

Decision _____

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 GRANTING COMPENSATION TO THE UTILITY REFORM NETWORK
FOR SUBSTANTIAL CONTRIBUTION TO DECISION 12-11-051**

Claimant: The Utility Reform Network (TURN)	For contribution to Decision (D.) 12-11-051
Claimed (\$): \$1,131,257.37	Awarded (\$): \$1,097,201.90 (reduced 3.0%)
Assigned Commissioner: Michael R. Peevey	Assigned ALJ: Melanie M. Darling

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:	D.12-11-051 resolves Southern California Edison Company's (SCE) test year 2012 general rate case. 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 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	Correct
2. Other Specified Date for NOI:	N/A	N/A
3. Date NOI Filed:	March 2, 2011	Correct
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	See Comment #1	See Comment(s)
6. Date of ALJ ruling:	See Comment #1	See Comment(s)

7. Based on another CPUC determination (specify):	See Comment #1	N/A
8. Has the Claimant demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	Petition 10-08-016	Correct
10. Date of ALJ ruling:	November 22, 2010	Correct
11. Based on another CPUC determination (specify):		
12. Has the Claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.12-11-051	Correct
14. Date of Issuance of Final Order or Decision:	December 10, 2012	Correct
15. File date of compensation request:	January 25, 2013	Correct
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part:

#	Claimant	CPUC	Comment
1	X		TURN understands that the ALJ Division has adopted a practice of only issuing a formal ruling on an intervenor’s notice of intent if the intervenor is seeking to demonstrate significant financial hardship, rather than relying on the rebuttable presumption created by an earlier finding of hardship. TURN’s showing on financial hardship (relying on the rebuttable presumption) and customer status was contained in our NOI. TURN has previously been found to satisfy these two standards -- for example see ALJ ruling on January 3, 2012 in Rulemaking 11-11-008.
2		X	The Commission has reviewed TURN’s revised bylaws submitted to the Commission on October 28, 1996. Section III states that TURN is organized to “train consumer law advocates...engaged in scientific research on the operations of administrative agencies...publish research...represent the interest of consumers in administrative and judicial decision making process(es) regarding public utility matters...” The Commission upholds past proceedings finding TURN eligible under Pub. Util. Code § 1802(b). We remind TURN that it must provide a copy of its bylaws or articles of incorporation, or cite to a formal proceeding in which these documents have been previously submitted. Since TURN has provided the Commission with a copy of this information, no further copies are required, unless TURN amends such bylaws or articles of incorporation in the future. Thus, TURN is eligible to seek intervenor compensation in this proceeding having the requisite showing of customer or customer-related status.

PART II: SUBSTANTIAL CONTRIBUTION

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

Contribution	Specific References to Claimant’s Presentations and to Decision	Showing Accepted by CPUC
<p>Overview: This General Rate Case (GRC) proceeding covered an array of issues associated with SCE’s electric generation and distribution utility functions. TURN submitted testimony from six witnesses on a wide variety of those issues, and addressed additional issues through our cross-examination of SCE witnesses during the evidentiary hearings. As TURN will describe in more detail below, TURN’s efforts resulted in a substantial contribution on the vast majority of issues addressed in our testimony and briefs. In D.12-11-051, the adopted outcomes on the issues TURN addressed were generally consistent with TURN’s recommendation. Even where the Commission did not adopt TURN’s recommended outcome even in part, it often cited with favor TURN’s analysis of the issue. Therefore the Commission should have no trouble determining that TURN’s substantial contribution on the wide array of issues addressed in this GRC warrants the requested award of compensation.</p> <p>TURN relies largely on our opening brief as the source for citations to where the arguments and evidence supporting our substantial contributions appear in the record of this proceeding. The cited pages from that brief should point the Commission toward the prepared and oral testimony and other record evidence supporting TURN’s position. Should the Commission conclude that it needs further support for any of the substantial contributions described here, TURN requests an opportunity to supplement this showing with additional citations as appropriate.</p>		<p>Yes</p>
<p>1. Overall outcome – The Commission calculated a \$5.671 billion revenue requirement authorized for 2012, as compared to the updated 2012 revenue requirement of \$6.294 billion requested by SCE. TURN can take credit for a substantial portion of this reduction of \$623 million for 2012.</p>	<p>D.12-11-051, at 3.</p>	<p>Yes</p>
<p>2. Policy – TURN recommended that the Commission find SCE’s “headcount” results from its Results of Operation (RO) model to be unreliable because they bear no relationship to SCE’s actual personnel and employment decisions.</p>	<p>TURN Opening Brief, at 5-13.</p>	<p>Yes</p>

<p>The Commission addressed the use of the RO model for this purpose, calling it “not a reliable indicator of eventual results.”</p>	<p>D.12-11-051, at 22-23.</p>	
<p>3. Generation – Solar Photovoltaic Program (SPVP)</p> <p>TURN recommended that the capital expenditure forecast be trued up to actuals for 2010 because the lower figure was more consistent with the reality that the utility would not complete the forecast work for 2012. TURN further recommended that the O&M expense forecast be reduced due to the fact that fewer projects would operate in 2012, and (along with DRA) opposed SCE’s proposal to eliminate the SPVP balancing account because of the risk that the forecasted spending would be far greater than the actual spending.</p> <p>After the GRC was submitted, the Commission issued D.12-02-035 modifying the SPVP and reduced the forecasted projects and the associated cost forecasts by 50%. In recognition of this post-briefing change, the Commission adopted an O&M forecast of 50% of the amount SCE had requested, an outcome that subsumed TURN’s recommendations. While the Commission did not embrace TURN’s recommended capital spending adjustments based on a “true-up,” it adopted a reduced spending level for 2011 through 2014 to be consistent with D.12-02-035. Finally, the Commission rejected SCE’s proposal to eliminate the SPVP balancing account.</p>	<p>TURN Opening Brief, at 29-33.</p> <p>D.12-11-051, at 82-83.</p>	<p>Yes</p>
<p>4. Generation – Catalina Diesel</p> <p>TURN’s recommendations focused on four issues:</p> <p>SCE’s requested write-off of \$1.3 million it had spent on an undersea cable project (and a further reduction of \$20 million in rate base for what TURN believes to be SCE’s imprudent management of the project); removal of \$11.9 million for the forecasted capital costs of the switchrack project proposed for late 2014; reduction of Catalina-related O&M costs that SCE conceded should be removed from the forecast; and removal of \$5.2 million as the capital forecast for a “betterment” project.</p> <p>The Commission adopted outcomes consistent with a substantial portion of TURN’s recommendations. While it rejected the proposals related to the undersea cable project, it declined to consider the proposed 2014 spending on the switchrack project, and agreed with TURN that the entire amount forecast for 2011-2012 for the station betterment should be excluded.</p>	<p>TURN Opening Brief, at 46-51 and 315-316.</p> <p>D.12-11-051, at 86-92.</p>	<p>See Section D. “CPUC Disallowances & Adjustments”</p>

<p>TURN's substantial contribution on these issues is also evident in the SCE agreement to remove \$200,000 from its O&M forecast.</p>		
<p>5. Generation – Fuel Cells</p> <p>TURN's testimony called for a reduction of the 2010 capital forecast for fuel cells based on the fact that the expected spending for that year was far closer to zero than to the forecast of \$6.3 million. SCE's rebuttal testimony objected to this reduction; shortly thereafter, the utility committed to reduce its rate base request during the update phase of the proceeding.</p> <p>The decision notes that SCE's update testimony reduced the original forecast by 44%, from \$19.1 million to \$10.6 million to reflect the reduced program scope.</p>	<p>TURN Opening Brief, at 51-52.</p> <p>D.12-11-051, at 92-93.</p>	<p>Yes</p>
<p>6. TDBU – Advanced Technology O&M</p> <p>For advanced technology activities, SCE requested \$23.8 million in O&M expenses for 2012, and \$170 million of capital spending for 2010-2012, with \$72 million in 2012 alone. The Commission adopted forecasts of \$18.7 million for 2012 O&M, and 2011-2012 capital expenditures of \$120.6 million.</p> <p>TURN recommended no GRC funding of Home Area Network (HAN) technologies to the extent that the related SmartConnect activities are within the deployment plan scope and period. The Commission agreed, and removed 2012 HAN-related costs from the GRC for recording and later review in the SmartConnect Balancing Account.</p> <p>TURN raised a number of challenges to SCE's proposed funding for PEV Readiness. The Commission found merit in TURN's arguments, but sought to provide some funding since SCE was undertaking these activities as a mandated initiative. It adopted a forecast of \$3.6 million for 2012, approximately \$900,000 below the amount SCE requested.</p>	<p>D.12-11-051, at 103.</p> <p>TURN Opening Brief, at 64-66.</p> <p>D.12-11-051, at 105-106.</p> <p>TURN Opening Brief, at 54-63.</p> <p>D.12-11-051, at 109-111.</p>	<p>Yes</p>
<p>7. TDBU – Advanced Technology Capital</p> <p>TURN presented a broad challenge to SCE's proposed Advanced Technology capital expenditures due to the utility's failure to present a cost-effectiveness analysis for those projects. The Commission reiterated its recognition that cost-benefit analysis is appropriate, as explained in D.10-06-047.</p>	<p>TURN Opening Brief, at 68-71.</p> <p>D.12-11-051, at 113-114.</p>	<p>Yes</p>

<p>TURN recommended removal of \$10.7 million proposed for the “Self-Healing Circuit” pilot project, pending completion of the Irvine demonstration project and a preliminary cost-benefit analysis. The Commission agreed.</p> <p>TURN recommended ceasing funding of the Online Transformer Monitoring project in 2011, due to SCE’s study indicating that the benefits could be achieved more cost-effectively. The Commission permitted ongoing funding for the project, but at a level \$2.9 million below the approximately \$10 million the utility sought for 2011 and 2012.</p> <p>SCE requested \$6.8 million for 2010 and \$16.5 million for 2011 for the Centralized Remedial Action Scheme (C-RAS) project, but reported recorded spending of \$0.364 million in 2010. TURN recommended no funding in either 2010 or 2011 due to mistaken assumptions about the CAISO interconnection queue and the absence of any showing of operational benefits outweighing the costs. The Commission substantially reduced the forecast for 2010 and 2011 to \$6.7 million total, citing in part the questions about the necessity for the proposal in light of revised interconnection estimates.</p>	<p>TURN Opening Brief, at 81-85. D.12-11-051, at 118-119.</p> <p>TURN Opening Brief, at 87-96. D.12-11-051, at 121-123.</p> <p>TURN Opening Brief, at 96-99. D.12-11-051, at 124-127.</p>	
<p>8. TDBU – T&D Load Growth</p> <p>TURN challenged the spending forecast for the Presidential Substation in SCE’s Distribution Substation Plan, on the basis that SCE’s reduced forecast of load growth and admission that it did not expect to construct the substation in 2012 warranted its removal from the test year forecast. The Commission agreed and removed the \$23.0 million forecast for 2011 and 2012 for this project.</p> <p>TURN challenged capital funding for “PEV readiness” at this time, in part due to the utility’s overly optimistic forecast of PEV roll-out. The Commission generally agreed with TURN and DRA that the program’s estimate was based on an “excessive forecast” and adopted a 2011-2012 forecast of \$6.4 million, approximately \$4.2 million below the amount the utility had requested.</p>	<p>TURN Opening Brief, at 101-104. D.12-11-051, at 142-143.</p> <p>TURN Opening Brief, at 56-59. D.12-11-051, at 144-146.</p>	Yes
<p>9. TDBU – T&D Customer Driven Programs</p> <p>TURN presented alternative forecasts for meter sets to better reflect the lower growth due to the lingering economic effects of the recession. The Commission adopted TURN’s base case forecast as the most reasonable estimate of growth in SCE’s service territory, resulting in a 27-30% reduction in the residential meter</p>	<p>TURN Opening Brief, at 104-110. D.12-11-051, at 171-176.</p>	Yes

<p>set forecast for 2011-2012, and a 19-26% reduction in non-residential meter sets for that period. These changes resulted in a \$60 million reduction in forecasted capital expenditures related to new meter sets and service connections in 2011 and 2012.</p>		
<p>10. TDBU – Overhead Line Operations</p> <p>TURN provided additional support for DRA’s reduced forecast based on the last recorded year, rather than SCE’s methodology. The Commission found DRA’s and TURN’s approach more reasonable, and therefore adopted a \$593,000 disallowance as compared to SCE’s requested amount.</p>	<p>TURN Opening Brief, at 113-114. D.12-11-051, at 211-213.</p>	<p>Yes</p>
<p>11. TDBU – Distribution Construction and Maintenance (DCM)</p> <p>TURN recommended meter-related expenses of \$5.8 million, a reduction of approximately \$600,000 as compared to SCE’s litigation position (which the utility had reduced by \$290,000 to reflect agreement with one of TURN’s proposed adjustments). The Commission adopted TURN’s recommendation.</p> <p>For overhead breakdown expense, TURN recommended a \$1.2 million reduction from SCE’s requested amount. The Commission adopted TURN’s recommendation. Similarly, for the underground breakdown expense, the Commission adopted TURN’s recommendation of approximately \$1 million below the amount SCE requested.</p> <p>For distribution storm and claims damages capital expenditures, SCE agreed to reductions of \$700,000 and \$5 million, respectively, to correct TURN-identified calculation errors. TURN. The Commission adopted the resulting forecast as reasonable.</p> <p>For breakdown maintenance capital expenditures, the Commission reduced the forecast for 2011-2012 by \$5.7 million, based in part on TURN-raised questions about SCE’s forecast methodology.</p> <p>The Commission adopted TURN’s forecast of distribution transformer capital expenditures, since the forecast is consistent with TURN’s forecast of customer growth, which the Commission also adopted. The result is a \$9.5 million reduction to SCE’s 2011-2012 forecast.</p>	<p>TURN Opening Brief, at 121-123; 118-119; 119-121; 123-124; and 128-131. D.12-11-051, at 226-227; 233-235; 235-237; 237-238; 238-240; and 241.</p>	<p>Yes</p>

<p>12. TDBU – Other Costs and Other Operating Revenue</p> <p>TURN recommended reducing the forecast for transmission work order write-offs to \$0.74 million, based on an adjusted five-year average. The Commission used different adjustments to a five-year average and adopted a forecast of \$1.2 million, approximately \$1.5 million below SCE’s request.</p> <p>Similarly, TURN recommended reducing distribution work order write-offs to \$8 million. The Commission used different adjustments to a five-year average and adopted a forecast of \$8.2 million, approximately \$1.8 million below SCE’s request.</p> <p>For claims write-offs, TURN recommended \$5.4 million, again based on an adjusted five-year average. And again, the Commission used different adjustments to adopt a forecast of \$5.7 million, a \$300,000 reduction to SCE’s request.</p>	<p>TURN Opening Brief, at 132-153. D.12-11-051, at 289-296.</p>	<p>Yes</p>
<p>13. CSBU – Plug-in Electric Vehicle Costs</p> <p>For Plug-in Electric Vehicle (PEV) costs, TURN recommended zero funding, consistent with the position taken in the TDBU-related discussion of the issue. The Commission adopted a 40% reduction to SCE’s forecasts to reflect the lower adopted growth forecast.</p> <p>For CSBU-related HAN costs, TURN recommended that any authorized spending should be treated as deployment costs that should be recovered through the ESCBA, subject to the cost cap in that account. The Commission agreed.</p>	<p>TURN Opening Brief, at 208-209. D.12-11-051, at 312-317.</p>	<p>Yes</p>
<p>14. CSBU – Customer Service Operations Division</p> <p>TURN’s general recommendations to remove PEV readiness costs and to assign HAN functionality costs recorded in the ESCBA were applied to SCE’s forecast for the Customer Service Operations Division to remove the HAN functionality costs, and reduce the PEV forecast by 40%, thus reducing the GRC-adopted amounts by approximately \$750,000.</p>	<p>D.12-11-051, at 323-325.</p>	<p>Yes</p>
<p>15. CSBU – Customer Service and Information Delivery</p> <p>For account management expenses, TURN recommended that costs associated with responding to customer inquiries regarding Dynamic Pricing should be removed from the GRC forecast and recorded in the ESCBA, and PEV-related funding should be removed altogether. The Commission agreed regarding the DP-related costs</p>	<p>TURN Opening Brief, at 169-170. D.12-11-051, at 345-347; and 349-352.</p>	<p>Yes</p>

<p>through 2012 (\$440,000), and reduced the PEV-related forecast by approximately \$120,000.</p> <p>For program management expenses, TURN recommended PEV- and DP-related reductions, and challenged the increase for EnergyManager costs. The Commission again directed the 2012 DP-related costs be recorded in the ESCBA, reduced PEV-related costs by 40% (a reduction of approximately \$1 million in 2012), but agreed with SCE on the EnergyManager funding.</p>		
<p>16. CSBU – Metering Capital Requirements</p> <p>TURN’s general recommendations to remove PEV readiness costs and to assign HAN functionality costs recorded in the ESCBA were applied to capital expenditure forecasts for meters, as well as the reduction to rely on a forecast of lower customer growth. The Commission agreed that SCE’s forecasts are excessive, and reduced the 2010-2012 capital expenditures by approximately \$22 million.</p>	D.12-11-051, at 364-365.	Yes
<p>17. CSBU – Capitalized Software</p> <p>TURN recommended that the Commission disallow funding for upgrades to SCE’s interactive voice response (IVR) system, due to a failure to demonstrate that the project is necessary at this time. The Commission agreed, resulting in a reduction of approximately \$8.2 million for 2010-2012 capital expenditures.</p> <p>For SCE’s customer relationship management (CRM) project, TURN recommended eliminating funding altogether due to the lack of any quantifiable benefit. The Commission approved the forecast for the first phase of funding, but with a 10% (\$4.5 million) reduction for 2010-2011 spending.</p> <p>TURN recommended removing all funding for SCE’s HAN support and troubleshooting project due to a lack of need, and in the alternative recommended that the project’s costs be recorded in the ESCBA. The Commission denied funding based on its finding that implementation is premature.</p>	<p>TURN Opening Brief, at 177; 205-206; and 213-215.</p> <p>D.12-11-051, at 368-373.</p>	Yes
<p>18. Information Technology (IT) – ERP Benefits and Benefits from Capitalized Software</p> <p>TURN recommended that the Commission reject SCE’s proposals to share the 2012 ERP benefits and operational savings from capitalized software 50/50 between ratepayers and shareholders. The Commission declined to adopt SCE’s proposals.</p>	<p>TURN Opening Brief, at 178-180.</p> <p>D.12-11-051, at 385-388.</p>	Yes

<p>19. IT – O&M for New Software Applications</p> <p>TURN recommended a \$24.13 million reduction to SCE’s \$40.681 million estimate to remove SmartConnect project costs to the ESCBA, and to reduce the forecast commensurate with the proposed reduction to the IT new project request and for recurring O&M expenses. SCE conceded a reduction of \$2.8 million for 2012 SmartConnect costs. The Commission adopted a forecast of \$26.4 million, approximately \$13.5 million below SCE’s adjusted request.</p>	<p>TURN Opening Brief, at 196-197. D.12-11-051, at 390-392.</p>	<p>Yes</p>
<p>20. IT – Capital Expenditures – Operating Software</p> <p>TURN challenged the \$3.75 million of expenditures SCE proposed for the Configuration Management Database software package due in part to the lack of cost justification. The Commission agreed and removed the associated costs from the adopted forecast.</p> <p>TURN recommended disallowance of \$500,000 for the Single View of IT Health project because the cost estimate had subsequently increased substantially and the project duplicates an existing inventory of software applications. The Commission agreed and removed the associated costs from the adopted forecast.</p>	<p>TURN Opening Brief, at 200-202. D.12-11-051, at 409-411.</p>	<p>Yes</p>
<p>21. IT – Capitalized Software – Software Asset Management</p> <p>TURN recommended a 10% reduction to all authorized expenditures due to SCE’s failure to prioritize projects. The Commission found such a reduction reasonable for all 2011 and 2012 requested expenditures by 10% or approximately \$9.8 million.</p> <p>TURN recommended a number of further reductions to specific projects in this category, including a proposal to reduce funding for the replacement of SCE’s Energy Manager by \$4.4 million. The Commission reduced funding by 50% (\$3 million).</p>	<p>TURN Opening Brief, at 180-238. D.12-11-051, at 413; 420-422; and 425.</p>	<p>Yes</p>
<p>IT – ERP Project Cost Overruns</p> <p>SCE recorded cost overruns of \$94.7 million for implementation of ERP in 2009 and 2010. TURN recommended disallowance of this amount due to imprudence and SCE’s faulty cost-effectiveness analysis. The Commission agreed with TURN, but limited the disallowance to the 2010 capital expenditures of \$49.6 million.</p>	<p>TURN Opening Brief, at 197-200. D.12-11-051, at 426-428.</p>	<p>Yes</p>

<p>22. IT -- Review in the Next GRC</p> <p>Relying heavily on the critique presented by TURN and the concerns raised therein regarding the quality of SCE's showing in support of its hundreds of millions of dollars of spending, the Commission called for a more detailed review of SCE's capitalized software requests in the next GRC.</p>	D.12-11-051, at 435-436.	Yes
<p>23. Human Resources (HR) – Executive Officer Compensation, Stock Options and Long-Term Incentives</p> <p>TURN recommended limiting rate recovery to 50% of the forecast for the Executive Incentive Compensation plan, a \$3.2 million reduction from SCE's forecast. The Commission adopted TURN's recommendation.</p> <p>TURN recommended eliminating rate recovery of the costs of the Long Term Incentive program for executives, a \$19.8 million reduction. The Commission adopted this forecast.</p>	TURN Opening Brief, at 241-256. D.12-11-051, at 448-452.	Yes
<p>24. HR – Pensions and Benefits</p> <p>For the 401(k) Savings Plan, TURN recommended a \$4.5 million reduction using a five-year average of contributions, but SCE's labor escalation rate. The Commission adopted this forecast.</p> <p>For Medical Programs, TURN recommended a \$22 million reduction based in part on a 4.4% escalation rate rather than the 10% proposed by SCE. The Commission adopted TURN's recommendation.</p> <p>For Disability Programs, TURN recommended a \$1.7 million reduction based on per-employee costs. The Commission adopted TURN's recommendation.</p>	TURN Opening Brief, at 258-268. D.12-11-051, at 467-473.	See Section D. "CPUC Disallowances & Adjustments"
<p>25. A&G – Workers' Compensation</p> <p>TURN proposed an incremental reduction of \$347,000 to the staff costs. The Commission found TURN's forecast to be more reasonable based on annual claims data and actual industry caseload standards.</p>	TURN Opening Brief, at 271-277. D.12-11-051, at 499-500.	Yes
<p>26. A&G – Corporate Membership Dues and Fees:</p> <p>SCE reduced its forecast for this department by approximately \$400,000 in response to TURN's objections and evidence. TURN recommended further reductions based in part on the lobbying nature of some of the activities funded through these dues and fees. The Commission adopted TURN's forecast of approximately \$300,000 below SCE's adjusted request.</p>	TURN Opening Brief, at 283-286. D.12-11-051, at 506- 507.	Yes

<p>27. A&G – Corporate Communications</p> <p>TURN recommended \$12.1 million as the forecast for labor and expenses for corporate communications. The Commission adopted a \$12.4 million forecast, relying heavily on TURN’s proposed adjustments to reduce the forecast by \$2.3 million as compared to SCE’s request.</p> <p>TURN recommended \$544,000 for outside services based on the last recorded year of data. The Commission adopted this forecast, a reduction of \$360,000 as compared to SCE’s request.</p> <p>TURN recommended \$980,000 for communications products based on the last recorded year of data with an adjustment for additional customer safety education. The Commission adopted this forecast, a reduction of \$165,000 as compared to SCE’s request.</p>	<p>TURN Opening Brief, at 287-292. D.12-11-051 at 508-511.</p>	<p>Yes</p>
<p>28. Power Procurement Capital Expenditures:</p> <p>The Commission cited TURN’s general concern about SCE’s forecast costs for capitalized software projects, and applied a 10% reduction to many of the projects SCE proposed for 2010-2012. The \$5.3 million cumulative disallowance for these capital projects includes approximately \$2.0 million from these 10% reductions.</p>	<p>D.12-11-051, at 539-540; and 543-544.</p>	<p>Yes</p>
<p>29. Operations Support Business Unit (OSBU): Transportation Services Division</p> <p>TURN recommended elimination of funding for SCE’s proposed OnBoard Technology project, and reduction of SCE’s forecast for vehicle license fees. TURN accepted SCE’s revised request for \$600,000 for the vehicle license fees (a \$600,000 reduction). The Commission did not approve the \$1.4 million for O&M or the \$10.6 million of capital expenditures associated with the OnBoard Technology project.</p>	<p>TURN Opening Brief, at 295-298. D.12-11-051, at 562-564 and 589-590.</p>	<p>Yes</p>
<p>30. OSBU – Capital Expenditures</p> <p>TURN recommended that the Commission eliminate SCE’s proposed 10% contingency factor, and reduced the project management costs sought by the utility. The Commission removed the 2012 contingency factor of \$7.884 million, and reduced the project management costs by 50% of the difference between SCE’s and TURN’s positions, or \$1.872 million.</p> <p>TURN sought a reduction of \$5.1 million to SCE’s forecasted furniture expenditures for 2012. The Commission adopted a forecast that split the difference between TURN’s recommendation and SCE’s figure, a \$2.284 million reduction.</p>	<p>TURN Opening Brief, at 308-310 and 312-314. D.12-11-051, at 568-571.</p>	<p>Yes</p>

<p>31. OSBU – Corporate Resources Capital Projects</p> <p>TURN recommended disallowance of the 2010 and 2011 capital expenditures on the Rosemead Data Center life extension project. The Commission disallowed the 2011 request of \$4.5 million.</p> <p>TURN challenged the \$12 million forecast for the Gateway Parking Structure as excessive, and recommended \$7.1 million. The Commission adopted TURN’s forecast.</p>	<p>TURN Opening Brief, at 305-308.</p> <p>D.12-11-051, at 577-578; and 580.</p>	<p>See Section D. “CPUC Disallowances & Adjustments”</p>
<p>32. OSBU – Energy Efficiency</p> <p>TURN recommended reducing SCE’s forecast of \$5 million per year to \$1 million per year, in part due to the absence of cost-benefit information necessary to ensure the spending achieves appropriate cost savings. The Commission adopted a forecast of \$3 million per year, and directed SCE to provide a cost-benefit analysis of all such energy efficiency projects implemented since 2009 and to allocate quantified cost savings to ratepayers.</p>	<p>TURN Opening Brief, at 298-301.</p> <p>D.12-11-051, at 583-584.</p>	<p>Yes</p>
<p>33. Ratemaking – Shareholder Sharing of Pension and Benefit Costs</p> <p>SCE sought to remove pensions and benefits associated with below-the-line FERC accounts. TURN recommended that an additional \$754,000 should be removed. SCE agreed to this adjustment, as indicated in the decision.</p>	<p>TURN Opening Brief, at 319-320.</p> <p>D.12-11-051, at 595.</p>	<p>Yes</p>
<p>34. Taxes – Employee Stock Ownership Plan (ESOP)</p> <p>TURN recommended termination of the ESOP Tax Memorandum Account (ESOPTMA). The Commission terminated the account.</p>	<p>TURN Opening Brief, at 329-333.</p> <p>D.12-11-051, at 622-623.</p>	<p>Yes</p>
<p>35. Rate Base – Customer Deposits</p> <p>TURN defended the existing policy that requires SCE to offset rate base by some amount of customer deposits. The Commission declined to alter its policy, and offset 90% of the forecast of customer deposits (\$190 million) against rate base.</p>	<p>TURN Opening Brief, at 329-333.</p> <p>D.12-11-051, at 627-630.</p>	<p>Yes</p>
<p>36. Rate Base – Working Cash</p> <p>TURN recommended a \$20 million reduction to the working cash rate base to reflect a more recent Gas Options Premium forecast. The Commission stated its agreement with TURN’s concern that changes to utility hedging policy would impact SCE’s hedging and related prepayment forecasts. It therefore based the working</p>	<p>TURN Opening Brief, at 339-343.</p> <p>D.12-11-051, at 637-638 and 643-645.</p>	<p>Yes</p>

<p>cash for gas option prepayments on a 15% increase over 2009 recorded amounts, rather than 33%.</p> <p>TURN's inquiries about lag days associated with employee benefits and unfunded executive retirement benefits led SCE to revise its estimate from zero to 3.06 days, resulting in a rate base reduction of \$692,000. TURN also recommended lag days for payroll to the calculation of 401(k) benefit plan lag days. The Commission agreed and adopted TURN's recommendation to apply SCE's labor lag days to 401(k) expense.</p>		
<p>37. Rate Base – Legacy Meters and Mohave</p> <p>TURN recommended that the net plant balance associated with electromechanical meters that had been replaced with automated meter infrastructure (AMI) meters should be removed from rate base, with the remaining investment amortized over a six-year period, but with no authorized return on the unamortized investment. The Commission adopted a six-year amortization period for the retired legacy meters, at a reduced authorized return of 6.46%.</p> <p>TURN also recommended amortization of SCE's remaining \$54 million of investment and \$36 million of estimated decommissioning costs in the Mohave Generating Station, but with no authorized return. The Commission adopted TURN's recommendation, although with a slightly shorter amortization period (6 years rather than 6.5 years).</p>	<p>TURN Opening Brief, at 351-360. D.12-11-051, at 649-653.</p>	<p>Yes</p>
<p>38. Non-Tariffed Products and Services (NTP&S)</p> <p>TURN raised a number of concerns regarding the gross revenue sharing mechanism (GRSM) applicable to SCE's NTP&S, and recommended either modification or elimination of the GRSM, adjustment of the threshold revenues before sharing is triggered, and an audit of NTP&S activities. The Commission did not adopt any changes to the GRSM, but called for the next affiliate transaction audit to include a focused review of the NTP&S program, including SCE's development of incremental costs.</p>	<p>TURN Opening Brief, at 360-376. D.12-11-051, at 656-658.</p>	<p>Yes</p>
<p>39. Depreciation</p> <p>TURN recommended different mass property lives than SCE proposed for ten of the largest accounts (as measured by plant investment). The Commission agreed with TURN that SCE's use of "judgment" to select curve-lives is often opaque, and the explanations for changes tended to be limited and conclusory. The</p>	<p>TURN Opening Brief, at 376-408. D.12-11-051, at 662-669; 675-681; and 684-686.</p>	<p>Yes</p>

<p>Commission relied on TURN’s recommended values in part or in whole for Accounts 354, 355, 364, 365, and 367.</p> <p>TURN also recommended different mass property net salvage values for ten of the largest accounts. The Commission cited with favor a number of the concerns raised in TURN’s analysis, and for seven of the accounts adopted net salvage rates that were more positive than proposed by SCE, with the rate for three of these accounts based on TURN’s proposal or a modified version of the proposal.</p> <p>TURN recommended reporting requirements with regard to providing aged life analysis data, net salvage rate differences between SCE and other industry members, and a retirement cause analysis. The Commission agreed that aged data is more likely to be reliable than the simulated life data used in the SCE study, and directed SCE to address use of aged data in its next GRC. It further directed SCE to provide testimony in its next GRC providing more information about cost of removal where its proposed net salvage rate is at least 25% more than comparable industry average.</p>		
<p>40. Reliability Investment Incentive Mechanism (RIIM)</p> <p>The Commission adopted the RIIM settlement between CCUE and SCE over TURN’s objections. However, it also found that the persistent uncertainty about the effects of the program should be addressed. To that end it ordered an independent audit of the 2010-2011 RIIM expenditures and a comparison of short term reliability statistics to total RIIM expenditures since 2003.</p>	<p>TURN Opening Brief, at 157-167. D.12-11-051, at 698-701.</p>	<p>Yes</p>

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

	Claimant	CPUC Verified
<p>a. Was the Division of Ratepayer Advocates (DRA) a party to the proceeding?</p>	<p>Y</p>	<p>Verified</p>
<p>b. Were there other parties to the proceeding with positions similar to yours?</p>	<p>Y</p>	<p>Verified</p>
<p>c. If so, provide name of other parties:</p> <p>Aglet Consumer Alliance, Joint Parties (representing Black Economic Council, National Asian American Coalition, and Hispanic Business Chamber of Commerce of Los Angeles), Eastern Sierra Ratepayer Association, Disability Rights Advocates, and Sierra Club.</p>		<p>Verified</p>

<p>d. Describe how you coordinated with DRA and other parties to avoid duplication or how your participation supplemented, complemented, or contributed to that of another party:</p> <p>TURN's work in a GRC is typically very closely and efficiently coordinated with other like-minded groups, and this case was no different. In light of the scope of the proceeding and the magnitude of the requested rate increase, TURN worked especially hard to achieve such coordination and, as a result, maximum coverage for ratepayers. Our time records include a number of entries (usually coded as “coord” or “GP”) for efforts that were primarily devoted to communicating with the other intervenors about matters such as procedural strategies and issue area allocation.</p> <p>As is our regular practice in such proceedings, TURN closely coordinated with Aglet Consumer Alliance (Aglet) and DRA from the earliest stages of the GRC. With Aglet, such coordination enabled TURN to identify the issues Aglet was likely to address and thus limit duplication. With DRA, avoiding duplication is nearly impossible (since the staff seeks to address nearly all issue areas covered by the utility application). Therefore the coordination effort with DRA aims to minimize duplication and to ensure that where such duplication occurs TURN’s witnesses are presenting distinct and unique arguments in support of the common or overlapping recommendations. As a result, the Commission ended up with a more robust record upon which to evaluate the issue at hand. In most instances, however, TURN raised unique issues, thus broadening the overall presentation of DRA and other intervenors and avoiding duplication altogether.</p> <p>TURN also closely coordinated our efforts with those of Aglet and DRA during the period in which those parties discussed with SCE potential settlement of their issues in the proceeding. Aglet took the lead in those discussions on behalf of TURN, thus permitting TURN to keep to a relative minimum the time devoted to the discussion and analysis of potential settlement outcomes.</p> <p>In sum, the Commission should find that TURN's participation was efficiently coordinated with the participation of other intervenors wherever possible, so as to avoid undue duplication and to ensure that any such duplication served to supplement, complement, or contribute to the showing of the other intervenor.</p>	<p>Verified</p>
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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>TURN’s request for intervenor compensation seeks an award in excess of \$1 million as the reasonable cost of our participation in the proceeding, making it one of the largest that TURN has presented to the Commission. In light of the scope and quality of TURN’s work, and the benefits achieved through TURN’s participation in the proceeding, the Commission should have little trouble concluding that the amount requested is reasonable.</p>	<p>CPUC Verified</p> <hr/> <p>Verified</p>
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As the decision notes, SCE's application included thousands of pages of testimony and workpapers, sponsored by 88 witnesses. (D.12-11-051, at 6.) The resulting decision calculates a \$5.671 billion revenue requirement authorized for 2012, as compared to the updated 2012 revenue requirement of \$6.294 billion requested by SCE. (*Id.*, at 3.) As described above in the substantial contribution section, TURN can take credit for a substantial portion of this reduction of \$623 million for 2012. Furthermore, a substantial portion of the savings achieved in the test year will persist throughout the attrition years as well.

The Commission could find the amount of TURN's requested award reasonable even if it limited its review to compare the amount requested with the revenue requirement reductions achieved by those TURN recommendations to which SCE agreed. The Joint Comparison Exhibit, Vol. 1, at 46 calculates \$5.1 million as the 2012 reduction from such recommendations, covering a wide array of utility operations. If these were the only TURN recommendations reflected in the final outcome, they would still represent a benefit/cost ratio of at least 4:1 in the test year alone, and likely over 10:1 if the persistence over the rate case cycle is considered.

The requested compensation amount is a very small fraction of the savings directly attributable to TURN's work on disputed issues in the proceeding. For example, TURN's depreciation testimony recommended life-curves and net salvage ratios for the FERC accounts with the largest plant balances. The final decision cited with favor TURN's analysis, and for a number of these accounts adopted TURN's recommended outcome or an outcome between TURN's and SCE's recommendations. TURN's rough estimate of the impact of the Commission-adopted outcomes for the depreciation expense associated with these accounts is a reduction in excess of approximately \$100 million.¹ TURN's contribution on the depreciation-related issues alone represent a benefit/cost ratio approaching 100:1 in the 2012 test year alone, and 300:1 if the impact over the three-year GRC cycle is considered.

Of course, TURN's work in this proceeding covered much more than the issues on which SCE agreed and depreciation parameters. As the substantial contribution discussion above makes very clear, TURN's efforts helped achieve a wide array of outcomes where the Commission agreed in whole or in part with TURN's recommendation, most of which resulted in reductions to the authorized revenue requirement.

In sum, the Commission should conclude that TURN's overall request is reasonable in light of the substantial benefits to SCE ratepayers that were directly attributable to TURN's participation in the case.

¹ (This is a conservative estimate, in that it is based on 2009 plant balances and does not reflect the final revisions to the Proposed Decision that included rejecting SCE's proposed 30-year life for the 40-year life TURN had proposed for plant in Account 367, the largest mass property account.)

<p>b. Reasonableness of Hours Claimed</p> <p>TURN’s attorneys and consultants recorded a substantial number of hours for their work on this GRC. However, this is true of any GRC, as TURN tends to address a very broad array of issues (typically second only to DRA in terms of breadth of coverage) and devotes substantial time to review of the utility’s showing, preparation of discovery, and development of the testimony positions and arguments. As described below and as further reflected in the time records attached to this request, the number of hours for each TURN representative was reasonable under the circumstances present here.</p> <p>In past compensation awards the Commission has criticized time records for failure to meet the requirements of Rule 17.4, in particular the directive that the time records identify “the specific task performed” and “the issue that the task addresses.” (<i>See, for example</i>, D.12-03-024 (Award in PG&E 2011 GRC Application (A.) 09-12-020), at 23.) TURN respectfully submits that this criticism has often been misplaced, as the time records in question are often from the early stages of a proceeding when an intervenor’s work is largely devoted to an initial broad review for issue spotting purposes. Thus there are a number of entries in the time records for late 2010 and early 2011 that merely refer to a “review” of certain materials. If TURN’s consultant was performing an initial review of a particular volume of SCE IT testimony and supporting workpapers on a given day, there is not much more detail to report other than “review IT testimony.” Similarly, TURN’s consultants often use the volume number of the testimony as a shorthand reference to the subject area. The parties involved in the GRC understand that any testimony labeled SCE-2 is going to be generation-related, and SCE-3 is TDBU-related. Therefore, while the Commission has faulted TURN for a failure to include in the time record a description of what document was involved in that day’s work, the criticism seems to be based in part on a lack of familiarity with the numbering protocol for SCE testimony in the GRC. If it would assist with the Commission’s review of these records, TURN would be glad to provide a key that lists the various SCE testimony volumes by number and topic for cross-referencing purposes.</p> <p><u>TURN Attorneys:</u></p> <p>Marcel Hawiger served as the lead and coordinating attorney, as well as covering several issue categories for purposes of testimony review, hearing room work (cross-examination and defending TURN’s witness), and briefing. TURN seeks compensation for approximately 320 of his hours here, or the equivalent of approximately 8 weeks of full-time work.</p> <p>Robert Finkelstein played a wide-ranging and labor-intensive role throughout this proceeding. TURN seeks compensation for approximately 650 of his hours here, or the equivalent of approximately 15-20 weeks of full-time work. Mr. Finkelstein recorded substantial numbers of hours for TURN’s work on policy issues (in large part because he attended the opening hearings in Los Angeles on behalf of TURN and therefore was responsible for preparing for and cross-examining several of SCE’s policy witnesses). He also served as TURN’s attorney and witness on the topics of NTP&S and the reduced rate of return for replaced meters and the Mohave power plant. Mr. Finkelstein also devoted substantial time to</p>	<p>See Section D. “CPUC Disallowances & Adjustments”</p>
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depreciation-related issues. (TURN has omitted from this request the approximately 50 hours Mr. Finkelstein recorded for work on matters related to the McGrath Peaker in this GRC.)

Four other TURN staff attorneys worked on this PG&E GRC. Nina Suetake and Hayley Goodson each assumed responsibility for discrete issue areas (including TDBU and tax issues for Ms. Goodson, IT and CSBU issues for Ms. Suetake). TURN seeks compensation for approximately 250 hours for each, or the equivalent of approximately 6-8 weeks of full-time work. In addition, Marybelle Ang bore lead responsibility for the meter set forecast that was a critical element of TURN’s substantial contribution in a number of TDBU areas, as well as discrete A&G issues. TURN seeks compensation for approximately 120 hours for her work, or the equivalent of 3 weeks of full-time work. **[a number of generation-related issues, as well as TURN’s analysis of the rate impacts of PG&E’s proposed revenue requirement increase. TURN seeks compensation for approximately 650 of his hours here, or the equivalent of approximately 15-20 weeks of full-time work.]** Finally, Tom Long recorded a small number of hours in his role as TURN’s litigation director, consulting regarding strategy on several discrete issues.

TURN submits that the recorded hours are reasonable, both as described above and as demonstrated in the wide-ranging substantial contribution TURN made in this proceeding. Therefore, TURN seeks compensation for all of the hours recorded by our attorneys and included in this request.

JBS Energy:

JBS Energy once again played an instrumental role in TURN’s participation in this GRC by covering a broad array of issues, and conducting an in-depth review of past spending patterns and forecasts for this GRC.

As has been our practice in GRCs in recent years, TURN’s consultant’s review of the SCE showing in this GRC began earlier in the process, shortly after the utility served its “Notice of Intent” in late summer 2010. This more extensive general review early in the process was a lynchpin of TURN’s generally successful efforts in this GRC, both in terms of developing a general strategy and for focusing TURN’s work on particular issue areas. And the substantial number of hours this request for compensation includes for the associated work of JBS Energy were a critical part of this approach and, ultimately, of TURN’s success. In light of the breadth of TURN’s substantial contribution and the dollar impact of many of the issues on which we prevailed (either in whole or in part), the increased amount of intervenor compensation is a very cost-effective investment for SCE’s ratepayers.

Seven members of JBS Energy’s staff worked on the SCE GRC, with four of them sponsoring testimony on behalf of TURN. William Marcus’s testimony covered policy issues and an array of different O&M and capital issues, including generation, meter sets forecast, executive compensation, A&G expenses, and working cash. Gayatri Schilberg’s testimony focused primarily on information technology issues, as well as a few discrete electric distribution issues. Jeff Nahigian’s testimony covered corporate real estate (in the Operations Support Business Unit) and SmartConnect costs and benefits (in the Customer Services

Language in brackets under “TURN Attorneys:” apparently was not intended to be in the text.”

Business Unit). And Garrick Jones both performed much of the analysis supporting Mr. Marcus's testimony and sponsored testimony on pensions and benefits (in Human Resources) and advanced technology projects (in the Transmission and Distribution Business Unit). In addition, Greg Ruzsovan of the firm, whose specialties include data compilation and analysis, provided critical assistance in support of Ms. Schilberg's IT analysis and testimony. John Sugar, who had recently joined the firm, performed much of the analysis supporting Mr. Marcus's testimony on executive compensation. Finally, Jim Helmich recorded a very small number of hours performing analysis regarding Catalina generation that fed into Mr. Marcus's testimony on SCE's spending in that area.

Diversified Utility Consultants, Inc.:

Jack Pous, President of DUCI, bore primary responsibility for the development and presentation of TURN's depreciation testimony in this proceeding, and assisted with preparation of the briefs on those issues. At times Mr. Pous was able to delegate work to Sara Coleman, a senior associate at DUCI, and Erin Ladd, an associate at the firm, thus reducing the total cost of service to TURN.

Woodruff Expert Services:

This request includes approximately 10 hours for Kevin Woodruff. One of the issues that came up in the area of working cash and rate base was the appropriate treatment of prepayments of gas options that Edison claimed had grown substantially in recent years in order to meet the utility's hedging requirements established in the long-term procurement plan (LTPP) proceeding. Mr. Woodruff is the expert witness TURN relies on in most LTPP matters, and is more familiar with the gas options and hedging requirements in that proceeding than is Mr. Marcus. Therefore Mr. Woodruff played an important consulting role to Mr. Marcus for the TURN testimony on this issue and, analyzing SCE's rebuttal testimony and assisting in the development of cross-examination and other hearing strategies for this issue.

Meetings or discussions involving more than one TURN attorney or expert witness:

A relatively small percentage of hours and hourly entries reflect internal and external meetings involving two or more of TURN's attorneys and expert witnesses. In past compensation decisions the Commission has deemed such entries as reflecting internal duplication that is not eligible for an award of intervenor compensation. This is not the case here. For the meetings that were among TURN's attorneys and expert witnesses, such meetings are essential to the effective development and implementation of TURN's strategy for this proceeding. None of the attendees are there in a duplicative role – each is an active participant, bringing his or her particular knowledge and expertise to bear on the discussions. As a result, TURN is able to identify issues and angles that would almost certainly never come to mind but for the “group-think” achievable in such settings.

There were also meetings with other parties at which more than one attorney represented TURN on occasion. The Commission should understand that this is often essential in a case such as this one, with a wide range of issues that no single person is likely to master. TURN's requested hours do not include any for a

TURN attorney or expert witness where his or her presence at a meeting was not necessary in order to achieve the meeting's purpose. TURN submits that such meetings can be part of an intervenor's effective advocacy before the Commission, and that intervenor compensation can and should be awarded for the time of all participants in such meetings where, as here, each participant needed to be in the meeting to advance the intervenor's advocacy efforts.

Travel:

There is a small amount of travel time and expenses associated with TURN's attorney attending the first two days of evidentiary hearings that were conducted in Los Angeles. Since three SCE policy witnesses testified on areas addressed in TURN's testimony during those hearings, TURN's presence was essential to our effective participation in the proceeding.

Compensation Request Preparation Time:

TURN is requesting compensation for 30.0 hours devoted to compensation-related matters, primarily preparation of this request for compensation (28.75 hours). While higher than the number of hours TURN tends to seek for compensation-related matters, this is a reasonable figure in light of the size and complexity of the request for compensation itself. The number of hours devoted to a request for compensation is driven in large part by the number of individuals and daily time entries involved in the substantive work. For example, the greater the number of individuals, the greater the likelihood that the request will need to address a new hourly rate for some of those individuals.

In D.09-10-051, the Commission awarded compensation for the full 30.0 hours requested for compensation-related work in the SCE 2009 GRC. However, in the PG&E 2011 GRC the Commission reduced the requested 24.25 hours by 15%, in part due to perceived deficiencies in TURN's claim, and in part due to a determination that the "claim was not complex from the legal standpoint and the formal record in support of the claim was not voluminous." D.12-03-024, at 25-26. TURN has striven to fully address issues that have in the past caused the Commission to find deficiencies in our requests for compensation. Given the nearly 900-page final decision, with more than 1000 separately stated findings of fact and over 550 conclusions of law, and TURN's 400-page opening brief based on testimony of six witnesses and extensive references to the hearing testimony of many more witnesses, TURN is confident the Commission will not reach the same conclusion about the formal record for this claim.

Mr. Finkelstein prepared this request for compensation because his extensive knowledge of many aspects of this proceeding, combined with his experience with GRCs in general, would enable him to prepare the request in a more efficient manner than if it were prepared by one of the other attorneys. Furthermore, each of TURN's attorneys devoted time to reviewing hourly records and identifying and explaining substantial contributions; TURN has excluded the bulk of those hours from this request.

In sum, the Commission should find that the number of hours claimed is fully reasonable in light of the complexity of the issues and TURN's relative success on the merits.

c. Allocation of Hours by Issue		Verified
<p>TURN has allocated all of our attorney and consultant time by issue area or activity, as evident on our attached timesheets. The following codes relate to specific substantive issue and activity areas addressed by TURN.</p>		
Code	Stands for:	
GP	<p>General Participation – work that would not vary with the number of issues that TURN addresses, for the most part</p>	
GH	<p>General Hearing – Hearing-related (preparation and participation), but not issue-specific. Due to the nature of GRC hearings and witness scheduling, TURN attorneys spent time in the hearing room waiting for the witness they would cross-examine to take the stand. To the extent possible, TURN’s attorneys used the time in the hearing room to perform other substantive work (such as preparing for the NEXT witness in queue), with the time recorded to the related substantive issue.</p>	
Comp Ex	<p>Comparison Exhibit – Preparation of TURN positions for Comparison Exhibit</p>	
PD	<p>PD/AD – work on analyzing, commenting on, lobbying on, strategizing on the PD/AD/revisions thereto</p>	
Proc	<p>Procedural – Procedural motions (such as TURN’s motion for a memorandum account, TURN’s response to an SCE motion to strike), scheduling matters, etc.</p>	
Coord	<p>Coordination with other parties -- meetings and e-mails w/ DRA, other intervenors about issue coverage, etc.</p>	
Settle	<p>Time devoted to settlement discussions and development of settlement-related materials -- analysis of offers, negotiation, strategizing, etc.</p>	
Policy	<p>Substantive work on policy issues</p>	
TDBU	<p>Transmission and Distribution Business Unit – primarily Electric Distribution O&M and Capital</p>	
NTP&S	<p>Non-Tariffed Products and Services</p>	
A&G	<p>Administrative and General</p>	
Gen	<p>Fossil Decommissioning, Fossil O&M, Hydro Capital, Nuclear O&M</p>	
IT	<p>Information Technology – IT hardware and software in various business units, including IT&BI, CSBU, PPBU, A&G and HR.</p>	
RB	<p>Rate base – customer deposits, working cash</p>	

<p>Dep</p> <p>Tax</p> <p>CSBU</p> <p>Meters</p> <p>Update</p> <p>OSBU</p> <p>HR</p> <p>Exec Comp</p> <p>RIIM</p> <p>Peaker</p>	<p>Depreciation – TURN’s expert witness and his support team further allocated to general depreciation (GD), average service lives (ASL), net salvage (NS), and reimbursed retirements (ReimbRet). Some of their time entries had more than one allocation code, with a percentage indicated. Rather than re-enter the data in separate lines, TURN assigned an allocation code based on which code reflected the work that had the higher percentage for that date. Where the percentage indicated a 50/50 split, TURN used an alternating allocation.</p> <p>Payroll, income, and other tax issues</p> <p>Customer Service Business Unit – O&M and Capital</p> <p>Ratemaking treatment of removed meters</p> <p>Issues covered by update testimony, participation in update hearings, drafting brief on update issues</p> <p>Operations Support Business Unit – includes Corporate Real Estate</p> <p>Human Resources – pensions and benefits, medical costs, etc.</p> <p>Executive Compensation – Long-term and short-term incentive payments, etc.</p> <p>Reliability Investment Incentive Mechanism – SCE proposal in testimony; SCE and CCUE settlement; review of RIIM-related advice letters</p> <p>Issues related to the McGrath Peaker – need and cost forecasts</p>	
<p># - Time entries that cover substantive issue work that cannot easily be identified with a specific activity code. In this proceeding the time entries coded # represent a very small portion of the total hours. TURN requests compensation for all of the time included in this request for compensation, and therefore does not believe allocation of the time associated with these entries is necessary. However, if such allocation needs to occur, TURN proposes that the Commission allocate these entries in equal 20% shares to the broader issue-specific categories described above that were most likely to have work covered by a # entry (TDBU, CSBU, OSBU, A&G and IT).</p> <p>Comp – Time devoted to compensation-related pleadings.</p> <p>Travel – Time devoted to travel related exclusively to work in this proceeding.</p> <p>TURN submits that under the circumstances this information should suffice to address the allocation requirement under the Commission’s Rules. Should the Commission wish to see additional or different information on this point, TURN requests that the Commission so inform TURN and provide a reasonable opportunity for TURN to supplement this showing accordingly.</p>		

B. Specific Claim*:

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Marcel Hawiger	2010	13.5	\$350	D.11-09-037	\$4,725.00	13.5	\$350	\$4,725.00
M. Hawiger	2011	277.0	\$350	D.12-05-034	\$96,950.00	277	\$350	\$96,950.00
M. Hawiger	2012	25.0	\$375	See Comment 1, below.	\$9,375.00	25	\$375	\$9,375.00
Robert Finkelstein	2010	21.25	\$470	D.10-09-042	\$9,987.50	21.25	\$470	\$9,987.50
R. Finkelstein	2011	586.5	\$470	D.12-03-024	\$275,655.50	579.07	\$470	\$272,162.90
R. Finkelstein	2012	47.5	\$480	Res. ALJ-281	\$22,800.00	45.45	\$480	\$21,816.00
Hayley Goodson	2010	1.5	\$295	D.10-12-015	\$442.50	1.5	\$295	\$442.50
H. Goodson	2011	232.75	\$300	Pending in A.11-05-017	\$69,825.00	232.75	\$300	\$69,825.00
H. Goodson	2012	34.25	\$325	Pending in A.11-05-017	\$11,131.25	34.25	\$325	\$11,131.25
Nina Suetake	2011	238.50	\$295	D.12-05-033	\$70,357.50	238.50	\$295	\$70,357.50
N. Suetake	2012	3.25	\$315	See Comment 1, below.	\$1,023.75	3.25	\$315	\$1,023.75
Marybelle Ang	2011	121.4	\$280	D.11-06-012 (for work in 2010)	\$33,992.00	117.9	\$280	\$33,012.00
Thomas Long	2011	2.5	\$520	Request pending in A.09-10-013	\$1,300.00	2.5	\$520	\$1,300.00
William Marcus	2010	5.6	\$250	D.12-03-024	\$1,400.00	2.72	\$250	\$680.00
W. Marcus	2011	368.09	\$250	D.12-03-024	\$92,022.50	365.21	\$250	\$91,302.50

W. Marcus	2012	7.5	\$260	See Comment 2, below.	\$1,950.00	7.5	\$260	\$1,950.00
Gayatri Schilberg	2010	45.55	\$200	D.12-03-024	\$9,110.00	45.55	\$200	\$9,110.00
G. Schilberg	2011	499.33	\$200	D.12-03-024	\$99,866.00	499.33	\$200	\$99,866.00
G. Schilberg	2012	12.8	\$205	See Comment 2, below.	\$2,624.00	12.8	\$205	\$2,624.00
Jeff Nahigian	2010	73.0	\$190	D.10-07-040	\$13,870.00	73	\$190	\$13,870.00
J. Nahigian	2011	409.0	\$195	See Comment 2, below.	\$79,755.00	409	\$195	\$79,755.00
J. Nahigian	2012	3.25	\$200	See Comment 2, below.	\$650.00	3.25	\$200	\$650.00
Garrick Jones	2010	110.17	\$140	D.12-03-024	\$15,423.80	105.07	\$140	\$14,709.80
G. Jones	2011	673.53	\$140	D.12-03-024	\$94,294.20	646.70	\$140	\$90,538.00
G. Jones	2012	0.62	\$150	Request pending in A.10-11-002 (filed 7/13/12)	\$93.00	.31	\$150	\$46.5
Greg Ruszovan	2011	82.76	\$195	D.12-03-024 (for work in 2010)	\$16,138.20	82.76	\$195	\$16,138.20
Jim Helmich	2011	17.5	\$195	D.12-03-024 (for work in 2010)	\$3,412.50	16.10	\$195	\$3,139.50
John Sugar	2011	66.59	\$200	See Comment 2, below.	\$13,318.00	65.58	\$200	\$13,116.00
J. Sugar	2012	21.32	\$205	See Comment 2, below.	\$4,370.60	21.32	\$205	\$4,370.60
Kevin Woodruff	2011	11.5	\$235	D.12-06-014	\$2,702.50	11.5	\$235	\$2,702.50
Jack Pous	2011	238.0	\$225	See Comment 2, below.	\$53,550.00	238	\$225	\$53,550.00
J. Pous	2012	1.5	\$225	See	\$337.50	1.5	\$230	\$345.00

				Comment 2, below.				
Sara Coleman	2011	13.0	\$125	See Comment 2, below.	\$1,625.00	13	\$125	\$1,625.00
Erin Ladd	2011	87.5	\$75	See Comment 2, below.	\$6,562.50	87.5	\$75	\$6,562.50
Subtotal:					\$1,145,090.70²	Subtotal:		\$1,086,584.40³
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 \$
Robert Finkelstein	2011	6.0	\$235	½ 2011 hourly rate	\$1,410.00	6	\$235	\$1,410.00
Subtotal:					\$1,410.00	Subtotal:		\$1,410.00
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate	Basis for Rate*	Total \$	Hours	Rate	Total \$
Marcel Hawiger	2011	.75	\$175	½ 2011 hourly rate	\$131.25	.75	\$175	\$131.25
Robert Finkelstein	2011	.25	\$235	½ 2011 hourly rate	\$58.75	.25	\$235	\$58.75
Robert Finkelstein	2012	28.25	\$240	½ 2012 hourly rate	\$6,780.00	28.25	\$240	\$6,780.00
Subtotal:					\$6,970.00	Subtotal:		\$6,970.00
COSTS								
#	Item	Detail			Amount	Amount		
1	Photocopies	Copies for testimony, pleadings, hearing room exhibits and other proceeding documents			\$807.37			\$807.37
2	Travel and Hotel	Plane fare, shuttle and hotel for TURN attorney covering evidentiary hearings in Los			\$592.26			\$592.26

² According to a telephone conversation with TURN Attorney Bob Finkelstein on July 25, 2013 this number should actually be \$120,639.80 consistent with background support spreadsheets. Incorrect number in above spreadsheet doesn't impact TURN total on following page.

³ Some excessive time was spent on internal meetings, review of other parties' testimony, and editing of TURN testimony. Therefore total amount claimed for attorney/expert fees is reduced by 2%. Please see the Comments section below for a more detailed explanation. The total before the 2% reduction is \$1,108,759.50. The 2% reduction results in the total of \$1,086,584.40.

		Angeles			
3	Telephone	Calls relating to work on A.10-11-015	\$60.89		\$60.89
4	Postage	Mailing costs for pleadings	\$67.20		\$67.20
5	Courier	FedEx overnight delivery	\$49.54		\$49.54
6	Lexis/Nexis	Computerized Research	\$660.31		\$660.31
Subtotal:			\$2,237.57	Subtotal:	\$2,237.50
TOTAL REQUEST \$:			\$1,131,257.37	TOTAL AWARD \$:	\$1,097,201.90

*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 shall 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 BAR	Member Number
Marcel Hawiger	January 31, 1998	194244
Robert Finkelstein	June 13, 1990	146391
Hayley Goodson	December 5, 2003	228535
Nina Suetake	December 14, 2004	234769
Marybelle Ang	September 18, 2009	264333
Thomas Long	December 11, 1986	124776

C. TURN’s Comments and Attachments on Part III:

Attachment or Comment #	Description/Comment
Attach 1	Certificate of Service
Attach 2	Daily Time Records for Attorneys and Experts
Attach 3	Cost Detail
Comment 1	<p>Hourly Rates for TURN Attorneys:</p> <p>TURN seeks hourly rates for its staff attorneys at levels that the Commission has previously adopted for each individual’s work in a given year, or at an increased level for 2012 consistent with Resolution ALJ-281. The following describes the basis for the requested rates that have not been previously awarded as of the date of this Request for Compensation.</p>

	<p><u>Marcel Hawiger:</u> For Mr. Hawiger’s work in 2012, TURN seeks an hourly rate of \$375, an increase of 7.2% from the previously awarded rate of \$350 for 2010 and 2011. The increase is the general 2.2% increase provided for in Resolution ALJ-281, plus the first of two 5% step increases available with his move in 2010 to the 13+ years experience tier.</p> <p><u>Hayley Goodson:</u> For Ms. Goodson’s work in 2011 and 2012, TURN has justified the requested hourly rates in a Request for Compensation pending in A.11-05-017, <i>et al.</i> The \$5 increase for 2011 reflects a step increase while she was in the 5-7 years experience tier (subject to the cap for that tier in that year). The \$25 increase sought for 2012 reflects her move to the 8-12 years experience tier. Rather than repeat the justification for the requested hourly rate, TURN refers the Commission to the pending request in A.11-05-017, <i>et al.</i> and asks that the relevant material be incorporated by reference as though full set forth here. Should the Commission wish to see the justification included in this request, TURN requests the opportunity to supplement or amend this request accordingly.</p> <p><u>Nina Suetake:</u> For Ms. Suetake’s work in 2012, TURN seeks an hourly rate of \$315, an increase of 7.2% from the previously awarded rate of \$295 for 2011. The increase is the general 2.2% increase provided for in Resolution ALJ-281, plus the second of two 5% step increases available with her move in 2009 to the 5-7 years experience tier.</p>
<p>Comment 2</p>	<p>Hourly Rates for TURN Consultants:</p> <p>For many of the consultants who worked with TURN on this matter, TURN seeks hourly rates at levels that the Commission has previously adopted for each individual’s work in a given year, or at an increased level for 2012 consistent with Resolution ALJ-281. Below TURN more fully discusses the new hourly rates sought for the consultants whose work was so critical to TURN’s substantial contributions in this proceeding.</p> <p><u>JBS Energy:</u></p> <p>-- <u>William Marcus and Garrick Jones:</u> JBS Energy increased the hourly rates for Mr. Marcus and Mr. Jones as of 1/1/12.</p> <p>For Mr. Jones, the increase from \$140 (through 2011) to \$150 was discussed in some detail in the Request for Compensation filed in A.10-11-002 on July 13, 2012.⁴ Rather than repeat the justification for the requested hourly rate, TURN refers the Commission to the pending request in A.10-11-002 and asks that the relevant material be incorporated by reference as though full set forth here. Should the Commission wish to see the justification included in this request, TURN requests the opportunity to supplement or amend this request accordingly.</p> <p>For Mr. Marcus, JBS Energy increased Mr. Marcus’s hourly rate as of January 1, 2012, by \$10 to \$260, an increase of 4% over the \$250 rate it had charged for his work in each of the previous four years. JBS Energy last changed the hourly rate charged for his work in 2008, when his rate increased from \$220 to \$250. The Commission approved using the \$250 rate for work performed</p>

⁴ The increase is justified in part based on Mr. Jones’s experience warranting a move to the next tier the Commission has adopted for intervenor compensation purposes.

in 2008 in D.08-11-053 (in the Sempra GRC A.06-12-009). In mid-September 2012, the Commission issued Resolution ALJ-281 adopting an across-the-board cost-of-living adjustment (COLA) that permits a 2.2% increase to previously authorized hourly rates. Had JBS Energy increased Mr. Marcus's 2012 hourly rate by 7.2%, TURN could have justified that rate by relying on the COLA plus a 5% increase as the first of the two "step" increases provided for in D.08-04-010 and reaffirmed in Resolution ALJ-281. Therefore TURN submits that the Commission should find Mr. Marcus's 2012 hourly rate of \$260 to be reasonable due to its consistency with the COLA and a portion of the step increase provided for in those earlier decisions. Should the Commission wish to see further justification for this increase, TURN requests the opportunity to supplement or amend this request accordingly.

-- Jeff Nahigian: TURN seeks an hourly rate of \$195 for Mr. Nahigian's work during 2011 in this proceeding, equal to his actual billing rate during this period. This is an increase of \$5 per hour from the \$190 rate authorized for work in 2010. It is also an increase over the amount sought and awarded in R.09-08-009 for a very small number of 2011 hours.⁵

The Commission first authorized the \$190 hourly rate for Mr. Nahigian's work in 2008. In the compensation request addressed in the decision that adopted the \$190 rate, TURN had requested a 2008 hourly rate of \$195, consistent with the rate increase JBS Energy had implemented effective at the start of 2008. However, the Commission limited the increase to the 3% COLA increase plus a 5% step increase applied to the \$175 hourly rate that had been adopted for work in 2007.

Mr. Nahigian is a Senior Economist with over twenty years of experience in energy-related analysis. He holds a B.S. in Environmental Policy and Analysis and Planning from U.C. Davis, and has been with JBS Energy since 1986. Since then he has analyzed and sponsored testimony on a variety of cost-of-service and rate design issues, and AMI and a variety of demand response issues. Over the years he has also borne substantial responsibility for the review and position development for line extension issues and utility capital spending for corporate real estate forecasts.

The Commission retained the \$155-390 range for experts with more than 13 years of experience in 2011. Resolution ALJ-267. With approximately twenty years experience with JBS Energy, Mr. Nahigian would easily fall at least at the mid-point of that range (approximately \$275). Again, as is typical for the rates JBS Energy charges for each of its firm members, the \$195 rate for work performed in 2011 is substantially below the figure one would expect using the scale the Commission had in effect in 2011, and is within the bottom quartile for the ranges for experts with this level of experience. It is also below the rate produced if the Commission were to apply the "5% step increase" approach here (which would produce a \$200 hourly rate).

Mr. Nahigian's experience is most easily compared to that of his colleagues at JBS Energy. He has several years more experience than Mr. Ruzovian (who has a \$195 hourly rate authorized for 2011). He also has approximately the same amount of in 2011 than did Scott Cratty and Beth

⁵ TURN's request for compensation in R.09-08-009, filed September 15, 2011, sought \$190 as the hourly rate for Mr. Nahigian's 9.75 hours in 2011. This was due to an internal TURN error that overlooked the actual rate of \$195 that JBS Energy billed TURN for his work in 2011. In D.12-06-036, the Commission awarded the requested rate for Mr. Nahigian's 2011 work. TURN has become aware that a similar mistake was made in the pending request for compensation in A.10-03-014, filed October 19, 2012, and intends to take steps to correct that mistake in that proceeding.

Kientzle of Murray & Cratty when the Commission awarded an hourly rate of \$210 for work those individuals performed on behalf of TURN in 2005 (D.06-09-011, in the SBC merger proceeding).

The Commission should also approve the \$195 rate for work performed in 2011 because it is the market rate that JBS Energy charges each of its clients for work performed by Mr. Nahigian during that year. The Commission has long recognized that JBS Energy is a unique and valued resource because the firm consistently provides first-rate analysis at cut-rate prices. Mr. Nahigian is typical of the firm, in that he brings decades of direct experience that permits him to provide high quality work on behalf of consumers, and the firm has set his hourly rate at a level far below what one would expect the market rate to be. If the Commission were to approve a lower rate for his work during that period, at some point it can reasonably expect that either JBS Energy will devote less time to Commission proceedings (in favor of more time devoted to work at its usual hourly rates) or TURN will continue to bear a shortfall in cost recovery even as we continue to rely on a firm that charges hourly rates far below what the market would bear for individuals of similar talent and experience.

TURN submits that this information is more than sufficient for the Commission to grant the requested increase to Mr. Nahigian's hourly rate for 2011. However, should the Commission disagree and believe that it needs more information to support the request, TURN asks that we be given an opportunity to provide additional information before a draft decision issues on this compensation request.

-- John Sugar: This is the first Request for Compensation that includes work performed by John Sugar, who joined JBS Energy in early 2011 after approximately 30 years with Sacramento Municipal Utility District (SMUD) and California Energy Commission (CEC). For work Mr. Sugar performed in 2011 and through August 2012, TURN seeks an hourly rate of \$200; as of September 1, 2012, JBS Energy increased his hourly rate to \$205. TURN seeks these rates because they reflect the market rates that JBS Energy charges all of its clients for work Mr. Sugar performs in 2011 and 2012, and because they are in the lowest quintile of the \$155-\$390 range the Commission has established for 2011 for expert witnesses and consultants with more than thirteen years experience.

Mr. Sugar graduated with honors from the University of California, Santa Cruz, with an A.B. degree in economics in 1974. He earned an M.A. in Public Policy from the University of California, Berkeley in 1975. In 1980, he joined SMUD's Conservation Department, supervising program development and evaluation. In 1983, he moved to the Rate Department, developing experimental time-of-use rate programs, and assisting in financings. In 1985, Mr. Sugar joined the Resource Planning Department, developing methodologies to incorporate demand-side programs into the portfolio of resource options available to SMUD.

In 1988, Mr. Sugar joined the CEC's Assessments Division, developing and implementing a least-cost methodology for Resource Planning in the Commission's Electricity Report 7. From 1989 through 1993, as Chief Resource Planner, Mr. Sugar was responsible for improving methodological collaboration between Commission staff and parties presenting alternative resource plans. From 1993 to 2011, he managed various efficiency initiatives at the Energy Commission, including managing technical and engineering staff responsible for analysis underlying New Construction Efficiency and Appliance Efficiency standards (1993-1998) and managing the CEC's programs providing Best Practices workshops and energy surveys to industrial users, as well as programs providing loans and technical assistance to local jurisdictions (1999-2011).

Mr. Sugar has extensive experience preparing and presenting expert witness testimony on energy-related matters. He prepared and presented formal testimony to the CEC on topics related to the Electricity Reports and on New Construction Efficiency Standards cost-effectiveness, expected impacts and the Standards development process. Since joining JBS Energy he has presented testimony at the Commission regarding an SDG&E proposal to install utility-owned photovoltaics (testimony on behalf of UCAN) and a PG&E proposal for Green Option tariff (A.12-04-020). He has also played an instrumental role in helping to develop the testimony sponsored on behalf of TURN and otherwise assist TURN with its work in proceedings as varied as the SCE Catalina Water GRC (A.10-11-009), the Sempra TCAP (A.11-11-002), the Cal-Peco GRC (A.12-02-014), and the GRCs for the four major energy utilities (SCE – A.10-11-015; SCG/SDG&E A.10-12-005/006; and PG&E A.12-11-009). Mr. Sugar has also performed work with JBS Energy in regulatory proceedings in Texas and Arkansas.

With more than thirty years of direct experience in energy regulatory matters in California, the vast majority of which were while on the staff of the CEC, the Commission should have no trouble authorizing an hourly rate for Mr. Sugar at the upper end of the \$155-\$390 range established for 2011 work by expert witnesses with more than thirteen years of experience. The \$200 rate is in the lowest quintile of this range, once again affirming that JBS Energy charges rates that are very low by any standard.

As with Mr. Nahigian (discussed above), Mr. Sugar's experience is most easily compared to that of his colleagues at JBS Energy. He has nearly the same years of experience as Mr. Marcus (who has a \$250 hourly rate authorized for 2011), and more experience than Ms. Schilberg and Mr. Ruzzovan (who have 2011 hourly rates of \$200 and \$195, respectively). Mr. Sugar has substantially more experience in 2011 than did Scott Cratty and Beth Kientzle of Murray & Cratty when the Commission awarded an hourly rate of \$210 for work those individuals performed on behalf of TURN in 2005 (D.06-09-011, in the SBC merger proceeding).

And as TURN discussed regarding Mr. Nahigian's rate, the Commission should also approve the \$200 rate for work performed in 2011, and the \$205 rate for work performed after September 1, 2012 because they are the market rates that JBS Energy charges each of its clients for work performed by Mr. Sugar during those periods. The Commission has long recognized that JBS Energy is a unique and valued resource because the firm consistently provides first-rate analysis at cut-rate prices. Mr. Sugar's addition to the firm continues that tradition; he brings decades of direct experience that permits him to provide high quality work on behalf of consumers, and the firm has set his hourly rate at a level far below what one would expect the market rate to be.

TURN submits that this information is more than sufficient for the Commission to grant the requested increase to Mr. Sugar's hourly rates for 2011 and post-September 1, 2012. However, should the Commission disagree and believe that it needs more information to support the request, TURN asks that we be given an opportunity to provide additional information before a draft decision issues on this compensation request.

-- JBS Energy 2012 Hourly Rates: As discussed earlier, JBS Energy increased the hourly rate charged for Mssrs. Marcus and Jones as of the start of 2012. JBS Energy increased the hourly rates for Ms. Schilberg and Mssrs. Ruzzovan, Nahigian, Sugar and Helmich as of 9/1/12. The increases are consistent with the 2.2% cost-of-living adjustment the Commission authorized for 2012 in Resolution ALJ-281. TURN only seeks approval of the increased rate for the 2012 hours of Ms. Schilberg, Mr. Nahigian and Sugar, as neither Mr. Ruzzovan nor Mr. Helmich recorded any 2012 hours for work on this matter.

Diversified Utility Consultants, Inc:

The Commission has previously awarded TURN intervenor compensation for work performed by Diversified Utility Consultants, Inc. (DUCI) on depreciation-related topics in GRCs. However, there has been no authorized rate for DUCI firm members in more than four years. Therefore, TURN is seeking to establish new rates for the members of the firm who worked on this proceeding. TURN requests hourly rates of \$225 for Jack Pous, the firm's principal, \$125 for Sara Coleman, a senior analyst with the firm, and \$75 for the work of Erin Ladd, an analyst with the firm. These are the same rates that DUCI Energy billed TURN for his work during this period.

-- Jack Pous: As noted earlier, Mr. Pous is President of DUCI. Since 1972, Mr. Pous has worked steadily in the field of utility revenue requirement and ratemaking analysis, first as an employee of Kansas City Power & Light Company, then for ten years in an independent consulting engineering firm, and since 1986 with DUCI, a firm he helped create. As a principal of DUCI, Mr. Pous has presented and prepared numerous electric, gas, and water analyses in both retail and wholesale proceedings, with clients (including public utility commissions) throughout the United States. Appendix A of his prepared testimony (Exhibit TURN-1) sets forth a fuller statement of Mr. Pous's education, experience and qualifications, including a listing of the numerous proceedings in which he has sponsored testimony on depreciation and other topics before a variety of regulatory agencies, including this Commission.

Mr. Pous's qualifications and experience on the depreciation-related issue he addressed in this proceeding are directly comparable to those of William Marcus, the Principal Economist with JBS Energy, and Mike Majoros of Snaveley, King, a consulting firm TURN has also used for expert witness services on depreciation-related matters. Mr. Pous's hourly rate of \$225 in 2011 is \$25 below the rate authorized for Mr. Marcus's work since 2008. This is approximately the same difference as existed in SCE's 2003 GRC, when the Commission found the then-requested rate for Mr. Pous's work in 2004 did not exceed the hourly rates for similarly qualified experts and was reasonable. D.05-06-031, at 44-45. For Mr. Majoros, the Commission approved an hourly rate of \$240 for work performed in 2005. D.06-10-018, at 41-42. Given that Mr. Pous's hourly rate continues to be lower than Mr. Marcus's current rate, lower than the rate authorized for a similar witness addressing the same topic for TURN in 2005, and that the rates for all of these top-notch, very experienced expert witnesses are in the lower 50% of the range the Commission has established for intervenor compensation purposes, the Commission should have no trouble finding Mr. Pous's rate of \$225 reasonable for work he performed in 2011 and 2012 in this proceeding.

-- Sara Coleman: Ms. Coleman is a Senior Analyst with DUCI, and has been with the firm since 1996. The firm's market hourly rate for her services is \$125. In this proceeding she provided Mr. Pous with analytical support for drafting of the firm's testimony. In other matters she also provides project management, litigation and operations support. In D.00-09-068, the Commission approved an hourly rate of \$100 for work Ms. Coleman performed in 1998. In D.06-10-018, the Commission adopted an hourly rate of \$160 for similarly-qualified and -experienced individuals for work performed in 2005. In 2011 Ms. Coleman had more than thirteen years' experience, but her \$125 hourly rate is below the \$155 low end of the range for persons providing expert witness services. The Commission should find the requested hourly rate reasonable.

-- Erin Ladd: Ms. Ladd is an Analyst with DUCI, an entry-level position with the firm, with an hourly rate of \$75. She provided technical and analytical assistance to Mr. Pous in the development of his expert testimony and preparation of cross-examination materials for the

	evidentiary hearings. In D.06-10-018 (at 42-43), the Commission authorized an hourly rate of \$75 for an individual providing similar support services to a depreciation expert witness in 2005. The \$75 hourly rate is below the low end of the range (\$125-\$185) for persons providing expert witness services with 0-6 years experience in 2011. The Commission should find the requested hourly rate reasonable.
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D. CPUC Disallowances & Adjustments:

#	Reason
1. Disallowance for failure to make a substantial contribution to issue #4, Catalina Diesel.	As stated on pages 91 and 92 of the final decision, TURN's write off argument was unpersuasive. Therefore, TURN did not make a substantial contribution in this area and some impacted hours are reduced by 10%.
2. Disallowance for unproductive effort/excessive hours on issue #23, Executive Officer Compensation.	TURN's recommendations primarily followed logic of 2009 decision so excessive review and analysis, as reflected by hours, appears to be unnecessary. Some impacted hours are reduced by 20%.
3. Disallowance for failure to make a substantial contribution to issue #24, Pension Benefits.	As stated on page 471 of the final decision, for the medical escalation rate, the Commission adopted a figure between what SCE and TURN offered based on other evidence (7.5%). TURN raised the escalation issue but did not make a substantial contribution and some impacted hours are reduced by 50%.
4. Disallowance for failure to make a substantial contribution to issue #31, Corporate Resources Capital Projects.	As stated on pages 577 and 578 of the final decision, the Commission did not adopt or agree with TURN's position on the Rosemead Data Center (RDC). The final \$4.5 million disallowance was approved for other reasons. TURN did not make a substantial contribution.
5. Disallowance for unproductive efforts.	Some portion of SONGs hours were reduced by 20% since they were not a significant focus of the proceeding.
6. Disallowance for unproductive efforts.	Hours related to issues raised by Port of Long Beach were disallowed because they were outside the scope of the proceeding.
7. Disallowance for excessive hours.	Some excessive time was spent on internal meetings, review of other parties' testimony, and editing of TURN testimony. Therefore total hours are reduced by 2%. At the same time, Commission appreciates efficient organization of claim (e.g., allocation of hours by issue) and coding to facilitate easier interpretation and evaluation of time spent on specific activities.
8. Adoption of Mr. Hawiger's 2012 hourly rate.	After reviewing TURN's comments as to why Mr. Hawiger should be awarded a rate of \$375 per hour for work completed in 2012, the Commission finds TURN's rationale to be reasonable. This rate takes into consideration the 2.2% COLA, and is reflective of Mr. Hawiger's 13+ years of experience.

9. Adoption of Ms. Goodson’s 2011 and 2012 hourly rates.	After reviewing TURN’s comments and Ms. Goodson’s credentials, the Commission awards Ms. Goodson the rates of \$300 and \$325 per hour for the years of 2011 and 2012.
10. Adoption of Ms. Suetake’s 2012 hourly rate.	After reviewing TURN’s comments and Ms. Suetake’s credentials, the Commission awards Ms. Suetake the rate of \$315 per hour for work completed in 2012.
11. Adoption of Mr. Jones’ 2012 hourly rate.	After reviewing TURN’s comments and Mr. Jones’ credentials, the Commission awards Mr. Jones with the rate of \$150 per hour for work completed in 2012.
12. Increase in 2012 hourly rates.	Abiding by Resolution ALJ-281, 2012 hourly rates have been raised to reflect the 2.2% COLA adopted by the resolution.

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(2)(6))?	Yes

FINDINGS OF FACT

1. The Utility Reform Network has made a substantial contribution to D.12-11-051.
2. The requested hourly rates for TURN’s representative 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 are reasonable and commensurate with the work performed.
4. The total of reasonable contribution is \$1,097,201.90.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. The Utility Reform Network is awarded \$1,097,201.90
2. Within 30 days of the effective date of this decision, Southern California Edison Company shall pay The Utility Reform Network the total award. 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 April 10, 2013, 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 waived.
4. 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 M. Darling		
Payer(s):	Southern California Edison Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	1/25/13	\$1,131,257.37	\$1,097,201.90	No	Unproductive Efforts/Excessive Hours; Resolution ALJ-281; Failure to Make a Substantial Contribution.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Marcel	Hawiger	Attorney	TURN	\$350	2010	\$350
Marcel	Hawiger	Attorney	TURN	\$350	2011	\$350
Marcel	Hawiger	Attorney	TURN	\$375	2012	\$375
Robert	Finkelstein	Attorney	TURN	\$470	2010	\$470
Robert	Finkelstein	Attorney	TURN	\$470	2011	\$470
Robert	Finkelstein	Attorney	TURN	\$480	2012	\$480
Hayley	Goodson	Attorney	TURN	\$295	2010	\$295
Hayley	Goodson	Attorney	TURN	\$300	2011	\$300
Hayley	Goodson	Attorney	TURN	\$325	2012	\$325
Nina	Suetake	Attorney	TURN	\$295	2011	\$295
Nina	Suetake	Attorney	TURN	\$315	2012	\$315
Maybelle	Ang	Attorney	TURN	\$280	2011	\$280
Thomas	Long	Attorney	TURN	\$520	2011	\$520
William	Marcus	Expert	TURN	\$250	2010	\$250
William	Marcus	Expert	TURN	\$250	2011	\$250
William	Marcus	Expert	TURN	\$260	2012	\$260

Gayatri	Schilberg	Expert	TURN	\$200	2010	\$200
Gayatri	Schilberg	Expert	TURN	\$200	2011	\$200
Gayatri	Schilberg	Expert	TURN	\$205	2012	\$205
Jeff	Nahigian	Expert	TURN	\$190	2010	\$190
Jeff	Nahigian	Expert	TURN	\$195	2011	\$195
Jeff	Nahigian	Expert	TURN	\$200	2012	\$200
Garrick	Jones	Economist	TURN	\$140	2010	\$140
Garrick	Jones	Economist	TURN	\$140	2011	\$140
Garrick	Jones	Economist	TURN	\$150	2012	\$150
Greg	Ruszovan	Expert	TURN	\$195	2011	\$195
Jim	Helmich	Expert	TURN	\$195	2011	\$195
John	Sugar	Expert	TURN	\$200	2011	\$200
John	Sugar	Expert	TURN	\$205	2012	\$205
Kevin	Woodruff	Expert	TURN	\$235	2011	\$235
Jack	Pous	Expert	DUCI ¹	\$225	2011	\$225
Jack	Pous	Expert	DUCI	\$225	2012	\$230
Sara	Coleman	Analyst	DUCI	\$125	2011	\$125
Erin	Ladd	Analyst	DUCI	\$75	2011	\$75

(END OF APPENDIX)

¹ DUCI refers to the Diversified Utility Consultants, Inc.