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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Golden State Water Company (D 133 W) for an Order Pursuant to Public Utilities Code Section 851 Approving a Stipulation in a Water Rights Adjudication, and for an Order Pursuant to Section 454 approving the Ratemaking Treatment of the costs of the Adjudication and Settlement.

Application 06-02-026

**ADMINISTRATIVE LAW JUDGE'S RULING FINDING
DONALD R. WARD
ELIGIBLE TO CLAIM INTERVENOR COMPENSATION**

I. Summary

Donald R. Ward (Ward) filed a Notice of Intent (NOI) to claim intervenor compensation, as a representative authorized by one or more customers, in this application proceeding on May 15, 2006. No party opposes the NOI. Ward is eligible to claim compensation pursuant to the requirements in Pub. Util. Code §§ 1801-1804.¹ However, a finding of eligibility for compensation does not guarantee an award of compensation.

¹ All statutory references are to the Pub. Util. Code.

II. NOI Requirements

A. Timely Filing

Pursuant to § 1804(a)(1), a customer who intends to seek an award of compensation shall, within 30 days after the Prehearing Conference (PHC) is held, file and serve a NOI on all parties to the proceeding. The PHC was held on April 19, 2006. Ward filed and served his NOI on May 15, 2006, within 30 days of the PHC. No response was filed. Ward has filed a timely NOI.

B. Customer Status

Pursuant to Decision (D.) 98-04-059, this ruling must determine whether the intervenor is a customer, as defined in § 1802(b), and whether the intervenor is 1) a participant representing consumers, 2) a representative authorized by a customer, or 3) a representative of a group or organization that is authorized by its bylaws or articles of incorporation to represent the interests of residential ratepayers.²

Ward meets this requirement as he is a representative authorized by one or more customers to participate in this proceeding, as allowed in § 1802(b)(1)(B). In his NOI, Ward provides the minutes of the April 24, 2006, meeting of the Orcutt Area Advisory Group (Orcutt) board of directors indicating that the board authorized him to represent Orcutt “in all matters concerning an appeal/protest of rate changes proposed in Golden State Water Company Application Number 06-02-026.” Ward also asserts that all members of the Orcutt board of directors

² “When filing its Notice of Intent, a participant should state how it meets the definition of customer: as a *participant* representing consumers, as a *representative* authorized by a customer, or as a representative of a *group or organization* that is authorized by its bylaws or articles of incorporation to represent the interests of residential customers.” D.98-04-059, *mimeo.* at 28-29 (emphasis in original).

are customers of Golden State Water Company, the applicant in this proceeding. Ward satisfies the definition of “customer” in § 1802(b)(1)(B).

C. Significant Financial Hardship

Only those customers for whom participation or intervention would impose a significant financial hardship may receive intervenor compensation. Section 1804(a)(2)(B) allows the customer to include a showing of significant financial hardship in its NOI. Section 1802(g) defines “significant financial hardship”:

“Significant financial hardship” means either that the customer cannot without undue hardship afford 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. Alternatively, the customer may make the required showing in the request for an award of compensation.

Ward seeks to demonstrate financial hardship in his NOI based on the assertion that the economic interests of the members of Orcutt, which he represents, are small in comparison to the costs of effective participation in the proceeding. Ward represents that the members of Orcutt pay only \$15 per year in membership dues, that the organization has a financial balance of only \$2,600, and that the organization has no funds to support participation in this proceeding (the cost of which Ward estimates to be in excess of \$8,000). Ward has demonstrated significant financial hardship.

D. Nature and Extent of Planned Participation

Section 1804(a)(2)(A)(i) requires the NOI to include a statement of the nature and extent of the customer’s planned participation in the proceeding to

the extent this can be predicted. This proceeding was initiated by Golden State Water Company seeking approval of a stipulation, entered into in a groundwater adjudication, affecting the company’s water rights and associated ratemaking.

Ward asserts that he has already researched, prepared, and filed the initial protest to the application. He also attended the PHC. He indicates that he will research and prepare testimony for subsequent hearings, attend any public participation hearings, engage in negotiations, and participate in the evidentiary hearing. Ward has indicated the nature and extent of his planned participation on behalf of Orcutt.

E. Itemized Estimate of Compensation

Section 1804(a)(2)(A)(ii) requires that an NOI include an itemized estimate of the compensation the customer expects to receive. Ward estimates a maximum total projected budget of \$8,132, as detailed below, based on proposed hourly rates he will support in his subsequent request for compensation.

Amount	Description
\$3,000	Attorney and Advocate Fees: 20 hours for a professional civil engineer at \$100/hour 20 hours “compensation time” at \$50/hour
\$2,500	50 hours of travel time at \$50/hour
\$2,632	Other costs: Mileage at \$1,232 Hotel and parking at \$750 Meals at \$350 Reproduction, mailing, and telephone expenses at \$300
\$8,132	Total

Ward satisfactorily presented itemized estimates of the compensation he expects to request in behalf of Orcutt, although the Commission will require far more specificity in the costs when Ward ultimately seeks compensation.

Moreover, the number of hours, hourly rates, and other costs may be excessive depending on the outcome of this proceeding. As must any intervenor, Ward must fully support his request for compensation, including the reasonableness of the hours spent, hourly rates, and other incurred costs.

IT IS RULED that:

1. Donald R. Ward (Ward) has met the eligibility requirements of Pub. Util. Code § 1804(a), including the requirement that he establish significant financial hardship, and Ward is found eligible for compensation in these proceedings.
2. Ward is a customer as that term is defined in § 1802(b) and is a representative authorized by a customer of applicant.
3. A finding of eligibility in no way assures compensation.
4. When submitting its actual request for compensation, Ward must fully support his request for compensation, including the reasonableness of the hours spent, hourly rates, and other incurred costs.

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

 /s/ JOHN E. THORSON
John E. Thorson
Administrative Law Judge

INFORMATION REGARDING SERVICE

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the copy of the filed document is current as of today's date.

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

/s/ TERESITA C. GALLARDO
Teresita C. Gallardo

SERVICE LIST IN
APPLICATION 06-02-026

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