explore innovative solutions to water problems and keep pace with newer approaches it is implementing in the energy and telecommunications sectors as well as strategies being used by water agencies and entities not subject to Commission jurisdic- tion. In our loading order for water supply sources, we recognize that cost-effective conservation is the best, lowest-cost of supply."
"The Staff proposal encourages water con- servation, seeks to improve water quality, and is consistent with the Commission's policy goals. Therefore, the Commission should adopt the Staff proposal."
The Commission stated that: (D.12-04-046, slip op. at 25)
"As an interim measure to provide short- term clarity and procurement authority to the utilities, while supporting the SWRCB policy of moving away from OTC, we will adopt a variation of the SDG&E and DRA approach. The utilities are authorized to sign power purchase agreements with power plants using OTC, but those agreements may not commit to purchases beyond the applicable SWRCB compliance deadline, except under the specific conditions described below. In addition, consistent with PG&E's recommendation, the appli- cable RFO or other solicitation evaluation must take into consideration the plant's use of OTC."
Thus, Reid made a substantial contribution to the Commission's resolution of the OTC Contracting issue.

2. Nuclear Power Plants	Reid recommended that the Commission open an Order Instituting Investigation (OII) into the feasibility of shutting down the San Onofre and Diablo Canyon nuclear generation facilities. (See Amended Testi- mony of L. Jan Reid on Track I and Track III Issues (Reid Opening Testimony), pp. 7-9)
	The Commission has included the nuclear shutdown issue as part of the scope of Rulemaking (R.) 12-03-014. The Commis- sion has recently stated that: (Scoping Memo, p. 8)
	"A major purpose of this proceeding is to maintain and ensure reliability in CPUC- jurisdictional areas in California over a long-term planning horizon. This requires anticipation of changes in both supply and demand. To accomplish this, it is important to consider the potential retirement of existing plants, the likelihood of relicensing of nuclear power plants, changes in man- dates for renewable power, development of energy storage facilities, increased energy efficiency and demand response resources, and the developing of distributed generation resources."
	The Commission has also stated that it seeks to determine "How the potential for shutdown of nuclear power plants in Cali- fornia would impact long-term system reliability." (Scoping Memo, p. 9)
	Since Reid recommended that the nuclear shutdown issue be addressed in a separate proceeding and the Commission now intends to address this issue in R.12-03-014, Reid made a substantial contribution to the Commission's interim resolution of the Nuclear issue. This is an interim resolution because the Commission has only agreed to consider the nuclear shutdown issue.

3. The Settlement Agreement	 Reid participated in Settlement negotiations on July 29, 2011 and August 2, 2011, and wrote comments on settlement drafts on July 30, 2011 and August 1, 2011. Although Reid supported much of the Settlement Agreement (SA), Reid decided not to sign the SA due to two outstanding issues. Both of these issues were later resolved during Reid's cross-examination of CAISO witness Rothleder. (See Reid Opening Brief, pp. 3-4)
4. Renewable Integration Need	Reid identified a number of deficiencies in the California Independent System Opera- tor's (CAISO) Methodology (Reid Opening Testimony, pp. 4-6), and criticized the CAISO for not conducting Backtesting and Robustness tests of their Renewable Integration Model (RIM). (Reid Opening Testimony, pp. 6-7).
	Finally, Reid recommended that the Commission adopt a system capacity need of zero [megawatts] MW for renewables integration in this proceeding." (Reid Opening Testimony, p. 7)
	The Commission effectively agreed with Reid when it stated that "There is clear evidence on the record that additional generation is not needed by 2020, so there is record support for deferral of procurement." (D.12-04-046, slip op. at 8) Therefore, Reid made a substantial contribution to the Commission's resolution of the Renewable Integration Need issue.

5. Renewable Integration Schedule	The settling parties recommended that "a final Commission assessment of need or a decision should be issued no later than December 31, 2012." (SA, p. 4)
	Reid argued that: (Reid Opening Brief, p. 4)
	"The Commission should not commit to issuing a decision on renewable integration on the date recommended by the settling parties. Pursuant to Public Utilities Code Section (PUC §451), the Commission has an obligation to ensure that rates (and therefore costs) are just and reasonable. The Commission cannot fulfill its obligation unless it is presented with an adequate record."
	"In order for an adequate record to be established, the Commission must ensure that parties have adequate time to analyze the CAISO's work, to conduct discovery, and to submit necessary pleadings such as comments, testimony, and briefs."
	The Commission effectively agreed with Reid when it stated that: (D.12-04-046, slip op. at 10-11)
	"First, the Commission, not the settling parties, determines the schedule and scope of any subsequent proceeding. Even if the parties agree on a particular schedule, the Commission, not the parties, controls the Commission's processes. Because we understand the proposed settlement's discussion of future Commission proceedings to be a recommendation only, the proposed settlement is consistent with the law on this issue."
	Therefore, Reid made a substantial contribution to the Renewable Integration Schedule issue.

6. Cost Effectiveness	Reid argued that: (Reid Opening Brief, pp. 5-6)	
	"Different resources will have different costs and different benefits. If the Commis- sion finds that the CAISO's model results are reasonable, the Commission must deter- mine the optimal mix of resources for renewable integration and grid reliability purposes. In making this determination, the Commission must consider the cost- effectiveness of different resources or different classes of resources."	
	"CAISO witness Rothleder has testified that the CAISO does not intend to perform cost effectiveness analysis as part of their model- ing efforts. (Rothleder, 5 RT 374:23-28, 375:1-13) Thus, it will be up to other parties to present the Commission with cost- effectiveness analyses and recommendation concerning an optimal resource mix." Thus, Reid made a substantial contribution to the Cost Effectiveness issue.	

7. PRG Meeting Summaries	Reid recommended that the IOUs be required to provide meeting summaries to its Procurement Review Group (PRG) members within 30 days of a PRG meeting. (Exhibit 1300, p. 13) PG&E responded to Reid's proposal by recommending that "meeting summaries be distributed to PRG members for their review and comment 48 hours in advance of the next regularly scheduled monthly meeting." (Exhibit 103, p. I-1) Reid accepted PG&E's compromise proposal. (Reply Brief of L. Jan Reid on Track I and Track III issues, October 3, 2011, p. 8)
	The Commission ordered that: "We will adopt the staff proposal that meeting summaries be distributed no later than 14 days after the PRG meeting, with caveats based on PG&E's comments. First, the meeting summary should be distributed on the earlier of 1) 14 days after the PRG meeting, or 2) 48 hours before the next regularly scheduled PRG meeting. If, due to unusual circumstances, 14 days will be inadequate time to prepare a meeting sum- mary, the utility may distribute it 21 days after the PRG meeting, but may do so only if it sends an e-mail to the same distribution list seven days after the PRG meeting informing them of the delay in distribution."
	Thus, Reid made a substantial contribution to the Commission's resolution of the PRG Meeting Summaries issue.

8. Independent Evaluators (Ies)	The Division of Ratepayer Advocates (DRA) recommended that the Energy Division or alternatively the IOU's PRG, should determine IE assignments rather than the IOUs determining IE assignments. (Exhibit 409, p. 6) Reid testified that: (Reid, 4 RT 350:17-28, 351:1-24)
	"In the case of PG&E's PRG this is not necessary in my opinion. In the past PG&E has reviewed its major IE assignments with its PRG PG&E's current practice in my opinion is superior to a system whereby assignments are made by the Energy Division. PG&E has the most knowledge concerning its IEs simply because they have worked with them more than the Energy Division is going to have worked with them or the individual PRG members are going to have worked with them. The present PRG review process that PG&E uses seems to have worked well."
	The Commission did not change the current system for determining IE assignments as suggested by the DRA. Therefore, Reid made a substantial contribution to the IE issue.
9. The Rulebook	Reid argued that: (Reid Opening Testimony, pp. 10-11)
	"The Rulebook should serve an informative purpose and should not be treated as a General Order as suggested by Staff."
	The Commission effectively agreed with Reid when it stated that "Accordingly, at this time we do not adopt the Rulebook as a stand-alone enforceable document." (D.12- 04-046, slip op. at 62)

10. Procurement Review Groups (PRGs)	Staff recommended that "The members of each PRG would be committed to devote the time necessary to meet and confer with the utilities on each proposed contract and/or procurement process and provide written comments to the utilities within no later than fifteen days of initiation of the review process." (Ruling, Appendix B, p. 17)
	Reid recommended that the following language be used: (Reid Opening Testimony, p. 15)
	"The members of each PRG would be committed to devote the time necessary to meet and confer with the utilities on each proposed contract and/or procurement pro- cess. PRG members shall submit data requests to the IOU within 48 hours of the initial presentation by the IOU. PRG members shall provide written comments to the IOUs within 15 days of the IOUs response to a PRG member's data request."
	The Commission did not adopt the change proposed by Staff. Therefore, Reid made a substantial contribution to the Commis- sion's resolution of the PRG issue.

11. Black Box Modeling	Reid was the primary party who addressed the Black Box Modeling issue. Reid argued that: (Reid Opening Brief, pp. 6-8)
	 "Throughout this proceeding, Reid has argued that the Commission's reliance on the CAISO model is not consistent with Public Utilities Code Section (PUC §) 1822. A list of citations is provided in Table I, below. The CAISO apparently believes that it has satisfied the requirements of PUC § 1822 by providing parties with the input data used in the CAISO model, a description of the inputs, and the output results. (For example, see Exhibit 1303, p. 6, CAISO Response to Question 10.)"
	"Compliance with PUC §1822 is an import- ant issue that has the potential to effect a number of Commission proceedings. Therefore, I recommend that the Commission provide a detailed explanation of PUC §1822 as it applies to the CAISO's modeling efforts in the instant rulemaking."
	Therefore, Reid made a substantial contri- bution to the Commission's resolution of the Black Box Modeling issue.

12. Convergence Bidding	Reid argued that: (Reid Opening Brief, footnotes omitted, pp. 18-20)
	 "Ratepayers have been subject to excessive costs related to the convergence bidding market. For the months February, 2011 through June, 2011, the CAISO's Real Time Energy Imbalance Offset Charges (imbalance charges) totaled \$76,558,324. (Calculated from data provided in Exhibit 1303, p. 14, CAISO Response to Question 31.)"
	•••
	"Thus, IOU ratepayers will have to pay as much as \$30.6 million of the imbalance charge, which is the amount attributable to the convergence bidding market."
	···
	"Therefore, I recommend that the Commission order the IOUs to make a showing concerning their participation in the convergence bidding market."
	Thus, Reid made a substantial contribution to the Convergence Bidding issue.

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

		Claimant	CPUC Verified
a.	Was the Division of Ratepayer Advocates (DRA) a party to the proceeding?	Yes.	
b.	Were there other parties to the proceeding with positions similar to yours?	No.	
c.	If so, provide name of other parties:		
d.	Describe how you coordinated with DRA and other parties to avoid on how your participation supplemented, complemented, or contributed another party:		
	I met with the DRA on several occasions throughout the course of the pro- order to avoid duplication. I do not seek compensation for all of these me matter of personal policy, I do not participate in Commission proceeding showing is likely to duplicate the showings of other consumer representa- the Division of Ratepayer Advocates (DRA) and The Utility Reform Net For example, I did not serve testimony in Phase 2 of A.09-12-020 becaus would likely have duplicated the showings of the DRA and TURN.	eetings. As a gs where my tives such as work (TURN).	
	There was very little agreement on key issues between Reid and the DRA decision. Of the 12 issues listed in Section II.A, Reid and the DRA had s positions on zero issues. There were issues (such as the strong showing s by the DRA with which Reid agreed. However, Reid did not spend time any of those issues in his testimony or briefs.	similar standard) raised	

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

[#	Claimant	CPUC	Comment
11				

PART III: REASONABLENESS OF REQUESTED COMPENSATION (to be completed by Claimant except where indicated)

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

bears a reasonable relations	how the cost of Claimant's participation with benefits realized through ces to record, where appropriate)	CPUC Verified
Commission required interven represent interests that would information sufficient to justif tomer's participation will exce CPUC2d 628, Finding of Fact	7-01-009 and Investigation 97-01-010, the ors seeking compensation to show that they otherwise be underrepresented and to present y a finding that the overall benefits of a cus- ed the customer's costs. (D.98-04-059, 79 13 at 674, Finding of Fact 42 at 676) The ing a dollar value to intangible benefits may	
proceeding. It is reasonable to	d made a substantial contribution to the assume that the resolution of the issues benefit ratepayers in the future.	
b. Reasonableness of Hours	Claimed.	
All of Reid's work in this proc	eeding was performed by L. Jan. Thus, no	
unnecessary internal duplication	• · ·	
c. Allocation of Hours by Iss	sue	
General	22%	
Black Box Modeling	11%	
Convergence Bidding	1%	
Energy Auction	1%	
Independent Evaluators	2%	
Nuclear Power Plants	7%	
Once Through Cooling	3%	
Procurement Review Groups		
	5%	
Renewable Integration	5% 41%	
Renewable Integration Rulebook		

Specific Claim:

				CLAIME	D			CPUC AWA	ARD
			A.	TTORNE	EY, EXPERT, AND	ADVOCATE	FEES		
-	ltem	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
	L. Jan Reid, Expert	2010	95.8	185	D.12-06-011, Appendix	17,723.00			
	L. Jan Reid, Expert	2011	226.8	185	D.12-06-011, Appendix	41,958.00			
	L. Jan Reid	2012	26.3	200	See Item #4 in Section B, below.	5,260.00			
					Subtotal:	64,941.00		Subtotal:	
50.455001140401705					OTHER FE				
					HOURLY FEES you				<u> </u>
	Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total S
5									
					Subtotal:			Subtotal:	
			INTERV		OMPENSATION				
5	ltem	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total
		2013	7.7	\$105	Resolution	000 50			
	L. Jan Reid	2010			ALJ-281. See Item #4 in Section B, below.	808.50			
	L. Jan Reid	2010			ALJ-281. See Item #4 in Section B,	808.50			
	L. Jan Reid				ALJ-281. See Item #4 in Section B,	808.50		Subtotal:	
	L. Jan Reid				ALJ-281. See Item #4 in Section B, below.			Subtotal:	
	L. Jan Reid		Detail		ALJ-281. See Item #4 in Section B, below. Subtotal:		Amount		
	# Item	Postage			ALJ-281. See Item #4 in Section B, below. Subtotal:	808.50	Amount		
	# Item	Postage	Postage Attachme Copies fo	ent A)	ALJ-281. See Item #4 in Section B, below. Subtotal: COSTS 2013 (See iod 2010-2011	808.50 Amount	Amount		
	# Item 1 Reid, I	Postage	Postage Attachme Copies fo	ent A) or the per	ALJ-281. See Item #4 in Section B, below. Subtotal: COSTS 2013 (See iod 2010-2011	808.50 Amount 35.84	Amount		
7	# Item 1 Reid, I	Postage	Postage Attachme Copies fo	ent A) or the per achment /	ALJ-281. See Item #4 in Section B, below. Subtotal: COSTS 2013 (See iod 2010-2011 A)	808.50 Amount 35.84 45.36			

LTPP Compensation Request

B. Attachments Documenting Specific Claim and Comments on Part III (Claimant completes; attachments not attached to final Decision):

18	Attachment or Comment #	Description/Comment
	J <u>1</u>	Certificate of Service
	2	Service List
	3	Attachment A, Time Records of L. Jan Reid
	4	Hourly Rates
		The Commission has previously awarded Reid compensation for 2010-2011 professional work at a rate of \$185 per hour. (D.12-06-011, Appendix) Intervenor compensation rates for experts are separated into three tiers based on experience. The tiers are Tier I (0-6 years), Tier II (7-12 years), and Tier III (13 years and over). (See Resolution ALJ-281, slip op. at 5)
		Reid now has 14 full years of experience (1998-2012). Thus, Reid moved from Tier II to Tier III in 2011. The Commission has provided that intervenors will receive two step increases of 5% within each tier, rounded up to the nearest \$5 increment. (Resolution ALJ-281, Ordering Paragraph 2, slip op. at 7; and D.08-04-010, slip op. at 11-13) The Commission has also adopted a "2.2% Cost-of-Living Adjustment for work performed by intervenors in calendar year 2012." (Resolution ALJ-281, slip op. at 1.)
		Thus, Reid should receive two increases for calendar year 2012: a 5% step increase and a 2.2% Cost of Living Adjustment. Five percent of Reid's 2011 rate (\$185) is \$9.25, which rounds to an hourly increase of \$10 for a total rate of \$195/hr. for 2012 work. 2.2 percent of \$195 is \$4.29, which rounds to an hourly increase of \$5 for a total rate of \$200/hr. for 2012 work.
		Reid should also receive a step increase of 5% (\$5/hr.) for work performed in 2013. Thus, Reid should be awarded a 2013 rate of \$210/hr.

C. CPUC Disallowances, Adjustments, and Comments (CPUC completes):

	#	Reason
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PART IV: OPPOSITIONS AND COMMENTS Within 30 days after service of this Claim, Commission Staff or any other party may file a response to the Claim (see § 1804(c))

(CPUC completes the remainder of this form)

A. Opposition: Did any party oppose the Claim?

If so:

Party	Reason for Opposition	CPUC Disposition

B. Comment Period: Was the 30-day comment period waived (*see* Rule 14.6(2)(6))?

If not:

Party	Comment	CPUC Disposition

FINDINGS OF FACT

- 1. Claimant [has/has not] made a substantial contribution to Decision (D.) _____.
- 2. The requested hourly rates for Claimant's representatives [,as adjusted herein,] are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
- 3. The claimed costs and expenses [,as adjusted herein,] are reasonable and commensurate with the work performed.
- 4. The total of reasonable contribution is \$_____.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, [satisfies/fails to satisfy] all requirements of Public Utilities Code §§ 1801-1812.

<u>ORDER</u>

- 1. Claimant is awarded \$_____.
- 2. Within 30 days of the effective date of this decision, _____ shall pay Claimant the total award. [for multiple utilities: "Within 30 days of the effective date of this decision, ^, ^, and ^ shall pay Claimant their respective shares of the award, based on their California-jurisdictional [industry type, for example, electric] revenues for the ^ calendar year, to reflect the year in which the proceeding was primarily litigated."] 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 _____, 200__, 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/is not] waived.
- 4. This decision is effective today.

Dated _____, at San Francisco, California.