

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298**FILED**

5-30-14

Agenda ID # ~~13044~~ 13045 PM

and

Alternate Agenda ID # 13045

Ratesetting

May 30, 2014

TO PARTIES OF RECORD IN APPLICATION 10-11-015:

Enclosed are the proposed decision of Administrative Law Judge (ALJ) Melanie M. Darling previously designated as the presiding officer in this proceeding and the alternate decision of Commissioner Michael R. Peevey. The proposed decision and the alternate decision will not appear on the Commission's agenda sooner than 30 days from the date they are mailed.

Pub. Util. Code § 311(e) requires that the alternate item be accompanied by a digest that clearly explains the substantive revisions to the proposed decision. The digest of the alternate decision is attached.

When the Commission acts on these agenda items, it may adopt all or part of the decision as written, amend or modify them, or set them aside and prepare its own decision. Only when the Commission acts does the decision become binding on the parties.

Parties to the proceeding may file comments on the proposed decision and alternate decision as provided in Pub. Util. Code §§ 311(d) and 311(e) and in Article 14 of the Commission's Rules of Practice and Procedure (Rules), accessible on the Commission's website at www.cpuc.ca.gov. Pursuant to Rule 14.3, opening comments shall not exceed [15] pages.

Comments must be filed pursuant to Rule 1.13 either electronically or in hard copy. Comments should be served on parties to this proceeding in accordance with Rules 1.9 and 1.10. Electronic and hard copies of comments should be sent to ALJ Darling at md2@cpuc.ca.gov and Commissioner Peevey's advisor Brian Stevens at brian.stevens@cpuc.ca.gov. The current service list for this proceeding is available on the Commission's website at www.cpuc.ca.gov.

/s/ TIMOTHY J. SULLIVAN

Timothy J. Sullivan

Chief Administrative Law Judge (Acting)

TJS:sk6

Attachment

Digest of Differences Between ALJ Darling's Proposed decision and the Alternate Proposed Decision of President Peevey Granting Intervenor Compensation Request of the National Asian American Coalition and Latino Business Chamber of Greater Los Angeles for Substantial Contribution to D.12-11-051

Pursuant to Public Utilities Code Section 311(e), this is the digest of the substantive differences between the proposed decision of Administrative Law Judge (ALJ) Darling (mailed on May 30, 2014) and the alternate proposed decision of President Michael Peevey, (mailed on May 30, 2014).

The ALJ's proposed decision concludes the Black Economic Council, National Asian American Coalition and Latino Business Chamber of Greater Los Angeles did not substantially contribute to Decision (D.) 12-11-051 and denies all of the requested compensation.

The alternate proposed decision differs from the proposed decision, finding that the National Asian American Coalition and Latino Business Chamber of Greater Los Angeles substantially contributed to D.12-11-051 on certain issues and awards the intervenor \$108,948.90 in compensation, with some disallowances.

Decision **PROPOSED DECISION OF ALJ DARLING** (Mailed 5/30/2014)**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U338E) for Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service In 2012, And to Reflect That Increase In Rates.

Application 10-11-015
(Filed November 23, 2010)

**DECISION DENYING COMPENSATION TO BLACK ECONOMIC COUNCIL,
NATIONAL ASIAN AMERICAN COALITION, AND LATINO BUSINESS
CHAMBER OF GREATER LOS ANGELES FOR LACK OF SUBSTANTIAL
CONTRIBUTION TO DECISION 12-11-051**

Claimant: Black Economic Council (BEC), National Asian American Coalition (NAAC), and Latino Business Chamber of Greater Los Angeles (LBGLA) filing as Joint Parties	For contribution to: Decision 12-11-051
Claimed (\$): \$329,202¹	Awarded (\$): \$0 (reduced 100%)
Assigned Commissioner: Michael R. Peevey	Assigned ALJ: Melanie M. Darling

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:	Decision (D.) 12-11-051 resolves Southern California Edison Company's (SCE) test year 2012 general rate case (GRC). The decision adopted a 2012 revenue requirement representing the reasonable costs of providing safe and reliable electrical service to SCE's customers in that year. The Commission reduced SCE's request for 2012 operations and maintenance (O&M) expenses by \$258 million, and reduced the request for 2010-2012
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¹ As a result of the March 5, 2013 Motion to Withdraw Portions of Joint Parties' Intervenor Compensation Claim, the total amount of this request for compensation has been reduced to \$320,636.

	capital spending by \$756 million. The decision also adopts post-test year increases for 2013 and 2014.
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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 claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	January 31, 2011	Verified
2. Other Specified Date for NOI:	Please <i>see</i> comment below.	N/A
3. Date NOI Filed:	June 27, 2011	Verified
4. Was the NOI timely filed?		<i>See</i> Part I.C. below
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	Application (A.) 10-11-015	<i>See</i> Part I.C. below
6. Date of ALJ ruling:	July 8, 2011	<i>See</i> Part I.C. below
7. Based on another CPUC determination (specify):		
8. Has the Claimant demonstrated customer or customer-related status?		Yes, in part. <i>See</i> Part I.C. below.
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	Ruling (R.) ² 09-07-027	Verified
10. Date of ALJ ruling:	July 6, 2010 & August 26, 2010	Verified
11. Based on another CPUC determination (specify):	Please <i>see</i> comment below.	<i>See</i> Part I.C. below
12. Has the Claimant demonstrated significant financial hardship?		Yes

² Reference should be to Rulemaking 09-07-027.

Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.12-11-051	Verified
14. Date of Issuance of Final Order or Decision:	December 10, 2012	Verified
15. File date of compensation request:	February 7, 2013	See Comment in Part I Section C.
16. Was the request for compensation timely?		Yes (See Comment in Part I.C.)

C. Additional Comments on Part I :

#	Claimant	CPUC	Comment
3/4	Black Economic Council (BEC), National Asian America Coalition (NAAC), and Latino Business Chamber of Greater Los Angeles (LBCGLA) (together, Joint Parties)	Joint Parties timely filed a Notice of Intent (NOI) to Claim Intervenor Compensation, with deficiencies, on February 18, 2011. Joint Parties did not provide all of the information required to satisfy the eligibility requirement of Pub. Util. Code §1804(a) as of the June 3, 2011 ruling. ³ Joint Parties were preliminarily found to meet the requirements for Intervenor Compensation, pending the submission of certain documentation, in the Administrative Law Judge's (ALJ) Ruling	<p>Regarding Timely Filing of Notice of Intent to Claim Intervenor Compensation</p> <p>The Joint Parties had substantial difficulties with a series of procedural difficulties regarding its NOI. Thus, the Joint Parties filed an amended NOI on June 27, 2011 after timely filing its original NOI on March 2, 2011.</p>

³ All subsequent statutory references are to Public Utilities Code unless otherwise indicated.

		on July 8, 2011. (ruling discussed below).	
9/11	BEC, NAAC, and LBCGLA	Verified	<p>Regarding Showing of Significant Financial Hardship</p> <p>The BEC and NAAC were approved for significant financial hardship status on July 6, 2010 in R.09-07-027. The LBCGLA was approved for significant financial hardship status on August 26, 2010 in R.09-07-027.</p>
5, 6, 8		X	<p>Administrative Law Judge’s Ruling on Joint Parties’ Customer Status</p> <p>Joint Parties’ NOI (filed on March 2, 2011) did not meet the statutory requirements for establishing preliminary eligibility to seek intervenor compensation. Joint Parties failed to comply with the requirements, objected to the ALJ’s informal requests for additional information supporting their eligibility, were uncooperative with the ALJ in resolving the deficiencies, and alleged unfair treatment (i.e., that they were being held to a different standard than other parties). On May 19, 2011, Joint Parties filed a “Request for Hearing by Assigned Commissioner Simon re: Motion for Clarification and Order for Intervenor Status in Edison Rate Proceeding by Underrepresented Minority Nonprofits, the BEC, LBCGLA, and the NAAC.”</p> <p>The June 6, 2011 ALJ ruling denied Joint Parties’ request for hearing and directed Joint Parties to supplement the showing of customer status. Joint Parties filed an amended NOI on June 27, 2011, pursuant to the June 6, 2011 ALJ ruling. Joint Parties’ June 27, 2011 amended NOI included unsigned amended bylaws.</p> <p>The July 8, 2011 ALJ ruling found BEC, NAAC, LBCGLA preliminarily eligible as Category 3 customers, stating:</p> <p>None of the offered amendments or amended bylaws contain the relevant signature pages, instead they merely state the amendments were adopted. Although this would not be adequate</p>

PROPOSED DECISION

			<p>for any legal purpose, I accept it on good faith for purposes of a preliminary finding of eligibility. <u>However, in order to perfect the record, if and when Joint Parties [BEC, NAAC, LBCGLA] files a request for IComp, the amendments must be resubmitted with the corporate officer(s) signatures attesting to adoption of the amendment, or a copy of the signed amended bylaws should be included.</u> (Emphasis added.)</p> <p>On May 12, 2014, LBCGLA submitted signed bylaws and has met the requirements of § 1802(b)(1) for a finding of eligibility as a Category 3 customer. On May 16, 2014, NAAC submitted signed amendments to its bylaws and has met the requirements of § 1802(b)(1) for a finding of eligibility as a Category 3 customer. BEC does not have signed bylaws on file with the Commission and has not satisfied the requirements of Public Utilities Code § 1802(b)(1) for a finding of eligibility as Category 3 customers.</p> <p>Joint Parties could have easily avoided their NOI deficiencies and obviated the need for three ALJ rulings by reading and complying with Section 1801 <i>et seq.</i>, of the California Public Utilities Code. Therefore, any additional time claimed by Joint Parties to correct the NOI, is disallowed.</p>
15		X	<p>Ruling on Joint Parties Motion to Withdraw Portions of the Joint Parties’ Intervenor Compensation Claim</p> <p>Joint Parties filed their intervenor compensation claim on February 7, 2013. However, on March 5, 2013, Joint Parties filed a motion to withdraw portions of the Joint Parties’ claim. The motion incorrectly states that Joint Parties filed its claim on October 17, 2001. Joint Parties moved to withdraw all hours related to settlement discussions and relating to research of philanthropy issues. This decision grants the motion and notes the reductions in footnotes to Part III(B) of this decision.</p>

16		X	<p>Timeliness of Filing</p> <p>Pursuant to D.98-04-059, the request is deemed complete on May 16, 2014, when the NAAC submitted eligibility documentation required by the July 8, 2010 ruling in A.10-11-015.</p>
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PART II: SUBSTANTIAL CONTRIBUTION

A. Claimant’s contribution to the final decision (see § 1802(i), § 1803(a) & D.98-04-059).

Intervenor’s Claimed Contribution	Specific References to Claimant’s Presentations and to Decision	CPUC’s Commnets
<p>1. Considering the Rate Increase in the Context of the Economic Recession</p> <p>The Joint Parties (JP) argued repeatedly that any rate increase should be considered in the context of the Great Recession. Specifically, that the Commission should decline to raise rates during a time in which most ratepayers were facing severe economic crisis and were unable to pay their monthly utility bills. The Commission explicitly recognized and validated this argument in D.12-11-051 and utilized language that had been suggested by the Joint Parties, including the language that SCE must “tighten its belt.”</p>	<ul style="list-style-type: none"> • D.12-11-051; at 2, 20-22, 452. • JP Motion Requesting Party Status; at 2. • JP Prehearing Conference Statement; at 2-3. • Testimony of JP Experts Bautista, Canty, and Corralejo; at 12. • JP Response to Edison Motion to Strike (Aug. 8, 2011); at 2-3, 6. • Motion to Ensure Updated Data on the Great Recession, at 2-4. • JP Opening Brief; at 8-11. • JP Reply Brief; at 2-3. • JP Comments on Proposed Decision; 	<p>Not accepted. Considering the rate increase in the context of the economic recession was not an issue within the scope of the proceeding. D.12-11-051 affirmed that the criteria for review of proposed capital additions in the GRC period is whether they are reasonable and necessary for the generation and distribution of electricity, not whether there is an economic benefit to the surrounding communities from new construction.</p>

<p>2. The Questionable Validity of the Total Compensation Study</p> <p>The Joint Parties made key arguments about the validity of the SCE total compensation study, including raising the possibility of a conflict of interest within the contracted company, questioning the methodology employed, and the exclusion of the Los Angeles Department of Water and Power data only for executives. DRA ultimately joined the Joint Parties’ positions questioning the methodology of the study, even though it was jointly sponsored by DRA. As a result, the Commission ordered that a workshop should be held on the methodology of the total compensation study and that if an RFP is made for a total compensation study in the future, that all applicants are required to disclose if they receive more than 10% of their annual revenues from other SCE contracts.</p>	<p>at 3-7.</p> <ul style="list-style-type: none"> • D.12-11-051; at 440-444. • JP Motion Requesting Party Status; at 2. • JP Prehearing Conference Statement; at 5. • Testimony of JP Experts Bautista, Canty, and Corralejo; at 13. • Testimony of JP Expert Phillips; at 21-24. • Motion for Expedited Hearing (July 6, 2011); at 4. • JP Response to Edison Motion to Strike (Aug. 8, 2011); at 5-8. • JP Response to Motion to Strike; at 3. • JP Opening Brief; at 5-6, 15-19. • JP Reply Brief; at 4-5. • JP Comments on Proposed Decision; at 7-8. • JP Reply Comments on Proposed Decision; at 3. 	<p>Not accepted. Joint Parties did not substantially contribute to D.12-11-051 on the validity of the total compensation study. The Joint Parties did not establish error in the Commission-approved process developed by Office of Ratepayer Advocates (ORA) and SCE to undertake the Total Compensation Study, did not undertake pre-hearing discovery or otherwise develop countervailing evidence to support a conclusion that the study was biased or flawed as to executive compensation, and failed to appear at the time to cross-examine the SCE witness sponsoring the study. This absence required the ALJ to question the witness to establish a record about the study and information relating to Joint Parties’ unsupported claim that the company study was biased. ORA did not join Joint Parties in this position. The referenced ORA witness did not allege that the process was biased or that he was in anyway inhibited from full participation in development of the compensation study methodology.</p>
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<p>3. SCE’s Record of Supplier Diversity as the Worst Among Major California Utilities</p> <p>The Joint Parties raised issues of supplier diversity, including the fact that SCE’s record is the worst among the major California utilities. The Joint Parties raised issues of technical assistance and the need for SCE to work closely with CBOs, Commission staff, and other interested parties to develop SCE’s improvement plan, to enhance community outreach, and to improve the quality, quantity, and availability of SCE’s technical assistance programs. The Commission ultimately urged SCE to work with CBOs on technical assistance and capacity building, to share resources, conduct outreach, work together, exchange constructive criticism, share best practices, and assist smaller and newer reporting companies with their supplier diversity programs.</p>	<ul style="list-style-type: none"> • D.12-11-051; at 560-562. • JP Prehearing Conference Statement; at 4-6. • Testimony of JP Experts Bautista, Canty, and Corralejo; at 6-12. • Motion for Expedited Hearing (July 6, 2011); at 2-3. • Ex Parte with Commissioner Ferron (July 21, 2011); at 2. • Ex Parte with Commissioners Simon and Peevey (July 22, 2011); at 2. • Ex Parte with Clanon, Brown, Zafar (Aug. 31, 2011); at 2-3. • Ex Parte with St. Marie (Aug. 31, 2011); at 2-3. • JP Opening Brief; at 5-6, 29-43. • JP Reply Brief; at 7-9. • Ex Parte Commission Peevey, Brown (Nov. 18, 2011); at 3. • Ex Parte Florio, Khosrowjah (Dec. 7, 2011); at 3. • JP Comments on Proposed Decision; 	<p>Not accepted. Joint Parties sought to reiterate criticisms and arguments made about SCE in R.09-07-027 regarding General Order 156. The information provided by Joint Parties was not new to the Commission, nor did they link any particular estimate of costs in the GRC to its comments.</p>
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<p>4. Executive Compensation and Pensions for Executives</p> <p>The Joint Parties raised multiple issues regarding executive compensation that were addressed in D.12-11-051. This includes crafting a new pension plan for highly-paid executives that reflects the economic reality for SCE’s ratepayers.</p> <p>The Joint Parties made several recommendations regarding executive compensation, particularly addressing pensions in the context of Governor Brown’s pension plan released in October 2011.</p>	<p>at 10-13.</p> <ul style="list-style-type: none"> • D.12-11-015; at 437-438, 452-453. • Joint Parties’ (JP) JP Motion Requesting Party Status; at 3. • JP Prehearing Conference Statement; at 3. • Testimony of JP Expert Phillips; at 24-25. • Ex Parte with Commissioners Simon and Peevey (July 22, 2011); at 3. • Response to Edison’s Motion to Strike Portions of the Opening Brief of the JP (Oct. 3, 2011); at 4. • JP Opening Brief; at 24-28. • JP Reply Brief; at 5-6. • JP Reply Comments on Proposed Decision; at 4. • D.12-11-015; at 438, 464-465. • JP Motion to Include Developing Data on Pensions within the General Rate Case; at 2-5. • JP Comments on Proposed Decision; at 1-12. 	<p>Not accepted. Joint Parties did not substantially contribute on the executive compensation and pensions for executives issue. Joint Parties’ ideas were undeveloped, conclusory, and did not provide any evidentiary basis for any part of D.12-11-051.</p>
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<p>5. Procedural Matters Resulting from a Delayed Granting of Party Status</p> <p>The Joint Parties devoted a significant amount of time establishing their customer status, which had been improperly challenged by ALJ Darling. Ultimately, in a July 8, 2011 ruling, the Joint Parties were granted customer status and were found eligible for intervenor compensation. As it turned out, this unnecessary procedural hurdle required a portion of the Joint Parties' time, including <i>ex parte</i> meetings with Commissioners, motions on the record, and a number of rulings. In addition, during this stage of uncertainty in the proceedings, two major corporations, Walmart and Exxon Mobil, were granted party status in inconsistent rulings that were addressed by the Joint Parties as they sought, eventually successfully, to secure their own party status.</p>	<ul style="list-style-type: none"> • ALJ's Ruling Finding Joint Parties Eligible for Intervenor Compensation (July 8, 2011); at 1-6. • ALJ's Ruling Denying Joint Parties' Motion for Clarification of Intervenor Status and Request for Hearing and Response to Notice of Intent to Claim Intervenor Compensation; at 1-8. • JP's Notice of Intent to Claim Intervenor Compensation (March 2, 2011); at 1-4. • JP Request for Hearing by Assigned Commissioner Simon re: Motion for Clarification Order for Intervenor Status in Edison Rate Proceeding by Underrepresented Minority Nonprofits; at 1-12. • Late-Filed Notice of Grant of Ex Parte Communication (June 3, 2011); at 2. • Testimony of JP Experts Bautista, Canty, and Corralejo; at 3-6. • JP Amended Notice of Intent to Claim Intervenor 	<p>Not accepted. Joint Parties were unfamiliar with the basic requirements for establishing preliminary eligibility for intervenor compensation or how to electronically file documents. This resulted in extraordinary time by the ALJ and the Docket Office assisting Joint Parties to understand the requirements and getting documents properly amended and filed. NAAC also changed its name during the proceeding but did not provide requested evidence of changes to the organization's articles of incorporation and bylaws until after submission of the claim.</p>
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	<p>Compensation (June 27, 2011); at 1-4.</p>	
<p>6. Nuclear Issues Resulting from a “Black Swan” Event at SONGS</p> <p>Throughout the proceeding, the Joint Parties raised issues of nuclear safety and community education resulting from a possible “Black Swan” event at SONGS. Indeed, the Joint Parties even cross-examined Mr. Litzinger about the possibility months before any issues were identified at SONGS. Although the Commission did not specifically cite the concerns of the Joint Parties in D.12-11-051, the Commission did note that the safety concerns that were forecasted by the Joint Parties did not occur until after the close of evidentiary hearings and final briefing. Indeed, the Joint Parties had an intervenor coordination meeting with the acting director and senior staff of DRA to discuss the SONGS issue and its effect on the SCE general rate case. Therefore, the issue was pertinent, although unable to be addressed in this particular decision because of procedural barriers.</p> <p>The Joint Parties argue that their contribution to the record on this issue helped set the stage for any further discussions occurring in the SONGS OII (Investigation (I.) 12-10-013). In accordance with §1802(i), the Joint Parties have “substantially assisted the Commission in the making of its order or decision because the order or decision has adopted in whole or in part one or more factual contentions, legal contentions, or specific policy or procedural recommendations presented by the customer.” This</p>	<ul style="list-style-type: none"> • Testimony of JP Experts Bautista, Canty, and Corralejo; at 15. • Testimony of JP Expert Phillips; at 21, 26. • Response of JP to Edison’s Motion to Strike dated August 2; at 9. • JP Opening Brief; at 11. • JP Comments on Proposed Decision; at 14-16. • JP Reply Comments on Proposed Decision; at 5. 	<p>Not accepted. Joint Parties were attempting to raise nuclear operational issues without linkage to cost estimates at issue in the proceeding. Nuclear operations are under the jurisdiction of the Nuclear Regulatory Commission. Joint Parties’ efforts were confusing, unsupported and speculative.</p> <p>Additionally, Joint Parties’ claim that its efforts “helped set the stage” for the San Onofre Nuclear Generating Station (SONGS) OII I.12-10-013) is inaccurate. The Commission drafted the Order Instituting Investigation based on publicly known facts about the January 2012 shutdown at SONGS units.</p>

<p>substantial contribution is demonstrated above in the sections on the Great Recession, the total compensation study, supplier diversity issues, and pensions. As further directed, “Where the customer’s participation has resulted in substantial contribution, even if the decision adopts that customer’s contention or recommendation only in part, the Commission may award the customer compensation for all reasonable advocate’s feed, reasonable expert fees, and other reasonable costs incurred by the customer in preparing or presenting that contention and recommendation.”</p> <p>Although the Commission ultimately did not address the issues raised regarding SONGS, the Joint Parties’ time investment of 33.6 hours into this issue should be duly compensated in accordance with §1802(i).</p>		
<p>7. General Issues and Procedural Requirements</p> <p>This category includes procedural requirements, such as reviewing briefs of other parties or filing procedural or discovery issues. For example, included in this category is the Joint Parties’ successful motion to strike portions of the Opening Brief of SCE. This category also includes time spent in engaging in coordination with other intervenors, as directed by the ALJ in the Scoping Memo.</p>	<ul style="list-style-type: none"> • For examples on general or procedural issues, please see Response of the JP to Edison’s Motion to Strike Dated August 2; JP Motion to Compel Edison to Response to Executive Compensation Discovery; JP Motion to Admit Cross-Exhibits Regarding Executive Compensation; JP Motion to Strike Portions of the Reply Brief of SCE. 	<p>Not accepted. Joint Parties’ claim that they spent compensable time coordinating with other parties is unpersuasive because its activities did not result in a substantial contribution to D.12-11-051. (<i>See</i> Part II(B)(c) and Part II(C)).</p>

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

	Claimant	CPUC Verified
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?⁴	Yes	Verified
b. Were there other parties to the proceeding with positions similar to yours?	No	Not accepted
<p>c. If so, provide name of other parties:</p> <p>There were no other parties in this proceeding that represented consumer interests from the perspectives of communities and business owners of color.</p> <p>One of the reasons for the Joint Parties’ substantial time in this proceeding was that the party that historically has addressed minority issues, the Greenlining Institute, was not an active participant in this case. Thus, the Joint Parties had to play a much larger role in the proceedings than originally anticipated.</p> <p>The Commission has historically welcomed the perspective of Black, Latino, and Asian American communities over the past twenty years, particularly under the leadership of President Peevey.</p>		<p>Incorrect, the California Black Chamber of Commerce (CBCC) was also a party to this proceeding. The CBCC is an organization that advocates issues on behalf of Black Business Associations and African American Chambers of Commerce. CBCC also advocated for these small businesses and a commitment to contracting with California based small businesses.</p>

⁴ The Division of Ratepayer Advocates (DRA) was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013), which was approved by the Governor on September 26, 2013.

<p>d. Describe how you coordinated with ORA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party:</p> <p>The Joint Parties were the only parties who addressed the potential rate increase from the perspective of people of color and minority business owners in California. Thus, their arguments on issues such as supplier diversity and how the Recession particularly impacted communities of color were unique. The work of the Joint Parties did not overlap with other parties, even when addressing the same issue. For example, the Joint Parties addressed the total compensation study from such a unique perspective that DRA raised similar arguments in its Briefs, contrary to initial comments, after evidence was presented by the Joint Parties.</p>	<p><i>See</i> comments in Part II (C).</p>
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C. Additional Comments on Part II:

#	Claimant	CPUC	Comment
Part IIA		X	<p>Claimant’s contribution to the final decision</p> <p>This decision denies intervenor compensation to Joint Parties for failing to make a substantial contribution to D.12-11-051. Under Pub. Util. Code § 1803(a), in order to qualify for a compensation award, an intervenor must, among other requirements, demonstrate that it has made a “substantial contribution” to a Commission decision. This requires a finding that,</p> <p style="padding-left: 40px;">In the judgment of the commission, the customer’s presentation has substantially assisted the commission in the making of its order or decision because the order or decision has adopted in whole, or in part, one or more factual contentions, legal contentions, or specific policy or procedural recommendations presented by the customer.⁵</p> <p>Joint Parties have not made a substantial contribution to D. 12-11-015 because the decision did not rely on any of the claims or opinion testimony of Joint Parties and Joint Parties’ presentation did not substantially assist the Commission in making its decision.</p> <p>In addition to the unnecessary motions that were filed by Joint Parties, its</p>

⁵ Pub. Util. Code § 1803(a).

			<p>testimony largely presented unsupported opinion rather than fact-gathering and analysis. Furthermore, a review of Joint Parties’ filings reveals excessive repetition of testimony and summaries of Joint Parties’ meetings outside of Commission proceedings.</p> <p>Joint Parties refer only to its filings and D.12-11-015’s description of the arguments that Joint Parties presented as the basis for its claim of substantial contribution. These passages, however, merely summarize the information put forth by Joints Parties. Active participation by an intervenor in a proceeding is not, by itself, sufficient to support a finding of substantial contribution.⁶ Joint Parties have not shown reference in the discussion sections of the decision indicating where the decision appeared to consider, rely upon, or otherwise use any of Joint Parties’ arguments or evidence.</p>
<p>Part II B(d)</p>		<p>X</p>	<p>Duplication of effort</p> <p>As stated in Part II(B)(d) and in the ALJ’s ruling on July 8, 2011, the Commission strongly encourages intervenors to collaborate with other parties “that avoids unproductive or unnecessary participation that duplicated the participation of similar interests otherwise adequately represented or participation that is not necessary for a fair determination of the proceeding.” Though the CBCC also represents the interest of people of color and minority business owners, the timesheets of Joint Parties do not include any record of an effort to collaborate with them or any other organization in its advocacy. A compensation request, particularly of this magnitude, must include efforts to minimize cost to ratepayers.</p>

⁶ D.98-11-009, 1998 Cal PUC LEXIS 769, at 22.

PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

<p>a. Concise explanation as to how the cost of Claimant’s participation bears a reasonable relationship with benefits realized through participation</p> <p>The Joint Parties’ request for intervenor compensation seeks an award of approximately \$329,202 as the reasonable cost of their participation in this proceeding.</p> <p>The Joint Parties’ advocacy reflected in D.12-11-051 addressed broad policy matters from the perspective of for low-income communities and communities of color. For the most part, the Joint Parties cannot easily identify precise monetary benefits to ratepayers from their work related to D.12-11-051, given the complex nature of the issues presented.</p> <p>The Joint Parties clearly had a major impact on the Commission’s framing of the GRC in the context of the Great Recession. Additionally, arguably the Joint Parties’ greatest impact was on the total compensation study process. The Commission has now ordered a workshop analyzing the methodology of the total compensation study and will investigate whether any potential conflicts of interest exist with the company performing the total compensation study. Additionally, the Commission benefitted from the Joint Parties’ expertise in supplier diversity issues, and their analysis of pension issues from a ratepayer standpoint.</p> <p>For all these reasons, the Commission should find that the Joint Parties’ efforts have been productive.</p>	<p style="text-align: center;">CPUC Verified</p> <p>This decision denies intervenor compensation to the BEC, NAAC, and LBCGLA, filing as Joint Parties, for failing to make a substantial contribution to D.12-11-051 and for causing delay and obstruction to the Commission’s orderly and timely fulfillment of its responsibilities. The cost of Joint Parties’ participation, over \$300,000, does not bear a reasonable relationship with results realized through its participation. Joint Parties have not demonstrated how its participation has benefited ratepayers or how the cost of Joint Parties’ participation is small in relation to the benefits ratepayers receive because of its participation.</p> <p>Even if Joint Parties’ recommendations were directed at policy where it may be impossible to identify monetary benefits to ratepayers, Joint Parties did not identify any nonmonetary benefits for ratepayers in the decision that were achieved from its participation.</p> <p>Section 1808 of the Public Utilities Code makes clear that the Commission shall deny any award to any customer who</p>
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	<p>attempts to delay or obstruct the orderly and timely fulfillment of the Commission’s responsibilities. Counsel and advocates of Joint Parties filed many unnecessary motions and abdicated most of its inquiry as to executive compensation to the ALJ during hearings. Joint Parties’ counsel exhibited unreasonable behavior by not making efforts to cross examine those giving testimony on the record. Joint Parties’ counsel’s actions throughout the proceeding burdened the Commission and parties to this proceeding and caused significant obstruction and delay.</p>
<p>b. Reasonableness of Hours Claimed.</p> <p>This Request for Compensation includes approximately 758.6 total hours for the Joint Parties’ attorneys and staff. The Joint Parties submits that this is a reasonable amount of time, given the complex issues examined, as well as the wide variety resulting in D.12-11-051. These hours were devoted to substantive pleadings as well as to procedural matters.</p> <p>The Joint Parties’ request is also reasonable because they were as efficient as possible in staffing this proceeding. This proceeding took place primarily when Mr. Gnaizda was the only full-time member of the legal staff. Since August 2011, Ms. Swaroop has been added as a full-time member of the staff, but was not able to take over a case of this complexity and magnitude of the issues. Once Ms. Swaroop joined the legal team, Ms. Swaroop was utilized as much as could be possible given Mr. Gnaizda’s expertise in the case that was already progressing.</p> <p>The Joint Parties’ request also includes 37.7 hours devoted to the preparation of this request for compensation. Ms. Swaroop and Mr. Lewis spent 37.7 hours preparing this claim. This is explained by a number of factors involved in this case, the complexity of the hours filed and time spent computing and confirming mathematical results.</p>	<p>Joint Parties have explained how work was delegated to junior attorneys as much as possible. This action does not mitigate the unreasonableness of hours claimed by Joint Parties for an excessive amount of time spent drafting frivolous motions, many of which a quick review of the Commission’s Rules of Practice and Procedure would have shown to be meritless. Some of these motions sought to have the assigned commissioner reverse ALJ rulings and were not resolved in favor of Joint Parties.</p>

This avoided the need for any of Mr. Gnaizda’s time, which is 2.5 times more costly.		
c. Allocation of Hours by Issue		<p>The allocation of hours by issue represented by Joint Parties appears to be somewhat inaccurate given its presentation in the proceeding. Joint Parties largely focused on the issue of executive compensation. Joint Parties urged the Commission to disregard reliance on the Hewitt compensation study because of economic bias and asked the Commission to only consider the economic condition of ratepayers in the context of executive compensation. Some hours were spent on recommendations that SCE be ordered to justify, in writing to the Commission, any contract in excess of \$1 million that wasn’t bundled and that SCE develop a comprehensive and enforceable program to guarantee diversity contracting. The allocation of hours by issue presented by Joint Parties does not accurately reflect its actual presentation in the proceeding.</p> <p>Pursuant to Joint Parties’ March 5, 2013 Motion to Withdraw, all hours related to settlement discussions and to research of philanthropy issues has been adjusted in the footnotes in Part III Section B.</p>
A. Economic Recession	10.7%	
B. Total Compensation Study	14.7%	
C. Supplier Diversity	18.0%	
D. Executive Compensation and Pension-Related Issues	18.7%	
E. Party Status	3.3%	
F. Nuclear Issues	4.2%	
G. General Issues and Procedural Requirements	30.4%	
Total	100.0%	

B. Specific Claim:

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Robert Gnaizda	2010	17.8	\$535	D.12-07-15 ⁷	\$9,523	0	No hourly rate adopted here	\$0
Robert Gnaizda	2011	404.2 ⁸	\$535	D.12-07-15 ⁹	\$216,247 ¹⁰	0	No hourly rate adopted here	\$0
Robert Gnazida	2012	43.4	\$545	See Attachment B	\$23,653	0	No hourly rate adopted here	\$0
Shalini Swaroop	2011	121.6	\$215	See Attachment C	\$26,144	0	No hourly rate adopted here	\$0

⁷ Joint Parties incorrectly refer to D.12-07-15 as the basis for Robert Gnaizda's 2010 rate. The correct decision reference is D.12-07-015.

⁸ Joint Parties withdrew 12.7 hours from Robert Gnaizda's 2011 time for a new total of 391.5 hours in 2011. Joint Parties' Motion filed March 5, 2013.

⁹ Joint Parties incorrectly refer to D.12-07-15 as the basis for Robert Gnaizda's 2010 rate. The correct decision reference is D.12-07-015.

¹⁰ As a result of the March 5, 2013 Motion to Withdraw Portions of Joint Parties' Intervenor Compensation Claim, the total request for Robert Gnaizda's 2011 work was reduced to \$209,452.50.

Shalini Swaroop	2012	28.1	\$220	See Attachment C	\$6,182	0	No hourly rate adopted here	\$0
Faith Bautista	2010	2.4	\$300	See Attachment D	\$720	0	No hourly rate adopted here	\$0
Faith Bautista	2011	17.7 ¹¹	\$300	See Attachment D	\$5,310 ¹²	0	No hourly rate adopted here	\$0
Faith Bautista	2012	1.8	\$306	See Attachment D	\$551	0	No hourly rate adopted here	\$0
Len Canty	2010	2.2	\$300	See Attachment E	\$660	0	No hourly rate adopted here	\$0
Len Canty	2011	13.4 ¹³	\$300	See Attachment E	\$4,020 ¹⁴	0	No hourly rate adopted here	\$0

¹¹ Joint Parties withdrew 0.4 hours from Faith Bautista's 2011 time for a new total of 17.3 hours in 2011. Joint Parties' Motion filed March 5, 2013.

¹² As a result of the March 5, 2013 Motion to Withdraw Portions of Joint Parties' Intervenor Compensation Claim, the total request for Faith Bautista's 2011 work was reduced to \$5,190.

¹³ Joint Parties withdrew 2.7 hours from Len Canty's 2011 time for a new total of 10.7 hours in 2011. Joint Parties' Motion filed March 5, 2013.

¹⁴ As a result of the March 5, 2013 Motion to Withdraw Portions of Joint Parties' Intervenor Compensation Claim, the total request for Len Canty's 2011 work was reduced to \$3,210.

PROPOSED DECISION

Jorge Corralejo	2010	1.4	\$300	See Attachment F	\$420	0	No hourly rate adopted here	\$0
Jorge Corralejo	2011	8.7 ¹⁵	\$300	See Attachment F	\$2,610 ¹⁶	0	No hourly rate adopted here	\$0
Michael Phillips	2011	40	\$383	See Attachment G	\$15,320	0	No hourly rate adopted here	\$0
Michael Phillips	2012	6.5	\$391	See Attachment G	\$2,542	0	No hourly rate adopted here	\$0
Subtotal:					\$313,902 ¹⁷	Subtotal:		\$0
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Aaron Lewis	2011	22.6 ¹⁸	\$110	See Comment 1 below	\$2,486 ¹⁹	0	No hourly rate adopted	\$0

¹⁵ Joint Parties withdrew 1.1 hours from Jorge Corralejo's 2011 time for a new total of 7.6 hours in 2011. Joint Parties' Motion filed March 3, 2013.

¹⁶ As a result of the March 5, 2013 Motion to Withdraw Portions of Joint Parties' Intervenor Compensation Claim, the total request for Jorge Corralejo's 2011 work was reduced to \$2,280.

¹⁷ As a result of the March 5, 2013 Motion to Withdraw Portions of Joint Parties' Intervenor Compensation Claim, the subtotal of attorney, expert and advocate fees has been reduced to \$305,847.

¹⁸ Joint Parties have withdrawn .1 hours from Aaron Lewis' 2011 time for a new total of 22.5 hours in 2011. Joint Parties' Motion filed March 5, 2013.

¹⁹ As a result of the March 5, 2013 Motion to Withdraw Portions of Joint Parties' Intervenor Compensation Claim, the total request for Aaron Lewis' 2011 work was reduced to \$2,475.

PROPOSED DECISION

							here	
Kevin Moraine	2011	69.9	\$110	See Attachment H	\$7,689	0	No hourly rate adopted here	\$0
Travel for Robert Gnaizda to Southern California for Public Participation Hearings	2011	2.4	\$268	D.12-07-15	\$643	0	No hourly rate adopted here	\$0
Subtotal:					\$10,818	Subtotal:		\$0
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Shalini Swaroop	2012	2.3	\$110	See Attachment C	\$253	0	No hourly rate adopted here	\$0
Shalini Swaroop	2013	15	\$116	See Attachment C	\$1,740	0	No hourly rate adopted here	\$0
Aaron Lewis	2012	1.1	\$97.5	See Attachment I	\$107.25	0	No hourly rate adopted here	\$0
Aaron Lewis	2013	19.3	\$97.5	See Attachment I	\$1,881.75	0	No hourly rate adopted here	\$0
Subtotal:					\$3,982	Subtotal:		\$0

PROPOSED DECISION

COSTS					
#	Item	Detail	Amount	Amount	
	Printing	Printing costs for Commission rulings, internal drafts of filings, copies of cross exhibits, other parties' filings, and discovery documents.	\$500		\$0
Subtotal:			\$500	Subtotal:	\$0
TOTAL REQUEST \$:			\$329,202	TOTAL AWARD \$:	\$0

* We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation must be retained for at least three years from the date of the final decision making the award.

**Travel and reasonable claim preparation time typically compensated at ½ of preparer's normal hourly rate.

Attorney	Date Admitted to CA BAR²⁰	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Robert Gnaizda	January 9, 1962	32148	No
Shalini Swaroop	June 11, 2010	270609	No
Aaron Lewis	December 5, 2012	285526	No
Kevin Moraine	December 13, 2013	294038	No

²⁰ This information may be obtained at: <http://www.calbar.ca.gov/>.

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))

A. Opposition: Did any party oppose the Claim?	No
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B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(c)(6))?	No
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FINDINGS OF FACT

1. The July 8, 2011 ALJ ruling required Black Economic Council, National Asian American Coalition, and Latino Business Chamber of Greater Los Angeles to submit signed bylaws with their claim in this proceeding in order to that satisfy the requirements of § 1802(b)(1) for a finding of eligibility as Category 3 customers.
2. On May 12, 2014, Latino Business Chamber of Greater Los Angeles submitted signed bylaws and satisfied the requirements of § 1802(b)(1) for a finding of eligibility as a Category 3 customer.
3. On May 16, 2014, National Asian American Coalition submitted signed amendments to its bylaws and satisfied the requirements of § 1802(b)(1) for a finding of eligibility as a Category 3 customer.
4. Black Economic Council does not have signed bylaws on file with the Commission and has not satisfied the requirements of Public Utilities Code § 1802(b)(1) for a finding of eligibility as Category 3 customers.
5. Black Economic Council, National Asian American Coalition, and Latino Business Chamber of Greater Los Angeles have not made a substantial contribution to D.12-11-051.
6. The behavior of Black Economic Council, National Asian American, Coalition, and Latino Business Chamber of Greater Los Angeles in A.10-11-015 met the criteria of Public Utilities Code § 1808 to deny any award of intervenor compensation for delaying and obstructing the orderly and timely fulfillment of the Commission's responsibilities.
7. The claimed costs and expenses are not reasonable and do not commensurate with the work performed.
8. The total of reasonable compensation is \$0.00.

CONCLUSION OF LAW

1. The Claim fails to satisfy all requirements of Public Utilities Code §§ 1801-1812.

ORDER

1. The request of Black Economic Council, National Asian American Coalition, and Latino Business Chamber of Greater Los Angeles for an award of compensation is denied.
2. The comment period for today's decision is not waived.
3. This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision? No
Contribution Decision(s):	D1211051	
Proceeding(s):	A1011015	
Author:	ALJ Melanie Darling	
Payer(s):	Southern California Edison Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier	Reason Change/Disallowance
The Black Economic Council, National Asian American Coalition, Latino Business Chamber of Los Angeles	02/07/2013 ¹ Date of Completed Filing: 05/16/2014	\$329,202 ²	\$0	No	Lack of substantial contribution, printing costs not supported by receipts, non-compensable travel, adopted hourly rates lower than requested, behavior to delay and obstruct the orderly and timely fulfillment of the Commission's responsibilities.

(END OF APPENDIX)

¹ Amended on March 5, 2013, pursuant to Joint Parties' Motion to Withdraw Portions of Joint Parties' Intervenor Compensation Claim.

² As a result of the March 5, 2013 Motion to Withdraw Portions of Joint Parties' Intervenor Compensation Claim, the total amount of this request for compensation has been reduced to \$320,636.