

Decision 10-04-020 April 8, 2010

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Authority to, Among Other Things, Increase its Authorized Revenues for Electric Service in 2009, and to Reflect that Increase in Rates.

Application 07-11-011
(Filed November 19, 2007)

And Related Matter.

Investigation 08-01-026
(Filed January 31, 2008)

**DECISION GRANTING INTERVENOR COMPENSATION
TO INLAND AQUACULTURE GROUP, L.L.C. FOR SUBSTANTIAL
CONTRIBUTION TO DECISION 09-03-025**

This decision awards Inland Aquaculture Group, L.L.C. \$63,619.46 for its substantial contributions to Decision 09-03-025. This amount represents a reduction of \$56,521.25 or 47% from the amount requested due to undocumented costs, failure to allocate time by issue, and a finding of no substantial contribution on specific issues. Payment of today's award will be made by Southern California Edison Company. Application 07-11-011 and Investigation 08-01-026 are closed.

1. Background

On November 19, 2007, Southern California Edison Company (SCE) filed its test year 2009 general rate case application. In support of its application, SCE provided over 8,500 pages of testimony and sponsored testimony by more than 100 witnesses. In addition to the applicant and the Division of Ratepayer

Advocates (DRA), 20 other parties participated in this case. The prehearing conference (PHC) was held on January 15, 2008. The scoping memo was issued on February 7, 2008. The scoping memo stated that the purpose of this proceeding was to determine:

- (a) the just and reasonable test-year revenue requirement for 2009 inclusive of all operating expenses and capital costs. This includes the costs of all operating or customer-related programs necessary to provide safe and reliable utility service in the test-year; and
- (b) a just and reasonable post test-year ratemaking mechanism to adjust annual revenue requirements in subsequent years until the Commission adopts a test-year revenue requirement in a subsequent proceeding.

On March 26, 2008, an Assigned Commissioner's Ruling was issued, permitting parties to address the issues of corporate philanthropy and corporate social responsibility as well.

On March 17, 2009, the California Public Utilities Commission (Commission) issued Decision (D.) 09-03-025 approving a \$4.829 billion authorized base revenue requirement for test year 2009 for SCE. The Commission found that the authorized base revenue requirement provided SCE with sufficient funding to provide safe and reliable service at just and reasonable rates.

Inland Aquaculture Group, L.L.C.'s (IAG's) participation focused on representing the interest of ratepayers who have a stake in reasonable electric rates by ensuring that unreasonable costs related to specific hydroelectric projects are not passed on to ratepayers through an increase in rates.

2. Requirements for Awards of Compensation

The intervenor compensation program, set forth in Pub. Util. Code §§ 1801-1812,¹ requires California-jurisdictional utilities to pay the reasonable costs of an intervenor's participation if that party makes a substantial contribution to the Commission's proceedings. The statute provides that the utility may adjust its rates to collect the amount awarded from its ratepayers.

All of the following procedures and criteria must be satisfied for an intervenor to obtain a compensation award:

1. The intervenor must satisfy certain procedural requirements including the filing of a sufficient notice of intent (NOI) to claim compensation within 30 days of the PHC, pursuant to Rule 17.1 of the Commission's Rules of Practice and Procedure (Rules), or at another appropriate time that we specify. (§ 1804(a).)
2. The intervenor must be a customer or a participant representing consumers, customers, or subscribers of a utility subject to our jurisdiction. (§ 1802(b).)
3. To seek a compensation award, the intervenor must file and serve a request for a compensation award within 60 days of our final order or decision in a hearing or proceeding. (§ 1804(c).)
4. The intervenor must demonstrate "significant financial hardship." (§§ 1802(g) and 1804(b)(1).)
5. The intervenor's presentation must have made a "substantial contribution" to the proceeding, through the adoption, in whole or in part, of the intervenor's contention or recommendations by a Commission order or decision or as otherwise found by the Commission. (§§ 1802(i) and 1803(a).)
6. The claimed fees and costs must be reasonable (§ 1801), necessary for and related to the substantial contribution (D.98-04-059),

¹ All subsequent statutory references are to the Public Utilities Code unless otherwise indicated.

comparable to the market rates paid to others with comparable training and experience (§ 1806), and productive (D.98-04-059).

In the discussion below, the procedural issues in Items 1-4 above are combined and a separate discussion of Items 5-6 follows.

2.1. Preliminary Issues

Under § 1804(a)(1) and Rule 17.1(a)(1), a customer who intends to seek an award of intervenor compensation must file an NOI before certain dates.

In a proceeding in which a PHC is held, the intervenor must file and serve its NOI between the dates the proceeding was initiated until 30 days after the PHC is held. (Rule 17.1(a)(1).) The PHC in this matter was held on January 15, 2008. IAG's unopposed NOI was timely filed on January 22, 2008.

In its NOI, IAG asserted financial hardship. On March 17, 2008, the Administrative Law Judge (ALJ) issued a ruling finding that IAG had failed to make the required showing of "customer status" under § 1802(b) and "significant financial hardship" under § 1802(g). The March 17, 2008 ruling permitted IAG to amend its showing within 15 days.

IAG filed an amendment on March 25, 2008. On April 21, 2008, a second ALJ ruling was issued requesting that IAG make an additional showing in an effort to resolve continuing uncertainties under §§ 1801-1812 regarding "customer status" and "significant financial hardship." This requested information was received from IAG through two additional amendments filed on May 21, 2008 and April 27, 2009. Since that time, no ruling on the issue of IAG's customer status or significant financial hardship has been issued. In this decision, we rule on both.

2.1.1. Customer Status

Section 1802(b)(1) defines a “customer” as: (A) a participant representing consumers, customers or subscribers of a utility; (B) a representative who has been authorized by a customer; or (C) a representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential or small business customers. (§ 1802(b)(1)(A) through (C).) IAG is a small business and a current customer of SCE with electric service at an office with employee housing in Mono County, California. IAG has also applied to receive electric service at the location of its fish rearing operations, where it intends to use electricity for the continuous operation of a water pump. IAG stated that it participated in this proceeding to ensure that unnecessary and/or unreasonable costs related to hydroelectric projects were not passed on to customers through increased rates. IAG anticipated that neither DRA nor other intervenors in this proceeding would have the on-the-ground knowledge that IAG has of SCE’s hydroelectric power operations in order to identify certain types of unnecessary projects and expenses that might appear reasonable as presented by SCE’s application. IAG believed that its participation would provide the Commission with information about expenses and projects that the Commission would otherwise be unlikely to discover.

In response to questions from the ALJ on IAG’s participation in the proceeding, IAG stated that it acted beyond its own self-interest, the foremost being the desire to raise trout for planting in Mono County waters to meet the demand of the angling public and Mono County’s tourist-based economy. IAG’s future goals are to develop a fully functioning fish rearing and educational facility to enhance and preserve recreational fishing opportunities in Mono County and the Eastern Sierras of California.

On the topic of IAG's own self-interests in the Lundy Project, a hydroelectronic project in Mono County, IAG stated it was participating in this proceeding "without a clear business interest beyond that of a ratepayer"² IAG also stated that SCE's future work on the Lundy Project may effect IAG's interests, but IAG characterized the possibility that SCE's Lundy Project would impact its business interest as "speculative at this time, but it is conceivable"

In response to additional questions from the assigned ALJ, IAG also stated that IAG's participation in this proceeding would not further or protect the business interests of IAG's three owners.³ IAG stated that while the Lundy Project may impact one of the owners' residential property interests, this potential did not motivate IAG's participation.⁴

IAG makes every effort to present itself as a participant with no self-interests, especially no financial interests, in this proceeding, but at the same time IAG refuses to completely deny the potential for some level of financial interests to exist. Moreover, should such self-interest materialize, IAG fails to elaborate on the extent of such self-interest. On a number of occasions, IAG insinuates that financial interests may exist related to, for example, the Lundy Project. However, even after the ALJ raised questions related to financial interest, IAG never specifically identifies the nature of its financial interests in the Lundy Project. While the Commission does not require the complete absence of self-interests for participants seeking to qualify as customers under § 1802(b)(1)(A), participants must provide the Commission with sufficient

² Amended Notice of Intent date May 21, 2008 at 8.

³ *Id.* at 10.

⁴ *Id.* at 10.

information to weigh a participant's self-interests against the broader interests of the ratepayers when determining customer status.

In addition, the Commission requires intervenors to be forthright when discussing their potential interests in a proceeding. As such, intervenors must refrain from oblique statements, such as those used by IAG, when describing potential interest. For example, IAG's statement that its business interests in the proceeding are speculative but conceivable was not helpful. Furthermore, we find that our understanding of IAG's interests could have been expedited, meaning the ALJ would not have had to request IAG to respond to as many questions, if IAG had relied upon clear unambiguous statements.

Therefore, while we find IAG qualifies as a "customer" for purpose of the proceeding under § 1802(b)(1)(A), our finding is limited to this proceeding and is made somewhat reluctantly based on IAG's failure to respond more clearly to the uncertainty surrounding its self-interest in this proceeding.

2.2. Timeliness

Regarding the timeliness of the request for intervenor compensation, IAG filed its request for compensation on May 15, 2009, which is within 60 days of D.09-03-025 being issued.⁵ SCE filed a response in opposition to IAG's request for Intervenor Compensation on June 10, 2009. We address the merits of SCE's response in Sections 3, 5.1 and 5.2 but briefly summarize the contents here. SCE contends: (1) no basis exists for IAG's claim that its participation yielded a \$2.4 million benefit to ratepayers,⁶ (2) IAG did not meet its burden of justifying

⁵ D.09-03-025 issued March 17, 2009.

⁶ IAG's Claim and Decision on Request for Intervenor Compensation, dated May 15, 2009 at 7.

its requested hourly rate for its attorney, Kathleen Maloney-Bellomo, and (3) IAG should not be compensated for the excessive number of hours it requests for time spent on the preparation of its NOI and its many amendments filed in response to various ALJ rulings. IAG did not file a response to SCE's opposition.

2.3. Financial Hardship

An intervenor seeking compensation must show that, without undue hardship, it cannot pay the reasonable costs of effective participation in the proceeding. A participant representing consumers (§ 1802(b)(1)(A)) must disclose its finances to the Commission to make this showing. This showing may be made under an appropriate protective order. In its amended NOIs, IAG provided financial information (annual income and expense statements and balance sheets) for the years 2005-2008. IAG disclosed its gross and net monthly income, monthly expenses, and cash and assets, including equity in real estate. IAG stated that it owns no real estate and few tangible assets. IAG stated that since its inception in 2005, it has not generated a net profit. IAG argued that while it may generate a profit in the future, it is not in a position at this time to predict when a profit may occur.

IAG explained that it has suffered many setbacks due to an increase in construction costs and a severe increase in fuel costs. Both increases have negatively impacted the cost of transporting fish to the facility and the cost of transporting fish out of the facility for planting in waters. In addition, the cost of fish food has risen sharply and a change in California Department of Fish and Game regulations has severely reduced IAG's potential market growth. Lastly, IAG explained that fish stocking is related to recreation, one of the industries hardest hit in the economic downturn. As a result, its future remains bleak at best.

In D.85-05-007, we concluded that where an individual intervenor's financial data has demonstrated that the compensation requested would amount to a large portion of the intervenor's uncommitted annual compensation, it is reasonable to conclude that the § 1802(b)(1)(A) intervenor has demonstrated undue hardship.

Based on our analysis of IAG's financial data and IAG's assertions of financial hardships, we conclude that IAG has met the requirements of § 1802(g) to demonstrate significant financial hardship and, as a result, is eligible for compensation in this proceeding.

3. Substantial Contribution

In evaluating whether a customer made a substantial contribution to a proceeding, we look at several things. First, we look at whether the Commission adopted one or more of the factual or legal contentions, or specific policy or procedural recommendations put forward by the customer. (§ 1802(i).) Second, if the customer's contentions or recommendations paralleled those of another party, we look at whether the customer's participation unnecessarily duplicated or materially supplemented, complemented, or contributed to the presentation of the other party. (§§ 1801.3(f) and 1802.5.)

As described in § 1802(i), the assessment of whether the customer made a substantial contribution requires the exercise of judgment.

In assessing whether the customer meets this standard, the Commission typically reviews the record, composed in part of pleadings of the customer and, in litigated matters, the hearing transcripts, and compares it to the findings, conclusions, and orders in the decision to which the customer asserts it contributed. It is

then a matter of judgment as to whether the customer's presentation substantially assisted the Commission.⁷

Should the Commission not adopt any of the customer's recommendation, compensation may still be awarded if, in the judgment of the Commission, the customer's participation substantially contributed to the decision or order. For example, if a customer provided a unique perspective that enriched the Commission's deliberations and the record, the Commission could find that the customer made a substantial contribution. With this guidance in mind, we turn to IAG's claimed contributions to this proceeding.

IAG identified four separate areas in which it claimed it made a substantial contribution in this proceeding. Below, we perform our own independent assessment of these claims.

3.1. Reduction in Forecasted Capital Expenditures: Lundy Reline Conveyance System Project

IAG states that its participation resulted in a reduction in SCE's 2007-2011 forecasted capital expenditures in the amount of \$2.4 million. This was the amount SCE forecasted was necessary for certain modifications to the Lundy Powerhouse hydroelectric project. The powerhouse discharges water to Mill Creek. Part of the Lundy Project would have provided for redirection of water to Mill Creek. IAG claims that based on the record developed through its efforts, the Commission concluded that SCE must undergo a review by five and possibly as many as seven separate regulatory agencies before SCE could build this project.

⁷ D.98-04-059, 79 CPUC2d 628 at 653.

IAG's characterization of the decision is not completely accurate. The decision excluded this amount from SCE's forecasted capital expenditure for several reasons. SCE did not appear prepared to start this project during this rate case cycle; it had made no formal project design request from its in-house engineering and technical services group; SCE had not submitted the project plans to the required 5-7 other agencies for review; SCE did not provide a specific time frame when it intended to actually undertake the project. This project was opposed by both IAG and The Utility Reform Network (TURN). We find that IAG's arguments in this area did not influence the decision to exclude these funds from SCE's forecasted capital expenditures for 2009.

3.2. Prevent Implementation of Project until Environmental Review is Completed

SCE proposed to enlarge and upgrade a water conveyance facility for the purpose of moving tailrace water from Wilson Creek to Mill Creek (also referred to herein as the Lundy Project). SCE claimed in prepared testimony that the project was necessary to "comply with a Federal Energy Regulatory Commission (FERC) relicensing requirement."⁸ IAG claims that its participation demonstrated that SCE failed to identify, or budget for, environmental review of the project. FERC and SCE, however, later clarified this statement in reply testimony. We find that IAG's participation did not make a substantial contribution in this area. SCE's reply testimony clarified the issue and IAG's participation added nothing further.

⁸ Exhibit SCE-2M at 82.

3.3. Savings of Potential Future Amounts for Long-Term Monitoring, Mitigation, and Liability Resulting from the Implementation of Lundy Reline Project without Adequate Planning

SCE's testimony presented the Lundy Project as a \$2.4 million construction project with no analysis of potential environmental consequences and liability.⁹ IAG claims that its participation demonstrated that SCE had failed to consider a variety of potential consequences of the project that, if implemented without proper planning and review, could have resulted in escalated costs to ratepayers in order to monitor and mitigate these environmental consequences.

IAG submits that they introduced testimony that these costs could be extremely high and ongoing on a long-term basis. Potential ongoing future monitoring and mitigation resulting from this project could include mandatory monitoring of fishery resources, riparian habitat, and wetlands of Wilson Creek; mitigation and restoration of damaged habitat on Wilson Creek; development and implementation of a groundwater monitoring plan; and remedial actions to address harm caused to domestic and fire protection wells.

However, to the extent that IAG provided testimony at hearings regarding whether FERC had already approved the Lundy Project, these efforts were not helpful. Overall, much of the testimony submitted by IAG at hearing was not relevant to the scope of the proceeding, including testimony and exhibits about changing the allocation of flows between creeks and requesting resolution of complex water right issues.

⁹ Exhibit SCE-2M at 82.

We affirm that IAG's efforts in this area resulted in substantial contribution, but reduce IAG's request to reflect to reflect the work IAG performed that fell outside the scope of the proceeding.

3.4. Protection of Natural Environment for Enjoyment of Local Ratepayers and General Public

IAG alleges that through its participation, the Commission disallowed the funds for the various aspects of the Lundy Project that had the potential to cause significant environmental degradation adjacent to a national forest area. The proposed Lundy Project is adjacent to the Mono Basin National Forest Scenic Area. IAG's primary goal was to prevent the proposed Lundy Project to move water from Wilson Creek to Mill Creek without adequate consideration of the environmental consequences.

IAG says that this project has been the subject of intense community concern. The redirection of tailrace flows from Wilson Creek to Mill Creek would reduce flows into Wilson Creek. IAG's concerns included the negative impacts on wildlife habitats and the preservation of biodiversity; the impact on wild fishery; the impact on waterfowl; the impact on meadow habitats; and the potential degradation of recreational uses and scenery.

IAG claims that, through its efforts, the Commission disallowed SCE's request for funding for this project and advised SCE that it must first complete regulatory reviews of this project before it can be built. However, the Commission's decision was based on the finding that funding was premature and, until SCE took further steps to obtain federal and state regulatory approval, funding was not reasonable in this rate case. Our decision did not rely on IAG's

environmental concerns as such matters fall outside the scope of the proceeding. We find that regarding this issue, IAG made, in part, a substantial contribution.

4. Contributions of Other Parties

Section 1801.3(f) requires an intervenor to avoid participation that duplicates that of similar interests otherwise adequately represented by another party, or participation unnecessary for a fair determination of the proceeding. Section 1802.5, however, allows an intervenor to be eligible for full compensation where its participation materially supplements, complements, or contributes to the presentation of another party if that participation makes a substantial contribution to the Commission order.

IAG states that it coordinated its efforts with the DRA, TURN and the Greenlining Institute (Greenlining) on several occasions in an attempt to avoid duplication of efforts and also to reiterate the scope of its planned participation on the Lundy Project. IAG submits that no duplication of efforts occurred in this proceeding as none of the other parties presented testimony regarding the Lundy Project. In addition, IAG alleges that no other party introduced evidence on this subject or provided for the cross-examination of witnesses.

In its NOI, IAG indicated that it would not participate in the rate design portion of the case because of the likelihood of duplication of efforts with other parties. IAG's argued that its efforts would be directed only to the revenue requirement phase of the proceeding, an area where IAG believed its presentation would be unique and not be duplicated by the other parties.

We affirm that IAG took reasonable steps to keep duplication to a minimum and to ensure that its work served to supplement, complement, or contribute to the showing of the other active parties in this proceeding. As such, no reduction for duplication is warranted.

We have determined the scope of a customer's substantial contribution.

We now examine the reasonableness of the compensation request.

5. Reasonableness of Requested Compensation

IAG requests \$120,140.71 for its participation in this proceeding, as follows:

Work on Proceeding				
Attorney/Staff	Year	Hours	Hourly Rate	Total \$
Kathleen Maloney-Bellomo	2008	233.7	\$425	\$99,322.50
Kathleen Maloney-Bellomo	2009	5.0	\$425	\$ 2,125.00
Subtotal Hourly Compensation:				\$101,447.50
Travel, NOI and Compensation Request Preparation (1/2 rate)				
Attorney/Staff	Year	Hours	Hourly Rate	Total \$
Kathleen Maloney-Bellomo (Travel)	2008	24.0	\$212.50	\$5,100.00
Kathleen Maloney-Bellomo (NOI and Comp Request)	2008	56.3	\$212.50	\$11,963.75
Subtotal NOI and Compensation Request Compensation:				\$17,063.75
Miscellaneous Expenses:				\$ 1,629.46
Total Requested Compensation:				\$120,140.71¹⁰

In general, the components of the request must constitute reasonable fees and costs of the customer's preparation for and participation in a proceeding that

¹⁰ IGA voluntarily removed 50 hours of work in 2008 for its expert, John Frederickson and 70 hours of Kathleen Maloney-Bellomo's 2008 work on "miscellaneous hydro costs." The waiver for Frederickson is because he does not intend to appear in future Commission proceedings and IAG did not want to incur potentially unreimbursed costs for time spent on establishing an hourly rate for his work here. As such, we do not adopt an hourly rate for his 2008 work. IAG states on page 8 of its request for intervenor compensation that Maloney-Bellomo's hours related to work on "miscellaneous hydro costs" are waived as a voluntary efficiency reduction, since IAG failed to make a substantial contribution in this area.

resulted in a substantial contribution. The issues we consider to determine reasonableness are discussed below:

5.1. Hours and Costs Related to and Necessary for Substantial Contribution

We first assess whether the hours claimed for the customer's efforts that resulted in substantial contributions to Commission decisions are reasonable by determining to what degree the hours and costs are related to the work performed and necessary for the substantial contribution.

SCE's opposition to IAG's request for intervenor compensation states "IAG seeks \$11,963.75 for 56.3 hours spent on three iterations of its NOI. Although the proposed hourly rate for work on these three NOIs has been halved, IAG does not explain why it should be awarded compensation for its failure to get it right the first time."¹¹ In IAG's defense, it states that:

"The amount of time expended in NOI filings likely exceeds the "ordinary" amount of time spent by intervenors. This is because IAG's business is unique in California, and the ALJ had many questions about the business in order to determine customer status. IAG's business is aquaculture, specifically raising trout for planting in fisheries for recreation in the Eastern Sierra. IAG filed an NOI and three Amended NOIs to provide specific information in response to questions posed by the assigned ALJ, some of which appear to be novel in issues and required IAG to gather a variety of information over time."¹²

¹¹ Southern California Edison Company (U338E) Response to Requests for Intervenor Compensation Filed by Greenlining and IAG, filed June 10, 2009 at 19.

¹² Claim and Decision on Request for Intervenor Compensation, filed by IAG on May 15, 2009 at 10.

IAG did act at the request of the ALJ in preparing its NOIs. However, as we stated earlier, IAG provided ambiguous responses to the ALJ's questions. IAG could have reduced the amount of time spent on its responses if it had been more straightforward. Given these circumstances, we reduce IAG's hours spent preparing its NOIs but not its hours related to preparation of its compensation claim. We reduce the time requested by ½ to reflect the fact that the ALJ should have been provided with clear unambiguous responses from the beginning.

IAG documented its total claimed hours by presenting 60 pages from a 2008-2009 "Day-at-a-Glance" calendar, which according to IAG was maintained exclusively for work performed in this proceeding by IAG's attorney. Details of the work performed each day are provided for each entry and a total of hours charged each day is noted at the bottom of the daily entry. The number of hours claimed is excessive given IAG's narrow contribution in this case and the documents prepared, and therefore we must reduce the hours we compensate IAG for.

IAG failed, however, to provide an allocation of time by major issue. D.98-04-059 at 48 directs intervenors to allocate their time and costs by issue. In addition, the scoping memo issued in this proceeding specifically stated that "intervenors must classify time by issue."¹³ As a result of IAG's failure to allocate its time by issues and the fact that the supporting documentation provided in IAG's request is not sufficiently detailed to produce a precise assessment of hours and/or disallowances for each of the issues, we rely upon our discretion and apply a uniform percentage disallowance to IAG's overall

¹³ Scoping Memo at 12.

claim of hours. This approach is in keeping with our practice in past intervenor compensation claims where we have disallowed costs based upon a range of percentages. In a number of instances, we have applied disallowance percentages between 10% and 33%. In this case, we adopt a slightly higher disallowance due to the extent of the work which did not provide a substantial contribution and given the fact that the scoping memo specifically required intervenors to allocate time by issue and IAG failed to do so. We conclude a 50% disallowance is warranted to IAG's professional hours.

IAG requests travel time and mileage reimbursement for attorney Maloney-Bellomo but only mileage reimbursement for its expert, Frederickson. Maloney-Bellomo traveled from Mono County to San Francisco to attend the PHC and the hearing; Frederickson attended only the hearing. IAG states that the closest commercial airport is in Reno, which is a 3-hour drive one-way. Based on its location, IAG submits that driving was less expensive than the purchase of airline tickets, airport parking and transportation into San Francisco. We agree. We find that IAG's travel time and costs were both efficient and not related to "routine" travel. IAG is not a regular intervenor in Commission proceedings and its participation here was solely based on its concerns surrounding the Lundy Project.

5.2. Intervenor Hourly Rates

We next take into consideration whether the claimed fees and costs are comparable to the market rates paid to experts and advocates having comparable training and experience and offering similar services.

IAG seeks an hourly rate of \$425 for Kathleen Maloney Bellomo, for work performed in 2008 and 2009. An hourly rate for Kathleen Maloney Bellomo has

not been previously set by the Commission. Bellomo has been a member of the State Bar of California for 26 years. She was hired as a staff attorney at the Commission in 1986 where she worked for the Commission in various capacities. She formally separated from state service in 2005. During her assignments for the Commission she worked as a senior litigation attorney for DRA, appellate and advisory attorney for the Commission, and Administrative Law Judge. She represented DRA in a number of general rate cases, including several Edison general rate cases (GRCs) and was the lead attorney for DRA one GRC. Maloney Bellomo has appeared in proceedings before the Federal Energy Regulatory Commission (FERC) and in litigation before the California State Water Resources Control Board. IAG submits that the hourly rate of \$425 is justified because of Maloney Bellomo's extensive experience in the field of public utility regulation, as well as her relevant experience in other administrative forums. IAG states that it referenced the hourly rates in D.07-01-009 issued in D.06-08-019 to provide a preliminary estimate of its costs in its NOI as required by Section 1804(a)(2)(A0(ii), and submits that the hourly rate is reasonable for her compensation.

We disagree with SCE's opposition that IAG failed to meet its burden of justifying its hourly rate request for Maloney Bellomo's work. We do note however, that this justification is best outlined in IAG's NOI, not in its request for compensation. We find the hourly rate request of \$425 for Maloney Bellomo's work in 2008 and 2009 to be justified, given her training, background and experience and we adopt this rate here.

5.3. Direct Expenses

The itemized direct expenses submitted by IAG include the following:

Travel (mileage-auto)	\$747.00
Photocopying	\$163.43
Postage & Delivery	\$319.03
Lodging/Meals	\$400.00
Total Expenses	\$1,629.46

We disallow IAG's request of \$400.00 for reimbursement of lodging and meals. IAG failed to provide lodging receipts and the Commission does not compensate for meals. The remainder of IAG's miscellaneous expenses appear reasonable and commensurate with the work performed and should be compensated.

6. Productivity

D.98-04-059 directed customers to demonstrate productivity by assigning a reasonable dollar value to the benefits of their participation to ratepayers. (D.98-04-059 at 34-35.) The costs of a customer's participation should bear a reasonable relationship to the benefits realized through its participation. This showing assists us in determining the overall reasonableness of the request.

IAG submits that its participation resulted in a \$2.4 million capital reduction which was the amount requested for the one aspect of the Lundy Project. IAG also alleges that its participation resulted in protecting ratepayers from paying for consequential costs flowing from the project.

After the reductions and adjustments we have listed above, the remainder of IAG's efforts has been productive, will most likely result in future cost-savings benefits to ratepayers and should be compensated.

7. Award

As set forth in the table below, we award IAG \$63,619.46:

Work on Proceeding				
Attorney/Staff	Year	Hours	Hourly Rate	Total \$
Kathleen Maloney-Bellomo	2008	233.7	\$425	\$ 99,322.50
Kathleen Maloney-Bellomo	2009	5.0	\$425	\$ 2,125.00
Compensation for Professional Time:				\$ 101,447.50
50% Reduction to Professional Time:				- 50,723.75
Adjusted Compensation for Professional Time:				\$ 50,723.75
Travel, NOI and Compensation Request Preparation (1/2 rate)				
Attorney/Staff	Year	Hours	Hourly Rate	Total \$
Kathleen Maloney-Bellomo (Travel)	2008	24.0	\$212.50	\$ 5,100.00

Kathleen Maloney-Bellomo (NOI 50.8 hrs x ½ = 25.4 hrs) (Comp Request = 5.5 hrs)	2008	30.9	\$212.50	\$ 6,566.25
Subtotal Travel, NOI and Compensation Request Compensation:				\$ 11,666.25
Miscellaneous Expenses:				\$1,229.46
Total Award:				\$63,619.46

Pursuant to § 1807, we order SCE to pay this award. Consistent with previous Commission decisions, we order that interest be paid on the award amount (at the rate earned on prime, three-month commercial paper, as reported in Federal Reserve Statistical Release H.15) commencing on July 29, 2009, the 75th day after IAG filed its compensation request, and continuing until full payment of the award is made.

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. IAG’s records should identify specific issues for which it requested 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.

8. Comments on Proposed Decision

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with § 311 and comments were allowed under Rule 14.3. No comments were filed.

9. Assignment of Proceeding

Michael R. Peevey is the assigned Commissioner, and Regina M. DeAngelis is the assigned ALJ in these proceedings.

Findings of Fact

1. IAG has satisfied all the procedural requirements necessary to claim compensation in these proceedings.
2. IAG acted out of self-interest but primarily for a broader purpose. We award compensation because even though IAG acted out of self-interest by seeking to prevent the Lundy Project, which could have negatively impacted operations at its fish-rearing plant, its primary driving force was to reduce ratepayer costs.
3. IAG requested hourly rates and direct expenses, as adjusted herein, which are reasonable and commensurate with the work performed.
4. The total reasonable compensation is \$63,619.46.
5. The Appendix to this decision summarizes today's award.

Conclusions of Law

1. IAG meets the definition of a customer pursuant to § 1802(b)(1)(A).
2. IAG has fulfilled the requirements of §§ 1801-1812, which govern awards of intervenor compensation, and is entitled to intervenor compensation for its claimed expenses, as adjusted herein, incurred in making a substantial contribution to D.09-03-025.
3. IAG should be awarded \$63,619.46 for its substantial contribution to D.09-03-025.
4. This order should be effective today so that IAG may be compensated without further delay.
5. Application 07-11-011 and Investigation 08-01-026 are closed.

O R D E R

IT IS ORDERED that:

1. Inland Aquaculture Group, L.L.C. is awarded \$63,619.46 as compensation for its substantial contributions to Decision 09-03-025.

2. Within 30 days of the effective date of this decision, Southern California Edison Company shall pay Inland Aquaculture Group, L.L.C. the total award. Payment of the award shall include interest at the rate earned on prime, three-month commercial paper as reported in Federal Reserve Statistical Release H.15, beginning July 29, 2009, the 75th day after the filing date of Inland Aquaculture Group, L.L.C.'s request for compensation, and continuing until full payment is made.

3. Application 07-11-011 and Investigation 08-01-026 are closed.

This order is effective today.

Dated April 8, 2010, at San Francisco, California.

MICHAEL R. PEEVEY

President

DIAN M. GRUENEICH

JOHN A. BOHN

TIMOTHY ALAN SIMON

NANCY E. RYAN

Commissioners

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:	D1004020	Modifies Decision? N
Contribution Decision(s):	D0903025	
Proceeding(s):	A0711011 and I0801026	
Author:	ALJ DeAngelis	
Payer(s):	Southern California Edison Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Inland Aquaculture Group, L.L.C.	05-15-09	\$120,140.71	\$63,619.46	No	failure to allocate time by issue; unjustified expenses; adjusted hourly rates

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Kathleen	Maloney-Bellomo	Attorney	Inland Aquaculture Group, L.L.C.	\$425	2008	\$425
Kathleen	Maloney-Bellomo	Attorney	Inland Aquaculture Group, L.L.C.	\$425	2009	\$425

(END OF APPENDIX)