

Decision 11-03-022 March 10, 2011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company in its 2009 Nuclear Decommissioning Cost Triennial Proceeding. (U39E)

Application 09-04-007
(Filed April 3, 2009)

Joint Application of Southern California Edison Company (U338E) and San Diego Gas & Electric Company (U902E) for the 2009 Nuclear Decommissioning Cost Triennial Proceeding to Set Contribution Levels for the Companies' Nuclear Decommissioning Trust Funds and Address Other Related Decommissioning Issues.

Application 09-04-009
(Filed April 3, 2009)

DECISION AWARDING INTERVENOR COMPENSATION TO THE UTILITY REFORM NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 10-07-047

Claimant: The Utility Reform Network (TURN)	For contribution to Decision (D.) 10-07-047
Claimed: \$204,395¹	Awarded: \$195,170 (reduced 5%)
Assigned Commissioner: Timothy A. Simon	Assigned ALJ: Melanie M. Darling

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision: Adopts a modified settlement approving cost estimates, revenue requirements, trust fund assumptions and policy directives related to the decommissioning of the Palo Verde, San Onofre, Diablo Canyon and Humboldt Bay nuclear power plants for the upcoming triennial period. The Decision adopts the key elements of a settlement submitted by TURN, Southern California Edison (SCE), Pacific Gas & Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E)

¹ See footnote 4 at 10.

except for one modification relating to the standard for determining the reasonableness of costs incurred to decommission Humboldt Bay.

B. Claimant must satisfy intervenor compensation requirements set forth in Public Utilities Code §§ 1801-1812:

	Claimant	CPUC Verified
Timely filing of notice of intent to claim compensation (§ 1804(a)):		
1. Date of Prehearing Conference:	May 21, 2009	Correct
2. Other Specified Date for NOI:		
3. Date NOI Filed:	June 22, 2009	Correct
4. Was the notice of intent timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	See note #1	A.08-03-015
6. Date of ALJ ruling:	See note #1	September 12, 2008
7. Based on another CPUC determination (specify):	See note #1	
8. Has the claimant demonstrated customer or customer-related status?		Yes
Showing of "significant financial hardship" (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	See note #1	A.07-12-021
10. Date of ALJ ruling:	See note #1	April 18, 2008
11. Based on another CPUC determination (specify):	See note #1	
12. Has the claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision	D.10-07-047	Correct
14. Date of Issuance of Final Decision:	August 5, 2010	Correct
15. File date of compensation request:	October 4, 2010	Correct
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I:

#	Claimant	CPUC	Comment
1	X		Although TURN filed a timely NOI in this proceeding (as clarified by ALJ Darling’s June 17 th email to the service list), the assigned ALJ has not yet issued a ruling on the notice of intent. TURN’s showing on financial hardship and customer status was contained in that NOI. TURN has previously been found to satisfy these two standards -- for example see ALJ ruling on 9/12/2008 in A.08-03-015.

PART II: SUBSTANTIAL CONTRIBUTION

A. Claimant’s claimed contribution to the final decision

Contribution	Citation to Decision or Record	Showing Accepted by CPUC
<p>1. FINANCIAL ASSUMPTIONS / EQUITY RETURNS : Instead of assuming decommissioning trust fund equity investment returns of 8.05% (pre-tax, proposed by SDG&E/SCE) or 8.5% (proposed by PG&E), the Commission should assume a 9.2% or 10.05% rate of return and reduce revenue requirements accordingly.</p> <p><u>Testimony of Bill Marcus, pages 2-4, 6-9.</u></p>	<p><u>D.10-07-047, pages 31-32;</u> Adopts the equity rates of return proposed in the settlement (8.75% for SCE/SDG&E and 8.13% (Diablo)/8.5% (Humboldt) for PG&E) which yield far lower revenue requirements than originally sought by the utilities. Although the PG&E equity returns are lower than originally proposed, this result is due to an “artificial calculation” (p.32) tied to the agreement to adopt a \$9 million revenue requirement for Diablo Canyon and is not a reflection of the actual expected returns for this trust.</p>	Yes
<p>2. FINANCIAL ASSUMPTIONS/DEBT RETURNS: Instead of assuming decommissioning trust fund debt investment returns of 4.11% (post-tax and fee, proposed by SDG&E/SCE) or 2.95% (post-tax and fee proposed by PG&E), the Commission should assume a 4.69% pre-tax/4.2% post-tax and fee return for all</p>	<p><u>D.10-07-047, page 33;</u> Adopts the debt returns contained in the settlement (4.2% post tax) consistent with TURN’s recommendations.</p>	Yes

<p>decommissioning trust fund investments.</p> <p><u>Testimony of Bill Marcus, pages 4-5, 6-8.</u></p>		
<p>3. FINANCIAL ASSUMPTIONS / TREATMENT OF CAPITAL GAINS AND LOSSES: The utilities should clarify the treatment of capital losses within the trust fund portfolios (for Diablo Canyon, Palo Verde, and SONGS 2/3) and ensure that trust fund liquidation values take into account any realized net capital losses remaining at the end of 2009 by treating those losses as deferred income tax assets.</p> <p><u>Testimony of Bill Marcus, pages 11-12</u></p>	<p><u>D.10-07-047, page 39;</u> Adopts settlement provisions incorporating TURN’s position (Appendix B, Section 3.6). Decision states that “for this NDCTP, we also accept the parties’ agreement to allow the utilities to use different treatment of unrealized capital gains and losses when calculating the liquidation value of the trust funds.” (page 39).</p>	<p>Yes</p>
<p>4. FINANCIAL ASSUMPTIONS / LABOR ESCALATION: PG&E’s proposal for a flat 3.75% annual escalation rate for company labor is unreasonable and should be replaced with the more reasonable (and lower) labor escalation rates proposed by SCE.</p> <p><u>Testimony of Bill Marcus, pages 8-11.</u></p>	<p><u>D.10-07-047, pages 28-29, Conclusion of Law 13;</u> Adopts the settlement proposal which modifies PG&E’s labor escalation rates by using SCE’s 3.14% escalator beginning in 2011.</p>	<p>Yes</p>
<p>5. FINANCIAL ASSUMPTIONS / EQUITY RAMPDOWN: Instead of all three utilities using different periods (6 years for SDG&E, 5 years for SCE, 4 years for PG&E) for eliminating equity from their trust portfolios after the plant is shut down, TURN recommends a uniform five-year period.</p> <p><u>Testimony of Bill Marcus, page 5.</u></p>	<p><u>D.10-07-047, page 36, Conclusion of Law 17;</u> For PG&E’s Diablo Canyon and Humboldt trust funds, equities shall be ramped down over a five-year period after shutdown as proposed by TURN and contained in the settlement.</p>	<p>Yes</p>
<p>6. FINANCIAL ASSUMPTIONS</p>	<p><u>D.10-07-047;</u> States that “the</p>	<p>This issue has been</p>

<p>/ SDG&E CASH IN PORTFOLIO: SDG&E should not assume that the trust fund contains 100% cash after 2040 and should assume that the trust holds debt securities consistent with the proposals of SCE and PG&E.</p> <p><u>Testimony of Bill Marcus, page 5.</u></p>	<p>question of whether utilities should consider or assume in future NDCTPs that the trust funds will contain cash or some limited amount of equity investment for a period after shutdown or commencement of decommissioning is referred to Phase 2 of these proceedings.” (page 39)</p> <p>Adopts the settlement ratemaking assumptions which state that “for ratemaking purposes, SDG&E agrees to assume that 50% of portfolio will be held in cash after 2030, but reserves the right to manage its investments pursuant to the advice of its Trust Committee and, where SDG&E’s Trust Committee determines that limiting its cash position to 50% is not reasonable, to contest this provision in the next NDCTP.” (Appendix B, page 4, Section 3.5)</p>	<p>deferred for further development to Phase 2 of these proceeding. We agree however, that for the minimal record that was developed here, TURN made a substantial contribution.</p>
<p>7. FINANCIAL ASSUMPTIONS/ REVENUE REQUIREMENT FOR DIABLO CANYON: Adopting TURN’s returns for equity and debt would reduce PG&E’s Diablo Canyon decommissioning revenue requirements to zero (relative to a request of \$20.495 million) for the current NDCTP period.</p> <p><u>Testimony of Bill Marcus, page 11</u></p>	<p><u>D.10-07-047, pages 34-37, 49, Conclusion of Law 16;</u> Adopts the Settlement outcome of a \$9 million annual revenue requirement for Diablo Canyon which is “within the range of likely outcomes absent the Settlement.” (page 49)</p>	<p>Yes</p>
<p>8. COST ESTIMATES/CREATION OF INDEPENDENT REVIEW PANEL: The decommissioning cost estimates should be reduced for Palo Verde (by relying on the unmodified TLG estimate) and</p>	<p><u>D.10-07-047, pages 39-43, OP#6;</u> Adopts the settlement proposal to establish an independent panel charged with evaluating the cost estimates for Diablo Canyon, SONGS 2/3 and Palo Verde to improve transparency,</p>	<p>Yes</p>

<p>SONGS (by adding 25% to the Diablo Canyon estimate). Because the high estimates provided by SCE “raise more questions than it answers” (page 10), these estimates are not credible and should be reduced to avoid overcollection of decommissioning funds. If this primary recommendation is not accepted, “the Commission could order an independent review and comparison of the SONGS ABZ, PV TLG, PV SCE and DC TLG estimates to identify whether the SONGS ABZ estimate and PV SCE estimates should be set aside as suggested by the recommendation in this testimony.” (page 13)</p> <p><u>Testimony of Bruce Lacy pages 3-13.</u></p>	<p>compare with estimates for other plants, determine “what cost and financial assumptions can be applied on a common basis”, identify strategies for cost savings, and “find a common format for cost estimates to improve the quality of future scrutiny, analysis, and public participation.” (page 42) Names TURN witness Lacy as one of three members to sit on the panel and outline a timeline and budget for the completion of the assigned tasks.</p>	
<p>9. POLICY ISSUES/LICENSE RENEWAL: “The Commission should require SCE and PG&E to identify the steps and timing involved in seeking license renewal and the impact of license renewal on decommissioning funding needs for their plants.”</p> <p><u>Testimony of Bruce Lacy, pages 14-15</u></p>	<p><u>D.10-07-047, page 39;</u> Adopts provisions of settlement requiring the utilities to provide “estimates of changes to funding for decommissioning associated with prospective license renewals for the SONGS Units 2 and 3 and DC Units 1 and 2.” (page 39)</p>	<p>Yes</p>
<p>10. POLICY ISSUES / DECOMINGLING OF FUNDS: “The Commission should require SCE, SDG&E and PG&E to begin the process of decomingling the funds in their nuclear decommissioning trust funds into separate funds or subaccounts for radiological (NRC license termination) non-radiological (owner site restoration) and SNF management.”</p>	<p><u>D.10-07-047, page 39;</u> Adopts provision of the settlement requiring the utilities to report the pro rata share of funds accumulated for NRC License Termination and to provide copies of funding assurance letters sent to the NRC. (Settlement section 6.3)</p>	<p>Yes</p>

<p><u>Testimony of Bruce Lacy,</u> <u>pages 16-18</u></p>		
<p>11. POLICY ISSUES / SONGS LICENSE TERMINATION ISSUES: To allow ratepayers to receive refunds of potential excess decommissioning funds, SCE should take steps to de-link the SONGS 1, 2, & 3 Independent Spent Fuel Storage Installation (ISFSI) from the 10 CFR Part 50 operating license applicable to the nuclear generation units.</p> <p><u>Testimony of Bruce Lacy,</u> <u>pages 19-20.</u></p>	<p>D.10-07-047, page 39; Adopts provision of the settlement (Section 6.1) requiring SCE/SDG&E to “explore the feasibility of structuring the future SONGS License Termination Plan with the purpose of eliminating or minimizing obstacles to the return of potentially excess decommissioning funds in trust upon license termination and site restoration for the SONGS 1, 2, & 3 site, excluding the ISFSI.” Under this plan, “the Part 50 license would remain in effect for the ISFSI after license termination for the remainder of the SONGS site and the NRC’s interest in the SONGS Units 1, 2 & 3 portion of the Part 50 license would be fully extinguished.” (App. B, page 7)</p>	<p>Yes</p>

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

	Claimant	CPUC Verified
<p>a. Was Division of Ratepayer Advocates (DRA) a party to the proceeding?</p>	Yes	Correct
<p>b. Were there other parties to the proceeding?</p>	Yes	Correct
<p>c. If so, provide name of other parties: Scott Fielder</p>		Correct
<p>d. Claimant’s description of how it coordinated with DRA and other parties to avoid duplication or how claimant’s participation supplemented, complemented, or contributed to that of another party:</p> <p>TURN met several times with DRA to discuss issues and positions. TURN and DRA coordinated on a joint settlement strategy but were unable to reach agreement with SCE, SDG&E, and PG&E. As a result, TURN entered into a settlement agreement without the support of DRA. DRA opposed the settlement while TURN worked with the utilities to seek its adoption.</p>		<p>We agree that TURN coordinated its efforts with DRA to avoid duplication and made unique contributions that were not duplicated by</p>

<p>TURN and Fielder held opposing policy positions. Mr. Fielder sought to conduct depositions of TURN witness Lacy (a request that TURN successfully opposed) and promoted positions (such as an increased contingency factor) that were contrary to the recommendations in TURN’s testimony.</p> <p>Since TURN’s testimony was not duplicative of work performed by DRA and Fielder, TURN made a series of unique contributions that would not have resulted from the participation of the other customer intervenors.</p>	<p>other parties. No reduction for duplication of efforts is warranted.</p>
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C. TURN’s Additional Comments on Part II:

#	Claimant	CPUC	Comment
1	X		<p>During the course of evidentiary hearings, two specific issues arose that were not addressed directly in TURN’s testimony but nonetheless were relevant to evaluating the cost estimates provided by the utilities. As a result, TURN intended to address these issues in briefing. Because a settlement was reached, these issues were included in that document based on TURN’s participation. These contributions are as follows.</p> <ol style="list-style-type: none"> <li data-bbox="565 982 1453 1276">(1) Due to concerns about radiological contamination and the impact on decommissioning costs at SONGS 2 and 3, the Independent Panel is charged with “evaluating whether emerging radiological contamination issues could increase decommissioning costs and, if so, recommending steps that can be taken to minimize such contamination in the future.” (Section 2.2 of the Settlement as adopted in Ordering Paragraph 6). <li data-bbox="565 1289 1453 1583">(2) Due to concerns over the high cost estimates relating to the uncertainty of site remediation standards, the Settlement requests that the CPUC formally ask the US Department of the Navy to clarify applicable site restoration and remediation standards required to terminate the SONGS lease and urges SCE and the Navy to execute an amended lease (Addressed in Section 2.3 of the settlement, and adopted in Conclusion of Law 24). <p>These outcomes should be deemed to fall within the scope of TURN’s substantial contribution to the outcome of this proceeding.</p>

PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

<p>Claimant’s explanation as to how the costs of claimant’s participation bore a reasonable relationship with benefits realized through claimant’s participation</p>	<p>CPUC Verified</p>
<p>As demonstrated in the substantial contribution section, the Commission adopted a large number of TURN’s recommendations reflected in the proposed settlement. TURN succeeded on virtually every issue identified in testimony and raised during the course of hearings. The impact of this success has near-term and long-term ratepayer benefits.</p> <p>The near-term benefits include a substantial reduction in nuclear decommissioning revenues collected from customers during this triennial period. The decision resulted in a reduction in the combined revenue requirements sought by the three IOUs from approximately \$115 million per year to \$40 million, a decrease of \$75 million. A breakdown by utility reveals the following specifics:</p> <ul style="list-style-type: none"> • SCE requested an annual revenue requirement of \$66.4 million but, under the decision, is authorized to collect \$23 million, a reduction of \$43.4 million. Of the \$43.4 million reduction, about \$24 million is attributable to adjustments proposed by TURN. (Decision, page 37) • SDG&E requested \$15.284 million. As a result of the changed assumptions in the Decision and the updated trust fund balances, SDG&E is authorized to collect \$8 million, a reduction of more than \$7 million per year. (Decision, page 38) • PG&E requested \$23.329 million for Diablo Canyon. Under the settlement agreement provisions adopted by the Commission, PG&E can collect \$9 million per year for Diablo Canyon. (Decision, page 36). This was a settled outcome that took into account litigation risk and amounts to a \$14 million reduction relative to PG&E’s original application. <p>The long-term ratepayer benefits of TURN’s participation will depend upon the outcome of several elements of the Decision. First, the results of the Independent Review Panel could assist with changes to the cost estimates in the next NDCTP and could yield changes to actual practices at the facilities that will reduce the ultimate decommissioning costs. Second, the efforts to seek clarification from the US Navy about site remediation standards for SONGS could result in a significant reduction in expected decommissioning costs. Third, the commitment to pursue a license</p>	<p>The combination of long-term and short-term benefits to ratepayers far exceeds in magnitude, the cost of TURN’s participation in this proceeding.</p> <p>After some minor adjustments to this claim, the remaining TURN hours and costs are reasonable and should be compensated.</p>

termination plan at SONGS that allows decommissioning of the generation units while the ISFSI remains would permit the refund of excess decommissioning collections to future customers.	
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B. Specific Claim:

CLAIMED						CPUC AWARD			
ATTORNEY AND ADVOCATE FEES									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
M. Freedman	2009	210.50	325	D.10-09-044	68,413	2009	210.50	325	68,413
M. Freedman	2010	43.75	325	D.10-09-044	14,219	2010	37.50 ²	325	12,188
N. Suetake	2009	8.75	225	D.10-11-032	1,969	2009	1.75 ³	225	394
R. Finkelstein	2009	4.25	470	D.09-08-025	1,998	2009	4.25	470	1,998
Subtotal: \$86,599						Subtotal: \$82,993			
EXPERT FEES									
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$
B. Lacy	2009	197.75	345	Adopted here	68,224	2009	187.75 ⁴	345	64,774
B. Lacy	2010	26.75	345	Res. ALJ-247	9,229	2010	26.75	345	9,229
M. Mullett	2009	21.75	225	Adopted here	4,894	2009	21.75	225	4,894
W. Steinhurst	2009	43.75	250	Adopted here	10,938	2009	43.75	250	10,938
W. Steinhurst	2010	3.50	250	Res. ALJ-247	875	2010	3.50	250	875
E. Hausman	2009	1.75	225	Not adopted	394	2009	0 ⁵		0
W. Marcus	2009	44.33	250	D.10-03-019	11,083	2009	40.83	250	10,208
W. Marcus	2010	7.17	250	D.10-09-045	1,793	2010	3.67	250	918
G. Jones	2009	8.26	130	D.10-11-032	1,074	2009	8.26	130	1,074
Subtotal: \$108,504						Subtotal: \$102,910			

² See disallowances in Part III, Section D at 15.

³ Ibid.

⁴ We remove 10 hours for Lacy's travel time to and from Cedar Rapids, Iowa to San Francisco, CA on 10/12 and 10/20 to attend hearings. We have approximately the airtime at 3 hrs based on a review of TURN's travel receipts and have added 2 hrs to each round trip to allow for travel from San Francisco airport to the hotel and the return. We remove this time from Lacy's professional hours and relocated them in the appropriate area on this claim where time is compensated at ½ professional rate. We have adjusted TURN's totals to reflect this adjustment. Since we have disallowed Marcus's travel time (See Part III, Section D at 15), we remove these hours from his professional hours without adjustments.

⁵ See disallowances Part III, Section D at 15.

TRAVEL AND INTERVENOR COMPENSATION PREPARATION **										
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Year	Hours	Rate \$	Total \$	
B. Lacy	2009	10.00	172.50	½ adopted rate	1,725	2009	10.00	172.50	1,725	
M. Freedman	2009	1.25	162.5	½ D.10-09-044	203	2009	1.25	162.5	203	
M. Freedman	2010	14.75	162.5	½ D.10-09-044	2,397	2010	14.75	162.5	2,397	
					Subtotal: \$4,325					
					Subtotal: \$4,325					
COSTS										
#	Item	Detail	Amount \$	Amount \$						
1	Travel	Witnesses traveling to San Francisco for hearings and some travel within San Francisco related to transportation of bulky case materials (boxes) to hearings.	2,769	Travel					2,769	
2	Photocopies		72	Photocopies					72	
3	Lexis-Nexis		109	Lexis-Nexis					109	
4	Lodging	Bruce Lacy staying in San Francisco to testify and participate in two rounds of evidentiary hearings.	1,468	Lodging					1,468	
5	Meals	For out-of-town witnesses during stays in San Francisco to participate in CPUC evidentiary hearings	426	Meals					401	
6	Phone	Conference calls	123	Phone					123	
					Subtotal: \$4,967					
					Subtotal: \$4,942					
					TOTAL REQUEST: \$204,395					
					TOTAL AWARD: \$195,170⁶					
<p>**Reasonable claim preparation time typically compensated at ½ of preparer's normal hourly rate.</p> <p>We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant'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.</p>										

⁶ Rounded to nearest dollar amount.

C. TURN's Comments Documenting Specific Claim:

Comment #	Description/Comment
Comment 1	<p>Hourly Rate for TURN consultants in 2009 and 2010:</p> <p>TURN relied on expert witness services from two consulting firms – JBS Energy and Synapse Energy Economics.</p> <p>JBS Energy: Two members of JBS Energy worked on this matter. For work performed by William Marcus in 2009, TURN seeks an hourly rate of \$250, the same rate adopted in prior compensation awards for his work during that year. For work performed by Garrick Jones in 2009, TURN seeks an hourly rate of \$130. The Commission has previously adopted a \$110 rate for Mr. Jones's work in 2007, and a \$120 rate for his work in 2008. TURN had originally requested the \$130 rate for Mr. Jones's work in 2008 (the rate JBS Energy invoiced TURN for his work after January 1, 2008), and explained that the requested rate was very near the bottom of the \$125-185 range the Commission had adopted for similarly-experienced experts in D.08-04-010. The Commission instead adopted the \$120 rate for 2008 work, a figure below the adopted range. (D.09-04-027, pp. 12 and 15.) For 2009, TURN again seeks adoption of the \$130 rate that JBS Energy has charged for Mr. Jones's work since January 1, 2008. The Commission retained the \$125-185 range for experts with 0-6 years of experience in 2009. Resolution ALJ-235. Given that his experience in 2009 would have put him at least in the upper two-thirds of the experience range, an hourly rate of \$130 (just above the bottom of the range) is clearly reasonable. Therefore TURN asks the Commission to use the \$130 invoiced rate for Mr. Jones for purposes of calculating the compensation award in this proceeding.</p> <p>Synapse Energy Economics: Four members of Synapse Energy Economics worked on this matter. For three of the Synapse representatives, to TURN's knowledge this is the first time the Commission has adopted an hourly rate for their work in a CPUC proceeding. For the fourth, the Commission-authorized rate is from more than four years prior to this request for compensation. In D.07-01-009 (and affirmed in D.08-04-010 and Res. ALJ-235 and -247), the Commission provided that an intervenor may "seek a new rate as if that individual was new to Commission proceedings" under such circumstances.</p> <p>TURN seeks an hourly rate of \$345 for work performed by Bruce Lacy, the rate Synapse charged for his work in this proceeding. Mr. Lacy was one of two main witnesses sponsoring testimony on behalf of TURN. The Commission has not previously approved an hourly rate for Mr. Lacy's work in a CPUC proceeding. Mr. Lacy has 28 years of experience as a nuclear industry professional, including more than twenty years with Alliant Energy in positions of increasing responsibilities, culminating in seven years as the nuclear business asset manager for the company. Since 2006, Mr. Lacy has worked as a consultant providing expertise and advice on nuclear business needs. A copy of Mr. Lacy's resume is attached. In Res. ALJ-235 and -247, the Commission set \$390 as the upper bound of the range for expert witnesses with more than 13 years experience. Mr. Lacy's rate of \$345 is within the adopted range and represents approximately the 80th percentile between \$155 and</p>

\$390. In light of his experience and credentials, the requested rate is clearly reasonable and consistent with the range adopted by the Commission.

TURN seeks an hourly rate of \$225 for work performed by Mike Mullett. Mike Mullett worked with Mr. Lacy to help review the applications, identify issues and research several topics in the early stages of the case. Mr. Mullett's work assisted Mr. Lacy with an initial outline and to determine what would be included in the scope of the testimony. The Commission has not previously approved an hourly rate for Mr. Mullett's work in a CPUC proceeding. Mr. Mullett has nearly thirty years experience as an attorney and consultant representing environmental and consumer groups in public utility matters, as well as on environmental and natural resource issues. His clients have included the Vermont Department of Public Service, the Michigan Attorney General, and Wisconsin's Citizens Utility Board, among many others. A copy of Mr. Mullett's resume is attached. With these credentials, an hourly rate of \$225 (within the lower third of the \$155-\$390 range established in Res. ALJ-237 and -245 for experts with more than thirteen years experience) is clearly reasonable.

TURN seeks an hourly rate of \$225 for work performed by Ezra Hausman. The Commission has not previously approved an hourly rate for Dr. Hausman's work in a CPUC proceeding. Dr. Hausman is Vice President of Synapse Energy Economics. He has worked as an electricity market analyst since 1998, and has been with Synapse since 2005. Dr. Hausman holds a doctorate in Earth and Planetary Sciences from Harvard University, and Master's degrees in Applied Physics (from Harvard) and Civil Engineering (from Tufts University). A copy of Dr. Hausman's résumé may be found at http://www.synapse-energy.com/expertise/staff_resumes/resume-hausman.pdf. With these credentials, an hourly rate of \$225 (within the lower third of the \$155-\$390 range established in Res. ALJ-237 and -245 for experts with more than thirteen years experience) is clearly reasonable.

TURN seeks an hourly rate of \$250 for work performed by William Steinhurst. William Steinhurst worked as part of the Synapse team to support the preparation of testimony by Bruce Lacy and reviewed the applications, drafted data requests, analyzed data responses, identified issues for testimony, and edited the testimony of Mr. Lacy. The Commission last adopted an hourly rate for Mr. Steinhurst's work performed in 2006. While approving the requested rate of \$180, the Commission agreed with TURN that "given his education and experience, Synapse could have charged an even higher rate for Steinhurst and still have a Commission finding of reasonableness."

D.07-06-031, p. 20. Since this request is submitted four years after 2006 (the period for which the Commission most recently adopted an hourly rate for Mr. Steinhurst's work), TURN seeks a rate as if Mr. Steinhurst was new to Commission proceedings. A Senior Consultant with Synapse, he joined the firm in 2003 after more than twenty years at the Vermont Department of Public Service, where he served as Planning Econometrician and, beginning in 1986, as Director for Regulated Utility Planning. He has testified as an expert witness in approximately 30 cases on topics including utility rates and ratemaking policy, prudence reviews, integrated resource planning, demand side management policy and program design, utility financings, power purchases,

	<p>statistical analysis, and decision analysis. A copy of Mr. Steinhurst’s resumè may be found at http://www.synapse-energy.com/expertise/staff_resumes/resume-steinhurst.pdf. With these credentials, an hourly rate of \$250 (within the lower half of the \$155-\$390 range established in Res. ALJ-237 and -245 for experts with more than thirteen years experience) is clearly reasonable.</p> <p>Should the Commission believe it needs further information in support of any of these requested hourly rates, TURN would be glad to provide such information upon request.</p>																				
<p>Comment 2</p>	<p>Allocation of TURN Attorney and Consultant Hours by Issue/Activity Code: TURN has allocated all of our attorney and consultant time by issue area or activity, as evident on our attached timesheets.</p> <p>The following codes relate to specific substantive issue and activity areas addressed by TURN:</p> <table border="1" data-bbox="370 800 1479 1877"> <thead> <tr> <th data-bbox="370 800 500 852">Code</th> <th data-bbox="500 800 1479 852">Explanation</th> </tr> </thead> <tbody> <tr> <td data-bbox="370 852 500 1016">FIN</td> <td data-bbox="500 852 1479 1016">Financial assumptions influencing the decommissioning trust fund forecasts including equity returns, debt returns, the treatment of capital losses in liquidation values, labor escalation rates, and the ramp-down of equities and use of cash post-shutdown.</td> </tr> <tr> <td data-bbox="370 1016 500 1104">COST</td> <td data-bbox="500 1016 1479 1104">Facility-specific decommissioning cost estimates for the decommissioning of SONGS, Diablo Canyon, Palo Verde and Humboldt.</td> </tr> <tr> <td data-bbox="370 1104 500 1308">POL</td> <td data-bbox="500 1104 1479 1308">Long-term policy issues that do not have an impact on revenue requirements in this NDCTP including efforts to seek clarifications on the Navy lease terms at SONGS, the development of a license termination plan at SONGS 2/3, impacts of license renewal, and trust fund decomingling.</td> </tr> <tr> <td data-bbox="370 1308 500 1434">SETT</td> <td data-bbox="500 1308 1479 1434">Work related to the negotiation of the settlement agreement and activities in support of that agreement including work on joint filings and coordination of the settlement process.</td> </tr> <tr> <td data-bbox="370 1434 500 1522">IND</td> <td data-bbox="500 1434 1479 1522">Post-decision implementation activities by TURN attorneys in support of the creation of the Independent Expert Panel.</td> </tr> <tr> <td data-bbox="370 1522 500 1726">GP</td> <td data-bbox="500 1522 1479 1726">General Participation work essential to participation that typically spans multiple issues and/or would not vary with the number of issues that TURN addresses. This can include reading the initial application, Commission rulings, participating in prehearing conferences, and reviewing pleadings submitted by other parties.</td> </tr> <tr> <td data-bbox="370 1726 500 1780">EH</td> <td data-bbox="500 1726 1479 1780">Preparation for, and participation in, evidentiary hearings.</td> </tr> <tr> <td data-bbox="370 1780 500 1835">COMP</td> <td data-bbox="500 1780 1479 1835">Preparation of compensation request and TURN’s notice of intent.</td> </tr> <tr> <td data-bbox="370 1835 500 1877">#</td> <td data-bbox="500 1835 1479 1877">Attorney work that involves multiple issue areas and should be allocated</td> </tr> </tbody> </table>	Code	Explanation	FIN	Financial assumptions influencing the decommissioning trust fund forecasts including equity returns, debt returns, the treatment of capital losses in liquidation values, labor escalation rates, and the ramp-down of equities and use of cash post-shutdown.	COST	Facility-specific decommissioning cost estimates for the decommissioning of SONGS, Diablo Canyon, Palo Verde and Humboldt.	POL	Long-term policy issues that do not have an impact on revenue requirements in this NDCTP including efforts to seek clarifications on the Navy lease terms at SONGS, the development of a license termination plan at SONGS 2/3, impacts of license renewal, and trust fund decomingling.	SETT	Work related to the negotiation of the settlement agreement and activities in support of that agreement including work on joint filings and coordination of the settlement process.	IND	Post-decision implementation activities by TURN attorneys in support of the creation of the Independent Expert Panel.	GP	General Participation work essential to participation that typically spans multiple issues and/or would not vary with the number of issues that TURN addresses. This can include reading the initial application, Commission rulings, participating in prehearing conferences, and reviewing pleadings submitted by other parties.	EH	Preparation for, and participation in, evidentiary hearings.	COMP	Preparation of compensation request and TURN’s notice of intent.	#	Attorney work that involves multiple issue areas and should be allocated
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	25% to FIN, 50% to COST, and 25% to POL.
*	Attorney work allocated 65% to COST and 35% to POL.
Comment 3	<p>Allocation of expert witness hours by issue/activity: Included in this request are hours devoted to this proceeding by 6 outside consultants employed by Synapse Energy and JBS Energy. The time of these experts can be allocated across the issue codes used by TURN as follows:</p> <p>William Steinhurst: COST = 75%, POL = 25%</p> <p>Ezra Hausman: COST = 100%</p> <p>Mike Mullett: COST = 75%, POL = 25%</p> <p>Bruce Lacy: COST = 50%, POL = 35%, SETT = 15%</p> <p>Bill Marcus: FIN = 75%, SETT = 25%</p> <p>Garrick Jones: FIN = 100%</p>

D. CPUC Adoptions, Adjustments and Disallowances:

Item	Adoptions
2009 hourly rate for Lacy	TURN seeks an hourly rate of \$345 for work performed by Bruce Lacy, the rate Synapse charged for his work in this proceeding. Lacy was one of two main witnesses sponsoring testimony on behalf of TURN. The Commission has not previously approved an hourly rate for Lacy’s work in a CPUC proceeding. Lacy has 28 years of experience as a nuclear industry professional. Lacy is a member of the American Nuclear Society and is active with the Nuclear Energy Institute. Lacy is a recognized speaker and writer on nuclear energy, whose writings are published by the Uranium Institute, World Nuclear Association, Oxera Press (Energy Utilities), and the World Nuclear Association. Since 2006, Lacy has worked as a consultant providing expertise and advice on nuclear business needs. Lacy holds a B.S. in Physics from the Massachusetts Institute of Technology and is a graduate of the Institute of Nuclear Power Operations Senior Nuclear Plant Management Course and holds a Senior Reactor Operator’s certificate. TURN’s requested rate of \$345 is within the range of \$155-\$390 approved for experts with more than 13 years of experience in D.08-04-010. Given Lacy’s background and experience, the requested rate is reasonable and we adopt it here.
2010 hourly rate for Lacy	Res. ALJ-247 disallows COLA increases for 2010 intervenor work. As such, we apply the same hourly rate of \$345 to Lacy’s 2010 work.
2009 hourly rate for Mullett	TURN seeks an hourly rate of \$225 for work performed by Mike Mullett. Mullett worked with Lacy to help review the applications, identify issues and research several topics in the early stages of the case. Mullett’s work assisted Lacy with an initial outline and to determine what would be included in the scope

	<p>of the testimony. The Commission has not previously approved an hourly rate for Mullett’s work in a CPUC proceeding. Mullett has a M.A. in Public Policy and Administration from the University of Michigan (1973), a J.D. from Indiana University School of Law (1982) and a L.L.M. from Northwestern School of Law from Lewis & Clark College (1999). Mullett has nearly thirty years experience as an attorney and consultant representing environmental and consumer groups in public utility matters, as well as on environmental and natural resource issues. Mullett’s clients among many others have included the Vermont Department of Public Service, the Michigan Attorney General, and Wisconsin’s Citizens Utility Board. TURN’s requested hourly rate of \$225 is within the lower third of the \$155-\$390 range approved for experts with more than 13 years of experience in D.08-04-010. Given Mullett’s background and experience, the requested rate is reasonable and we adopt it here.</p>
<p>2009 hourly rate for Hausman</p>	<p>We decline to adopt an hourly rate for Hausman because we have disallowed the minuscule amount of work he performed here (1.75 hrs).</p>
<p>2009 hourly rate for Steinhurst</p>	<p>TURN seeks an hourly rate of \$250 for work performed by William Steinhurst. Steinhurst worked to support the preparation of testimony by Lacy and reviewed the applications, drafted data requests, analyzed data responses, identified issues for testimony, and edited the testimony of Lacy. The Commission last adopted an hourly rate for Steinhurst’s work performed in 2006. In approving the requested rate of \$180 for Steinhurst’s 2006 work, D.07-06-031 at 20 states that “given his education and experience, Synapse could have charged an even higher rate for Steinhurst and still have a Commission finding of reasonableness.” Since this request is submitted four years after the 2006 rate adoptions, TURN seeks its rate request for Steinhurst as if he were new to Commission proceedings. A Senior Consultant with Synapse, he joined the firm in 2003 after more than twenty years at the Vermont Department of Public Service, where he served as Planning Econometrician and, beginning in 1986, as Director for Regulated Utility Planning. He has testified as an expert witness in approximately 30 cases on topics including utility rates and ratemaking policy, prudence reviews, integrated resource planning, demand side management policy and program design, utility financings, power purchases, statistical analysis, and decision analysis. Steinhurst holds a B.A. in Physics from Wesleyan University (1970), a M.S. in Statistics from the University of Vermont (1980) and a Ph.D. in Mechanical Engineering from the University of Vermont (1988). TURN’s requested hourly rate of \$250 is within the lower half of the \$155-\$390 range approved in D.08-04-010. Given Steinhurst’s background and experience, the requested rate is reasonable and we adopt it here.</p>
<p>2010 hourly rate for Steinhurst</p>	<p>Res. ALJ-247 disallows COLA increases for 2010 intervenor work. As such, we apply the same hourly rate of \$345 to Steinhurst’s 2010 work.</p>

Item	Adjustments and Disallowances
2009 hours for Suetake	We disallow 7 hrs of Suetake’s time spent “reviewing application and testimony; reviewing past nuclear decommissioning applications and decisions” as it is duplicative of the compensated efforts of Freedman.
2009 hours for Hausman	We disallow Hausman’s time on 5/7 spent “reviewing materials and conference calls”. As the time is duplicative of the compensated efforts of Lacy.
Marcus 2009/2010 travel hours	We disallow a total of 7 hrs for Marcus’s travel time on 10/19/09 and 04/05/10 to attend evidentiary hearings. This time was incurred during “routine commuting” and is non-compensable. We consider a commute to be routine if the one way distance is 120 miles or less. Marcus is a consultant for JBS Energy, which is located in West Sacramento, CA.
Costs	On April 5, 2010, we disallow \$25.40 (1/2 total dinner bill) for TURN’s attorney.
Lack of substantial contribution	We disallow 6.25 hrs of Freedman’s 2010 hours for tasks completed after the decision was issued on August 5, 2010. These efforts had no bearing on substantial contribution to D.10-07-047. Since issues related to the independent panel have been deferred to Phase 2 of these proceedings, TURN should seek compensation for these efforts when a decision is issued in that Phase.

PART IV: OPPOSITIONS AND COMMENTS

- A. **Opposition: Did any party oppose the claim?** No
- B. **Comment Period: Was the 30-day comment period waived?** Yes

FINDINGS OF FACT

1. Claimant has made a substantial contribution to D.10-07-047.
2. The claimed fees and costs, 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 contribution is \$195,170.

CONCLUSION OF LAW

1. The claim, with any adjustment set forth above, satisfies all requirements of Public Utilities Code §§ 1801-1812.

ORDER

1. Claimant is awarded \$195,170.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company shall each pay claimant 1/3 of 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 December 18, 2010, the 75th day after the filing of claimant'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 March 10, 2011, at San Francisco, California.

MICHAEL R. PEEVEY
President
TIMOTHY ALAN SIMON
CATHERINE J.K. SANDOVAL
Commissioners

I abstain.

/s/ MICHEL PETER FLORIO
Commissioner

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:	D1103022	Modifies Decision? No
Contribution Decision(s):	D1007047	
Proceeding(s):	A0904007 and A0904009	
Author:	ALJ Melanie M. Darling	
Payer(s):	Pacific Gas and Electric Company, San Diego Gas & Electric Company and Southern California Edison Company.	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	10-04-10	\$204,395	\$195,170	No	disallowance of travel related to "routine commuting"; inappropriately claimed expense; duplication of efforts; lack of substantial contribution; failure to discount travel time.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Matthew	Freedman	Attorney	The Utility Reform Network	\$325	2009/2010	\$325
Nina	Suetake	Attorney	The Utility Reform Network	\$325	2009	\$325
Robert	Finkelstein	Attorney	The Utility Reform Network	\$470	2009	\$470
Bruce	Lacy	Expert	The Utility Reform Network	\$345	2009/2010	\$345
Mike	Mullett	Expert	The Utility Reform Network	\$225	2009	\$225
William	Steinhurst	Expert	The Utility Reform Network	\$250	2009/2010	\$250
William	Marcus	Expert	The Utility Reform Network	\$250	2009/2010	\$250
Garrick	Jones	Economist	The Utility Reform Network	\$130	2009	\$130

(END OF APPENDIX)