

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company To Revise Its Marginal Costs, Revenue Allocation, and Rate Design. (U39M).	Application 13-04-012 (Filed April 18, 2013)
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**DECISION GRANTING INTEVENOR COMPENSATION TO  
SMALL BUSINESS UTILITY ADVOCATES  
FOR SUBSTANTIAL CONTRIBUTION TO DECISION 15-08-005**

<b>Intervenor: Small Business Utility Advocates (SBUA)</b>	<b>For contribution to Decision (D.) 15-08-005</b>
<b>Claimed: \$100,759.28</b>	<b>Awarded: \$99,939.25</b>
<b>Assigned Commissioner: Michael Picker</b>	<b>Assigned ALJ: Stephen C. Roscow</b>

**PART I: PROCEDURAL ISSUES**

<b>A. Brief description of Decision:</b>	D.15-08-005 adopts eight separate settlements relating to Pacific Gas and Electric Company's electric marginal costs, revenue allocation and rate design as proposed by the settling parties and resolves the remaining outstanding issues based on the merits of the litigated positions.
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**B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:**

	<b>Intervenor</b>	<b>CPUC Verified</b>
<b>Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):</b>		
1. Date of Prehearing Conference (PHC):	June 3, 2013	Verified.
2. Other specified date for NOI:		
3. Date NOI filed:	July 2, 2013	Verified.
4. Was the NOI timely filed?		Yes, Small Business Utility Advocates (SBUA) timely filed the notice of intent to claim intervenor compensation.

**PROPOSED DECISION**

<b>Showing of customer or customer-related status (§ 1802(b)):</b>		
5. Based on ALJ ruling issued in proceeding number:	A.13-04-012	Verified.
6. Date of ALJ ruling:	July 25, 2013	Verified.
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes, SBUA demonstrated appropriate status.
<b>Showing of “significant financial hardship” (§ 1802(g)):</b>		
9. Based on ALJ ruling issued in proceeding number:	A.13-04-012	Verified.
10. Date of ALJ ruling:	July 25, 2013	Verified.
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes, SBUA demonstrated significant financial hardship.
<b>Timely request for compensation (§ 1804(c)):</b>		
13. Identify Final Decision:	D.15-08-005	Verified.
14. Date of issuance of Final Order or Decision:	August 18, 2015	Verified.
15. File date of compensation request:	October 19, 2015	Verified.
16. Was the request for compensation timely?		Yes, SBUA timely filed the request for intervenor compensation. The 60th day following the issuance of the Decision fell on a Saturday, allowing intervenor to file on the following Monday (October 19, 2015). See Rule 1.15, CPUC Rules of Practice and Procedure.

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

<b>#</b>	<b>Intervenor’s Comment(s)</b>	<b>CPUC Discussion</b>
9-10	SBUA is a California nonprofit organization and the economic interests of its members are small relative to the costs of participating in a general rate case, including analyzing the	Verified.

	<p>application and testimony, submitting expert testimony, preparing filings, reviewing other parties’ testimony and filings, engaging in settlement negotiations, and other work related to participating in the proceeding. <i>See</i> PUC § 1802(g). SBUA is the only party in this proceeding that focused <i>exclusively</i> on the small commercial customer class as a whole, whose interests diverge from residential ratepayers and mid- to large-sized businesses on the issue of revenue allocation, rate design, and on other energy matters.</p> <p>Because small commercial customers usually cannot afford their own representation, there is a danger that the interests of this group of customers is overlooked or marginalized. The Commission has recognized that adequate representation requires not only the broad efforts of the Office of Ratepayers Advocates (ORA) but also the participation of parties with special interests.</p>	
15	<p>Rule 17.3 of the Rules of Practice and Procedure states that a request for compensation may be filed 60 days after the issuance of the final decision. Compensation requests were due on October 17, 2015, a Saturday. Thus, per Commission Rule 1.15, the compensation request is due the following business day on October 19, 2015.</p>	Agreed.

**PART II: SUBSTANTIAL CONTRIBUTION**

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

<b>Intervenor’s Claimed Contribution(s)</b>	<b>Specific References to Intervenor’s Claimed Contribution(s)</b>	<b>CPUC Discussion</b>
<p><b>Overall</b></p> <p>This GRC proceeding covered PG&amp;E’s marginal cost, revenue allocation, and rate design. To address this array of issues, the Commission approved several Settlement Agreements including the following: (1) Marginal Cost and Revenue Allocation Settlement, (2) Small Commercial Rate Design Settlement, and (3) Large Light and Power and Standby Rate Design Settlement – all of to which SBUA is a signatory. The adoption of these settlement agreements represents a compromise of contested issues between the settling parties and favorably addresses a number of important SBUA issues for the small commercial customer class.</p>	<p><u>References to Final Decision:</u></p> <p>D.15-08-005 (Final Decision), pp. 6-7 (summary of adopted settlements).</p> <p>Final Decision, Appendix A, p. 3, listing of settlement agreements that SBUA participated in. As discussed below, the approved settlement agreements, adopted by the Final Decision, address a number of SBUA issues.</p> <p>Findings of Fact, Paragraphs 3-4, p. 35 (“the parties to the settlements adopted in this decision had a sound and thorough understanding of the application, and all of the underlying assumptions and data included in the record” and “the adopted settlements are between competent and well-prepared parties”).</p>	Verified.

<b>Intervenor’s Claimed Contribution(s)</b>	<b>Specific References to Intervenor’s Claimed Contribution(s)</b>	<b>CPUC Discussion</b>
<p>SBUA’s expert submitted testimony on a variety of matters impacting small commercial customers; and SBUA addressed additional issues through our settlement negotiations with the other interested parties and PG&amp;E.</p> <p>In D.15-08-005, the Commission agrees with ALJ Long’s findings that the approved settlements are reasonable in light of the record. The Commission describes the main provisions in each of the settlement agreements, then broadly discusses the proposed settlements’ consistency with the standards the Commission employs to assess the reasonableness of a proposed settlement. Although the decision has limited detail about how the settlement outcomes reflect specific positions of each of the signing parties, this is expected, especially give the confidential nature of settlement discussions, and the Commission should find that these settlement agreements are reflective of SBUA’s substantial contributions.</p> <p>SBUA describes below its role in each of the settlement agreements it signed and submits this is a reasonable approach to demonstrate its contribution in this proceeding. Should the Commission wish to see some other analysis of SBUA’s substantial contribution or additional details, SBUA requests that it be so informed and provided an opportunity to supplement this intervenor compensation claim.</p>	<p>Conclusions of Law, Paragraph 4, p. 36 (settlements are reasonable because they “fairly balance intervenor interests”).</p> <p><u>References to Claimant’s Presentations:</u></p> <p>SBUA Opening Testimony, served on December 13, 2013.</p> <p>Motion of the Settling Parties for Adoption of Marginal Cost and Revenue Allocation Settlement Agreement (July 16, 2013).</p> <p>Motion of the Settling Parties for Adoption of Small Commercial Rate Design Settlement Agreement (Sept. 10, 2013).</p> <p>Motion of the Settling Parties for Adoption of Large Light and Power Rate Design Settlement Agreement (July 25, 2013).</p> <p><i>See also</i> SBUA Opening and Reply Comments on Proposed Decision (July 13, 2015 and July 20, 2015, respectively).</p>	
<p><b>A. Marginal Cost and Revenue Allocation</b></p> <p>SBUA was an active party in the Marginal Cost and Revenue</p>	<p>Final Decision, pp. 8-10 (approving MC/RA Settlement Agreement), 37 (order, par. 1, approving the MC/RA Settlement Agreement). Final Decision, Attachment 1, p. 3 (SBUA’s</p>	<p>Verified.</p> <p>SBUA’s representation of the terms of the settlement approved in</p>

<b>Intervenor’s Claimed Contribution(s)</b>	<b>Specific References to Intervenor’s Claimed Contribution(s)</b>	<b>CPUC Discussion</b>
<p>Allocation Settlement Agreement (MC/RA Settlement Agreement). SBUA’s expert opined that PG&amp;E in its Application “over-allocated costs and by extension revenue requirements to Small L&amp;P customer classes” and PG&amp;E proposed an “unacceptably high cost allocation on Small L&amp;P customers.” SBUA Opening Testimony, Section F, pp. 38, 41. SBUA opposed PG&amp;E’s recommendation to increase the small commercial customer cost rates by 2.0%. <i>Id.</i>, pp. 42-43. SBUA further argued, for example, that PG&amp;E’s allocation of marginal costs to small businesses was larger than warranted due to incomplete data and technical errors resulting in over-allocating marginal cost loaders to small commercial customers. <i>Id.</i>, 40-43.</p> <p><u>Settlement Outcomes:</u></p> <p>The Decision adopts the multi-party settlement resolving all marginal cost and revenue allocation issues and reflects a compromise of positions held by SBUA and other parties, and generally applies a “black box” approach to reaching the specific outcomes. Specifically as to revenue allocation, SBUA and the other settling parties agreed that PG&amp;E will target the average percentage changes for small commercial customers of bundled electricity to be <i>decreased</i> by 0.78% (compare with PG&amp;E’s Application requesting a 2.0% increase). <i>Compare</i> MC/RA Settlement Agreement, p. 8, <i>with</i> PG&amp;E’s Updated Filing, Aug. 2013.</p> <p>In addition, the settlement provides that PG&amp;E will require future marginal cost workshops “pertaining to the development of cost of service,</p>	<p>participation in MC/RA Settlement).</p> <p>Motion of the Settling Parties for Adoption of MC/RA Settlement Agreement (July 16, 2014), pp. 3 (targeting -0.78 percentage change in electricity revenue allocate to small commercial customers), 4, 10 (citing SBUA efforts to require future marginal cost workshops).</p> <p>MC/RA Settlement Agreement, p. 11, Table 1 (-0.78 percent change for small commercial customers of bundled electricity).</p> <p>SBUA Opening Testimony, pp. 38-47 (analyzing marginal cost and revenue allocation to customer classes, opposing PG&amp;E recommendations and instead advocating for a decrease in revenue allocations to small commercial customers).</p>	<p>D.15-08-005 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 SBUA’s participation in the settlement made a substantial contribution to D.15-08-005.</p>

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
including the issues that were raised by the Agricultural Parties and SBUA in this proceeding." MC/RA Settlement Agreement, p.4.		
<p><b>B. Small Commercial Rate Design</b></p> <p>SBUA was an active participant in the Small Commercial Rate Design Settlement Agreement ("SC Settlement Agreement"). SBUA raised concerns and opposed PG&amp;E's proposals for large increases in usage fees for small commercial customers. SBUA further maintained that "PG&amp;E over-allocates basic service fee hikes to Small L&amp;P customer classes" and "increasing basic service fees is not effective in incentivizing small commercial customers to adopt energy efficiency practices and reduce energy consumption." SBUA Opening Testimony, pp. 13, 14, Section E (pp. 18-26).</p> <p>Regarding rate schedules and design, SBUA proposed that PG&amp;E conduct an analysis of its customers based on aggregated customer billing determinants by North American Industry Classification System (NAICS) codes. SC Settlement Agreement, pp. 5-6, A-8. The purpose of this NAICS analysis is to allow SBUA and other parties to identify the number and type of PG&amp;E small commercial customers by specified size increments based on kW thresholds. ORA proposed PG&amp;E study the threshold determinations for Schedules A-1 and A-6 to consider customer eligibility, and SBUA's advocacy was designed to maintain and promote fair eligibility options for small businesses. SBUA further maintained that rate design for small commercial customers was impacted by and unfairly based on an over-</p>	<p>Final Decision, pp. 16-20 (approving SC Settlement Agreement as to uncontested issues), 39 (order, par. 7, approving the SC Settlement Agreement, as modified by the decision). Final Decision, Attachment 1, p. 3 (SBUA's participation in SC Settlement Agreement).</p> <p><i>See also</i> Final Decision, p. 17 (setting the A-1 fixed customer charge at \$10 for single-phase service and \$20 for poly-phase service). The level of these charges reflects a compromise of the positions of the parties.</p> <p>Motion of the Settling Parties for Adoption of SC Settlement Agreement (Sept. 5, 2014), pp.1 (SBUA participation), 3 (basic service fees not increased), 5-6 (NAICS study for small businesses).</p> <p>SC Settlement Agreement, pp. 5-6 (meet and confer requirements with SBUA regarding the NAICS study), 10 (the settlement balances the various interests at stake and "ORA, SBUA, EUF, PG&amp;E, TURN and MCE fairly represent the interests of SC customers"), App. A (illustrative rates for small commercial customers).</p> <p>SBUA Opening Testimony, pp. 13-14 (analyzing basic services fees on small commercial customers), Section E (pp. 18-26) (analyzing rate design for small commercial customers), 40 (opining that marginal distribution costs are over-allocated to small businesses).</p> <p><i>See also</i> SBUA Reply Comments on</p>	<p>SBUA's representation of the terms of the settlement approved in D.15-08-005 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 SBUA's participation in the settlement made a substantial contribution to D.15-08-005.</p>

<b>Intervenor’s Claimed Contribution(s)</b>	<b>Specific References to Intervenor’s Claimed Contribution(s)</b>	<b>CPUC Discussion</b>
<p>allocation of marginal distribution costs to small business electric rate schedules. <i>Id.</i>, 12, 13, Section E (18-26), 39.</p> <p>SBUA advocated to protect small businesses that may have been transferred off of Schedule A-6 by requiring PG&amp;E to send direct mailings to those customers in consultation with SBUA. SC Settlement Agreement, p. 5. The purpose of this provision, although ultimately unnecessary, was maintained because the Commission declined to require existing customers move off that Schedule A-6 and instead ordered a study of A-6 Eligibility. Final Decision, pp. 26-30.</p> <p><u>Settlement Outcomes:</u></p> <p>SBUA signed the SC Settlement Agreement resolving SBUA’s key concerns on rate design. The Final Decision adopts the SC Settlement Agreement, which entails several outcomes that SBUA supported: <u>First</u>, the settlement requires PG&amp;E to retain the current \$10/\$20 single/polyphase customer charges for Schedules A-1 and A-6 and kept fixed charges effectively at lower levels. <u>Second</u>, the settlement provides that PG&amp;E will confer with SBUA over threshold eligibility for various small commercial customer Schedules and, as discussed above, conduct a NAICS study to assist SBUA in identifying and classifying PG&amp;E’s small business customers. This protects small business customers who might be forced onto other electric rates that are unfavorable. <u>Finally</u>, the settlement provided for proper notification of small business customers as to rate changes.</p>	<p>Proposed Decision (July 20, 2015) (comments regarding timing and importance of NAICS study).</p> <p>Conclusions of Law, Paragraph 3, p. 36 (approving revised schedule for PG&amp;E to confer with SBUA over topics concerning small commercial rate design).</p>	

<b>Intervenor’s Claimed Contribution(s)</b>	<b>Specific References to Intervenor’s Claimed Contribution(s)</b>	<b>CPUC Discussion</b>
<p><b>C. Large Light and Power and Standby Rate Design</b></p> <p>SBUA was an active participant in the Large Light and Power and Standby Rate Design Supplemental Settlement Agreement (LLP Settlement Agreement). SBUA’s role was focused and limited to advocating for small business interests regarding Standby Rates.</p> <p>For Standby Rates (Schedule S customers), SBUA argued against increases in basic service and reservation charges. SBUA Opening Testimony, pp. 28-38. SBUA also advocated against PG&amp;E’s original proposals to institute large increases in fixed fees for Schedule S. SBUA was the only party with a serious interest in the impacts of electric rate design for Standby Rates on small entities, and SBUA’s advocacy was effective in limiting fixed rates for Schedule S.</p> <p>SBUA also supported the LLP Settlement Agreements’ mandate that PG&amp;E conduct a study of the diversity of standby load on the distribution system.</p> <p><u>Settlement Outcomes:</u></p> <p>The LLP Settlement Agreement resolves SBUA concerns with Standby Rates. This settlement addresses the following components for the design of Standby Rates: Illustrative Settlement Rates; Basic Rate Design; Reservation Charge; Customer Charges; Energy Charges; and Standby Distribution Diversity Study. The LLP Settlement resulted in smaller increases to usage charges and fixed rates for small businesses on Schedule S.</p>	<p>Final Decision, pp. 11 (approving Rate Design for Standby Rates), 38 (order, par. 3, approving the LLP Settlement Agreement). Final Decision, Attachment 1, p. 3 (SBUA’s participation in LLP Settlement Agreement).</p> <p>Motion of the Settling Parties for Adoption of LLP Settlement Agreement (July 24, 2014), pp. 2 (SBUA participation), 10 (“CLECA, CMTA, EPUC, EUF, FEA, PG&amp;E and SBUA fairly represent the interests of LLP and Standby Customers”).</p> <p>LLP Settlement Agreement, p. 10 (settlement balances the various interests at stake and “ORA, SBUA, EUF, PG&amp;E, TURN and MCE fairly represent the interests of SC customers”), App. B (illustrative rates for Schedule S).</p> <p>SBUA Opening Testimony, pp. 28-38 (analyzing and expressing SBUA’s positions on Standby Rates).</p> <p><i>See also</i> Final Decision, p. 11 (approving mandate for PG&amp;E study of the diversity of standby load on the distribution system).</p>	<p>SBUA’s representation of the terms of the settlement approved in D.15-08-005 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 SBUA’s participation in the settlement made a substantial contribution to D.15-08-005.</p>

<b>Intervenor's Claimed Contribution(s)</b>	<b>Specific References to Intervenor's Claimed Contribution(s)</b>	<b>CPUC Discussion</b>
<b>D. Other Issues</b> SBUA spent relatively smaller amounts of time on several other issues including: (i) rates for Electric Schedule ED; (ii) the interests of agricultural small businesses; and (iii) economic development rates. Even though SBUA decided not to advance certain issues (for example, SBUA decided not to advance agricultural interest because they were already well represented by other groups), SBUA's review of the record on those matters was necessary for identifying the issues of primary importance to small businesses and for SBUA's full participation in the proceeding.	SBUA Opening Testimony, pp. 38 (small business agricultural interests), 47 (electric schedule economic development rates).	Verified.

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

	<b>Intervenor's Assertion</b>	<b>CPUC Discussion</b>
<b>a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?</b>	Yes	Verified.
<b>b. Were there other parties to the proceeding with positions similar to yours?</b>	Yes	Verified.
<b>c. If so, provide name of other parties:</b>  The following parties submitted testimony or filed comments or briefs resolved by D.15-08-005:  PG&E, ORA, The Utility Reform Network (TURN); Agricultural Energy Consumers' Association (AECA); California City-County Street Light Association (CAL-SLA); California Farm Bureau (CFBF); California Large Energy Consumers Association (CLECA); California League of Food Processors (CLFP); California Manufacturers & Technology Association (CMTA); Direct Access Customer Coalition (DACC); Energy Producers and Users Coalition (EPUC); Energy Users Forum (EUF); Federal Executive Agencies (FEA); the Western Manufactured Housing Communities Association (WMA). In addition, the Solar Energy Industries Association (SEIA), the California Solar Energy Industries Association (CALSEIA), and BoDean Company (collectively referred to as the Solar Parties) participated. Not all of these parties joined the various settlements.		Agreed.

<p><b>d. Intervenor’s claim of non-duplication:</b></p> <p>SBUA’s advocacy differed from that of other parties in that SBUA is unique with a focus <i>exclusively</i> on the interests of small business community. SBUA sought to reduce overlap of efforts by presenting unique perspectives on the concerns of small commercial customers as a group as opposed to other customer classes. Early in the proceeding, on or about June 25, 2013, SBUA’s attorney requested that SBUA’s expert analyze the differences between and overlapping positions of SBUA compared with ORA and TURN. SBUA on numerous occasions reached out to other groups to coordinate and identify any overlapping issues and ensure SBUA was making relevant contributions to the proceeding. As the parties negotiated settlement agreements, SBUA initiated and organized numerous conference calls with ORA and TURN, including on or around January 9, 13, and 22, 2014, to ensure any necessary coordination of efforts and that the parties were aware of each other’s positions. Resources were maximized and SBUA’s efforts were supportive rather than duplicative.</p> <p>Because AECA participated in the proceeding, SBUA essentially withdrew and minimized its advocacy for small agricultural businesses. Because the Solar Parties participated in the proceeding, SBUA essentially withdrew and minimized its advocacy for small commercial solar businesses.</p> <p>SBUA’s advocacy and positions differed from ORA and TURN, particularly in settlement negotiations. SBUA’s mission is <i>solely</i> on behalf of the small commercial customer class. By comparison, ORA’s and TURN’s advocacy includes advancing the interests of residential customers, which, by necessity, can conflict with the interests of small commercial customers. SBUA appreciates the excellent advocacy of both ORA and TURN. SBUA’s role, however, is unique from these organizations, and we believe SBUA provides critical advocacy for its constituency in the GRCs. For example, lowering revenue allocation for one customer class, such as small commercial customers (which SBUA advocated for), necessarily requires redistributing the revenue requirements to other classes, including residential customers (a proposition that other groups often oppose in final negotiations). In the</p>	<p>Verified.</p>

<p>instant case, all of the settling parties were required to compromise, change their opening positions, and offer various concessions. Although opening positions varied in aggressiveness, no party maintained stronger positions on a consistent basis throughout the negotiations in favor of small commercial customers than SBUA. The positions of SBUA became increasingly distinct from other intervenors and ORA as settlement discussions progressed. Because of SBUA’s unique core mission, we were able to sustain conflict-free and untethered advocacy in favor of small commercial customers throughout the proceeding.</p> <p>Any duplication that may have occurred here was incidental, and SBUA’s participation in that regard was in addition to but not duplicative of the arguments and evidence presented by other parties. SBUA’s compensation in this proceeding should not be reduced for duplication of the showings of other parties. Further, in a proceeding involving multiple participants, the Commission has recognized is virtually impossible for any party to completely avoid some duplication of the work of other parties. In this case, SBUA took all reasonable steps to keep such duplication to a minimum.</p>	
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**C. Additional Comments on Part II (use line reference # or letter as appropriate):**

#	Intervenor’s Comment	CPUC Discussion
Part II (A)	SBUA refined the focus of its participation during the proceeding, and upon further examining testimony, to concentrate its advocacy, particularly in settlement negotiations, on the most pertinent and critical issues for small commercial customers. The Commission has recognized that customers need not precisely identify all issues at the beginning of the proceeding to be eligible for an award of reasonable compensation per PUC section 1804(b)(2).	Verified.

**PART III: REASONABLENESS OF REQUESTED COMPENSATION**

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

	<b>CPUC Discussion</b>
<p><b>a. Intervenor’s claim of cost reasonableness:</b>  <b>Dollar per result.</b></p> <p>SBUA’s main objective for the proceeding was to protect and advance the interests of small commercial customers of bundled electricity. The Commission adopted the above-discussed settlements to which SBUA was a signatory, which included numerous provisions that benefit small commercial customers. SBUA’s request for intervenor compensation seeks an award of approximately \$99,991.28 dollars, including expenses and all other fees and costs, which is reasonable in light of the benefits achieved through SBUA’s participation in the proceeding.</p> <p>In this proceeding, SBUA actively participated in submitting testimony and analysis, settlement negotiations, and drafting efforts that led to the approval of the approved settlement agreements that SBUA participated in. These settlements are beneficial because they reach reasonable compromises among PG&amp;E and the other interested parties. These settlements have both quantitative and qualitative benefits, although precise dollar values are difficult to attribute. As a result of SBUA’s work, for example, small commercial customers of bundled electricity will pay -0.78 % less in revenue allocation, or approximately \$12.55 million dollars less. SBUA also achieved significant provisions for additional future studies by PG&amp;E and meet-and-confer obligations with SBUA to help protect small commercial customers in future revenue allocation and rate design proceedings. Although not all of these benefits are quantifiable, the adoption of the SBUA-executed settlement agreements will help protect an important customer class and is in the public interest. Moreover, SBUA’s fee request is small in comparison to the benefits, financial and otherwise, secured for small commercial customers.</p> <p>In assessing SBUA’s substantial contribution, the Commission also should factor its desire to encourage participation of a broad range of customer interests and policies encouraging settlement. Along with this the Commission should weigh the consequence of placing customers at risk for participating in settlements and consequential incentive to litigate in order to more explicitly document substantial contribution.</p> <p>In sum, the Commission should conclude that SBUA’s overall request is reasonable and SBUA’s participation was productive and outweighed the cost of participation.</p>	<p>Verified.</p>
<p><b>b. Reasonableness of hours claimed:</b></p> <p>In its NOI, SBUA estimated that it would expend 200 hours of time by counsel and 150 hours of time by experts. SBUA’s attorney James Birkelund devoted approximately 155 hours to this proceeding, or a total of slightly less than 4 weeks worth of time. SBUA’s expert Michael Brown devoted approximately 168.5 hours to this proceeding, or a total of a little over 4 weeks of time. SBUA entered into settlement discussions shortly after expert testimony was filed, thereby</p>	<p>Verified.</p>

foreclosing the need to parties to file reply briefs and cross-examine each other's witnesses. The proceeding therefore required a significant number of hours devoted to settlement negotiations and coordination among numerous parties to address SBUA's concerns. SBUA spent less attorney time than anticipated while obtaining favorable results for its constituency. SBUA worked efficiently and reasonable, coordinating with other consumer organizations and all other parties as appropriate, to ensure effective participation. These amounts of time spent are reasonable for a complex rate case involving numerous parties, multi-party settlement negotiations, and complex issues of revenue allocation, marginal cost, and rate design.

SBUA's attorney James Birkelund served as the lead attorney for SBUA in this proceeding, including by negotiating and finalizing settlement positions. He played a wide-ranging role and was also responsible for researching, analyzing, and drafting various SBUA positions and issues for SBUA's expert testimony. Mr. Birkelund took the lead for SBUA in settlement discussions with PG&E and other interested parties and negotiated issues and settlements on behalf of small commercial customers. SBUA seeks compensation for 155 hours of his work, which is significantly below his total hours estimated in SBUA's NOI. This is a reasonable request given the high demand on legal services to participate in a complex GRC, as here, and the detailed nature of the settlement agreements approved in the Final Decision.

Michael Brown served as SBUA's expert witness and played a lead role in developing testimony and he also provided input to the settlement discussions regarding the expert issues he covered. Mr. Brown submitted opening testimony (and drafted reply testimony that, while necessary at the time of drafting, ultimately was not finalized or submitted due to favorable progress with settlement agreements). He analyzed other parties' revenue allocation and rate design proposals and had an instrumental role in identifying and promoting small commercial customer interests in this proceeding. SBUA seeks compensation for approximately 168.5 of his hours. This amount is a reasonable request given the high demand on experts to participate in a complex GRC, as here, and the detailed nature of analyzing and promoting positions on behalf an entire customer class (i.e., small commercial customers) to support reaching settlement agreements.

Mr. Birkelund and Mr. Brown avoided unnecessary duplication and worked together efficiently. Both were involved in researching and analyzing small business issues, bringing their own knowledge and expertise, and on some occasions both had to participate in the same settlement conferences, as the discussions covered multiple issues and topics. Mr. Birkelund and Mr. Brown had differing responsibilities in settlement negotiations, and involving both in certain conferences was essential to the effective development and implementation of SBUA's settlement strategy for this proceeding. They did not play duplicative roles in settlement, and each was an active participant, bringing his particular knowledge and expertise to bear on the discussions.

SBUA has omitted certain time entries from its billing records that reflect potentially duplicative activities. These deductions include instances involving certain internal conferences or emails, for which SBUA has submitted time entries

<p>for only one attorney or expert. The attached time records reflect these deductions; for example, where there is a time entry from one attorney or expert showing that a meeting took place, but there is no corresponding entry from the other attorney or expert, this is because the corresponding entry was omitted.</p> <p>The hours requested above are reasonable in the context of the level of effort required to participate in a general rate case and reach settled resolutions. The time spent in settlement was ultimately more beneficial for all parties than protracted litigation engagement, which would have entailed significantly more hours. SBUA’s original estimate of work in its NOI assumed the possibility that parties could reach a settlement compromise, as has been a common result of previous GRCs before this Commission.</p>	
<p><b>c. Allocation of hours by issue:</b></p> <p>SBUA has assigned the following issue codes:</p> <ul style="list-style-type: none"> <li>A. Marginal Cost Rate Increases and Revenue Allocation – 123.5 hours or 38%</li> <li>B. Small Commercial Rate Design – 130.4 hours or 40%</li> <li>C. Other Issues – 14.6 hours or 4%</li> <li>E. General (coordination, procedural issues) – 59 hours or 18%</li> </ul> <p>SBUA asserts that the categories above are well defined to allow SBUA to accurately assign hours to various tasks in its time entries. Should the Commission wish to see different information on this point or some other breakdown of SBUA’s hourly work, SBUA requests that we be so informed and provided an opportunity supplement this request accordingly.</p> <p>SBUA submits that all of the hours claimed were reasonably and efficiently expended and should be fully compensated. SBUA also is submitting 25.5 hours for preparing this compensation request and the NOI. This is comparable to the total hours the Commission has compensated for other groups with similar levels of involvement. <i>See, e.g.,</i> D.14-01-002 (22 hours approved for intervenor time on compensation in SC&amp;E GRC). Both SBUA’s attorney and expert devoted time to reviewing the hours and time entries attached and explaining substantial contributions herein, and many of these hours have been excluded.</p>	<p>Verified.</p>

**B. Specific Claim:\***

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
James Birkelund	2013	57.2	\$405	D.15-06-016	\$23,166.00	57.2	405.00	\$23,166.00

**PROPOSED DECISION**

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
James Birkelund	2014	87.1	\$415	2013 rate from D.15-06-016, escalated by 2.58% per Res-ALJ-303	\$36,146.50	87.1	415.00	\$36,146.50
James Birkelund	2015	10.7	\$415	As above	\$4,440.50	10.7	415.00	\$4,440.50
Michael Brown	2013	116.1	\$185	D.15-06-016	\$21,478.50	116.1	185.00	\$21,478.50
Michael Brown	2014	27.9	\$205	2013 rate from D.15-06-016, escalated by 2.58% per Res-ALJ-303 and a 5% step increase	\$5,719.50	27.0	200.00	\$5,400.00
Michael Brown	2015	14.5	\$205	As above	\$2,972.50	14.5	200.00	\$2,900.00
<b>Subtotal: \$93,923.50</b>						<b>Subtotal: \$93,531.50</b>		
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 \$
James Birkelund	2013	0	NA	NA	NA			\$00.00
Michael Brown	2013	10 travel hours	\$92.50	½ of approved 2013 rate	\$925.00	10	92.50	\$925.00
Paralegal (Amy Macaux)	2013	4.7	\$120	See Comment 6	\$564.00	2.7 [1]	120.00	\$324.00
<b>Subtotal: \$1,693.00</b>						<b>Subtotal: \$1,249.00</b>		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Amy Macaux	2013					2.0	60.00	\$120.00
Paralegal (Amy Macaux)	2015	3.4	\$60	½ of approved 2013 rate	\$204.00	3.4	60.00	\$204.00

**PROPOSED DECISION**

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
James Birkelund	2013					5.3	202.50	\$1,073.25
James Birkelund	2015	21.5	\$208.00	½ of approved 2015 rate	\$4,472.00	16.2	207.50	\$3,361.50
Michael Brown	2015	4.0	\$103.00	½ of approved 2015 rate	\$412.00	4.0	100.00	\$400.00
<b>Subtotal: \$4,884.00</b>						<b>Subtotal: \$5,158.75</b>		
COSTS								
#	Item	Detail		Amount	Amount			
1	Costs Incurred by James Birkelund	All costs incurred by Mr. Birkelund are waived. See Comment 1.		\$0.00	00.00			
2	Costs Incurred by Expert M. Brown	Please see Attachment 3.		\$258.78	00.00 [1]			
<b>Subtotal: \$258.78</b>						<b>Subtotal: \$00.00</b>		
<b>TOTAL REQUEST: \$100,759.28</b>						<b>TOTAL AWARD: \$99,939.25</b>		
[3]								
<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. 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.</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 <sup>1</sup>		Member Number		Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation		
James Birkelund		March 2000		206328		No		

<sup>1</sup> This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

**C. Attachments Documenting Specific Claim and Comments on Part III:**

<b>Comment #</b>	<b>Intervenor's Comment(s)</b>
Comment 1	SBUA is not claiming any office costs in this request or reimbursements for expenses by Mr. Birkelund. SBUA has used electronic mail communication, phone, and conference calls to reduce filing and meeting costs and keep overall costs to a minimum, helping to add to the reasonableness of its claim.
Comment 2 Time Keeping	A daily listing of the specific tasks performed by Mr. Birkelund and Mr. Brown in connection with this proceeding is set forth in Attachments 1 and 2, respectively. SBUA's attorney and expert maintained detailed time records indicating the number of hours devoted to work on this case.
Comment 3	<p><b>2014 Hourly Rate for James Birkelund</b></p> <p>The increase in Mr. Birkelund's 2014 rate is due to the Commission approved Cost-of-Living Adjustment (COLA) of 2.58% adopted by Resolution ALJ-303. The Commission issued Resolution ALJ-303 on December 9, 2014. Abiding by the Resolution, Mr. Birkelund's 2014 hourly rate has been raised from \$405 to \$415 per hour to reflect the 2.58% COLA for intervenor hourly rates.</p> <p>SBUA references Mr. Birkelund's 2013 rates set by the Commission in D.16-06-015. <i>See</i> D.16-06-015 (comment period waived, decision effectively immediately). For 2014 rates, at the time SBUA submitted its compensation request for D.16-06-015, the Commission had not yet addressed the 2014 COLA for purposes of its intervenor compensation program. Under such circumstances, intervenors typically calculate requests using the most recently-authorized rate for each individual, as did SBUA. In D.16-06-015, SBUA had not requested the 2014 COLA and the Commission did not automatically apply it for Mr. Birkelund. Compare with D.15-08-023, fn. 11, 12, 13, 16, 18, 20 (Commission automatically applied 2014 COLA adjustment for TURN consultants and attorney James Weil); <i>see also</i> D.15-06-027 and D.14-01-002, fn. 4 (the Commission automatically applied COLA without request by intervenors). Because Mr. Birkelund had a limited number of 2014 hours for D.16-06-015 (3.3 hours on the proceeding proper), the Commission's decision not to automatically apply a COLA was appropriate and consistent with prior practices. The Commission on numerous occasions has declined to apply a COLA to a limited number of intervenor hours and instead allowed the parties to seek the pertinent COLA adjustment in future proceedings. <i>See, e.g.,</i> D.14-11-019, D.13-02-014. Here, SBUA asks the Commission to follow the same practice by maintaining parity among intervenors and applying the 2014 COLA to Mr. Birkelund's 2014 hourly rate.</p> <p>SBUA submits that this information is more than sufficient for the Commission to grant the requested 2014 hourly rate increase for Mr. Birkelund. However, should the Commission disagree and believe that it needs more information to support the request, SBUA asks that we be given an opportunity to provide additional information before a draft decision issues on this compensation request.</p>

Comment 4	<p><b>2014 Hourly Rate for Michael Brown</b></p> <p>The increase in Mr. Brown’s 2014 rate is due to the Commission approved COLA of 2.58 percent adopted by Resolution ALJ-303. In addition, we are asking for a 5% step increase for Mr. Brown, resulting in a 2014 rate of \$205 per hour (190*1.0258*1.05, rounded to the nearest five, per D.13-05-009).</p> <p>Resolution ALJ-303, which approved the 2014 COLA, states: “It is reasonable to allow individuals an annual ‘step increase’ of 5%, twice within each experience level and capped at the maximum rate for that level, as authorized by D.07-01-009.” Mr. Brown is in the 7-12 years of compensation bracket for experts and has received no step increase in this bracket. He has a broad background and deep expertise in many topics before the Commission, including electric rate design, creating electric resource plans for electric utilities, managing projects at electric utilities, relicensing electric generation and transmission assets, licensing new electric generation power projects, and negotiating hundreds of utility agreements and energy-related projects. We feel that the requested step increase is appropriate.</p>
Comment 5 Reasonableness of Expenses	<p>The Commission should find SBUA’s direct expenses reasonable. The expenses consist of limited travel expenses to attend the pre-hearing conference. The travel expenses should be compensated because the person who traveled has an office in Visalia and only made the trip in question in order to appear at the conference.</p>
Comment 6 Paralegal	<p>SBUA seeks a 2013 hourly rate of \$120 for Amy Macaux. She provided services in a paralegal capacity for purposes of this proceeding and should be compensated accordingly. SBUA’s request for compensation for Ms. Macaux is consistent with other paralegal rates previously adopted by the Commission for 2013. <i>See, e.g.</i>, D.15-06-027 (paralegal rate of \$195/hr.); D.14-12-070 (paralegal rate of \$115/hr.). Ms. Macaux’s qualifications and background are included in Attachment 4.</p>

**D. CPUC Disallowances and Adjustments:**

Item	Reason
[1]	<p>Macaux’s timesheet indicates hours claimed spent on intervenor compensation matters. Such hours are compensated by the Commission at ½ rate and have been moved to the Intervenor Compensation Claim Preparation section, above.</p>
[2]	<p>The Commission does not compensate intervenors for travel related expenses on a per mile basis. The Commission compensates for certain travel expenses and for reasonable travel time (at ½ the approved hourly rate). <i>See</i> Intervenor Compensation Program Guide and Instruction, available online at <a href="http://www.cpuc.ca.gov/PUC/IntervenorCompGuide/">http://www.cpuc.ca.gov/PUC/IntervenorCompGuide/</a>.</p>
[3]	<p>The Commission corrected the total claim of SBUA, which contained a mathematical error.</p>

**PART IV: OPPOSITIONS AND COMMENTS**

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

**FINDINGS OF FACT**

1. Small Business Utility Advocates has made a substantial contribution to D.15-08-005.
2. The requested hourly rates for SBUAs' 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 \$99,939.25.

**CONCLUSION OF LAW**

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

**ORDER**

1. Small Business Utility Advocates shall be awarded \$99,939.25.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company shall pay Small Business Utility Advocates 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 January 02, 2016, the 75<sup>th</sup> day after the filing of Intervenor'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 \_\_\_\_\_, at San Francisco, California

**APPENDIX****Compensation Decision Summary Information**

<b>Compensation Decision:</b>		<b>Modifies Decision?</b>	No
<b>Contribution Decision(s):</b>	D1508005		
<b>Proceeding(s):</b>	R1304012		
<b>Author:</b>	ALJ Roscow		
<b>Payer(s):</b>	Pacific Gas and Electric Company		

**Intervenor Information**

<b>Intervenor</b>	<b>Claim Date</b>	<b>Amount Requested</b>	<b>Amount Awarded</b>	<b>Multiplier ?</b>	<b>Reason Change/Disallowance</b>
Small Business Utility Advocates (SBUA)	10/19/2015	\$100,759.28	\$99,939.25	N/A	See CPUC Disallowances and Adjustments, above.

**Advocate Information**

<b>First Name</b>	<b>Last Name</b>	<b>Type</b>	<b>Intervenor</b>	<b>Hourly Fee Requested</b>	<b>Year Hourly Fee Requested</b>	<b>Hourly Fee Adopted</b>
James	Birkelund	Attorney	SBUA	\$405.00	2013	\$405.00
James	Birkelund	Attorney	SBUA	\$415.00	2014	\$415.00
James	Birkelund	Attorney	SBUA	\$415.00	2015	\$415.00
Michael	Brown	Expert	SBUA	\$185.00	2013	\$185.00
Michael	Brown	Expert	SBUA	\$205.00	2014	\$200.00
Michael	Brown	Expert	SBUA	\$205.00	2015	\$200.00
Amy	Macaux	Paralegal	SBUA	\$120.00	2013	\$120.00
Amy	Macaux	Paralegal	SBUA	\$120.00	2015	\$120.00

**(END OF APPENDIX)**