Decision 16-10-014 October 13, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of San Diego Gas & Electric Company (U902M) 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 ENVIRONMENTAL DEFENSE FUND FOR SUBSTANTIAL CONTRIBUTION TO DECISION 16-06-054

Intervenor: Environmental Defense Fund	**For contribution to Decision 16-06-054**
Claimed: $141,680	**Awarded: $119,260.00 (~15.82% reduction)**
Assigned Commissioner: Michael Picker	**Assigned ALJ: John S. Wong and Rafael L. Lirag**

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	D.16-06-054 addresses the test year (TY) 2016 general rate case (GRC) applications of San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas). D.16-06-054 adopts all of the proposed settlements contained in the separate motions to adopt the proposed settlements in SDG&E's GRC application, and in SoCalGas's GRC application. However, D.16-06-054 makes two income tax related adjustments to the revenue requirements, and one adjustment to SDG&E's offsite storage costs related to the San Onofre Nuclear Generating Station (SONGS). The first adjustment is for the repairs deduction issue, which the settlement parties agreed would be separately considered apart from the settlements, and recognized that the revenue requirement could change as a result of that issue. The second adjustment is for bonus depreciation, which ORA's settlement agreement with SDG&E and SoCalGas resolves, but which we determine is unreasonable. The third adjustment removes the SONGS

	offsite storage cost from the revenue requirement because that cost has been resolved in a different proceeding. With these three adjustments, D.16-06-054 adopts a test year 2016 revenue requirement of $1,791,273,000 for SDG&E's combined operations ($1,482,396,000 for its electric operations, and $308,877,000 for its gas operations). The adopted revenue requirement for SDG&E is $104 million lower than what SDG&E had requested ($1.895 billion) in its update testimony. The adopted base margin 2016 revenue requirement represents a $50 million increase over SDG&E's currently authorized base margin revenue requirement of $1,721,266,000. For SoCalGas, with the adjustments for the repairs deduction and bonus depreciation, D.16-06-054 adopts a test year 2016 revenue requirement of $2,203,966,000. The adopted 2016 revenue requirement is $127 million lower than what SoCalGas had requested ($2.331 billion) in its update testimony, and the adopted base margin 2016 revenue requirement is a $138.801 million increase over SoCalGas' currently authorized base margin revenue requirement of $1,966,480,000. The other issues resolved in this proceeding through D.16-06-054 include the following: • The adopted revenue requirement, and post-test year increases, will provide the necessary funds to allow SDG&E to operate its electric and natural gas transmission and distribution system safely and reliably at reasonable rates. • The adopted revenue requirement, and post-test year increases, will provide the necessary funds to allow SoCalGas to operate its natural gas transmission, gas distribution, and gas storage systems safely and reliably at reasonable rates. • As part of the agreed upon settlement amounts, $38.381 million is provided for operating and maintenance costs, and a total of $236 million for capital improvements over the GRC cycle, for SoCalGas' underground storage facilities, including funds for its storage integrity management program (SIMP). • The SIMP is a proactive program of SoCalGas to ensure the integrity of SoCalGas' underground gas storage facilities, and to detect and repair problems before they occur. • SDG&E is prohibited from compensating its employees, managers, and executives from variable compensation that is

	based on SDG&E's recovery of monies from ratepayers for the wildfire costs that are being litigated before the Commission in Application 15-09-010. • Pursuant to Pub. Util. Code § 706, requires SDG&E and SoCalGas to establish memorandum accounts to track the compensation of its officers authorized in this decision, and the compensation paid or owed to its officers, and to follow the requirements of this code section if SDG&E or SoCalGas seeks to have ratepayers pay for the "excess compensation" that may have been paid to or is owed to an officer in connection with of a "triggering event." • SoCalGas is to separate out the costs related to the Aliso Canyon leak in its next GRC to ensure that none of those costs are reflected in the TY 2019 revenue requirement. • Provides the necessary funds for SDG&E and SoCalGas to perform the pipeline inspection, testing, and maintenance work on their gas transmission and distribution pipelines as required by the federal government. • Provides the necessary funds to maintain and replace aging electric and gas delivery infrastructure so as to ensure the safe and reliable delivery of electricity and natural gas to customers. • Provides the necessary funds to comply with state and federal environmental regulations. • To lessen the danger of wildfires, provides the necessary funds to allow SDG&E to trim trees and brush away from overhead electric lines, and to replace many of its wooden poles with steel poles. • Adopts the other settlements between SDG&E, SoCalGas, and various other parties on issues such as: balancing account treatment for pension and other benefits; compliance with statutes regarding methane leakage provisions; continue to discuss a plan to repair non-hazardous leaks; developing avenues to increase the participation of diverse businesses and underrepresented individuals in the procurement and workforce needs of the utilities; maintaining balancing accounts for the integrity management programs associated with transmission and distribution pipelines, and for the storage integrity management program of SoCalGas.

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:		
3. Date NOI filed:	January 29, 2015	Verified.
4. Was the NOI timely filed?		Yes, Environmental Defense Fund (EDF) 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:	R. 12-06-013	Verified.
6. Date of ALJ ruling:	February 25, 2013	Verified.
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes, EDF demonstrated appropriate status.
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	A. 14-11-003/A.14-11-004	Verified.
10. Date of ALJ ruling:	April 1, 2015	Verified.
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes, EDF 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:	July 1, 2016	Verified.
15. File date of compensation request:	August 5, 2016	Verified.
16. Was the request for compensation timely?		Yes, EDF timely filed the request for intervenor 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
EDF actively participated in the evidentiary and investigative portion of the proceeding and once Settlement Discussions advanced to fruition, EDF negotiated and entered the Proposed Settlement Agreement. EDF filed Opening and Reply Testimonies, participated in the evidentiary hearings and conducted cross-examination. In addition EDF, along with the other Settling Parties, filed comments advocating for the adoption of the Settlement Agreement. EDF continually advocated for the reduction of methane emissions in the natural gas distribution system through the use of leak surveying, detection and the cost-effective remediation of leaks.	**1. Procedural Background** Evidentiary hearings began on June 22, 2015 and concluded on July 15, 2015. A total of 18 days of evidentiary hearings were held, and over 400 exhibits were identified and used during the course of these proceedings.[6] [6]The showing by the Applicants consists of direct testimony, rebuttal testimony, workpapers in support of direct and rebuttal testimony, and other exhibits used during the examination of witnesses. The showing by the other parties consist of direct and rebuttal testimony, and other exhibits used during the examination of witnesses. The other parties who sponsored testimony are: ORA; California Coalition of Utility Employees (CCUE); Environmental Defense Fund (EDF); Federal Executive Agencies (FEA); Joint Minority Parties; Mussey Grade Road Alliance (MGRA); San Diego Consumers Action Network (SDCAN); Southern California Generation Coalition (SCGC); TURN; the Utility Consumers' Action Network (UCAN); and Utility Workers Union of America (UWUA). Page 8.	Verified.
	4.1. SDG&E Settlement Motion The SDG&E Settlement Motion was filed jointly by the following: SDG&E; ORA; FEA; EDF; Joint Minority Parties; TURN; UCAN; and SDCAN. The SDG&E Settlement Motion is composed of five settlement agreements that are appended to the SDG&E Settlement Motion as Attachments 1 through 5. …Attachment 3 is labeled as "Settlement Agreement Among EDF, SDG&E and SoCalGas." Attachment 3 was agreed to by SDG&E, SoCalGas, and EDF. Page 17.	Verified.
	4.2. SoCalGas Settlement Motion The SoCalGas Settlement Motion was filed jointly by the following: SoCalGas; ORA; UWUA; FEA; EDF; Joint Minority Parties; TURN; and UCAN. The SoCalGas Settlement Motion is composed of five settlement agreements that are appended to the SoCalGas Settlement Motion as Attachments 1 through 5. …Attachments 2, 3, 4, and 5 are identical to the same attachments that we described for	Verified.

	SDG&E. Page 28. **6.10.3. Attachment 3 Settlement Agreement** Most of the costs associated with the Attachment 3 Settlement Agreement pertain to leak detection, which is addressed in the category of costs for Support Services. The Attachment 3 settlement agreement to the SDG&E Settlement Motion resolves the contested issues between EDF, SDG&E, and SoCalGas. In this settlement agreement, as referenced earlier, the three settling parties agree to issues pertaining to Methane Leakage Abatement that was addressed in SB 1371, and which is the subject of the ongoing R.15-01-008. The settling parties also agree that the NERBA should be adopted as a two-way balancing account with the Applicants' proposed changes.[50] None of the parties to these proceedings have objected to the Attachment 3 Settlement Agreement. Since the settlement terms in the Attachment 3 Settlement Agreement do not prejudge what the Commission is doing in other proceedings, agree to continue ongoing discussions and negotiations regarding the abatement of methane leaks, and provide support for seeking the recovery of costs which exceed the LDAR forecast through the NERBA, the Attachment 3 Settlement Agreement is reasonable and should be adopted. [50]In the Attachment 1 Settlement Agreement to the SDG&E Settlement Motion and to the SoCalGas Settlement Motion, EDF and the Applicants also agreed to a two-way balancing account for the NERBA. **7.9.3. Attachment 3 Settlement Agreement** As described in Section 6.10.3 of this decision, EDF and the Applicants entered into the Attachment 3 Settlement Agreement to the SoCalGas Settlement Motion. For the reasons discussed in Section 6.10.3, the Attachment 3 Settlement Agreement to the SoCalGas Settlement Motion is reasonable and should be adopted. Page 264.	Verified. Environmental Defense Fund'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 Environmental Defense Fund's participation in the settlement made a substantial contribution to D.16-06-054.

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**	Yes.
b. Were there other parties to the proceeding with positions similar to yours?	**Yes**	Yes.
c. If so, provide name of other parties: CUE		Agreed.
d. Intervenor's claim of non-duplication: EDF's advocacy was not duplicative of other parties' efforts. EDF produced stand-alone documents and testimonies during the proceeding, which focused on the issue of methane emissions and remediation within the natural gas distribution system.		Agreed. EDF 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: EDF's costs were reasonable for the extensive general rate proceedings, which proceeded for almost two years and involved a consolidated docket. The office carefully considered its advocacy during the course of the docket and attempted to use cost-effective methods over the course of the proceeding.	Agreed.
b. Reasonableness of hours claimed: EDF worked diligently throughout the process to only spend a reasonable and prudent amount of time.	Agreed.
c. Allocation of hours by issue: All of EDF's work involved the issue of methane emissions within the natural gas distribution system.	Verified.

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	**Year**	**Hours**	**Rate $**	**Basis for Rate***	**Total $**	**Hours [1]**	**Rate $**	**Total $**
Amanda Johnson	2014	10	$140	ALJ-308	$1,400	10.00	$100.00	$1,000.00
Amanda Johnson	2015 (Jan.-June 2)	133.5	$140	ALJ-308	$18,690	127.50	$100.00	$12,750.00
Amanda Johnson	2015 (June 2-Dec.)	135.5	$165	ALJ-308	$22,357.50	87.50	$165.00	$14,437.50
Amanda Johnson	2016	5	$165	ALJ-308	$825	5.00	$165.00 *See* Res.	$825.00

							ALJ-329.	
Jennifer Weberski	2014	26.5	$400	D. 15-11-037	$10,600	26.50	$400.00	$10,600.00
Jennifer Weberski	2015	133.5	$400	D. 15-11-037	$53,400	115.00	$400.00	$46,000.00
Jennifer Weberski	2016	3	$400	D. 15-11-037	$1,200	3.00	$405.00 *See* Res. ALJ-329.	$1,215.00
Timothy O'Connor	2014	10	$320	D. 15-11-037	$3,200	10.00	$320.00	$3,200.00
Timothy O'Connor	2015	86	$320	D. 15-11-037	$27,520	83.50	$320.00	$26,720.00
Timothy O'Connor	2016	2	$320	D. 15-11-037	$640	2.00	$325.00 *See* Res. ALJ-329.	$650.00
					***Subtotal:* $139,832.50**			***Subtotal:* $ 117,397.50**
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	**Year**	**Hours**	**Rate $**	**Basis for Rate***	**Total $**	**Hours**	**Rate**	**Total $**
Jennifer Weberski	2015	2	$200	D. 15-11-037	$400	2.00	$200.00	$400.00
Jennifer Weberski	2016	6	$200	D. 15-11-037	$1200	6.00	$202.50	$1,215.00
Amanda Johnson	2016	3	$82.5	D. 15-11-037	$247.5	3.00	$82.50	$247.50
					***Subtotal:* $1847.5**			***Subtotal:* $1,862.50**
TOTAL REQUEST: $ 141,680						**TOTAL AWARD: $119,260.00**		

**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?)**
Amanda Johnson	June 02, 2015	303457	No.
Timothy O'Connor	July 31, 2007	250490	No

C. Intervenor's Comments on Part III:

Comment #	Intervenor's Comment(s)
6	Ms. Johnson was admitted to the CA Bar in June 2015. The hourly compensation amount is increased beginning June 2015 to reflect her admission as an attorney.

D. CPUC Disallowances and Adjustments:

Item	Reason
[1]	EDF claims 12.5 hours for drafting the Prehearing Conference Statement (Jan. 06, 2015). This document contains 2.5 pages of substantive text. Johnson's claimed hours are disallowed as excessive and duplicative. EDF claims 63.5 hours for work related to its Opening Brief, a document that was not filed with the Commission. Because this document was not filed with the Commission, EDF cannot claim to have made a substantial contribution to the Commission's decisionmaking process. These hours are disallowed.

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. EDF has made a substantial contribution to D.16-06-054.

2. The requested hourly rates for EDF'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 total of reasonable compensation is $119,260.00.

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

CONCLUSION OF LAW

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

ORDER

1. Environmental Defense Fund shall be awarded $119,260.00.

2. Within 30 days of the effective date of this decision, San Diego Gas & Electric Company and Southern California Gas Company shall pay Environmental Defense Fund 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 19, 2016, the 75th 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 October 13, 2016, at Long Beach, California.

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

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

APPENDIX

Compensation Decision Summary Information

Compensation Decision:	D1610014	**Modifies Decision?**	No
Contribution Decision(s):	D1606054		
Proceeding(s):	A1411003, A1411004		
Author:	ALJ Wong, ALJ Lirag		
Payer(s):	San Diego Gas & Electric Company and Southern California Gas Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Environmental Defense Fund (EDF)	August 05, 2016	$141,680.00	$119,260.00	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
Amanda	Johnson	Attorney	EDF	$140.00	2014	$100.00
Amanda	Johnson	Attorney	EDF	$140.00	2015 (Jan.-June 2)	$100.00
Amanda	Johnson	Attorney	EDF	$165.00	2015 (June 2-Dec.)	$165.00
Amanda	Johnson	Attorney	EDF	$165.00	2016	$165.00
Jennifer	Weberski	Expert	EDF	$400.00	2014	$400.00
Jennifer	Weberski	Expert	EDF	$400.00	2015	$400.00
Jennifer	Weberski	Expert	EDF	$400.00	2016	$405.00
Timothy	O'Connor	Attorney	EDF	$320.00	2014	$320.00
Timothy	O'Connor	Attorney	EDF	$320.00	2015	$320.00
Timothy	O'Connor	Attorney	EDF	$320.00	2016	$325.00

(END APPENDIX)