

Decision **PROPOSED DECISION OF ALJ WILSON** (Mailed 5/12/2015)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Jose Water Company (U168W) for an Order authorizing it to increase rates charged for water service by \$47,394,000 or 21.51% in 2013, by \$12,963,000 or 4.87% in 2014, and by \$34,797,000 or 12.59% in 2015.

Application 12-01-003
 (Filed January 3, 2012)

**DECISION GRANTING COMPENSATION TO ROBERT BURKE FOR
 SUBSTANTIAL CONTRIBUTION TO DECISION 14-08-006**

<p>Intervenor: Bob Burke (Brush & Old Well MWC) on behalf of The Six Mutuals. The “Six Mutuals” are Big Redwood Park Mutual Water Co., Brush & Old Well Rd Mutual Water Co., Mountain Summit Mutual Water Co., Oakmont Mutual Water Co., Ridge Mutual Water Company, and Villa Del Monte Mutual Water Co.</p>	<p>For contribution to Decision (D.) 14-08-006.</p>
<p>Claimed: \$46,106.89</p>	<p>Awarded: \$23,679.39 (approximately a 51% reduction)</p>
<p>Assigned Commissioner: Catherine J.K. Sandoval</p>	<p>Assigned Administrative Law Judge (ALJ): Seaneen M. Wilson</p>

PART I: PROCEDURAL ISSUES

<p>A. Brief description of Decision:</p>	<p>San Jose Water Company (SJWC) is authorized to increase rates by amounts designed to increase revenue by \$22,102,000 or 9.81% in its test year 2013 and \$13,274,000 or 5.21% in 2014.</p> <p>There was one settlement agreement in this proceeding regarding all outstanding issues raised by the Mutuals in their written testimony. This settlement, between SJWC and the Mutuals, was filed on June 5, 2012 resolves all issues contested by the Mutuals in this proceeding. The settlement is reasonable and in the public interest. It was implemented by the decision.</p>
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B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):	02/13/2012	Yes.
2. Other specified date for NOI:		n/a
3. Date NOI filed:	03/12/2012	Yes.
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:	Application (A.) 12-01-003	Yes.
6. Date of ALJ ruling:	02/13/2012	5/10/2012
7. Based on another CPUC determination (specify):		n/a
8. Has the Intervenor demonstrated customer or customer-related status?		Yes.
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.12-01-003	Yes.
10. Date of ALJ ruling:	05/10/2012	Yes.
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes.
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.14-08-006	Yes.
14. Date of issuance of Final Order or Decision:	8/15/2014	Yes.
15. File date of compensation request:		10/6/2014
16. Was the request for compensation timely?		Yes.

PART II: SUBSTANTIAL CONTRIBUTION

A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059).

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
Commissioner Sandoval’s Scoping Memo for A.12-01-003 states: This	Section 6.2.1 (at 12) of D. 14-08-006 (August 14, 2014) states: As provided for in the Rate Case Plan	The Six Mutuals made a substantial contribution

<p>proceeding will examine the reasonableness of SJWC’s request to increase rates, in particular:</p> <p>1. Forecasts of sales, operating and other revenues, and operating expenses for a 2013 test year and 2014-2015 escalation years;</p> <p>[The Scoping Memo also identifies 11 additional areas. Those areas in which we made contributions, 2-7 & 12, which follow this entry.]</p> <p><i>Section II.A of our written testimony addresses water sales as declining from 2006 through 2011 for the Mountain District and is backed up by our Table 2.</i></p> <p><i>Section III.C of our written testimony presents studies that by extension addresses the water sales forecast for the entire SJWC potable water territory and is backed up by our Attachments:</i></p> <p><i>10 EPA 2010 Study: Residential Water Use Trends since 1992,</i></p> <p><i>14 Utah Water Department Residential Water study 2001,</i></p> <p><i>16 Utah Muni & Industrial Water Study 2009 and</i></p> <p><i>17 Utah Water Department Residential Water Study 2005</i></p> <p><i>The sales quantity forecast</i></p>	<p>for Class A Water Utilities, SJWC estimates water consumption for residential and business classes on a per customer basis utilizing the “New Committee Method.” Following the Rate Case Plan guidelines for other sales categories, including Industrial, Public Authority, Resale, and Other classes, the calculated average annual sales by customer class were used to forecast future sales.⁷ These sales estimates are then reduced by 1.5% a year based on SJWC’s ongoing, and proposed, conservation measures as well as the Commission-ordered conservation goal of “a 1-2% annual reduction in consumption per service connection and customer class in CCF.”</p> <p>Section 6.2.3 (page 14) of the Decision 14-08-006 (August 14, 2014) states: “The Commission adopts SJWC’s estimate of water consumption, and therefore SJWC’s additional conservation adjustment to water sales..... The Commission therefore adopts an estimated potable water consumption of 53,202 KCCF¹⁴ for 2013.”</p> <p>Decision 14-08-006 (August 14, 2014) states on page 5 that: “Therefore, we consider all options presented by parties for estimating forecasted revenue requirement elements, using the method which most appropriately fits the circumstances of each element.”</p>	<p>to D.14-08-006 on rate design issues only. D.14-08-006 at 6, which in part approved this settlement agreement, indicates that the settlement agreement between the Six Mutuals and SJWC was <u>limited to rate design issues</u>: “The settlement agreement between SJWC and the Six Mutuals was limited to rate design issues. This settlement, between SJWC and the Mutuals, was filed on June 5, 2012 resolves all issues contested by the Mutuals in this proceeding. This resolution strictly concerns rate design issues so does not affect SJWC’s revenue requirement.”</p> <p>Thus, as set forth in Part III.C below, we only compensate the Six Mutuals for their work done on overall case management and rate design issues, as that work lead to a substantial contribution to D.14-08-006.</p> <p>However, we do not compensate the Six Mutuals for their participation on substantive issues other than rate design, as the Six Mutuals did not substantially contribute</p>
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<p><i>approved in the Decision is in line with our written testimony at down by approximately 1% per year.</i></p>		<p>to a resolution of those issues in D.14-08-006.</p>
<p>2. Determine whether the forecast mechanism and formulas are properly set;</p> <p><i>Section III.C of our written testimony addresses water sales forecasts as in decline by approximately 1-2% annually everywhere and it backed up by our Attachments:</i></p> <p><i>10 EPA 2010 Study: Residential Water Use Trends since 1992,</i></p> <p><i>14 Utah Water Department Residential Water study 2001,</i></p> <p><i>16 Utah Muni & Industrial Water Study 2009 and</i></p> <p><i>17 Utah Water Department Residential Water Study 2005</i></p>	<p>The forecast approved in the Decision 14-08-006 (August 14, 2014) is in line with these studies.</p> <p>The Decision 14-08-006 (August 14, 2014) states on page 5 that: “Therefore, we consider all options presented by parties for estimating forecasted revenue requirement elements, using the method which most appropriately fits the circumstances of each element.”</p>	<p>See discussion in number II.A.1 above.</p>

<p>3. Rate base for a 2013 test year and 2014-2015 escalation years;</p> <p><i>Section II.B (pages 19-21) of our written testimony details the capital expenditures made by SJWC in the Mountain District and computes the SJWC Rate Base for The Mountain District in Table 4.</i></p>	<p>The Decision 14-08-006 (August 14, 2014) states on page 5 that: “Therefore, we consider all options presented by parties for estimating forecasted revenue requirement elements, using the method which most appropriately fits the circumstances of each element.”</p> <p>Section 4 of the Decision 14-08-006 (August 14, 2014) (pages 7-8) cites: “Upon careful analysis of the record and consideration of reasons for the parties’ initial and revised estimates and rate design, we find that the partial rate design settlement agreement is a reasonable resolution of the issue, consistent with the law, and in the public interest...”</p> <p>Section 33 (Finding of Fact) of the Decision 14-08-006 (August 14, 2014) (page 119) states: “5. The settlement between SJWC and the Mutuels resolves all outstanding issues, and is reasonable.”</p>	<p><i>See discussion in number II.A.1 above.</i></p>
<p>4. Revenue requirements, rate design, and rates for a 2013 test year and 2014-2015 escalation years;</p> <p>i. Determine the appropriate number of rate tiers;</p> <p>ii. Based on the appropriate number of tiers, how should rates be designed? ;</p> <p>iii. Based on the number of tiers, determine the appropriate quantities for each tier;</p> <p><i>Sections III, IV & V (pages 41-44) of our written testimony deliver analysis and</i></p>	<p>The Decision 14-08-006 (August 14, 2014) states on page 5 that: “Therefore, we consider all options presented by parties for estimating forecasted revenue requirement elements, using the method which most appropriately fits the circumstances of each element.”</p> <p>Section 4 of the Decision 14-08-006 (August 14, 2014) (page 6) cites: “Upon careful analysis of the record and consideration of reasons for the parties’ initial and revised estimates and rate design, we find that the partial rate design settlement agreement is a reasonable resolution</p>	<p><i>See discussion in number II.A.1 above.</i></p>

<p><i>description of water supply available to SJWC as input upon which to base discussion about conservation rates in the absence of extreme drought conditions, our rate design and rates proposal. The written testimony is backed up by our Attachments 10, 14, 16, 17 & 22-25.</i></p>	<p>of the issue, consistent with the law, and in the public interest...”</p> <p>Section 33 (Finding of Fact) of D.14-08-006 (August 14, 2014) (at 119) states: 5. The settlement between SJWC and the Mutuels resolves all outstanding issues, and is reasonable.</p>	
<p>5. Rate design of meter charge, quantity rate, and other fees or charges applicable to mutual water utilities that receive service from SJWC;</p> <p><i>Section II.A (pages 12-21) of our written testimony shows how SJWCs proposed meter charges and quantity charges were discriminatory against The Six Mutuels, in what way and that they were therefore in violation of CPUC U-07-W.</i></p> <p><i>Section II.A of our written testimony shows how SJWC overcharges Mutuels for elevation charges.</i></p>	<p>Section 4 (pages 6-8) of the D.14-08-006 (August 14, 2014) states:</p> <p>“The Mutual’s issues were resolved by the settlement as follows:</p> <ol style="list-style-type: none"> 1. The service charges for Mountain District customers shall be the same service charges that are in effect for all of SJWC’s remaining customers and are as reflected on SJWC’s Schedule 1, General Metered Service. 2. SJWC shall charge one service charge to each of its customers that is a mutual water company based on the size of the meter by which the mutual water company is served. 3. The mutual water companies that are SJWC customers in the Mountain District shall be charged the Quantity Rates applicable to non-residential customers (“All Other Customers”) as specified in Tariff Schedule No. 1C for General Metered Service in the Mountain District, but subject to Special Condition 6 in that Schedule. 4. Current use restriction of 500 gallons per day, or 15,000 gallons per month, which is roughly equivalent to 20 CCF per month, shall remain in place for each water service. <ol style="list-style-type: none"> a. This use restriction is implemented 	<p>See discussion in number II.A.1 above.</p>

	<p>by means of an Overuse Rate of \$7.00 per CCF, which generally applies to each customer's monthly usage exceeding 20 CCF.</p> <p>b. Each SJWC customer in the Mountain District that is a mutual water company shall be entitled to a single quantity rate usage allocation per customer individually served by the mutual water company.</p> <p>c. The Overuse Rate will apply to a mutual water company's monthly use of SJWC service above that volume, which is calculated as the number of customers individually served by the mutual water company multiplied by 20 CCF.</p> <p>5. The Elevation Charge specified in Special Condition 4 of Tariff Schedule No. 1C will be eliminated.</p> <p>6. The rate design is reflected in the revised sample Schedule 1C for General Metered Service in the Mountain District, which is appended to this Settlement Agreement as Attachment A. Except as noted in items 1 through 5 above, the provisions of Schedule 1C will not be changed. Rates and charges set forth in the settlement agreement shall be modified proportionately from the amounts stated therein in order to achieve the revenue requirement determined in accordance with the Commission's Decision 14-08-006 (August 14, 2014) in this proceeding, except for the Overuse Rate, which the Settling Parties agree should be \$7.00 per CCF. Revised rates are scheduled to become effective January 1, 2013, pending a timely Decision 14-08-006 (August 14, 2014) in this proceeding.</p> <p>D.14-08-006 (August 14, 2014) states</p>	
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	<p>(page 5) that: “Therefore, we consider all options presented by parties for estimating forecasted revenue requirement elements, using the method which most appropriately fits the circumstances of each element.”</p> <p>Section 4 of D.14-08-006 (August 14, 2014) (pages 7-8) cites: “Upon careful analysis of the record and consideration of reasons for the parties’ initial and revised estimates and rate design, we find that the partial rate design settlement agreement is a reasonable resolution of the issue, consistent with the law, and in the public interest...”</p> <p>Section 4 of D.14-08-006 (August 14, 2014) (pages 7-8) cites: “Upon careful analysis of the record and consideration of reasons for the parties’ initial and revised estimates and rate design, we find that the partial rate design settlement agreement is a reasonable resolution of the issue, consistent with the law, and in the public interest...”</p> <p>Section 33 (Finding of Fact) of D. 14-08-006 (August 14, 2014) (at 119) states: “5. The settlement between SJWC and the Mutuels resolves all outstanding issues, and is reasonable.”</p> <p>68. Customers using the least amounts of water in the lowest tier should not be subject to the greatest percentage rate increase as a result of SJWC’s GRC. Instead, it is reasonable that customers using the least amount of water should see rate increases that are similar to rate increases for customers in higher tiers.</p>	
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<p>6. Water conservation programs;</p> <p><i>Section III.D (pages38-41) of our written testimony presents conservation programs in rank order and describes their potential impact.</i></p> <p>The Decision 14-08-006 (August 14, 2014) declines to approve some of the lowest ranked least effective programs.</p>	<p>Section 24.3 of the Decision states: “Therefore the following programs are not included in SJWC’s adopted conservation expenses: Toilet Replacement (\$400,000) and the Landscape survey (\$300,000). Both of these programs are being pursued through SCVWD. In addition, adopted conservation expenses do not include the CII Survey Program (\$150,000) as it is similar to a previous SCVWD program which was discontinued for unspecified reasons, and the turf removal program (\$340,000) which costs significantly more than the cost of saved water. While the Commission is not adopting expenses for these programs, it has provided significant amounts for the remaining conservation programs. As a result of the adjustments discussed above, the Commission adopts Conservation Program expense of \$217,000 for 2013.</p> <p>D.14-08-006 (August 14, 2014) states in Section 33, Findings of Fact (page 124):</p> <p>54. It is unreasonable to include in rates those conservation programs which are duplicated by others.</p> <p>55. Conservation programs which can be justified by their cost, effectiveness and benefits can reasonably be included in rates.</p>	<p><i>See discussion in number II.A.1 above.</i></p>
<p>7. Non-tariffed services</p> <p>Pages 23-27 of our Testimony describes Questionable Non-Tariffed Services business practices used by SJWater in</p>	<p>D.14-08-006 (August 14, 2014) (at 119) states: 5. The settlement between SJWC and the Mutuels resolves all outstanding issues, and is reasonable.</p>	<p><i>See discussion in number II.A.1 above.</i></p>

<p>its dealings with the Raineri Mutual Water Company (known as Idylwild) in 2012 when Ranieri (Idylwild) requested connection to SJWater.</p>	<p>Section 33 (Finding of Fact) of D.14-08-006 (August 14, 2014) (at 119) states: “5. The settlement between SJWC and the Mutuels resolves all outstanding issues, and is reasonable.”</p> <p>D.14-08-006 (August 14, 2014) (at 119) states: 5. The settlement between SJWC and the Mutuels resolves all outstanding issues, and is reasonable.</p>	
<p>8. Compliance with prior decisions;</p> <p><i>Pages 7-9 and 46-47 of our testimony details how SJWater failed to comply with prior decisions.</i></p>	<p>Section 33 (Finding of Fact) of D.14-08-006 (August 14, 2014) (at 119) states: “5. The settlement between SJWC and the Mutuels resolves all outstanding issues, and is reasonable.”</p>	<p><i>See discussion in number II.A.1 above.</i></p>

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

	Intervenor’s Assertion	CPUC Discussion
<p>a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?¹</p>	<p>Yes.</p>	<p>Verified.</p>
<p>b. Were there other parties to the proceeding with positions similar to yours?</p>	<p>Yes.</p>	<p>Verified.</p>
<p>c. If so, provide name of other parties:</p>		
<p>d. Intervenor’s claim of non-duplication:</p> <p>We met, made phone calls to and corresponded with Allison Brown, ORA Party during the early portion of the Proceeding to understand ORAs testimonial content and arrive at areas of mutually exclusive written testimony. Furthermore, we engaged in settlement discussions with SJWC early on, settled and it was submitted on the second day of the EH and upheld in the Decision. We then pulled out of the EH and let ORA proceed uninterrupted with its EH verbal testimony.</p>		<p>The award should not be reduced for duplication issues.</p>

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

a. Intervenor’s claim of cost reasonableness:	CPUC Discussion
<p>The Mutuals paid approximately \$1M in excess water service charges and quantity charges from 2006 through 2012. The settlement adjusts our rates close to par with “SJWC’s other similar customers throughout its Silicon Valley territory,” reducing our water costs by collectively approximately \$120K / year going forward. Our initial Intervenor Cost estimate submitted on our NOI covered participation during the entire rate case, including testimony, and attorney / advocate/expert time at Evidentiary Hearings for weeks including preparation and further research for the Evidentiary Hearings to ensure that we prevailed on every aspect of the Proceeding that impacted our operations and purchased water costs. The estimated cost was \$192,400. We furthermore limited attorney’s expense by getting legal advice on our rates and rate design and procedural advice from our attorney Lloyd Lowery, leaving most of the work in the hands of our Regulatory Liaison (Advocate Expert) at a lower hourly rate. This submission claims a small fraction of the estimate that is also a small fraction of our total savings, by securing Fair and Just water rates, on a lifetime basis. The Advice Letter released by SJWC delivers to Mutuals (including non-party Summit West) total refunds of \$202K for water service from Feb 1, 2013 through Aug 15, 2014 for the difference between SJWCs Interim Rates to Rates as ordered implementing our Settlement.</p>	<p>Correct, after the adjustments made in this decision.</p>
<p>b. Reasonableness of hours claimed:</p> <p>We focused the use of time on our history with SJWC, our rates, rate design and other fee issues as they impacted either ourselves or other non-party Mutuals in the Mountain District, including discovery and research that affected the entire SJWC territory required by our request to be treated just like “All Other Customers” in Schedule 1.</p> <p>The Six Mutuals attorney and advocate / expert recorded scant hours for work on preparation for the A1201003 rate case and protest. Our attorney and advocate / expert recorded hours for work on preparation for the PHC and authoring of our NOI of Intervenors Compensation.</p> <p>Our attorney and advocate/expert spent significant yet limited hours in preparation and submission of our testimony as we focused on factors identified in Commissione’ Sandoval’s Scoping Memo that impact our issues including:</p> <ul style="list-style-type: none"> - potable water sources and therefore cost of SJWater’s water supply - rate design and rates - SJWater potable water sales shrinkage over the prior 6 years and probable future shrinkage 2012 to 2013, 2014 and 2015 - Water sales variation with annual rainfall - SJWater’s regulatory history with us - SJWCs unregulated business practices - SJWCs Rate Base in the Mountain District 	<p>After the adjustments set forth in Section III.C below, the remainder of this request for compensation is reasonable and worthy of compensation.</p>

<p>- WRAM</p> <p>- The Six Mutuals submit that the hours claimed are reasonable in light of its significant contributions to the Decision in this case.</p> <p>This GRC began with the expectation that rate design would be part of the revenue requirement phase.</p> <p>We began settlement talks on our rate design issues before the Evidentiary Hearings. Rates were mixed in with other issues such as forecasting and WRAM. Our Joint Settlement with SJWater was submitted on the second day of Evidentiary Hearings and we withdrew from further active participation, incurring scant further costs as a result.</p> <p>Our advocate expert spent scant hours in follow-up after our Settlement with SJWater was submitted to read filings and motions from this docket, track progress of the rate case Decision, update the Six Mutuals on progress prepare our Intervenor's Comp claim and analyze the effects of the Decision on our Costs.</p>	
<p>c. Allocation of hours by issue:</p> <p>The Six Mutuals have allocated their time entries in the attachments by the following categories:</p> <p>Overall Case Management General Preparation- work that generally does not vary with the number of issues that THE SIX MUTUALS addresses in the case.</p> <p>Procedural – Authoring reading or researching applications, protests, notices, motions, exparte, decisions certificates of service, COS, service list, coordination with others or caucusing for and attending settlement discussions.</p> <p>Preparation of the Intervenor’s Compensation Claim</p> <p>Topics Identified in the Scoping Memo that we submitted written testimony on:</p> <ol style="list-style-type: none"> 1. Forecasts of sales and operating expenses 2. Determine whether the forecast mechanism and formulas are properly set; 3. Rate base for a 2013 test year and 2014-2015 escalation years; 4. Revenue requirements, rate design, and rates for 2013, 2014 & 2015 5. Rate design of meter charge, quantity rate, and other fees or charges applicable to mutual water utilities that receive service from SJWC; 6. Water conservation programs; 7. Non-tariffed services; 8. Compliance with prior decisions; 	<p>Verified as to allocation of issue. See Part III.C below for the reasonable compensation awarded.</p>

PR Principles of Rate Design - Work by our Advocate Expert and Attorney to review and analyze the principles of rate design and alternative design consequences on poor families and unintended consequences of alternate rate designs alter to present to the Commission as a basis for its rate design decision for our Mutuals, Schedule 1 & Schedule 1C customers, including conservation rate design. Including is work by our Advocate Expert, Advocates and Attorney to generate our cost of service testimony for the Six Mutuals compared to all similar customers served by SJWater. This category also covers work done to develop and create our tiered rate proposal and analyze other tiered rate proposals including research on the EPA water use study, rate design impact on poor families and reports on other States' tiered rates and conservation programs for the Commission to use in this Docket.

WRAM Water Revenue Adjustment Mechanisms- time spent researching, analyzing and preparing testimony regarding WRAM as it impacts rate design issues we raise.

COMP Compensation- work on our compensation request and compensation related activities such as the NOI.

The Six Mutuals submit 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, we request that the Commission so inform The Six Mutuals and provide a reasonable opportunity for The Six Mutuals supplement this showing accordingly.

The Six Mutuals Attorney & Advocate Expert

Mr. Burke, our Advocate Expert was indispensable in leading and executing on The Six Mutuals' efforts, working with the other parties to the case, ensuring success on The Six Mutuals' issues, and ultimately benefitting San Jose Water's and The Six Mutuals' ratepayers. Mr. Burke extensively reviewed the SJWater Application, including rate design, low income issues, Rate Base, SJWater Sources, Unregulated Activities, Capacity Issues, Conservation and external reports from other states and the US EPA confirming The Six Mutuals and SJWater's situations as they related to rate design, water supply and conservation. Mr. Burke authored The Six Mutuals' testimony, set our case strategy and participated collectively with the Six Mutuals to identify issues. The Six Mutuals relied heavily on his 40+ years of regulatory experience, begun at the FCC, continued at LG&E (Louisville, Ky) AT&T, Brush & Old Well Mutual Water Co and Cincinnati Bell. Mr Burke worked closely with the boards of all Six Mutuals on all phases of development of issues, testimony and settlement.

He worked closely with ORA, SJWater and The Six Mutuals to extensively analyze billing data, consumption figures and other data to develop a mutually acceptable rate design for settlement purposes.

Mr. Burke's Tariff and Rate Designs from the 1984 Divestiture of AT&T were filed and approved by all 50 States and the FCC at the time. Their structures and

<p>principles are still in use today in all 50 states’ communications Tariffs and in several successor companies’ FCC tariffs.</p> <p>His first appearance at CPUC surrounded SJWater’s AL372 issues in December 2006, following the Protests requesting hearings lodged by two Mutuals, Ridge MWC & Gillette MWC. Mr Burke appeared and spoke on The three Mutuals’ behalf (Ridge, Gillette and Brush) at the Commission’s Business Meeting on June 21, 2007 after which AL 372 was approved.</p> <p>He then led The Seven Mutuals efforts, ourselves and Summit West MWC, on the 2009 SJWater rate case A.09-01-009.</p> <p>This proceeding is his third and most recent CPUC work. This is our first IC claim. We file in this Claim for a New (first time) Hourly rate.</p> <p>We call the Commission’s attention to the following Advocates & Experts whose experience and background are reasonable comparisons yet not identical to Mr. Burke:</p> <ul style="list-style-type: none"> - Mary Luevano (\$180/hr) - David Marcus (\$250/hr) - Jonas Minton (\$315/hr) - Ted Bardacke (\$180/hr) - Michael Boccadoro (\$190/hr) - Robert Bremault (\$235/hr) <p>Lloyd Lowrey, Jr, Attorney for The Six Mutuals. Mr. Lowrey is a long time California regulated utility practitioner who was admitted to the Bar in 1972 with frequent experience in CPUC proceedings. His current hourly rate was approved by CPUC in 2008 in D1002029.</p> <p>Charlena Nossett is Mr. Lowrey’s Paralegal. Her current hourly rate was approved by CPUC in 2008. We file in this Claim for an updated hourly rate adjusted by1 step increase + COLA increase from 2008.</p> <p>Cristi Stone is Mr. Lowrey’s Legal Assistant. We file in this Claim for a New (first time) Hourly rate.</p>	
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B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Lloyd Lowery	2012	11	\$325	CPUC Rate chart approved by CPUC in 2008, D. 10-02-029	\$3,575.00	11	\$315	\$3,465.00
Bob Burke	2011	5	\$190	New rate request at comparable to	\$950.00	0	N/A	\$0.00

				other advocates and experts in CPUC Rate Chart w/ similar long term regulatory experience & qualifications. See attachment 2.				
Bob Burke	2012	192.45	\$190	“	\$36,565.50	80.3	\$190	\$15,257.00
Bob Burke	2012	4.4	\$95	Travel time at ½ hourly rate	\$418.00	4.4	\$95	\$418.00
Bob Burke	2013	4.3	\$190	See attachment 2	\$817.00	4.3	\$195 ²	\$838.50
Bob Burke	2014	13.8	\$190	“	\$2,622.00	7	\$200 ³	\$1,400.00
Subtotal: \$42,458.50					Subtotal: \$21,378.50			
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 \$
Charlena Nosset	2012	1.7	\$135	\$125 from CPUC Rate chart 2008, D.10-02-029 + one 5% step increase + COLA of 7.38% from 2008-2012 = \$140 (rounded to nearest \$5) per D.08-04-010 We're requesting the \$135 rate that was billed. See attachments 8 & 9	\$229.50	1.7	\$135	\$229.50
Subtotal: \$229.50					Subtotal: \$229.50			
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Bob Burke	2012	0	\$190		\$0.00	2.9	\$95	\$275.00
Bob Burke	2014	35.5	\$95	Half the requested new rate.	\$3,372.50	17.5	\$100	\$1,750.00
Subtotal: \$3,372.50					Subtotal: \$2,025.50			
COSTS								

² Application of 2.2% Cost-of-Living-Adjustment (COLA), per Resolution ALJ-281.

³ Application of 2.58% COLA per Resolution ALJ-303.

#	Item	Detail	Amount	Amount
1	Printed and electronic copies of testimony.	Paper & diskettes (electronic copy of receipt was lost when e-mail was hacked).	\$38.54	\$38.54
2	Parcel transport	Fee (electronic copy of receipt lost when e-mail was hacked).	\$7.35	7.35
			Subtotal:45.89	Subtotal:45.89
			TOTAL REQUEST: \$46,106.89	TOTAL AWARD: \$23,679.39
<p>**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. Intervenor'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.</p> <p>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate.</p>				
ATTORNEY INFORMATION				
Attorney	Date Admitted to CA BAR ⁴	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation	
Loyd Lowrey	January 22, 1972	51936	No	

D. CPUC Disallowances and Adjustments:

Item	Reason
1. Reduction of hours claimed by Bob Burke.	<p>We reduce the number of hours claimed by Bob Burke as follows:</p> <p>For 2011:</p> <p>We do not allow any of the hours claimed by Burke for 2011 as this application was filed on January 3, 2012. Thus, we reduce the claimed hours for 2011 by 5 hours.</p> <p>For 2012:</p> <p>Based on the Six Mutuals' Allocation of Issues by Percentage, attached to the request for intervenor compensation, we reduce Burke's 2012 hours by 106.85 for the hours spent on issues (the substantive issues other than rate design) for which there is no substantial contribution to D.14-08-006.</p> <p>D.14-08-006 at 6, which in part approved this settlement agreement, indicates that the settlement agreement between the Six Mutuals and SJWC was limited to rate design issues: "The settlement agreement between SJWC and the Six Mutuals was</p>

⁴ This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

	<p>limited to rate design issues. This settlement, between SJWC and the Mutuals, was filed on June 5, 2012 resolves all issues contested by the Mutuals in this proceeding. This resolution strictly concerns rate design issues so does not affect SJWC’s revenue requirement.”</p> <p>Thus, except as specifically disallowed below, we compensate the Six Mutuals for their work done on overall case management and rate design issues (and reasonable time in preparing the intervenor compensation request) as that work lead to a substantial contribution to D.14-08-006. However, we do not compensate the Six Mutuals for their participation on substantive issues other than rate design, as the Six Mutuals did not substantially contribute to a resolution of those other issues in D.14-08-006. The Six Mutuals settled the case at the beginning of the hearings and did not subsequently participate on the other outstanding substantive issues.</p> <p>D.14-08-006 discusses the other substantive issues only in light of the positions of SJWC and the Division of Ratepayer Advocates (DRA, formerly known as the Office of Ratepayer Advocates, or ORA), and bases its result on the other issues solely on the basis of SJWC and DRA’s testimony. We therefore reduce the Six Mutuals hours as set forth above for lack of substantial contribution on substantive issues other than rate design. We do not further reduce the hours spent on overall case management in light of the reduction of time spent on issues other than rate design, because the hours spent on general case management arguably supported the result on the rate design issues.</p> <p>We also reduce Burke’s 2012 requested hours by 2.9 (for 3/12 and 3/19/2012) as that time was spent on the Notice of Intent to Claim Compensation, which is compensable at ½ of intervenor’s hourly rate. Concurrently, we increase Burke’s hours claimed for 2012 for intervenor compensation work by 2.9.</p> <p>We also reduce Burke’s 2012 hours by 2.4 hours for clerical work (efiling etc.) which is not compensable. (This is a reduction of 0 .5 hours on each of the following days in 2012: 2/8, 3/12, 3/13, and 3/19, and a reduction of 0.4 hours on 4/29/2012.)</p> <p>For 2014:</p> <p>We reduce Burke’s 2014 hours by 6.8 for work performed in reading and analyzing the final decision because that work (done on the day of and after the issuance of the final decision) did not substantially contribute to it.</p> <p>We reduce Burke’s 2014 hours spent on preparing the intervenor compensation request by 18 as 35.5 is an excessive amount of time spent on this request for an intervenor with Burke’s experience. See D.14-11-038 at 13. While we have compensated an intervenor for this range of hours for claim preparation in the past in cases where both Lowrey and Nossett participated (<i>see e.g.</i> D.10-02-029 and D.10-05-011), we have determined this level of time to be excessive in more recent cases which utilize the streamlined application procedure. (<i>See</i> D.14-11-038 at 13; <i>see also</i> D.15-04-018; D.15-04-017; D.15-03-035, and D.15-03-034.)</p>
<p>2. Adoption of</p>	<p>Bob Burke has a bachelor’s degree in Electrical Engineering, a master’s degree in</p>

Hourly Rate(s) for Bob Burke.	<p>Electrical Engineering and a master's degree in Business Administration. Burke has well over 13 years of professional experience, having first worked as an engineer at Louisville Gas & Electric and then for 23 years with AT&T. During the past 10 years, Mr. Burke has served as Director and Secretary of the Brush & Old Well Rd MWC. He appeared twice at the Commission while in this role.</p> <p>Pursuant to Resolution ALJ-281, the hourly rate ranges for an expert with 13-plus years of experience is \$160-\$400 for 2012. Burke's requested hourly rate of \$190 for 2012 is reasonable and falls within this range. As such, for 2012, we adopt the rate of \$190 for Burke.</p> <p>Resolution ALJ-287 provides for a 2% cost-of-living increase for 2013 and we therefore approve an hourly rate for Burke of \$195 for 2013. Resolution ALJ-303 provided for a 2.58 % cost-of-living adjustment for 2014 and we therefore approve an hourly rate for Burke of \$200 for 2014.</p>
3. Adopt of Hourly Rate(s) for Lloyd Lowery.	<p>The Six Mutuals request an hourly rate for Lowrey for 2012 of \$325. We have previously approved an hourly rate for Lowrey of \$295 for 2008 and 2009. (<i>See</i> D.10-02-029 and D.10-05-011.). Resolution ALJ-287 provided for a 2% cost-of-living adjustment for 2012. Additionally, Lowrey is eligible for a 5% step increase, the first Lowrey has requested. (<i>See</i> D.08-04-010.) The 5% step increase and 2% cost-of-living adjustment establishes an approved rate of \$315 per hour for 2012.</p>
4. Adoption of Hourly Rate(s) for Charlena Nossett.	<p>The Six Mutuals request an hourly rate for Charlena Nossett for 2012 of \$135. We have previously approved an hourly rate for Nossett of \$125 for 2008 and 2009. (<i>See</i> D.10-02-029 and D.10-05-011.) Resolution ALJ-287 provides for a 2% cost-of-living adjustment for 2012. Additionally, Nossett is eligible for a 5% step increase, the first Nossett has requested. (<i>See</i> D.08-04-010.) The 5% step increase and 2% cost-of-living adjustment establishes an approved of \$135 per hour for 2012.</p>
5. Claimed Expenses with missing receipt.	<p>Pursuant to the Intervenor Compensation Program Guide, a single expense over \$20 must be substantiated with a receipt. There is no receipt for the printing costs as intervenor states it was lost in a computer crash. However, in prior instances, we have compensated for bulk printing at 10 cents a page, and on that basis the requested printing and electronic copying charge of \$38.54 reasonable.</p>

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

A. Opposition: Did any party oppose the Claim?	Yes
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If so:

Party	Reason for Opposition	CPUC Discussion
San Jose Water Company	<p>(1) Intervenors should not receive compensation for time spent on issues for which there is no substantial contribution to D.14-08-006;</p> <p>(2) The Commission should authorize recovery of any allowed compensation through a surcharge applicable solely to customers in SJWC’s Mountain District because the intervenor’s efforts benefited only the customers in that District and not its general body of ratepayers.</p>	<p>(1) The time the Six Mutuels spent on issues for which there is no substantial contribution to D.14-08-006 have been disallowed as discussed above.</p> <p>(2) We deny SJWC’s request for authority to apply a surcharge only on its Mountain District customers. Public Utilities Code § 1807 requires awards to be paid by the public utility which is the subject of the proceeding. SJWC provides no decision or statutory support for assigning to a subset of its customers responsibility for recovery of the cost of awards.</p>

B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(c)(6))?	No
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If not:

Party	Comment	CPUC Discussion
	No Comments were received.	

FINDINGS OF FACT

1. Big Redwood Park Mutual Water Co., Brush & Old Well Rd Mutual Water Co., Mountain Summit Mutual Water Co., Oakmont Mutual Water Co., Ridge Mutual Water Company, and Villa Del Monte Mutual Water Co., jointly (the Six Mutuels) have made a substantial contribution to D.14-08-006.
2. The requested hourly rates for the Six Mututals’ representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.

3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$23,679.39.

CONCLUSION OF LAW

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

ORDER

1. Robert Burke, on behalf of Big Redwood Park Mutual Water Co., Brush & Old Well Rd Mutual Water Co., Mountain Summit Mutual Water Co., Oakmont Mutual Water Co., Ridge Mutual Water Company, and Villa Del Monte Mutual Water Co. (the Six Mutuels) is awarded \$23,679.39.
2. Within 30 days of the effective date of this decision, San Jose Water Company shall pay Robert Burke on behalf of the Six Mutuels', the total award. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning December 20, 2014, the 75th day after the filing of the Six Mutuels' request, and continuing until full payment is made.
3. The comment period for today's decision is not waived.

This decision is effective today.

Dated _____, at San Francisco, California

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision? No
Contribution Decision(s):	D1408006	
Proceeding(s):	A1201003	
Author:	ALJ Wilson	
Payer(s):	San Jose Water Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier	Reason Change/Disallowance
Robert Burke on behalf of Big Redwood Park Mutual Water Co., Brush & Old Well Rd Mutual Water Co., Mountain Summit Mutual Water Co., Oakmont Mutual Water Co., Ridge Mutual Water Company, and Villa Del Monte Mutual Water Co., jointly (the Six Mutu als)	10/6/2015	\$46,106.89	\$23,679.39	n/a	Intervenors shall receive compensation for only for work that resulted in a substantial contribution to the decision; disallowances for clerical work; adjustment in amount of requested hourly rate.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Lloyd	Lowrey	Attorney	Robert Burke/Six Mutu	\$325	2012	\$315
Bob	Burke	Advocate/ Expert	Robert Burke/ Six Mutu	\$190	2011	\$0.00
Bob	Burke	Advocate/ Expert	Robert Burke/ Six Mutu	\$190	2012	\$190
Bob	Burke	Advocate/ Expert	Robert Burke/ Six Mutu	\$190	2013	\$195
Bob	Burke	Advocate/ Expert	Robert Burke/ Six Mutu	\$190	2014	\$200
Charlena	Nossett	Paralegal	Robert Burke/ Six Mutu	\$135	2012	\$135

(END OF APPENDIX)