



FILED
07-20-12
09:56 AM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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| Application of Southern California Edison Company (U338E) for Authority to Establish Its Authorized Cost of Capital for Utility Operations for 2013 and to Reset the Annual Cost of Capital Adjustment Mechanism. | Application 12-04-015 (Filed April 20, 2012) |
| And Related Matters. | Application 12-04-016 Application 12-04-017 Application 12-04-018 |

ADMINISTRATIVE LAW JUDGE’S RULING ON SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

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| Customer (party intending to claim intervenor compensation): | |
| The Utility Reform Network (TURN) | |
| Assigned Commissioner: Mark J. Ferron | Assigned ALJ: Michael J. Galvin |

PART I: PROCEDURAL ISSUES

| A. Status as “customer” (see Pub. Util. Code § 1802(b)): The party claims “customer” status because the party (check one): | Applies (check) |
|--|------------------------|
| 1. Category 1: Represents consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the Commission (§ 1802(b)(1)(A)). | |
| 2. Category 2: Is a representative who has been authorized by a “customer” (§ 1802(b)(1)(B)). | |
| 3. Category 3: Represents a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers, to represent “small commercial customers” (§ 1802(h)) who receive bundled electric service from an electrical corporation (§ 1802(b)(1)(C)), or to represent another eligible group. | X |
| 4. The party’s explanation of its customer status, with any documentation (such as articles of incorporation or bylaws) that supports the party’s “customer” status. Any attached documents should be identified in Part IV. | |

TURN is a Category 3 “group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential ratepayers.” TURN provided the relevant portion of our articles of incorporation in the NOI submitted in Application (A.) 98-02-017, and again in A.99-12-024. The articles of incorporation have not changed since the time of those earlier submissions. TURN has approximately 20,000 dues-paying members, of whom we believe the vast majority are residential ratepayers. TURN does not poll our members in a manner that would allow a precise breakdown between residential and small business members, so a precise percentage is not available.

- Describe if you have any direct economic interest in outcomes of the proceeding. **No.**

| B. Timely Filing of Notice of Intent (NOI) (§ 1804(a)(1)): | Check |
|---|--|
| 1. Is the party’s NOI filed within 30 days after a Prehearing Conference? Date of Prehearing Conference: June 4, 2012 | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| 2. Is the party’s NOI filed at another time (for example, because no Prehearing Conference was held, the proceeding will take less than 30 days, the schedule did not reasonably allow parties to identify issues within the timeframe normally permitted, or new issues have emerged)? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| 2a. The party’s description of the reasons for filing its NOI at this other time: n/a | |
| 2b. The party’s information on the proceeding number, date, and decision number for any Commission decision, Commissioner ruling, ALJ ruling, or other document authorizing the filing of NOI at that other time: n/a | |

PART II: SCOPE OF ANTICIPATED PARTICIPATION

| A. Planned Participation (§ 1804(a)(2)(A)(i)): |
|---|
| <ul style="list-style-type: none"> The party’s statement of the issues on which it plans to participate. <p>TURN’s overall interest is to ensure that the Commission sets the return on equity for the four large investor-owned utilities at appropriate levels balancing the legal requirements with actual utility risks.</p> <ul style="list-style-type: none"> The party’s explanation as to how it plans to avoid duplication of effort with other parties and intervenors. <p>TURN will coordinate with DRA and other parties to prevent unnecessary duplication. However, given the nature of the showings required in a cost of capital proceeding, a certain level of similarity is unavoidable, since each party will use standard modeling methodologies to calculate reasonable ROEs. TURN does intend to present modeling results that rely</p> |

on these methodologies, but may be different to the extent our expert uses different reasonable inputs, assumptions and analyses.

- The party’s description of the nature and extent of the party’s planned participation in this proceeding (as far as it is possible to describe on the date this NOI is filed).

TURN intends to participate actively in this proceeding by conducting discovery, submitting expert witness testimony, participating in evidentiary hearings, filing any required briefs and legal pleadings, and conducting other activities necessary for litigating and advocating on behalf of residential and small commercial ratepayers.

B. The party’s itemized estimate of the compensation that the party expects to request, based on the anticipated duration of the proceeding (§ 1804(a)(2)(A)(ii)):

| Item | Hours | Rate \$ | Total \$ | # |
|--|-------|------------------|-----------|---|
| ATTORNEY, EXPERT, AND ADVOCATE FEES | | | | |
| Marcel Hawiger | 120 | 350 | 42,000 | |
| Nina Suetake | 40 | 300 | 12,000 | |
| JBS Energy | 80 | 250 | 20,000 | |
| Lawton Consulting | 400 | 225 | 90,000 | |
| | | Subtotal: | \$164,000 | |
| OTHER FEES | | | | |
| [Person 1] | | | | |
| [Person 2] | | | | |
| | | Subtotal: | | |
| COSTS | | | | |
| Xeroxing and Postage | | | 100 | |
| Lexis Research | | | 200 | |
| Consultant Travel and Lodging | | | 2000 | |
| | | Subtotal: | \$2,300 | |
| TOTAL ESTIMATE \$: | | | \$166,300 | |

Estimated Budget by Issues:

TURN estimates the following issue allocation:

ROE Modeling Results: 60%

Utility Risk Adjustments due to California specific factors: 40%

TURN cannot at this time allocate time between the four utilities. We presume that a slightly larger amount of time will be devoted to the two larger utilities (PG&E and SCE), but the work is not directly related to utility size.

Comments/Elaboration (use reference # from above):

B. TURN’s estimates of Attorney and expert witness times are preliminary and assume only four days of evidentiary hearings. The actual amount of any future request for compensation may vary and will depend upon the Commission’s ultimate decision in this case.

B. The reasonableness of the hourly rates requested for TURN’s representatives will be addressed in our Request for Compensation.

PART III: SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

| A. The party claims “significant financial hardship” for its Intervenor Compensation Claim in this proceeding on the following basis: | Applies (check) |
|---|-----------------|
| 1. “[T]he customer cannot afford, without undue hardship, to pay the costs of effective participation, including advocate’s fees, expert witness fees, and other reasonable costs of participation” (§ 1802(g)); or | |
| 2. “[I]n the case of a group or organization, the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding” (§ 1802(g)). | |
| 3. A § 1802(g) finding of significant financial hardship in another proceeding, made within one year prior to the commencement of this proceeding, created a rebuttable presumption of eligibility for compensation in this proceeding (§ 1804(b)(1)). <ul style="list-style-type: none"> • ALJ ruling (or CPUC decision) issued in proceeding number: R.11-11-008 • Date of ALJ ruling (or CPUC decision): January 3, 2012 | X |

B. The party’s explanation of the factual basis for its claim of “significant financial hardship” (§ 1802(g)) (necessary documentation, if warranted, is attached to the NOI):

PART IV: THE PARTY’S ATTACHMENTS DOCUMENTING SPECIFIC ASSERTIONS MADE IN THIS NOTICE
 (Documents are not attached to final ALJ ruling)

| Attachment No. | Description |
|----------------|---|
| 1 | Certificate of Service – filed as a separate document |

