

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation on the Commission’s Own Motion into the Rates, Operations, Practices, Services and Facilities of Southern California Edison Company and San Diego Gas and Electric Company Associated with the San Onofre Nuclear Generating Station Units 2 and 3.

Investigation 12-10-013
(Filed October 25, 2012)

And Related Matters.

Application 13-01-016
Application 13-03-005
Application 13-03-013
Application 13-03-014

DECISION GRANTING COMPENSATION TO THE UTILITY REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 14-11-040

Intervenor: The Utility Reform Network	For contribution to Decision (D.) 14-11-040
Claimed: \$289,821	Awarded: \$289,794.41
Assigned Commissioner: Sandoval	Assigned ALJ: Melanie M. Darling

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	The decision approves a settlement agreement between Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), The Utility Reform Network (TURN), the Office of Ratepayer Advocates, Friends of the Earth and the Coalition of California Utility Employees which provides resolution of rate recovery issues related to the premature shutdown of San Onofre Nuclear Generating Station (SONGS), following a steam generator tube leak on January 31, 2012. The decision resolves all outstanding issues in the Investigation.
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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):	January 8, 2013	Verified.
2. Other specified date for NOI:		
3. Date NOI filed:	February 6, 2013	Verified.
4. Was the NOI timely filed?		Yes, The Utility Reform Network (TURN) timely filed the notice of intent to claim intervenor compensation.
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	A.12-11-009	Verified.
6. Date of ALJ ruling:	January 3, 2012	September 6, 2013
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes, TURN demonstrated appropriate customer-related status.
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A.12-11-009	Verified.
10. Date of ALJ ruling:	January 3, 2012	September 6, 2014
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes, TURN demonstrated significant financial hardship.
Timely request for compensation (§ 1804(c)):		

13. Identify Final Decision:	D.14-11-040	Verified.
14. Date of issuance of Final Order or Decision:	November 25, 2014	Verified.
15. File date of compensation request:	January 23, 2015	Verified.
16. Was the request for compensation timely?	Yes, TURN timely filed the request for compensation.	

C. Additional Comments on Part I (use line reference # as appropriate):

#	Intervenor's Comment(s)	CPUC Discussion
1	TURN	Regarding lines 5-7 -- The Commission did not issue a formal ruling on TURN's customer status in I.12-10-013 in response to TURN's Notice of Intent to claim compensation.

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
<p>1. LEGAL / Authority to Disallow Costs and Provide Refunds</p> <p>TURN (jointly with Friends of the Earth and the World Business Alliance) argued that the Commission's authority to remove SONGS costs from rates includes, but is not limited to, Public Utilities Code §455.5 and that this Investigation constitutes a "general rate proceeding" as defined in §455.5(c).</p> <p>In response to legal briefs, the Assigned Commissioner and ALJs issued a ruling resolving these legal questions consistent with the positions raised by</p>	<p>Opening brief of TURN, FOE, and WBA on legal issues associated with removing San Onofre Nuclear Generating Station Costs from Rates, February 25, 2013</p> <p>Reply brief of TURN, FOE, and WBA on legal issues associated with removing San Onofre Nuclear Generating Station Costs from Rates, March 7, 2013</p> <p>Assigned Commissioner's and ALJs Ruling on Legal Questions Set Forth in Scoping Memo and Ruling, April 30, 2013</p>	Verified.

<p>TURN. Specifically, the Ruling concludes that the Commission has authority to reduce rates pursuant to §455.5(c) and other statutory provisions in this Investigation (page 11). The Ruling agrees that the phrase “general rate proceeding” in §455.5(c) refers to a range of proceedings and does not preclude consideration of rate reductions prior to the next General Rate Case. (pages 5-6) The Ruling notes that “the Commission’s sense of general rate proceedings has evolved” (page 7) over time and that this Investigation has “such general ratemaking authority.” (page 10)</p>		
<p>2. LEGAL / Timing of Reductions to Ratebase and Refunds to Customers</p> <p>TURN (jointly with Friends of the Earth and the World Business Alliance) argued that all SONGS-related expenses incurred after January 1, 2012 are subject to refund and properly within the scope of the OII. Specifically, TURN pointed to the fact that the Commission had ordered SCE to establish a SONGS Memorandum Account, effective January 1, 2012, to track all capital and expenses and making these costs subject to refund. (opening brief, pages 5-6). TURN further argued that disallowing costs incurred since January 1, 2012 would not constitute retroactive ratemaking. (reply brief, pages</p>	<p>Opening brief of TURN, FOE, and WBA on legal issues associated with removing San Onofre Nuclear Generating Station Costs from Rates, February 25, 2013</p> <p>Reply brief of TURN, FOE, and WBA on legal issues associated with removing San Onofre Nuclear Generating Station Costs from Rates, March 7, 2013</p>	<p>Verified.</p>

<p>1-12)</p> <p>In response to legal briefs, the Assigned Commissioner and ALJs issued a ruling resolving these legal questions consistent with the positions raised by TURN. Specifically, the Ruling concludes that the Commission had not made any previous determination regarding the reasonableness of SCE’s forecasted operating and capital expenses for 2012. The ruling noted that “as TURN et al. observed, the Commission is only constrained from ordering refunds when it has previously determined the specific revenue requirements to be reasonable based on a complete record. This OII is the first instance in which a final reasonableness review will have been accomplished with a record of the actual conditions at SONGS in the test year of 2012.” (Ruling, page 16)</p>	<p>Assigned Commissioner’s and ALJs Ruling on Legal Questions Set Forth in Scoping Memo and Ruling, April 30, 2013</p>	
<p>3. PHASE 1 / Disallowance of Incremental costs</p> <p>TURN argued that the Commission should deny recovery of any “incremental” costs related to the diagnosis of steam generator problems, the development of repair options or other activities not associated with normal operations.</p> <p>The Phase 1 Proposed Decision found that “incremental” Stem Generator Inspection and</p>	<p>TURN Phase 1 opening brief, June 28, 2013, pages 5-7.</p> <p>TURN Phase 1 reply brief, July 9, 2013, pages 4-7.</p>	<p>Verified.</p>

<p>Repair costs incurred after March 15, 2012 would not be “suitable for immediate rate recovery” (page 39) and may be “subject to refund” after review in Phase 3 (page 47).</p> <p>Under the settlement approved by the Commission, SCE is precluded from recovering \$99 million in Incremental Inspection and Repair costs recorded in 2012.</p>	<p>Phase 1 Proposed Decision Regarding 2012 SONGS-Related Expenses and Expenditures (Rev 1)</p> <p>See Comment #1</p> <p>D.14-11-040, Settlement, Sections 2.19, 3.44 and 4.9.</p>	
<p>4. PHASE 1 / Cash Working Capital</p> <p>TURN urged the Commission to require SCE to calculate cash working capital requirements for SONGS in 2012.</p> <p>The Phase 1 Proposed Decision agrees with TURN’s argument and directs SCE to “provide the Commission with this calculation as part of the revised modeling of the revenue requirement which SCE shall undertake as a result of this decision.” (page 68)</p>	<p>Testimony of William B. Marcus on Phase I issues, March 29, 2013, page 2.</p> <p>TURN Phase 1 opening brief, June 28, 2013, pages 12-14</p> <p>TURN Phase 1 reply brief, July 9, 2013, pages 11-12</p> <p>Phase 1 Proposed Decision Regarding 2012 SONGS-Related Expenses and Expenditures (Rev 1)</p> <p>See Comment #1</p>	<p>Verified.</p>
<p>5. PHASE 1A / Replacement Power Cost Methodology</p> <p>TURN presented extensive testimony on the methodology for calculating replacement power costs and argued for the Commission to adopt the principle that all relevant economic impacts should be considered. TURN urged that the methodology include the</p>	<p>Direct testimony of Kevin Woodruff on behalf of TURN, March 29, 2013</p> <p>Rebuttal testimony of Kevin Woodruff on behalf of TURN, May 3, 2013</p> <p>Reply testimony of Kevin Woodruff on behalf of TURN, July 10, 2013 (Updated August 1, 2013)</p> <p>TURN opening brief on Phase 1A</p>	<p>Verified. TURN assisted in developing the record on the impact of the SONGS outages on market prices for replacement power.</p>

<p>costs of foregone energy sales, use the Default Load Aggregation Point (DLAP) index for “replacement energy”, use the SP-15 EZ-Gen index for “foregone sales”, count costs of SONGS onsite loads, and incorporate incremental demand response and capacity-related costs associated with the SONGS outage.</p> <p>The Phase 1 Proposed Decision agrees with TURN that “our intended, high-level, definition of replacement power costs is the net increase in costs to the utility of meetings its energy and capacity obligations to bundled customers.” (page 79). The PD specifically adopts practically all of TURN’s specific proposed adjustments to the Replacement Power Cost methodology including the calculation of foregone energy sales (pages 84, 88), capacity and demand response costs linked to the SONGS outage (pages 94-95), and costs associated with onsite SONGS loads (page 80). The PD also agrees with TURN’s proposal “to use the hourly DLAP price for replacement energy costs and the SP-15 EZ-Gen price for foregone sales.” (page 91).</p>	<p>issues, August 29, 2013</p> <p>TURN reply brief on Phase 1A issues, September 12, 2013</p> <p>Phase 1 Proposed Decision Regarding 2012 SONGS-Related Expenses and Expenditures (Rev 1), pages 78-91.</p> <p>See Comment #1</p>	
<p>6. PHASE 2 / Third party recoveries</p> <p>TURN argued that all proceeds received from Nuclear Energy Insurance Limited (NEIL) or Mitsubishi Heavy Industries (MHI) should be allocated to</p>	<p>Testimony of William B. Marcus on Phase II issues, September 10, 2013, pages 11-13.</p> <p>TURN Phase 2 opening brief,</p>	<p>Verified.</p>

<p>ratepayers based on the share of overall SONGS costs allocated to ratepayers.</p> <p>The amended Settlement directs SCE and SDG&E to establish memorandum accounts to track litigation recoveries from NEIL and MHI. Ratepayers are entitled to 95% of net recoveries from the NEIL outage policy and 82.5% of net recoveries from other NEIL policies. Ratepayers are entitled to 50% of net recoveries from MHI.</p>	<p>November 22, 2013, page 4.</p> <p>D.14-11-040, Settlement Section 4.11</p>	
<p>7. PHASE 2 / Construction Work in Progress (CWIP)</p> <p>TURN proposed to allow recovery of Construction Work In Progress (CWIP) that is placed into service and is needed to ensure safe shutdown. This CWIP should accrue AFUDC at the cost of debt and be amortized over the remaining license life with a return set equal to the cost of debt. For CWIP associated with canceled projects, TURN proposed allowing no AFUDC and only permitting recovery of direct costs over five years. For canceled projects that were initiated after January 30, 2012, TURN argued that there should be a rebuttable presumption that such costs were undertaken at shareholder risk and the direct costs should not be recoverable.</p> <p>The adopted Settlement</p>	<p>TURN Phase 1 opening brief, June 28, 2013, pages 9-12</p> <p>TURN Phase 1 reply brief, July 9, 2013, pages 9-10</p> <p>Testimony of William B. Marcus on Phase II issues, September 10, 2013, pages 5-6</p> <p>TURN Phase 2 opening brief, November 22, 2013, pages 3, 21-26</p> <p>TURN Phase 2 reply brief, December 13, 2013, pages 15-17</p>	<p>Verified.</p>

<p>agreement would allow recovery of CWIP over 10 years at the same reduced return permitted for base plant. CWIP associated with canceled projects does not accrue any AFUDC after February 1, 2012. CWIP that enters into service accrues AFUDC after February 1, 2012 at the same reduced rate of return afforded to Base Plant.</p>	<p>D.14-11-040, Settlement Sections 3.37, 4.8</p>	
<p>8. PHASE 2 / Removal of Base Plant From Rates</p> <p>TURN urged the Commission to remove SONGS-related capital assets from ratebase no later than November 1, 2012 and amortize recovery of base plant balances over the duration of the remaining license (through 2024) with no return on debt or equity. TURN strongly opposed utility proposals to treat some portion of capital as “used and useful” at the shutdown facility.</p> <p>The adopted Settlement requires the removal of base plant from ratebase on February 1, 2012 and allows recovery of these balances over 10 years at a reduced rate of return. The return is set at the utility’s authorized cost of debt plus 50% of the authorized cost of preferred stock and no return on equity. The Settlement does not include the SCE and SDG&E proposals to classify some portion of the base plant as “used and useful”.</p>	<p>Testimony of William B. Marcus on Phase I issues, March 29, 2013, pages 4-5.</p> <p>TURN Phase 1 reply brief, July 9, 2013, page 8</p> <p>Testimony of William B. Marcus on Phase II issues, September 10, 2013, pages 3-4.</p> <p>TURN Phase 2 opening brief, November 22, 2013, pages 8-21.</p> <p>TURN Phase 2 reply brief, December 13, 2013, pages 2-3, 5-15.</p> <p>D.14-11-040, Settlement Section 4.3</p>	<p>Verified.</p>

<p>9. PHASE 2 / Nuclear Fuel</p> <p>TURN proposed that the utilities be required to sell remaining nuclear fuel inventories with 95% of the gross proceeds allocated to ratepayers and 5% to shareholders and allowing remaining net fuel inventory costs to be recovered over five years with no return.</p> <p>The adopted Settlement allocates 95% of the gross proceeds from the sale of nuclear fuel to ratepayers with 5% retained by shareholders. The net remaining investment in nuclear fuel can be recovered over 10 years at a rate of return equal to commercial paper.</p>	<p>Testimony of William B. Marcus on Phase II issues, September 10, 2013, pages 7-9.</p> <p>TURN Phase 2 opening brief, November 22, 2013, pages 26-27.</p> <p>TURN Phase 2 reply brief, December 13, 2013, pages 17-19</p> <p>D.14-11-040, Settlement Sections 4.6, 4.7</p>	<p>Verified.</p>
<p>10. PHASE 2 / Use of Decommissioning Trusts</p> <p>TURN proposed that all actual expenses incurred after October 30, 2012, with the exception of steam generator related inspection and maintenance costs, be recoverable through decommissioning rates.</p> <p>The adopted Settlement requires that any use of the Nuclear Decommissioning Trusts to recover O&M expenses in 2013 and 2014 shall result in refunds to ratepayers for these amounts. The Settlement also directs the utilities to “seek reimbursement of Completed</p>	<p>Testimony of William B. Marcus on Phase II issues, September 10, 2013, pages 9-10.</p> <p>TURN Phase 2 opening brief, November 22, 2013, pages 4, 29-30.</p> <p>D.14-11-040, page 27; Settlement Sections 4.8 and 4.9(g)(h)(i)</p>	<p>Verified.</p>

<p>CWIP that enters service after June 7, 2013” via the Nuclear Decommissioning Trusts rather than through collection in rates (§4.8(b)).</p>		
<p>11. RSG / Replacement Steam Generator cost recovery</p> <p>TURN outlined a proposal to prevent SCE and SDG&E from collecting any revenues associated with the replacement steam generators after January 30, 2012.</p> <p>The adopted settlement prevents SCE and SDG&E from recovering the net investment associated with the replacement steam generators as of February 1, 2012. The remaining balances are not recoverable in rates and the utilities are directed to refund to customers any revenues collected for the replacement steam generators in rates since February 1, 2012.</p>	<p>Testimony of William B. Marcus on Phase II issues, September 10, 2013, page 2.</p> <p>TURN Phase 2 opening brief, November 22, 2013, page 4.</p> <p>TURN Phase 2 reply brief, December 13, 2013, pages 3-5.</p> <p>D.14-11-040, Settlement Section 4.2.</p>	<p>Verified.</p>
<p>12. PHASE 2 / Materials and Supplies</p> <p>TURN proposed that the utilities should be required to sell all unused Materials and Supplies inventory with 95% of the gross proceeds allocated to ratepayers and 5% to shareholders with remaining unsold balances amortized over the remaining license life with no return.</p>	<p>Testimony of William B. Marcus on Phase II issues, September 10, 2013, page 7.</p> <p>TURN Phase 2 opening brief, November 22, 2013, pages 27-29.</p>	<p>Verified.</p>

<p>The adopted Settlement allocates 95% of the gross proceeds from the sale of materials and supplies inventory to ratepayers with 5% retained by shareholders. The net remaining investment in materials and supplies can be recovered over 10 years at the reduced rate of return authorized for base plant.</p>	<p>D.14-11-040, Settlement Section 4.5.</p>	
<p>13. SETT / Adoption of Settlement</p> <p>TURN urged the Commission to adopt the comprehensive settlement of all outstanding Phase 1, 1A, 2 and 3. This settlement represents a fair resolution of litigation positions and provides near-term rate relief to SCE and SDG&E customers.</p> <p>The Decision approves an amended version of the settlement. The Decision concludes that the agreement is “reasonable in light of the whole record, consistent with the law, and in the public interest and should be approved.” (Conclusion of Law #7)</p>	<p>Joint Motion of SCE, SDG&E, TURN, ORA, FOE and CCUE for Adoption of Settlement Agreement, April 3, 2014.</p> <p>D.14-11-040, Ordering Paragraph 1.</p>	<p>Verified.</p> <p>TURN’s representation of the terms of the settlement approved in D.14-11-040 is accurate and its description of its prior litigation positions is also accurate. Pursuant to (D.) 94-10-029, the Commission has discretion to award compensation to parties who participated in settlement agreements, when there is a finding that they made a substantial contribution to a decision. We find that TURN’s participation in the settlement made a substantial contribution to D.14-11-040.</p>

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

	Intervenor’s Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?¹	Yes	Verified.
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Verified.
c. If so, provide name of other parties: Alliance for Nuclear Responsibility, Coalition of California Utility Employees, Coalition to Decommission San Onofre, Friends of the Earth, National Asian American Association, Ruth Henricks, Utility Consumers Action Network, Women’s Energy Matters, World Business Academy		Verified.
d. Intervenor’s claim of non-duplication: TURN coordinated with other intervenors throughout the proceeding as appropriate. Specifically, TURN devoted substantial efforts to coordination with the Office of Ratepayer Advocates in the course of litigating Phase 1, 1A and 2 issues and worked very closely with ORA in the development of a joint consumer position for purposes of conducting settlement negotiations. TURN and ORA staff communicated frequently and served as a negotiating team in the settlement process. TURN also coordinated with Friends of the Earth and World Business academy to prepare joint legal briefs on the legal requirements relating to the authority of the Commission to issue refunds and the timing of any such Commission actions. TURN further coordinated with Friends of the Earth regarding the settlement and efforts to seek approval by the Commission. TURN made significant unique investments of time in issues such as the appropriate methodology for calculating replacement power costs, the treatment of Construction Work in Progress, and the legal impermissibility of deeming some portion of SONGS investments to be considered “used and useful.” TURN presented unique testimony on many factual issues in Phase 1 and 2 and made distinct legal arguments that were not duplicative of those made by other parties. Many intervenors to the case did not participate in settlement negotiations and declined to support the settlement. Therefore, TURN did not duplicate the work of these other parties with respect to the settlement of key issues. TURN also did not devote any time to certain issues that were the primary focus of work by other intervenors such as the reasonableness of community outreach		Verified.

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.

<p>activities by Southern California Edison.</p> <p>To the extent that duplication occurred, it was unavoidable due to the large number of parties in the case and a need to ensure that TURN presented a comprehensive position on each of the issues it addressed.</p>	
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C. Additional Comments on Part II (use line reference # or letter as appropriate):

#	Intervenor’s Comment	CPUC Discussion
1	<p>TURN references the Phase 1 Proposed Decision (PD) as the basis for several substantial contributions. This PD was not adopted by the Commission and was instead withdrawn as part of the approval of the modified settlement agreement in D.14-11-040.</p> <p>The Commission has historically recognized that an intervenor may establish its substantial contribution for purposes of an award of compensation through reliance on the proposed decision of the Administrative Law Judge even if the Commission does not adopt the PD and its recommendations.</p> <p>For example, the Commission found that TURN made a substantial contribution to Proposed Decisions that were not adopted by the full Commission in D.14-09-012 (in A.12-03-026), in D.11-05-044 (in A.08-09-023), and D.08-04-004 (in A.06-11-007).</p> <p>In this proceeding, the Phase 1 PD was released on November 19, 2013. The settlement was not finalized until March 27, 2014. Although the specific outcomes achieved in the Settlement do not mirror the relief proposed in the PD, the overall allocation of cost responsibility between ratepayers and shareholders was significantly influenced by the Phase 1 PD.</p> <p>TURN submits that the circumstances presented by our work in this proceeding and the adopted outcomes are</p>	Verified.

	<p>substantially the same as those presented in these prior proceedings where a PD was not approved by the Commission. TURN requests that the Commission find a substantial contribution warranting an award of intervenor compensation for issues that were explicitly resolved in TURN’s favor in the Phase 1/1A PD.</p>	
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

<p>a. Intervenor’s claim of cost reasonableness:</p> <p>As demonstrated in the substantial contribution section, TURN’s participation had an extraordinarily significant impact on the outcome of the core issues litigated in this proceeding. The settlement adopted by the Commission was a product of extended negotiations between TURN, ORA, SCE and SDG&E. Had the settlement not been negotiated, the results of litigation would be very difficult to predict and could have been far worse for ratepayers.</p> <p>The settlement represents a reduction of \$1.45 billion (net present value) from the litigation positions of SCE and SDG&E. (D.14-11-040, page 33) The reductions include \$917.7 million relating to Replacement Steam Generators, \$419 million relating to base plant and CWIP, \$69 million relating to O&M expense, and \$43 million attributable to nuclear fuel. Moreover, the settlement could yield far more substantial ratepayer savings depending upon the outcome of third-party recoveries from NEIL and MHI.</p> <p>Taken together, the benefits associated with TURN’s participation far exceed (by orders of magnitude) the cost of TURN’s participation in this proceeding. TURN’s claim should be found to be reasonable.</p>	<p style="text-align: center;"><u>CPUC Discussion</u></p> <p>Verified.</p>
<p>b. Reasonableness of hours claimed:</p> <p>Given the breadth and depth of TURN’s contributions to the final resolution of contested issues in this proceeding, the amount of time devoted by staff and consultants is fully reasonable. In considering the reasonableness of the request, the Commission should be mindful of the fact that parties fully litigated three specific phases of the proceeding (Phases 1, 1A and 2) and the settlement proposal. The proceeding involved three sets of evidentiary hearings, responses to many motions, and four rounds of briefing prior to the submission of the settlement. In order to effectively participate, TURN was obligated to devote substantial resources to the proceeding. The time devoted to each task was reasonable in light of</p>	<p>Verified, but see CPUC Disallowances and Adjustments, below.</p>

the complexity of the issues presented.

Reasonableness of Staffing

TURN's attorneys each focused on unique issues and engaged in a minimum of duplication. Matthew Freedman was the lead attorney handling the bulk of the work in the proceeding including case strategy, evidentiary hearings, briefing and settlement negotiations. Attorneys Robert Finkelstein and Tom Long provided backup assistance to Mr. Freedman along with support on a variety of specific legal and settlement issues.

TURN's consultants each addressed unique issues. William Marcus addressed all issues in Phase 1 and 2 of the proceeding and provided substantial advice to TURN's attorneys during the negotiation of the settlement agreement. Mr. Marcus authored two sets of prepared testimony (Phase 1 and 2), appeared at evidentiary hearings in both phases, assisted TURN's attorneys with discovery, cross-examination preparation, and the drafting of opening and reply briefs. Mr. Marcus also appeared as TURN's witness in support of the settlement agreement at the evidentiary hearing held on May 14, 2014.

Kevin Woodruff primarily addressed replacement power cost issues in Phase 1A. Mr. Woodruff authored three sets of prepared testimony, drafted a large number of discovery requests, assisted with cross-examination preparation, appeared at evidentiary hearings, and provided support for the drafting of opening and reply briefs.

Bruce Lacy provided minor support during the settlement process. Mr. Lacy typically advises TURN on nuclear decommissioning issues and was helpful with respect to certain issues under discussion in the settlement process.

Given the large number of active parties, the wide range of issues, and the sheer number of activities required to effectively participate over the course of this multi-year proceeding, the hours devoted to their work by Mr. Marcus, Mr. Woodruff and Mr. Lacy were fully reasonable. Moreover, the efforts of these experts significantly reduced the number of hours required by TURN's attorneys (all of whom have higher approved hourly rates) and thereby minimized the overall compensation requested by TURN. 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.

Costs not requested

Consistent with the guidance provided by the Commission, TURN has

<p>omitted a significant number of hours and expenses associated with travel by Kevin Woodruff and Bill Marcus from Sacramento to San Francisco to attend CPUC evidentiary hearings. None of this travel was routine since Mr. Woodruff and Mr. Marcus work in Sacramento. Consistent with normal commercial practice, TURN paid its outside experts for hourly billings related to non-routine, long-distance travel and paid for various travel and lodging costs. None of these costs (over \$2,500 total) are included in this request.</p> <p><u>Compensation Request</u> TURN’s request also includes 16 hours devoted to the preparation of compensation-related filings. Given the duration of this proceeding, the large number of hours involved (825.5 total), the significant volume of testimony and pleadings, and the cumbersome requirements established by the Commission for intervenor compensation claims, the time devoted to this compensation request is appropriate and should be found to be reasonable.</p>	
<p>c. Allocation of hours by issue:</p> <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. TURN also provides an approximate breakdown of the number of hours spent on each task and the percentage of total hours devoted to each category.</p> <p>GP – 28.25 hours – 3% of total</p> <p>General Participation work essential to participation that typically spans multiple issues and/or would not vary with the number of issues that TURN addresses. This includes urging the Commission to issue the original OII, reviewing the initial OII and Commission rulings, initial review of utility filings and motions, review of Non Disclosure Agreements, reviewing responses to data requests submitted by other parties, and reviewing pleadings submitted by other parties.</p> <p>EH – 100.75 hours – 12% of total</p> <p>All tasks related to participation in Evidentiary Hearings, Prehearing Conferences and Oral Arguments, including attending hearings, and reviewing transcripts. Since these hours do not vary significantly based on the number of issues addressed, they are shown as a separate category.</p> <p>LEGAL – 27.25 hours – 3% of total</p> <p>Work relating to the resolution of legal issues regarding the statutory authority of the Commission to issue refunds to customers and the timing of any refunds. TURN coordinated with FOE and WBA on joint pleadings. These issues were resolved in the April 30, 2013 Assigned Commissioner and ALJ Ruling on Legal Questions.</p> <p>PHASE 1 – 97.95 hours – 12% of total</p>	<p>Verified.</p>

Work relating to the issues identified in Phase 1 of the proceeding including the tracking of 2012 SONGS costs (including cash working capital) and the reasonableness of specific types of incremental costs related to the steam generator problems. This work included the preparation of expert testimony, participation in evidentiary hearings and drafting of post-hearing briefs. These issues were resolved in the Settlement agreement and were proposed for resolution in the Phase 1 Proposed Decision.

PHASE 1A – 241.05 hours – 30% of total

Work relating to the issues identified in Phase 1A of the proceeding including the methodology for calculating replacement power costs. This work included extensive discovery, the preparation of expert testimony, participation in evidentiary hearings and drafting of post-hearing briefs. These issues were resolved in the Settlement agreement and were proposed for resolution in the Phase 1 Proposed Decision.

PHASE 2 – 93.25 hours – 12% of total

Work identified as within the scope of Phase 2 of the proceeding relating to the removal of SONGS-related costs from rates and the treatment of capital and expenses for a shutdown facility. TURN's work included extensive discovery, the preparation of expert testimony, participation in evidentiary hearings and drafting of post-hearing briefs. These issues were resolved in the Settlement agreement.

RSG – 9 hours – 1% of total

Work relating to the appropriate treatment of costs related to the Replacement Steam Generators (RSGs). Although this issue was identified for resolution in Phase 3, the treatment of RSG costs was resolved in the Settlement agreement.

SETT – 210.34 hours – 26% of total

Work relating to the settlement agreement that resolved all outstanding issues in this proceeding. TURN's work involved developing strategy jointly with ORA, participating in negotiations, drafting of the agreement, editing and drafting of various joint motions and other joint pleadings, responding to discovery requests, and preparing for the evidentiary hearing and oral argument devoted to considering the reasonableness of the Settlement.

AFR – 1.75 hours – <1% of total

Work relating to editing the joint response of the Settling Parties to the Application for Rehearing of D.14-11-040 by Ruth Henricks and the Coalition to Decommission San Onofre. The Commission has not yet issued a decision on the Application for Rehearing.

COMP – 16 hours

<p>Work preparing TURN's notice of intent to claim compensation and the final request for compensation.</p> <p>Multi-issue allocators</p> <p>For hours coded “#”, TURN allocates 50% to PHASE 1 and 50% to PHASE 1A.</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>	
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B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours [1]	Rate \$	Total \$
Matthew Freedman	2012	10	375	See Comment #1	3,750.00	10.0	375.00 <i>See D.14-11-019 at 7.</i>	3,750.00
Matthew Freedman	2013	367	400	D.14-11-019	146,800.00	367	400.00	146,800.00
Matthew Freedman	2014	154.25	410	D.14-11-019; Resolution ALJ-303	63,242.50	154.25	410.00	63,242.50
Robert Finkelstein	2012	0.5	480	D.13-11-022; D.14-08-022	240.00	0.5	480.00	240.00
Robert Finkelstein	2013	0.25	490	D.14-08-022; D.14-09-012	122.50	0.25	490.00	122.50
Robert Finkelstein	2014	4	500	D.14-09-012; RESOLUTION ALJ-303	2,000.00	3.5 [2]	505.00 <i>See D.15-05-029.</i>	1,767.50
Tom Long	2013	2.75	555	D.14-05-015	1,526.25	2.75	555.00	1,526.25

Tom Long	2014	2.75	570	D.14-05-015; RESOLUTION ALJ-303	1,567.50	2.75	570.00	1,567.50
Bruce Lacy	2014	0.5	365	See Comment #2	182.50	0.0 [3]	345.00	00.00
Kevin Woodruff	2013	192.25	240	D.12-11-050	46,140.00	193.25	240.00	46,380.00
Kevin Woodruff	2014	0.25	240	D.12-11-050	60.00	0.25	245.00 <i>See Res. ALJ- 303.</i>	61.25
William Marcus	2012	1.5	260	D.13-08-022	390.00	1.5	260.00	390.00
William Marcus	2013	0.42	260	D.13-08-022; See Comment #3	109.20	0.42	260.00	109.20
William Marcus	2013	43.74	265	D.14-06-027; D.14-08-022	11,591.10	43.74	265.00	11,591.10
William Marcus	2014	29.42	265	D.14-06-027; D.14-08-022	7,796.30	29.42	270.00 <i>See D.15- 05- 027.</i>	7,943.40
Subtotal: \$ 285,517.85						Subtotal: \$285,491.20		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hou rs	Rate	Total \$
Matthew Freedman	2013	1	\$200	D.14-11-019 (@ 50% of \$400)	200	1	200.00	200.00
Matthew Freedman	2015	15	\$205	See Comment #1	3,075	15	205.00	3,075.00
Subtotal: \$3,275.00						Subtotal: \$3,275.00		
COSTS								
#	Item	Detail			Amount	Amount		
1	Copies	Copies for evidentiary hearings and pleadings			334.67	334.67		

2	LEXIS fees	Costs of legal research regarding historical precedents relevant to the litigation of issues in this proceeding	640.14	640.14
2	Postage	Costs of mailing copies of pleadings and testimony	53.40	53.40
Subtotal: \$1,028.21			Subtotal: \$1,028.21	
TOTAL REQUEST: \$ 289,821.06			TOTAL AWARD: \$289,794.41	

****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. Intervenors' 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 INFORMATION

Attorney	Date Admitted to CA BAR ²	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Matthew Freedman	March 29, 2001	214812	No
Robert Finkelstein	June 13, 1990	146391	No
Tom Long	December 11, 1986	124776	No

C. Intervenors' Comments on Part III:

Comment #	Intervenor's Comment(s)
Comment 1	<p>2012 Hourly Rate for Matthew Freedman</p> <p>For Mr. Freedman's work in 2012, TURN seeks an hourly rate of \$375, an increase of 7.2% from the previously awarded rate of \$350 for 2011. This increase is consistent with the general 2.2% cost-of-living increase provided for in Res. ALJ-281, plus the first of two 5% step increases available with his move to the 13+ years experience tier.</p> <p>TURN previously received a rate of between \$350 and \$370 for Mr. Freedman's 2012 hours. The Commission awarded \$350 in D.12-07-019, \$360 in D.13-02-032 and D.13-05-008, and \$370 in D.13-10-037 and D.13-12-028. The award of \$370 in</p>

² This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

	<p>D.13-10-037 was based on a faulty application of the 7.2% increase to the 2011 rate of \$350. Increasing the \$350 rate for 2011 by 7.2% leads to a 2012 rate of \$375.2 which is rounded to \$375. TURN requests that the Commission accept this corrected calculation for purposes of pending requests.</p> <p>TURN currently has two pending requests for compensation that include 2012 hours for Mr. Freedman at the \$375 rate (in A.11-10-002, filed March 24, 2014 and R.12-3-014, filed May 13, 2014). TURN is not seeking to change the hourly rate for Mr. Freedman's work in 2012 for any of the pending or awarded requests that include his 2012 work. TURN is seeking a \$375 rate for 2012 work in all future compensation requests that include 2012 hours for Mr. Freedman, consistent with the Commission's prior decisions and resolutions providing for step increases.</p> <p>2015 Hourly Rate for Matthew Freedman</p> <p>TURN seeks compensation for Mr. Freedman's January 2015 work relating to the preparation of the compensation request based on 50% of the \$410 hourly rate for 2014 (as authorized by D.14-11-019 and RESOLUTION ALJ-303). TURN is not requesting here that the Commission establish an hourly rate of \$410 for Mr. Freedman's work in 2015. At the time this request for compensation was submitted, the Commission had not yet determined the general "cost-of-living" adjustment for 2015. Therefore, TURN is using the \$410 hourly rate as a placeholder for whatever rate results from application of any general adjustment the Commission may adopt for 2015 to the previously authorized rate of \$410 for work Mr. Freedman performed in 2014.</p>
Comment 2	<p>2014 Hourly Rate for Bruce Lacy</p> <p>For Mr. Lacy's work in 2014, TURN seeks an hourly rate of \$365, an increase of 5.8% from the \$345 rate previously approved for his work in 2010 (in D.11-03-022). This total 5.8% increase between 2010 and 2014 is below the cumulative increases permitted through the cost of living adjustments awarded for 2012 (2.2% in Resolution ALJ-281), 2013 (2% in Resolution ALJ-287), and 2014 (2.58% in Resolution ALJ-303).</p>
Comment 3	<p>2013 Hourly Rates for Bill Marcus</p> <p>For Mr. Marcus's work in 2013, TURN seeks an hourly rate of \$260 for work performed prior to March 1, 2013 and a rate of \$265 for work performed after that date. This increase is consistent with changes to the rates billed to TURN by Mr. Marcus as of March 1, 2013. Both the \$260 and \$265 rates have previously been approved for work by Mr. Marcus in 2013.</p>

D. CPUC Disallowances and Adjustments:

Item	Reason
[1]	<p><u>General Comments on TURN's Contribution</u></p> <p>In Phase I, TURN assisted in developing the record regarding project details, timing, AFUDC collection, function, ultimate usefulness, and basis for SCE's categorization and proposed treatment of different kinds of CWIP. In addition, TURN helped develop</p>

	<p>the record regarding SCE’s criteria and process for proposing rate treatment for M&S and other costs. In Phase 1A TURN helped develop the record on the impact of SONGS outages on market prices for replacement power and prompted an additional exhibit from SDG&E showing Fourth Quarter 2012 monthly cost totals related to replacement power. In Phase 2 TURN helped develop the record on SCE’s process for estimating staffing levels, how SCE decided which buildings and systems were necessary during shutdown, M&S inventory, acquisition dates and outflow, SCE’s process for determining net investment of necessary assets, SCE’s views on various terms in its Interim Rate proposal, and how SDG&E sought to make a similar, but not identical, proposal. During the settlement, TURN participated in lengthy negotiations in attempt to reach a settlement which would meet the Commission’s standard of review. TURN, jointly with other Settling Parties, appeared at a hearing on the settlement and a Community Information Meeting, as requested by the Assigned Administrative Law Judge, and presented briefs making the substantive arguments for adopting the settlement, both in the original and amended form. TURN’s participation and presentations on these issues made substantial contributions to the decision.</p>
<p>[2]</p>	<p><u>Disallowance for Non-Contributory Time</u></p> <p>The Commission disallows hours claimed by TURN that responded to Aguirre’s claims regarding TURN’s blog posts on the settlement. Such work did not substantially contribute to the Commission’s decision. As such, Finkelstein’s claimed hours on April 2, 2014, and April 12, 2014, are disallowed.</p>
<p>[3]</p>	<p><u>Disallowance for Non-Contributory Time</u></p> <p>While the Commission approves a new rate for Lacy, it will not compensate for 0.5 hour claimed in this proceeding – the only time entry for Lacy in this proceeding. Lacy’s work consisted of “call w MF re strategy for pending SONGS actions.” Such description is generic and does not accurately demonstrate the conversation contributed to the proceeding.</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))

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

FINDINGS OF FACT

1. TURN has made a substantial contribution to D.14-11-040.
2. The requested hourly rates for TURN's 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 are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$289,794.41.

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 \$289,794.41.
2. Within 30 days of the effective date of this decision Southern California Edison Company and San Diego Gas & Electric shall pay The Utility Reform Network their respective shares of the award, based on their California-jurisdictional electric revenues for the 2013 calendar year, to reflect the year in which the proceeding was primarily litigated. 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 April 8, 2015, the 75th day after the filing of The Utility Reform Network's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____, 2015, at Sacramento, California.

APPENDIX
Compensation Decision Summary Information

Compensation Decision:		Modifies Decision?	No
Contribution Decision(s):	D1411040		
Proceeding(s):	I1210013		
Author:	ALJ Darling		
Payer(s):	Southern California Edison Company and San Diego Gas & Electric		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	January 23, 2015	\$289,821.00	\$289,794.41	No	See CPUC Disallowances and Adjustments, above.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Matthew	Freedman	Attorney	TURN	\$375	2012	\$375.00
Matthew	Freedman	Attorney	TURN	\$400	2013	\$400.00
Matthew	Freedman	Attorney	TURN	\$410	2014	\$410.00
Matthew	Freedman	Attorney	TURN	\$410	2015	\$410.00
Robert	Finkelstein	Attorney	TURN	\$480	2012	\$480.00
Robert	Finkelstein	Attorney	TURN	\$490	2013	\$490.00
Robert	Finkelstein	Attorney	TURN	\$500	2014	\$505.00
Tom	Long	Attorney	TURN	\$555	2013	\$555.00
Tom	Long	Attorney	TURN	\$570	2014	\$570.00
Bruce	Lacy	Expert	TURN	\$365	2014	\$345.00
Kevin	Woodruff	Expert	TURN	\$240	2013	\$240.00
Kevin	Woodruff	Expert	TURN	\$240	2014	\$245.00
William	Marcus	Expert	TURN	\$260	2012	\$260.00
William	Marcus	Expert	TURN	\$260	2013	\$260.00
William	Marcus	Expert	TURN	\$265	2013	\$265.00
William	Marcus	Expert	TURN	\$265	2014	\$270.00

(END OF APPENDIX)