ALJ/JSW/ALJ/RL8/jt2 **Date of Issuance 10/17/2016**

Decision 16-10-017 October 13, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U 902 M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2016.	Application 14-11-003 (Filed November 14, 2014)
And Related Matter.	Application 14-11-004

DECISION AWARDING INTERVENOR COMPENSATION TO SAN DIEGO CONSUMERS' ACTION NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 16-06-054

Intervenor: San Diego Consumers' Action Network	**For contribution to Decision (D.) 16-06-054**
Claimed: $49,604	**Awarded: $55,517.00**
Assigned Commissioner: Michael Picker	**Assigned ALJ: John S. Wong, Rafael L. Lirag**

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	Decision granted approval of a multi-party settlement and the adopted the Revised Proposed Decision of ALJs Wong & Lirag in this GRC Application. The decision adopted a $50 million revenue increase, which was 68% less than what SDG&E sought in its updated testimony. The decision also adopted contested arguments made by TURN (and joined by SDCAN) regarding the appropriate treatment of repairs deductions.

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, 2015	Verified.
2. Other specified date for NOI:	n/a	
3. Date NOI filed:	February 5, 2015	Verified.
4. Was the NOI timely filed?		Yes, San Diego Consumers' Action Network (SDCAN) 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:	Yes. (See Comment #B.5)	Verified.
6. Date of ALJ ruling:	February 25, 2015	February 25, 2015.
7. Based on another CPUC determination (specify):	R. 12-06-013	Verified.
8. Has the Intervenor demonstrated customer or customer-related status?		Yes, SDCAN demonstrated appropriate status.
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	Yes. (See Comment #B.5)	Verified.
10. Date of ALJ ruling:	February 25, 2015	February 25, 2015.
11. Based on another CPUC determination (specify):	D (See Comment B.5)	
12. Has the Intervenor demonstrated significant financial hardship?		Yes, SDCAN demonstrated significant financial hardship.
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D. 16-06-054	Verified.
14. Date of issuance of Final Order or Decision:	June 23, 2016	July 01, 2016
15. File date of compensation request:	August 9, 2016	Verified.
16. Was the request for compensation timely?		Yes, SDCAN timely filed the claim for intervenor compensation.

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

#	Intervenor's Comment(s)	CPUC Discussion
B.5	In a ruling dated February 25, 2015 the ALJ's found that SDCAN filed a timely notice of intent to claim compensation that meets the requirements of Rule 17.1 and California Pub. Code § 1804(a), is a "customer" as that term is defined in Pub. Util. Code § 1802(b)(1)(C) and since a determination of significant financial hardship was made within one year prior to the commencement of this proceeding, the San Diego Consumers' Action Network has a rebuttable presumption of eligibility for compensation in this proceeding.	Verified.

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
Overview: SDCAN presented testimony on four major issues: 1. SDCAN argued that SDG&E's rates were too high relative to its past revenue requirements as well as to other comparable state IOUs. 2. SDG&E's customer service field costs and customer service technology expenditures were excessive and didn't comport with Commission rules. 3. That in regards to SDG&E's Regional Public Affairs, SDG&E failed to provide detailed justification for its forecasted amount, and that the forecasted amount did not reflect the historical costs of this workgroup. 4. SDG&E's repairs deductions were untimely and inaccurately reflected in this GRC. The first three issues were resolved in the Joint Parties' Settlement. The latter issue was subject to litigation and found in support of consumers.	Testimony of Michael Shames (Exh. 319) and D.16-06-054, pgs. 50, 115	Verified.
Settlement SDCAN (and other parties) filed a joint motion for adoption of a settlement agreement with SDG&E. Contribution: SDCAN actively participated in the evidentiary process as well as the settlement process. (See Comment 2) **SDG&E's Comparative Rates** SDG&E's rates are excessive, in comparison to the state's other IOUs and has resulted in the utility failing to promote operational efficiency. SDCAN was the only party in the proceeding to conduct a comparative rate analysis. Contribution: The settlement resulted in a $50 million increase over SDG&E's currently authorized revenue requirement, which is $104 million (68%) less than what SDG&E sought in its update testimony.	D.16-06-054, p. 17 Testimony of Michael Shames (Exh. 319) pgs. 10-18 D.16-06-054, p. 3-4	Verified. SDCAN's representations of the terms of the settlements approved in this consolidated proceeding are 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 SDCAN's participation in the settlement made a substantial contribution to D.16-06-054.
Regional Public Affairs "Prior to entering into the settlement, SDCAN took the position that SDG&E failed to provide detailed justification for its forecasted amount, and that the forecasted amount did not reflect the historical costs of this workgroup. SDCAN contends that some of these costs were in support of lobbying activities and enhancing SDG&E's corporate image. SDCAN recommended that SDG&E's requested amount be reduced by $1.004 million, which results in an amount of $0.683 million for this cost category." The amount of $1.687 million that was agreed to by the settling parties for the Regional Public Affairs O&M costs is reasonable as it is supported by SDG&E's historical spending. Contribution: SDCAN agreed to a freeze in spending in this category in exchange for reductions in Customer Service costs (see below) and overall 68% reduction in revenue sought.	D.16-06-054, p. 50 D.16-06-054, p. 50	Verified.
Customer Service Field Costs SDCAN urged reductions in SDG&E's Customer Service field costs. "Based on the testimonies presented by SDG&E, ORA, *SDCAN*, TURN, and UCAN, and comparing their recommendations to the Attachment 1 settlement agreement of the SDG&E Settlement Motion, the agreed upon customer services field amount of $22.135 million is reasonable, and should be adopted." (emphasis added) Contribution: The Commission expressly relied upon testimony by SDCAN to find the customer services settlement amount reasonable.	Exh 319: Testimony of Michael Shames, pgs. 19,24,28 D.16-06-054, p. 115	Verified. *See also* D.16-06-054 at p. 116.
Shared Customer Service Technologies SDCAN contended in Exhibit 319 that SDG&E should provide more internet-based services. Although SDG&E has made a number of web-based services available, SDCAN contends that SDG&E's GRC application does not reflect the efficiencies created by these web-based services. SDCAN also contends that SDG&E did not describe in its GRC application	D.16-06-054, p. 124-125 See also: Exh 319: Testimony of Michael Shames, pgs. 19-24	Verified.

the cost effectiveness of, and the savings associated, with using its web-based services. SDCAN expressed concern about the customer service guarantee program, and the growing number of appointments that were missed by SDG&E in fulfilling work orders, and the credits given to customers because of the missed appointments. Given the technological and communication improvements, SDCAN contends that the number of missed appointments and credits should be dropping. SDCAN recommends that half of the cost of this service guarantee program should be borne by shareholders until SDG&E demonstrates in its next GRC that the number of missed appointments has dropped. If SDG&E provides evidence of such a reduction, then it might be appropriate for ratepayers to fully fund this program again. SDCAN also recommends that a 10% reduction for "imputed efficiency," as applied by D.13-05-010, should also apply to SDG&E's proposed costs for its customer contact center operations, and its customer contact center support." In the SDG&E Settlement Comparison Exhibit at 333, the settling parties agree to a total amount of $85.448 million for customer services. At page 10 of the SDG&E Settlement Comparison Exhibit, the settling parties agree to certain cost sub-components of these customer services costs, including the following…… the parties stipulate to a compromise forecast of $62.333 million for customer service office operations, information, and technologies; and under the cost category for customer service office operations, information, and technologies, the parties agree to certain non-shared customer service operations expenses, and to certain non-shared customer service information expenses. Contribution: The SDG&E Settlement Comparison Exhibit at page 10 shows how SDG&E accepted less than what it sought for its technology-related expenditures.	D.16-06-054, p. 130	
<u>Repairs Deduction</u> SDCAN worked with TURN and UCAN on the Repairs Deduction issue. The three intervenors contended that the Applicants' election to use, and to implement the repairs deduction, took place between rate case proceedings. As a result, the change in the method of accounting for repairs was not forecast in the Applicants' TY 2012 GRC proceedings. Contribution: "We are persuaded by TURN's logic, as shown in Exhibits 400, 401, and 416, that over the long term, ratepayers for both SDG&E and SoCalGas will end up paying higher rates because the repair deductions were not recognized in the2012 GRC."	D.16-06-054, p 175 fn 63 D.16-06-054, p. 191	Verified.

Motions SDCAN was a joint party to a handful of the numerous motions filed in this proceeding including: 1. Joint Motion for Suspension of Schedule 2. Response to ACR regarding Sempra Data responses 3. Motion to Set Aside Submission; and 4. Motion Regarding Form of Comments 5. Motion Accepting Modifications to Settlement All of the motions listed above were decided favorably.		The Commission recognizes that SDCAN contributed to the motions listed, at left.

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?	**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: **TURN, ORA, UCAN all represented small consumer interests.**		Agreed.
d. Intervenor's claim of non-duplication: There were numerous active parties opposing SDG&E's application. Under such conditions, SDCAN submits that it was nearly impossible to avoid some amount of duplication. However, SDCAN coordinated with other intervenors but also took positions adverse to ORA and other intervenors on some issues. SDCAN largely argued for entirely unique positions on other contested issues in the proceeding. Still, SDCAN strove to keep such duplication to a minimum by coordinating with like-minded active parties to the extent practicable to identify issue areas that would be sufficiently covered by those parties. In particular, SDCAN consulted closely with ORA and TURN during discovery and in the testimony development process in order to minimize the overlap between the respective organization's testimony. As a result, SDCAN's testimony focused on two primary areas of utility operations: SDG&E's Customer Service and Regional Public Affairs operations. Moreover, during the settlement process, SDCAN coordinated with ORA and TURN thus minimizing overlap of preparation. SDCAN deferred to both ORA and TURN to take the lead in the settlement negotiations and served only to support these two intervenors in subsequent motions.		Agreed, SDCAN did not engage in excessive duplication with other parties.

PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

	CPUC Discussion
a. Intervenor's claim of cost reasonableness: SDCAN's participation in this proceeding provides several benefits for current and future energy ratepayers. SDCAN limited its intervention to three issues, *all* three of which were ultimately settled by the parties decided by the Commission in support of SDCAN's position. The only issue that SDCAN chose to litigate (repair deductions) was done	Verified.

cooperatively with TURN so that very little duplication, but improved product, was possible.	
b. Reasonableness of hours claimed: This request for compensation seeks a modest award covering a limited number of hours devoted to this proceeding by SDCAN's attorney. The Commission should have little trouble realizing that the number of hours is reasonable under the circumstances. In light of the quality of SDCAN's work, the importance of the issues addressed in this phase of the proceeding, and the magnitude of SDCAN's substantial contribution to the proceeding and the resulting decisions, the Commission should conclude that the amount requested is reasonable. Moreover, SDCAN successfully eschewed the use of experts by relying upon the extensive experience of its attorney. While it is difficult to place a dollar value on SDCAN's contributions to D.16-06-054, SDCAN submits that our participation should result in substantial benefits in the form of a settlement that resulted in 68% less of a revenue increase than was sought by SDG&E while improving customer service to SDG&E customers. SDCAN's NOI projected 250 hours of attorney time and 700 hours of expert time. Its total estimate came to $214,500, which is substantially lower than the amount sought in this Request. Notably SDCAN estimated attorney's and expert hours were substantially lower than projected despite the fact that SDCAN's attorney also served an expert, both in drafting testimony, settlement discussions and brief writing. (See Comment #1 below) SDCAN was able to substantially reduce its costs by reviewing transcripts rather than attending hearings in person and by declining to cross-examine SDG&E witnesses because other parties were able to raise points related to SDCAN's issues. Thus, SDCAN was successful in avoiding all travel-related costs and accruing substantial hours normally associated with attending hearings.	Verified.
c. Allocation of hours by issue: SDCAN has allocated its attorney time by issue area or activity, as evident on the attached timesheet. **Attorney time:** The following codes relate to specific substantive issue and activity areas addressed by SDCAN. SDCAN also provides an approximate breakdown of the number of hours spent on each task and the percentage of total hours devoted to each category (note that the numbers do not equal 100% due to rounding). The following time allocations are set forth in Exhibit 2. <u>General Participation (GP) – 114.1 hours – 71% of total</u> General Participation work essential to participation that typically spans multiple issues and/or would not vary with the number of issues that SDCAN addressed. This includes reading the initial application, drafting of a protest, reviewing Commission rulings, case management tasks, participating in prehearing conferences, attending workshops, and reviewing pleadings submitted by other parties. The relatively large number of GP hours in this case reflects the role that SDCAN's attorney played as attorney but also an expert in the settlement meetings and workshops conducted. However, SDCAN was able to substantially reduce its costs by reviewing transcripts rather than attending hearings in person. <u>Customer Service (CS) – 18 hours – 14% of total</u> Includes work on the various proposals for customer service field costs and customer	Verified.

service technology issues. Tax-Related issues (Tax) – 15 hours – 10% of total Includes work on tax implications of SDG&E's repair deductions. Comparative Rates (RD) – 5.5 hours – 4% of total Includes work on mechanisms for returning revenues to residential customers through. This area includes SDCAN's proposal for appropriate tiers while opposing flat rate charges. Regional Public Affairs (RPA) – 3 hours – 2% of total Includes work relating to SDG&E's Public Affairs costs. Motions – 8 hours – 6% of total Includes work on four different motions that were filed in the case – all of which were favorably decided.	

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	**Year**	**Hours**	**Rate $**	**Basis for Rate***	**Total $**	**Hours [1]**	**Rate $**	**Total $**
Michael Shames	2014					12.80	$375.00 *See* D.15-05-018	$4,800.00
Michael Shames	2015	100	$386	D.14-12-064	$38,600	109.00	$375.00 *See* D.15-05-018; Res. ALJ-308	$40,875.00
Michael Shames	2016	23	$393	D.14-12-064	$ 9,039	22.40	$380.00 *See* Res. ALJ-329.	$8,512.00
					***Subtotal:* $47,639**			***Subtotal:* $54,187.00**
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	**Year**	**Hours**	**Rate $**	**Basis for Rate***	**Total $**	**Hours**	**Rate**	**Total $**
Michael Shames	2016	10	$196.50	Commission policy	$1,965	7.00	190.00	$1,330.00
					***Subtotal:* $1,965**			***Subtotal:* $1,330.00**
					TOTAL REQUEST: $49,604			**TOTAL AWARD: $55,517.00**

**We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for

intervenor compensation. Intervenor's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.

**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer's normal hourly rate

ATTORNEY INFORMATION			
Attorney	**Date Admitted to CA BAR[1]**	**Member Number**	**Actions Affecting Eligibility (Yes/No?)**
Michael Shames	May 1983	108582	Mr. Shames was inactive from 01/01/86 until 01/15/87 and from 01/01/1988 until 10/5/11

C. Comments on Part III:

Comment #	Intervenor's Comment(s)
Comment #1	Shames' rate: The last approved rate for Michael Shames is $365.00 an hour in D.14-12-064 for all work performed in 2012. This rate reflects Mr. Shames' decision to reinstate his active membership with the Bar due to complaints filed with the CPUC about his attorney status. Subsequent to that time, the Commission has granted a number of COLA increases averaging 2% per annum. (see Resolution ALJ-303, ALJ 329). A 2% increase to the $365 per hour base rate approved for 2012 amounts to $386 per hour for 2015 and $393 for 2016 work.
Comment #2	The Commission has interpreted the Section 1802 definition, in conjunction with Section 1801.3, so as to effectuate the legislature's intent to encourage effective and efficient intervenor participation. The statutory provision of "in whole or in part," as interpreted by multiple Commission decisions on intervenor compensation requests, has established as a general proposition that when a party makes a substantial contribution in a multi-issue proceeding, it is entitled to compensation for time and expenses even if it does not prevail on some of the issues. The Commission has granted compensation where a parties' participation contributed to the decision-making process even if specific recommendations were not adopted, and where a parties' showing assisted the Commission in its analysis of an issue. D.10-06-046, p. 5; D.02-07-030 (the Commission based its finding of substantial contribution largely on the efforts intervenors made to develop the record, even where the adopted decision did not rely on that record); D.00-07-015 (the Commission found that an intervenor had made a substantial contribution even where a settlement was adopted over the intervenor's objection, because its participation "contributed to the . . . development of the record" and enhanced the Commission's understanding of the underlying issues);

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

D. CPUC Disallowances and Adjustments:

Item	Reason
[1]	SDCAN's claim contained numerous rounding errors, mathematical errors, and a failure to properly understand and apply the Commission's cost-of-living adjustment. In addition, the claim was not properly formatted using the Commission's standardized claim forms. The Commission disallowed 3 hours of Shames' claimed hours related to intervenor compensation, which corresponds to the time required to correct the claim.

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

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

FINDINGS OF FACT

1. San Diego Consumers' Action Network has made a substantial contribution to D.16-06-054.

2. The requested hourly rates for San Diego Consumers' Action Network'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, as adjusted herein, are reasonable and commensurate with the work performed.

4. The total of reasonable compensation is $55,517.00.

CONCLUSION OF LAW

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

ORDER

1. San Diego Consumers' Action Network shall be awarded $55,517.00.

2. Within 30 days of the effective date of this decision, San Diego Gas & Electric Company and Southern California Gas Company shall pay San Diego Consumers' Action Network their respective shares of the award, based on their California-jurisdictional gas and electric revenues for the 2015 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 October 23, 2016, the 75th day after the filing of San Diego Consumers' Action Network's request, and continuing until full payment is made.

3. The comment period for today's decision is waived.

4. This decision is effective today.

Dated October 13, 2016, at Long Beach, California.

MICHAEL PICKER
President
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
LIANE M. RANDOLPH
Commissioners

Carla J. Peterman, being necessarily absent, did not participate.

APPENDIX

Compensation Decision Summary Information

Compensation Decision:	D1610017	**Modifies Decision?**	No
Contribution Decision:	D1606054		
Proceedings:	A1411003, A1411004		
Authors:	ALJ Wong, ALJ Lirag		
Payers:	San Diego Gas & Electric Company and Southern California Gas Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
San Diego Consumers' Action Network (SDCAN)	August 09, 2016	$49,604.00	$55,517.00	N/A	*See* CPUC Disallowances and Adjustments, above.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Michael	Shames	Attorney	SDCAN	N/A	2014	$375.00
Michael	Shames	Attorney	SDCAN	$386.00	2015	$375.00
Michael	Shames	Attorney	SDCAN	$393.00	2016	$380.00

(END APPENDIX)