



FILED

05/21/19
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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission's Own Motion to Determine Whether Pacific Gas and Electric Company and PG&E Corporation's Organizational Culture and Governance Prioritize Safety.

Investigation 15-08-019

ADMINISTRATIVE LAW JUDGE'S RULING ON MUSSEY GRADE ROAD ALLIANCE'S SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

Customer (party intending to claim intervenor compensation): Mussey Grade Road Alliance	
Assigned Commissioner: Michael Picker	Assigned ALJs: Peter V. Allen, Sarah R. Thomas

PART I: PROCEDURAL ISSUES

(Completed by the party ("customer") intending to claim intervenor compensation)

A. Status as "customer" (see Pub. Util. Code § 1802(b)):¹ The party claims "customer" status because the party is (check one):
1. A Category 1 customer that is an actual customer whose self-interest in the proceeding arises primarily from his/her role as a customer of the utility and, at the same time, the customer must represent the broader interests of at least some other customers. In addition to describing your own interest in the proceeding you must show how your participation goes beyond just your own self-interest and will benefit other customers. See, for example, discussion in D.08-07-019 at 5-10.

¹ All "§" and "Section" references are to California Public Utilities Code unless indicated otherwise.

2. A **Category 2** customer that is a representative who has been authorized by actual customers to represent them. Category 2 involves a more formal arrangement where a customer or a group of customers selects a more skilled person to represent the customer's views in a proceeding. A customer or group of customers may also form or authorize a group to represent them, and the group, in turn, may authorize a representative such as an attorney to represent the group. A representative authorized by a customer must identify the residential customer(s) being represented and provide authorization from at least one customer (D.98-04-059 at 30).

3. A **Category 3** customer that is a formally organized group authorized, by its articles of incorporation or bylaws to represent the interests of residential customers or small commercial customers receiving bundled electric service from an electrical corporation. Certain environmental groups that represent residential customers with concerns for the environment may also qualify as Category 3 customers, even if the above requirement is not specifically met in the articles or bylaws.

4. The party's explanation of its customer status must include the percentage of the intervenors members who are residential ratepayers or the percentage of the intervenors members who are customers receiving bundled electric service from an electrical corporation, and must include supporting documentation: (i.e., articles of incorporation or bylaws).

The Mussey Grade Road Alliance (MGRA or Alliance) is an unincorporated association organized as a 501(c)(4) non-profit with the federal and California state government that is authorized by our by-laws (attached) to advocate on behalf of rural residents of the Mussey Grade Road area to preserve their quality of life and the environment of the Mussey Grade Road area, including advocating on their behalf as residential customers of electrical service. To the best of our knowledge, all (100% of) MGRA members are residential electric customers in the San Diego Gas and Electric Company's service area.

The Alliance represents homeowners who are SDG&E customers and who are concerned with wildfire safety. The Mussey Grade area was overrun by the Cedar fire in 2003, with a loss of over 60% of its homes, and in 2007 was surrounded by the Witch fire, which was started by an SDG&E power line. Residents have a strong interest in protecting this area and their property from further fires. Area residents are in a position to be exposed both to the risk of utility ignited fires and to increased costs of preventative measures. Residents have an interest in insuring that utilities have strong economic incentives for wildfire safety. Furthermore, Mussey Grade Road is recognized by the California State Historic Preservation Officer as an "Point of Historical Interest" since 2003. This historic canopy road, once a stagecoach route from the port of San Diego to the gold mines of Julian, is lined by historic and heritage native oaks, some estimated to be 100 years of age or more. Devastated in the 2003 Cedar Fire, the largest recorded fire in the history of the State of California, the oak riparian area of Mussey Grade was hard hit in the conflagration. Dozens of heritage trees were lost in the fire or in the ensuing long-term drought affecting the area. This has left them particularly susceptible to additional fires.

Additionally, the Mussey Grade community is economically diverse, and electrical rates can have a significant impact on the quality of life of residents. Our previous interventions at the Commission have always supported careful balancing of safety and costs to best solve for the needs of rural electrical customers.

MGRA's interest in the present proceeding arises from several sources 1) PG&E's safety culture (or lack thereof) has impacted the development of statewide fire safety regulations in the proceedings in which MGRA has participated 2) The governing model for California utilities may change as a result of PG&E's reorganization, and 3) Costs of the PG&E reorganization could potentially be shifted onto California taxpayers, including MGRA members.

The Mussey Grade Road Alliance was previously determined to be a customer in CPUC proceedings A.06-08-010, A.08-12-021, R.08-11-005, A.09-08-021, R.13-11-006, and I.16-10-015.

Identify all attached documents in Part IV: Mussey Grade Road Alliance By-Laws are attached.	
• Do you have any direct economic interest in outcomes of the proceeding? ² If so, explain: No	
B. Conflict of Interest (§ 1802.3)	Check
1. Is the customer a representative of a group representing the interests of small commercial customers who receive bundled electric service from an electrical corporation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. If the answer to the above question is "Yes", does the customer have a conflict arising from prior representation before the commission?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C. Timely Filing of Notice of Intent (NOI) (§ 1804(a)(1)):	Check
1. Is the party's NOI filed within 30 days after a Prehearing Conference? Date of Prehearing Conference: _____	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
2. Is the party's NOI filed at another time (for example, because no Prehearing Conference was held, the proceeding will take less than 30 days, the schedule did not reasonably allow parties to identify issues within the timeframe normally permitted, or new issues have emerged)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2a. The party's description of the reasons for filing its NOI at this other time:	
There was no Prehearing Conference. ALJ Allen's May 6 th ruling allowed intervenors to file NOIs by May 20, 2019.	
2b. The party's information on the proceeding number, date, and decision number for any Commission decision, Commissioner ruling, ALJ ruling, or other document authorizing the filing of NOI at that other time:	
I.15-08-019; May 6, 2019; Email Ruling of ALJ Allen	

² See Rule 17.1(e).

PART II: SCOPE OF ANTICIPATED PARTICIPATION
(Completed by the party (“customer”) intending to claim intervenor compensation)

A. Planned Participation (§ 1804(a)(2)(A)(i)):

- The party’s statement of the issues on which it plans to participate.

MGRA has been intervening at the Commission since 2006, primarily on the issue of utility-related wildfire, its prevention, and its impacts on residents and ratepayers. Our expert, a physicist who has published peer reviewed papers on wildland fire, has contributed to numerous proceedings on this topic, starting in 2006. The Alliance intends to provide analysis through a “safety lens” to ensure that whatever proposals put forward will improve safety, and especially wildfire safety, in a clear and tangible manner.

- The party’s explanation of how it plans to avoid duplication of effort with other parties.

In its past work at the Commission, MGRA has regularly and actively collaborated as appropriate with other parties, including SED, CalPA, TURN, UCAN, POC, the Farm Bureau, Los Angeles County, CALFIRE, and others. In fact, on numerous occasions we have initiated such collaboration, reaching out to other parties and organizing conference calls. Such collaboration often leads to joint filings with other parties, reducing duplication and also the administrative burden of the Commission and other parties. Even when joint filings do not result, collaboration allows parties to clearly identify their differences and unique perspectives in a succinct way that reduces duplication. MGRA has collaborated with as well utilities when common interests are identified. MGRA is coordinating with Will Abrams, who advocates on behalf of fire victims.

In general, what differentiates MGRA from other parties representing ratepayers is our emphasis on safety, a quantitative approach to statistical, physical and engineering problems, as well as a big-picture view of solving the power line fire problem in a way that works best for residents and ratepayers.

- The party’s description of the nature and extent of the party’s planned participation in this proceeding (to the extent that it is possible to describe on the date this NOI is filed).

MGRA contributions will be focused on providing input on issues related to wildfire safety and ensuring that the entity or entities arising out of the PG&E reorganization will be capable and willing to address wildfire safety issues. MGRA also intends to advocate for the rights of those harmed by wildfire.

B. The party's itemized estimate of the compensation that the party expects to request, based on the anticipated duration of the proceeding (§ 1804(a)(2)(A)(ii)):				
Item	Hours	Rate \$	Total \$#	
ATTORNEY, EXPERT, AND ADVOCATE FEES				
Diane J. Conklin [Advocate]	10	\$130	\$1,300	1
Dr. Joseph W. Mitchell [Expert]	30	\$290	\$8,700	1
Subtotal: \$ 10,000				
OTHER FEES				
Subtotal: \$				
COSTS				
Travel costs for workshop attendance; 1 workshops		\$1,000/wkp	\$1,000	
Subtotal: \$1,000				
TOTAL ESTIMATE: \$11,000				
<p>Estimated Budget by Issues:</p> <p>Issues:</p> <p>Wildfire knowledge and capabilities: 50%</p> <p>General safety awareness: 30%</p> <p>Inverse condemnation: 10%</p> <p>Moral hazard: 10%</p> <p>Comments/Elaboration (use reference # from above):</p> <p>[1] Rates for Conklin and Mitchell approved in D.18-09-042</p> <p>[2] Includes time traveled at ½ approved compensation rate</p>				

PART III: SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

(Completed by party ("customer") intending to claim intervenor compensation)

A. The party claims "significant financial hardship" for its Intervenor Compensation Claim in this proceeding on the following basis:	Applies (check)
1. "[T]he 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" (§ 1802(g)); or	
2. "[I]n 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" (§ 1802(g)).	X

3. A § 1802(g) finding of significant financial hardship in another proceeding, made within one year prior to the commencement of this proceeding, created a rebuttable presumption in this proceeding (§ 1804(b)(1)).	
ALJ ruling (or CPUC decision) issued in proceeding number:	
Date of ALJ ruling (or CPUC decision):	
B. The party's explanation of the factual basis for its claim of "significant financial hardship" (§ 1802(g)) (necessary documentation, if warranted, is attached to the NOI):	
<p>MGRA members cannot afford the costs of effective participation in lieu of intervenor compensation. At the same time, MGRA will gain no economic benefit from participating in the proceeding. MGRA is concerned that potential outcomes of this proceeding will affect fire hazard and/or utility costs for Mussey Grade residents.</p> <p>MGRA is, to date, is the sole grass roots group intervening in the Rulemaking and as such brings a valuable perspective from the view of rural electricity customers in wildfire-prone areas. Wildfire is one issue regarding which MGRA brings specific and relevant expertise developed over years of experience by interventions in multiple Commission proceedings. Additionally, MGRA brings experience in analysis of risks and costs relative to safety issues. Additionally, the area in which Mussey Grade Road is located, and the area of the unincorporated town of Ramona, has been historically subjected to wildland fires ignited by power lines.³ Furthermore, there is no other party to the proceeding representing this particular area in the 59-square mile jurisdiction of the Ramona Community Planning Group or similar wildfire-prone rural districts.</p> <p>The cost of the MGRA's participation in Commission proceedings substantially outweighs the potential economic benefit to the individual members it represents. The members of the Alliance are residential electricity customers whose individual interests in this proceeding are small relative to the costs of participation. It is unlikely that MGRA members will see financial benefits that exceed the costs of the Alliance's intervention. Additionally, any improvement to safety or cost efficiency due to MGRA participation will be shared by all California residents and ratepayers, and it would be unfair to burden one neighborhood group with the cost of obtaining these benefits. Furthermore, the Alliance intervenor and expert also do not have an economic interest exceeding the cost of their participation.</p>	

³ The Witch Fire, which started on Sunday, October 21, 2007, began in the unincorporated area of Ramona on the Tulloch Ranch and spread across the northeastern and northwestern sections of Ramona, destroying hundreds of homes in the area before merging with the Guejito Fire. Mussey Grade Road was threatened by the Witch Fire, but the fire fortunately did not reach the Mussey Grade Road valley.

**PART IV: ATTACHMENTS DOCUMENTING SPECIFIC
ASSERTIONS MADE IN THIS NOTICE**

**(The party (“customer”) intending to claim intervenor compensation
identifies and attaches documents)**

Attachment No.	Description
1	Certificate of Service
2	Mussey Grade Road Alliance By-Laws

ADMINISTRATIVE LAW JUDGES RULING

<p>1. The Notice of Intent to Claim Intervenor Compensation (NOI) filed by Mussey Grade Road Alliance (MGRA) has demonstrated significant financial hardship, for the reasons set forth in Part III(B).</p> <p>Pursuant to Section 1802(h) for groups and organizations, significant financial hardship means that “the economic interest of the individual members of the group or organizations is small in comparison to the costs of effective participation in the proceeding.”</p> <p>MGRA asserts that the cost of its participation substantially outweighs the potential economic benefit to the individual members it represents. The NOI further explains that MGRA’s members are residential electric utility customers. MGRA’s bylaws state that MGRA has Directors and non-voting members and that it recruits its Directors and members without regard for the race, creed, color, religion, gender or sexual orientation of any person. According to the bylaws, the affairs of MGRA are managed by or under the direction of the Board of Directors, which shall never be less than three. (Attachment to the NOI, Sections 3.1, 3.2, and 4.1.). These provisions indicate a collegial approach to the decision-making at MGRA and an open character of its membership. MGRA has demonstrated that the economic interest of its individual members in the outcomes of this proceeding is smaller than the reasonable costs of effective participation on behalf of these members.</p>	<p>X</p>
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IT IS RULED that:

1. Mussey Grade Road Alliance has satisfied the eligibility requirements of Pub. Util. Code § 1804(a).	X
2. Mussey Grade Road Alliance has shown significant financial hardship.	X
3. Mussey Grade Road Alliance is preliminarily determined to be eligible for intervenor compensation in this proceeding. However, a finding of significant financial hardship in no way ensures compensation.	X

Dated May 21, 2019, at San Francisco, California.

/s/ PETER V. ALLEN

Peter V. Allen
Administrative Law Judge