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**BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA**

Application of Southern California Edison
Company (U338E) for Authority to Securitize
Certain Costs and Expenses Pursuant to Public
Utilities Code Section 850 et seq.

Application 20-07-008

**WILD TREE FOUNDATION
APPLICATION FOR REHEARING**

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APPLICATION FOR REHEARING**

Pursuant to Rule 16.1 of the Commission Rules of Practice and Procedure, Wild Tree Foundation (“Wild Tree”) respectfully files this application for rehearing of D.23-11-021, issued November 9, 2023 (“Compensation Decision”) *Granting Compensation to Wild Tree Foundation For Substantial Contribution to Decision 20-11-007* (“Decision”).

When it denied Wild Tree 68% of its compensation claim, the Commission failed to proceeding in the manner required by law; made findings not supported by substantial evidence in light of the whole record; and acted in an abuse of discretion in which the Commission deprived Wild Tree its due process rights by engaging in biased and arbitrary decision making.¹ This application for rehearing is necessary to cure the legal error committed against Wild Tree but also to prevent establishment of a precedent that intervenors can be deprived of a majority of compensation on extra-statutory standards on an ad hoc basis. This application for rehearing should thus be granted and Wild Tree granted its full compensation claim.

¹ Pub. Util. Code, § 1757, subd. (a); Hereinafter, all Code section references are to the Public Utilities Code unless otherwise specified.

INTRODUCTION

Wild Tree was denied more than 2/3 of its compensation (68%) on the grounds that, even though it made a substantial contribution, its participation was deemed inefficient and excessive because “the recommendation by Wild Tree was to follow the Commission’s own precedent”² and Wild Tree’s contribution “did not involve inventing a new concept or approach.”³

These findings are factually inaccurate and the Compensation Decision is therefore not supported by substantial evidence in light of the whole record. The Compensation Decision is also a failure to proceed in a manner required by law because it limits compensation on the basis of extra-statutory grounds that were applied only to Wild Tree in a biased, ad hoc manner. In taking three years to grant less than 1/3 of compensation in a biased, inequitable, and unfair manner, the Commission acted in an abuse of discretion in approving the Compensation Decision.

Wild Tree’s contribution went well beyond just recommending that the Commission follow its own precedent. The Compensation Decision verified the entirety of Wild Tree’s contribution:

Wild Tree provided substantial testimony and legal argument that the financing order proposed in the application was contrary to law, precedent, and best practices and that a financing order could be issued in compliance with the law, precedent, and best practices only if the Commission utilized a pre-issuance finance team review process to determine the structure, marketing and pricing of the bond.⁴

² Comp. Decision at p. 10.

³ Comp. Decision at pp. 9, 24.

⁴ Comp. Decision at p. 2.

Despite verifying this multi-faceted contribution, the Compensation Decision denied Wild Tree most of its compensation on the grounds that its only contribution was no more than a recommendation for “employing a finance team, in line with our past decisions.”⁵ Wild Tree’s efforts were incorrectly deemed “excessive given that the recommendation by Wild Tree was to follow the Commission’s own precedent, updated to the circumstances underlying this proceeding.”⁶

The record, including citations to and quotes from Wild Tree’s work in the Decision, demonstrates that Wild Tree’s efforts included much more than just recommending that the Commission follow its own precedent. Wild Tree provided expert testimony and legal argument on an application that was the first of its kind for which “the Commission has not previously applied this recent statute.”⁷ While the Commission had used a finance team in the past, it had been a decade since it had reviewed any application that bore any similarity to that at issue and it had never reviewed an application for securitized bonds for wildfire mitigation costs pursuant to Pursuant to Public Utilities Code Section 850 et seq. In its application, SCE proposed a scheme whereby it would *not* use a finance team for structure, marketing, or issuance of bonds; SCE’s application would have had the Commission not follow its own precedent. Wild Tree made substantial contributions to the Decision on demonstrating that SCE’s proposal was contrary to law and best practices and, demonstrating why and how the finance team review process was best practice that could comply with the legal requirement that ratepayer savings be maximized.

⁵ Comp. Decision at p. 17.

⁶ Comp. Decision at p. 10.

⁷ Decision at p. 43.

In explicitly adopting Wild Tree's recommendation, the Decision relied upon all the components of Wild Tree's contribution:

We acknowledge party criticisms that SCE's underwriter does not have a vested interest in maximally reducing the Recovery Bond's interest rate, that the Commission would only be provided notice of the details of the process but not engaged in the process, and that SCE is proposing a process that would not be in keeping with Commission past practice (here, we expressly note D.04-11-015, our past Financing Order decision for a similar utility bond securitization). Also, we are mindful of the requirement for a solution that does not offend the underlying purpose of the legislature's intentions of AB 1054 and is in line with the statutory mandate to reduce Consumer rates on a present value basis to the maximum extent possible.

For these reasons, we will adopt Wild Tree's proposal for the creation of a Finance Team. Wild Tree writes as follows:

This can be accomplished by including language in the financing order that sets-up a financing team composed of the utility, Commission and its staff, and any necessary outside financial and legal experts that will provide approvals of the material terms of the bond in a pre-issuance review process to create a bond with material terms that can meet the statutory requirements, in particular, minimization of ratepayer cost.⁸

Even if Wild Tree's contribution was limited to following the Commission precedent and the Commission adopted such a recommendation, it is contrary to the intervenor compensation statutes to deny compensation on the grounds that recommending that the Commission follow its own precedent does not involve a "time-consuming effort" by an intervenor. In most cases before the Commission, intervenors argue that the Commission should follow its own precedent and the establishment of this as grounds for denial of compensation is plainly illogical as well as contrary to law. Wild Tree's contribution did involve a new concept or approach but even if it had not, this is also not a legal ground upon which compensation can be denied. The Decision

⁸ Decision at p. 46.

committed legal error when it limited compensation on the basis of extra-statutory grounds that time spent on a contribution is unreasonable is if does not involve inventing a new concept or approach or involves recommending that the Commission follow its own precedence.

The Commission has abused its discretion by devaluing Wild Tree's substantial contribution based upon application of standards contrary to that required by the Code in a biased, inequitable, and unfair manner. TURN's intervenor compensation request was granted in full, without being subject to any extra-statutory standards. Not only was TURN not subject to an equivalent review as Wild Tree, the Compensation Decision relies heavily upon an inaccurate and irrelevant comparison with TURN's request as justification for denying most of Wild Tree's compensation.

Much of TURN's contributions involved recommendations that the Commission follow its own precedence. Yet, the Compensation Decision states that "TURN's proposals or arguments substantially contributed either directly to the final decision or to presentations of other parties, while providing a unique approach or analysis (D.20-11-007 at 80)."⁹ The specific contribution that the Contribution Decision cites here is TURN's support of Cal Advocates proposal that the Commission act consistent with past Commission decisions regarding cost allocation.

The contribution that TURN allocated the most time to was Reducing Customer Rates To The Maximum Extent Possible, for which "TURN was able to rely on Wild Tree Foundation's

⁹ Compensation Decision at p. 23.

substantive showing in testimony on the need for a Finance Team, and to provide additional support for that position in briefs.”¹⁰ The Compensation Decision states, “Given TURN’s many a contributions to the final decision, TURN’s requested hours stand in stark contrast to WTF’s claim.” TURN’s hours do stand in stark contrast to Wild Tree’s claims because TURN’s contributions were less time consuming than Wild Tree’s because it relied, in part, upon Wild Tree’s work. TURN explained this to the Commission in its comments on the First PD, supporting Wild Tree’s claim:

[A]s TURN’s request and the resulting compensation decision acknowledged, the opportunity to rely on Wild Tree Foundation to do the “heavy lifting” on this issue permitted TURN to record fewer hours on issues related to the reasonableness of the proposed transaction, necessary ratepayer protections, and cost savings. TURN respectfully submits that the amount of compensation awarded to Wild Tree Foundation should better reflect the importance of the group’s work in developing and presenting this key element of not only the Financing Order issued here, but in securitization proceedings that followed. The approximately 70% reduction to the amount of compensation Wild Tree Foundation seeks here does not appear to appropriately value that work.¹¹

Following the logic of the Compensation Decision, when TURN contributed to the Decision by recommending that the Commission adopt Wild Tree’s recommendations it was deemed “a unique approach or analysis” for which it was fully compensated. But, when Wild Tree developed the recommendations that TURN supported, its work was deemed unreasonable because it was not a new approach that recommended that the Commission follow its own

¹⁰ D.22-04-026 at p. 6 (Decision Granting Compensation To The Utility Reform Network For Substantial Contribution To Decision 20-11-007.)

¹¹ TURN Comments on First PD at p. 3.

precedent. This biased, unfair application of an extra-statutory standards to one intervenor and not another is a clear abuse of discretion.

BACKGROUND

D.20-11-007 was issued November 10, 2020. Wild Tree's compensation claim for \$198,210.50 was filed January 11, 2021. TURN's compensation claim for \$50,220.00 was filed December 18, 2020. The Commission issued a PD granting 100% of TURN's compensation claim on March 28, 2022 and approved the decision April 7, 2022.

The First PD on Wild Tree's claim was issued May 26, 2023, 2 years and 4 months (866 days) days after Wild Tree filed its compensation claim and more than a year after granting TURN's claim. At the point in which the First PD was issued, it was by far the oldest of all outstanding claims at the Commission. The First PD would have denied 70% of Wild Tree's claim, disallowing \$139,190.60. The First PD based claims of excessive, duplicative work on entirely false findings regarding the details of Wild Tree's timesheets. The First PD erred in disallowing most of Wild Tree's attorney and expert fees as follows:

- a. Disallowing 75% of fees for two attorneys and two experts based upon factually inaccurate claims that time entries are duplicated and that Wild Tree's attorneys and two experts all worked on the same tasks.
- b. Contrary to the Code, disallowing 100% of time for work preparing for participation that resulted in a substantial contribution.
- c. Disallowing 100% of time for emails and phone calls between the intervenor's in-house attorney and experts and with other intervenors based on the factually inaccurate claim that the timesheets did not indicate the issue in the proceeding that the time entries addressed.

- d. Disallowing 63% of time for timesheet entries that include more than one task based on factually inaccurate claim that this time is not allocated by issue.

In response to the first PD, TURN filed comments in support of Wild Tree's claim:

First, the Commission should recognize the key role that the "finance committee" concept that Wild Tree Foundation developed and sponsored in this SCE securitization proceeding played in the final decision not only here but in the securitization transactions that followed. As TURN's intervenor compensation request described, Wild Tree Foundation's Finance Team recommendation ameliorated several of the key deficiencies in SCE's proposal, and permitted the Commission to achieve compliance with the new statutory standard of using securitization to reduce customer rates to the maximum extent possible. The Finance Team approach has proven to be a key element of the Commission's approach to achieving compliance with the securitization elements of Assembly Bill 1054, as it has been a feature of securitization transactions reviewed and approved by the Commission since this initial SCE transaction. In addition, as TURN's request and the resulting compensation decision acknowledged, the opportunity to rely on Wild Tree Foundation to do the "heavy lifting" on this issue permitted TURN to record fewer hours on issues related to the reasonableness of the proposed transaction, necessary ratepayer protections, and cost savings. TURN respectfully submits that the amount of compensation awarded to Wild Tree Foundation should better reflect the importance of the group's work in developing and presenting this key element of not only the Financing Order issued here, but in securitization proceedings that followed. The approximately 70% reduction to the amount of compensation Wild Tree Foundation seeks here does not appear to appropriately value that work.¹²

The First PD was withdrawn. The Compensation Decision says nothing about the falsehoods that the First PD was based upon and says nothing about why the First PD was withdrawn. It did not, for example, discuss the fact that, in an attempt to purportedly demonstrate that the managing attorney and financial expert were working on the exact same tasks at the same time thus justifying a 75% reduction in fees, the First PD wrongly attributed expert

¹² TURN Comments on First PD at p. 3.

timesheet entries to the managing attorney thus making it appear that the entries were identical. Instead, the Compensation Decisions provides a defense of the withdrawn PD claiming that Wild Tree “did not demonstrate that the claim is reasonable.”¹³

The Second PD was issued September 6, 2023. The Second PD would have denied \$158,462.50, 80% of Wild Tree’s claim, allowing just \$39,748 . The denial of the majority of Wild Tree’s claim in the Second PD was based upon a factually inaccurate narrowing of Wild Tree’s substantial contribution, unreasonable comparison to claim of another intervenor, and application of standards contrary to the Code.

The Second PD was revised to allow \$63,843.80, denying 68% of the claim. Although the finding, conclusions, and order were substantially revised from the proposed decision, Wild Tree was deprived its due process right to notice and comment on the Second Revised PD, which was ultimately adopted as the Compensation Decision. The Second Revised PD includes wording changes and additional commentary that do not have any substantive effect on the legal errors upon which both versions rely.

¹³ Comp. Decision at p. 17.

ARGUMENT

I. THE COMPENSATION DECISION FINDINGS ARE NOT SUPPORTED BY SUBSTANTIAL EVIDENCE IN LIGHT OF THE WHOLE RECORD AND ARE NOT IN COMPLIANCE WITH THE LAW

The Decision denied Wild Tree 68% of its intervenor compensation despite the fact that Wild Tree made a major, substantial contribution to a key Commission decision and has met all eligibility and documentation requirements for compensation for all its attorneys and expert fees. The denial of the majority of Wild Tree's claim based upon a factually inaccurate narrowing of Wild Tree's substantial contribution, inaccurate comparison to claim of another intervenor, and application of standards contrary to the Code is against both the spirit and the letter of the law that intervenors are to be compensated for all reasonable fees for substantial contributions to "encourage[] the effective and efficient participation of all groups that have a stake in the public utility regulation process."¹⁴

A more than 2/3 reduction of an intervenor compensation claim where there is a substantial contribution is unprecedented. The Compensation Decision will have a chilling effect on public participation in violation of the law that provides for intervenor compensation. The Compensation Decision sends the message to intervenors that bringing top experts to the Commission may result in those experts going unpaid even when a substantial contribution had been made.

¹⁴ Pub. Util. Code, § 1801.3

An 2/3 reduction is particularly unjust and unreasonable in this case where Wild Tree had an exceptional result. Wild Tree brought top tier experts to the Commission on a highly specialized subject matter (utility securitized bonds) that no other party brought to the proceeding. Wild Tree's exceptional result is reflected in the adoption of Wild Tree's recommendations and explicit citing and quoting to Wild Tree's briefs and testimony in the Decision and the reliance on the Decision in six further decisions on a total of \$11.735 billion of bonds.

Wild Tree's work contributed to \$100s of millions of ratepayers savings. Wild Tree's work in this proceeding can be directly attributed to saving ratepayers \$24.5 million for SCE's first bond and over \$800 million dollars in total utility securitized bond transactions. The \$24.5 million in savings were calculated by SCE in its second securitized bond application comparing the savings it had projected based upon its application in this proceeding to pursue a bond without a finance team and the resulting bond that was issued with a finance team.

A. THE COMPENSATION DECISION DENIED COMPENSATION BASED UPON A SUBSTANTIALLY AND FALSELY LIMITED SCOPE OF WILD TREE'S CONTRIBUTION

The Compensation Decision denied the majority of Wild Tree's hours by substantially and falsely limiting the scope of Wild Tree's contribution even though Wild Tree's substantial contribution for the following multifaceted issue was verified in the Compensation Decision:

Wild Tree provided substantial testimony and legal argument that the financing order proposed in the application was contrary to law, precedent, and best practices and that a financing order could be issued in compliance with the law, precedent, and best practices

only if the Commission utilized a pre-issuance finance team review process to determine the structure, marketing and pricing of the bond.¹⁵

The findings that compensation should be denied on the grounds that work was outside a falsely limited scope is contrary to substantial evidence on the record and not in compliance with the legal requirement that intervenors be compensated for their substantial contributions. In the Compensation Decision, reductions are justified either based on a generalized reference to being outside the scope or the truncated scope of the “finance team issue.” The Compensation Decision denies compensation on the grounds that work was outside the scope without providing any explanation whatsoever as to what exactly is outside the scope. For example, the Compensation Decision finds:

- “It appears that Wild Tree’s discovery requests concerned, predominantly, matters outside the focus of Wild Tree’s participation as stated by the intervenor.”¹⁶
- “A review of direct testimony indicates that only a part of it was within the scope and constituted a part of Wild Tree’s contribution.”¹⁷

To be clear, Wild Tree did not participate on any other issues and no issues were found to not be substantial contributions. Wild Tree’s participation was all within the scope of the multi-faceted issue which it was found to have made a substantial contribution for, and so none of the work is outside the scope.

¹⁵ Comp. Decision at p. 3.

¹⁶ Comp. Decision at p. 10.

¹⁷ Comp. Decision at p. 10.

The Compensation Decision also denies compensation on the ground that work was limited to the falsely narrowed scope of the “finance team issue.” For example, the

Compensation Decision states:

- “We consider that the effort of four people devoted to the testimony was excessive given that the recommendation by Wild Tree was to follow the Commission’s own precedent”¹⁸
- “Participation on the finance team issue should not call for such time-consuming effort.”¹⁹
- “No more than one-fourth of the hours could be allowed, to reflect the volume of work required to review and reply to opening briefs, on the finance team matter.”²⁰
- “Our analysis of the record confirms that WTF contributed distinctively by advancing the finance team approach.”²¹

The Decision reflects Wild Tree’s contribution on all facets of its substantial contribution, not just a recommendation that a finance team be used because it is precedent. The Compensation Decision wrongly excludes from the scope of its substantial contribution Wild Tree’s work demonstrating that SCE’s proposal was contrary to law, providing evidence of best practices, demonstrating why and how the finance team review process was best practice that could comply with the legal requirement that ratepayer savings be maximized, and providing a draft financing order based upon best practices and compliance with California law.

¹⁸ Comp. Decision at p. 10.

¹⁹ Comp. Decision at p. 12.

²⁰ Comp. Decision at p. 15.

²¹ Comp. Decision at p. 21.

Wild Tree’s testimony on the problems with SCE’s proposal made a substantial contribution to the Decision. For example, the Decision states, “We acknowledge party criticisms that SCE’s underwriter does not have a vested interest in maximally reducing the Recovery Bond’s interest rate, that the Commission would only be provided notice of the details of the process but not engaged in the process, and that SCE is proposing a process that would not be in keeping with Commission past practice.”²² These were criticisms that were *exclusively* in Wild Tree’s testimony – no other party’s testimony addressed these issues.

Wild Tree’s evidence regarding best practices and recommendations as to why and how recovery bonds could be issued in line with statute were explicitly adopted in the Decision, unquestionably making a substantial contribution. “Wild Tree provides a process solution, which most parties support. . . For these reasons, we will adopt Wild Tree’s proposal for the creation of a Finance Team.”²³ The Decision then quotes from Wild Tree’s description of its recommended finance team approach in its Opening Brief and Wild Tree’s proposed Financing Order and discusses Wild Tree’s direct testimony on best practices from other state utility commissions.²⁴

Other parties in the proceeding adopted Wild Tree’s positions that SCE’s proposal was contrary to law and best practices and as to why and how the finance team review process was a best practice that could comply with the law. Recommending that the Commission adopt

²² Decision at p. 46

²³ Decision at p. 46.

²⁴ Decision at pp. 47-48.

“witness Rothschild’s proposal”, CLEACA quotes extensively from Wild Tree’s direct and supplemental testimonies.²⁵ TURN acknowledged in its opening brief that it changed its posture in this proceeding based upon Wild Tree’s testimony: “TURN had originally called for the Commission to disapprove SCE’s statute on this basis, pursuant to Section 850.1(g). . . However, with the benefit of having since then reviewed the testimony of other intervenors, TURN urges the Commission to implement the approach described by Wild Tree Foundation (WTF).”²⁶

The Compensation Decision denied Wild Tree compensation for most of its attorney and expert hours based upon a wrongly narrowed scope as follows: Discovery 88% denied, Direct Testimony 51%, Supplemental Testimony 87%, Opening Brief 79%, Reply Brief 28%, PD Comments 55%, Emails and Phone Calls 62%, Cost Savings Model 100%, Advising Attorney 65%.

1. 88% Of Time Spent On Discovery was Denied in Legal Error On Factually Untrue Grounds That Discovery Was Outside the Scope

88% of Wild Tree’s attorney and expert time spent on all aspects of discovery were denied on the grounds that “from Wild Tree’s pleadings it appears that Wild Tree’s discovery requests concerned, predominantly, matters outside the focus of Wild Tree’s participation as stated by the intervenor.”²⁷ This claim is based upon the wrongly narrowed scope of Wild Tree’s contribution. The record demonstrates that Wild Tree relied heavily upon discovery responses

²⁵ CLEACA Opening Brief at pp. 5-9.

²⁶ TURN Opening Brief at p. 2.

²⁷ Comp. Decision at p. 10.

from SCE in its Direct Testimony and in its briefing to demonstrate both that SCE’s proposal was contrary to law and best practices and why and how the finance team review process was best practice that could comply with the law. These responses are attached to Wild Tree’s direct testimony and are cited throughout the testimony and in briefing. Some examples from Wild Tree’s Direct Testimony include:

- “Indeed, underwriters make clear in all written engagement agreements that they have no fiduciary duty to act in the best interests of those responsible for paying back the bonds. . . . SCE, in fact, admits that these acknowledgements are the “market standard and will appear in the underwriting agreements with the selected underwriters.” (Attachment A, WTF-SCE DR#1Q007a.)”²⁸
- “And, as Mr. Chang acknowledged in his data response, these securitization bonds are distributed across about only 20 transactions.”²⁹
- “SCE now states that it is ‘amenable to consider adding additional consumer protection rights into the transaction documents, if the Commission so requests of us.’ (Attachment A, SCE response to WTF Data Request No. 001e.)”³⁰
- “And while SCE acknowledges that the Commission employed an independent bond team in PG&E’s last securitization, it says only that such protection isn’t necessary because states now have experience with securitizations. (Attachment A, WTF-SCE-002b.)”³¹

²⁸ Wild Tree Direct Testimony at p. 10.

²⁹ *Id.* at p. 25.

³⁰ *Id.* at p. 28.

³¹ *Id.* at p. 31.

The time that was allowed for discovery is completely unrealistic and unreasonable. For example, Wild Tree’s managing attorney was allowed a total of 6.78 hours for to have completed all discovery related work. This is insufficient time to review other parties’ discovery responses, review and negotiate NDA, and address discovery disputes much less actually draft, propound and review discovery. These actions are all necessary for an intervenor to participate in a proceeding and the denial of most of compensation for discovery is in legal error.

2. The Compensation Decision Is in Legal Error in Denying all Compensation for All Attorney Expert Communications During The Entire Preparation Period For Testimony Based upon a Falsely Narrowed Scope

The Compensation Decision compensated only nine contacts – including all between Wild Tree’s managing attorney and experts during the entire proceeding. 62% of hours for Wild Tree’s managing attorney to email or call experts during the entire pendency of the proceeding were denied on the grounds that the “volume of communications between Wild Tree’s attorney and experts was not commensurate with Wild Tree’s contribution, and we disallow excessive contacts.”³² The majority of time for calls and emails with all experts, some of which involved emails with experts and other intervenors was denied. Wild Tree’s communications were reasonable based upon its full contribution, not the truncated “finance team issue” contribution wrongly relied upon. There was a high level of communication needed to participate in this proceeding and there is no way this work could have been completed with a total of nine internal phone calls and emails over a 6 week period. Active participants had a matter of matter of weeks

³² Comp. Decision at pp. 13-14.

to complete an entire proceeding that would normally take at least a year. Wild Tree's request for time for 36 phone calls and emails between its managing attorney, two experts, advisory attorney, and other intervenors is less than one phone call or email per day and is reasonable and should be compensated in full.

The communications allowed are based upon entirely arbitrary dates, the selection of which are not explained in any fashion in the Compensation Decision.³³ All communication between September 14 and 21 – the period during which Wild Tree was preparing both its direct and supplemental testimony were denied. The scoping memo was issued Friday, September 11, scheduling intervenor testimony on Friday September 18. Supplemental testimony was due September 22. Wild Tree could not have prepared expert testimony if the managing attorney and experts were unable to communicate in any fashion during the only 5 working days it was allotted to prepare direct testimony and during 3 of the 4 days it was allotted to prepare supplementary testimony.

3. The Compensation Decision Is in Legal Error in Denying the Majority Of Work On Testimony Preparation Based Upon a Falsely Narrowed Scope

51% of work on direct testimony was denied on the grounds that Wild Tree's contribution was no more than making a recommendation that the Commission follow its own precedent. The Compensation Decision states, "A review of direct testimony indicates that only a part of it was within the scope and constituted a part of Wild Tree's contribution. We consider

³³ Comp. Decision at p. 15.

that the effort of four people devoted to the testimony was excessive given that the recommendation by Wild Tree was to follow the Commission’s own precedent, updated to the circumstances underlying this proceeding.”³⁴ The Compensation Decisions fails to identify what part of the testimony was not within the scope, relying entirely upon an supported finding. Wild Tree’s contribution clearly extended far beyond recommending that the Commission follow its own precedent and all time preparing testimony should be compensated.

The Compensation Decision denied 100% of time for supplementary testimony preparation despite reliance upon the testimony in the Decision on the grounds that Wild Tree’s supplemental testimony went beyond the scope of supplemental testimony “while providing no opinion on the permitted subject matter” and “not contribut[ing] to the Commission’s decision-making.”³⁵

In Wild Tree’s Supplemental Testimony, Wild Tree’s expert discussed problems with SCE’s proposal including that a ratepayer-backed bond structure cannot be chosen months prior and that ratepayer backed recovery bonds should not be marketed as asset backed securities. No other parties provided testimony on these points. In its briefing, Wild Tree relied upon its supplemental testimony to demonstrate that SCE’s proposal was against best practices and the structure, marketing, and pricing of bonds should be determined by a finance team, not SCE’s underwriters as proposed. These arguments are directly reflected in the Decision:

It is also recognized that additional factors may arise at the time of the issuance of the Recovery Bond based upon changing market conditions, and the § 850.1(a)(1)(A)(ii)(III)

³⁴ Comp. Decision at p. 10.

³⁵ Comp. Decision at p. 11.

mandate will guide the Finance Team’s assessment of marketing and pricing strategies, which will be backstopped by the Commission’s review of the Issuance Advice Letter.

(We also note that the parties have disagreed with the definition and nature of the Recovery Bond as being either ABS v. utility bond v. corporate bond. It may prove that these distinctions are essentially semantical, or perhaps the distinction may be meaningful in the marketing and audience for the Bond. However this may be, it would necessarily be within the ambit of a Finance Team to ensure the correct marketing of the Recovery Bond.)³⁶

4. The Compensation Decision Is in Legal Error in Denying 65% Of Work For Wild Tree’s Advising Attorney Who Contributed Expertise In Utility Securitized Bonds Best Practices Based Upon a Falsely Narrowed Scope

The Compensation Decision denied 65% of the work completed by advising attorney Harvey Reiter on behalf of Wild Tree on the grounds that “given the nature of Wild Tree’s participation and contribution, we are not convinced that Mr. Reiter was instrumental to Wild Tree’s advocacy in this proceeding.”³⁷ The Compensation Decision claims that Wild Tree’s managing attorney and direct testimony expert had the necessary skills to litigate before the Commission and therefore the advising attorney’s work was duplicative and should not be compensated. The disallowance of the advising attorney’s work relies upon the truncated definition of Wild Tree’s contribution that leaves out Wild Tree’s significant work on demonstrating that SCE’s application was contrary to best practices.

Wild Tree’s advising attorney brought expertise and knowledge in utility securitizations in other states. Reiter made important contributions to the draft financing order which was cited

³⁶ Decision at p. 49n34.

³⁷ Comp. Decision at p. 13.

favorably in the Decision³⁸ and provided expertise on best practices which was specifically relied upon in the decision:

Additionally, we note that, as per the testimony of Wild Tree's expert, of the 16 similar utility securitized bonds issued nationally over the past 10 years, 14 have employed a financing team supported by independent financial advisors, with a pre-issuance review process to help ensure minimization of both the upfront bond costs and the ongoing bond costs (primarily, the interest rates on the bonds).³⁹

It is factually untrue that Reiter unnecessarily duplicated Maurath Sommer and A. Rothschild's participation, as the Compensation Decision alleges. It is clear from Wild Tree's intervenor compensation claim that Reiter provided strategy, advice, and editing of pleadings and testimony distinct from the work of the managing attorney and author of direct testimony. Reiter's time should be compensated in full.

5. 100% Of Time Spent On Cost Savings Model was Denied In Legal Error On The Factually Untrue Grounds That There Is No Reference To The Model In Pleadings Or Testimony

The Compensation Decision denied all time spent by Wild Tree's expert James Rothschild in developing cost savings model that was a key feature of Wild Tree's Direct Testimony. The Compensation Decisions states, "We carefully reviewed Wild Tree's pleadings and testimony but found no references to James Rothschild's work, nor does the final decision mention it. We have no choice but to disallow the hours spent on this project as not supported by the proceeding's record."⁴⁰ In fact, Wild Tree's Direct Testimony includes discussion of its cost

³⁸ Decision at p 47n31.

³⁹ Decision at pp. 47-48.

⁴⁰ Comp. Decision at p. 13.

savings model as a major feature of its argument that SCE's application was contrary to law and that finance team review process was best practice that could comply with the legal requirement that ratepayer savings be maximized.

Conducting the cost savings modeling was necessary for Wild Tree to argue that SCE's proposal did not provide for maximized ratepayer savings, as mandated in the Code. Wild Tree's Direct Testimony discusses the methodology and results of its cost savings model:

I estimate consumers would receive an incremental present value savings of at least \$30 million and possibly up to \$50 million if the SCE's securitized bonds are issued with a maturity of 30 years instead of 18 years. (I estimated the market rate for SCE's securitized bonds with 18 and 30 years maturity by extrapolating the yield spread over the corresponding U.S. Treasury rates. I did this by running a regression analysis on the interest rates used by Barclays presented structures provided in response to PAO – SCE-001-LMW and the U.S. Treasury Yield curve on June 25, 2020 (the date of the Barclays analysis). For the purposes of this analysis I assume Barclays interest rate estimates are accurate.) The present value savings to consumers for the entire planned issuance of over \$1.5 billion would likely be hundreds of millions. It is SCE's responsibility to fully explore the benefits of issuing bonds with significantly longer time periods that proposed by Barclays.⁴¹

Wild Tree's cost savings modeling testimony made a substantial contribution to the issue that SCE's application was contrary to law: "parties to the proceeding voiced concerns about whether \$173.5 million in savings satisfies the statutory requirement to reduce rates 'to the maximum extent possible.'"⁴² While the Decision unfortunately quotes SCE's misinterpretation of Wild Tree's position as "Wild Tree would have SCE consider nothing but the present value at various maturities", the Decision does discuss Wild Tree's testimony that its cost savings

⁴¹ Wild Tree Direct Testimony at p. 14.

⁴² Decision at p. 43.

modeling demonstrates that different bond terms would increase present value savings for ratepayers.⁴³

Wild Tree's cost savings modeling testimony that it was SCE's responsibility to fully explore the benefits of issuing bonds with significantly longer time periods by using a finance team so as to ensure ratepayer savings are maximized made a substantial contribution to the Decision's conclusion that a finance team was needed to ensure ratepayer savings were maximized:

Also, we are mindful of the requirement for a solution that does not offend the underlying purpose of the legislature's intentions of AB 1054 and is in line with the statutory mandate to reduce Consumer rates on a present value basis to the maximum extent possible. For these reasons, we will adopt Wild Tree's proposal for the creation of a Finance Team. Wild Tree writes as follows:

This can be accomplished by including language in the financing order that sets-up a financing team composed of the utility, Commission and its staff, and any necessary outside financial and legal experts that will provide approvals of the material terms of the bond in a pre-issuance review process to create a bond with material terms that can meet the statutory requirements, in particular, minimization of ratepayer cost.

The Finance Team can review and address details regarding the Recovery Bond's structuring, credit rating agency review, and underwriter marketing. It would review all fees and costs associated with all aspects of the Recovery Bond. It would help reduce rates on a present value basis to the maximum extent possible pursuant to AB 1054's directives.⁴⁴

⁴³ Decision at p. 45.

⁴⁴ Decision at pp. 46-47.

B. THE COMPENSATION DECISION IS CONTRARY TO LAW BECAUSE IT DOES NOT PROVIDE FOR MARKET RATE EXPERT FEES

The Compensation Decision is in legal error because the rates for experts A. Rothschild and Heller do not take into account these experts' years of experience and because the rates fail to provide for market rates paid to persons of comparable training and experience who offer similar services as required by the Public Utilities Code.⁴⁵ The Compensation Decision set rates for experts with 24 years and 37 years respectively at \$340 and \$330, the mid-range of the 13+ years experience category of \$119 - \$465. Compensation at the 50th percentile of a range that begins at 13 years for 24 years and 37 years experience would not provide reasonable expert's fees, as required by Public Utilities Code section 1804.

Based solely upon their years of unique experience, Wild Tree's experts should all be compensated at the high end of the 13+ years experience of \$465. In addition, Wild Tree's experts are due a fee enhancement for exceptional result in the proceeding of, at the very least, \$465. The Commission has, in certain cases, awarded fee enhancements, or upward adjustment to the hourly rate for intervenor participation for exceptional results.⁴⁶ Factors considered for enhanced fees include novelty, difficulty, and importance of the issues; skill required to participate effectively; degree of success; efficiency of the presentation; and whether the fee is fixed or contingent.⁴⁷ These factors are met in this case – the issues were novel both in applying

⁴⁵ Pub. Util. Code, § 1806.

⁴⁶ See D.04-08-025, D.10-11-032, D.13-11-022.

⁴⁷ See D.96-08-029.

a new legal standard and in addressing securitized bonds for the first time in almost two decades. The issues were extremely complex and required special skills and knowledge that Wild Tree's experts possess. The issues were extremely important as the Decision set the methodology for securitized bond issuances not only for this case but by many future cases involving over \$12 billion. Wild Tree had complete success, its presentation was made in an extremely compressed timeframe of four months, and its expert fees are contingent.

II. THE COMMISSION FAILED TO PROCEED IN THE MANNER REQUIRED BY LAW, ACTED IN AN ABUSE OF DISCRETION, AND DEPRIVED WILD TREE ITS DUE PROCESS RIGHTS BY ENGAGING IN BIASED AND ARBITRARY DECISION MAKING

The manner in which Wild Tree's compensation claim was reviewed and decided deprived Wild Tree of due process due to abject failure to abide by mandatory statutory time limits and in the biased treatment of Wild Tree's claim. Wild Tree's substantial contribution was devalued and compensation denied based upon application of a standard contrary to that required by the Code. This standard of novelty, uniqueness, and/or "inventing a new concept or approach" was wrongly applied to Wild Tree on an ad hoc basis and, in a biased abuse of discretion, was not applied to TURN even on the exact same issues. While holding Wild Tree to a different standard, Wild Tree's substantial contribution was devalued based upon unfair and factually inaccurate comparison between Wild Tree and TURN's work product.

A. THE REVIEW OF WILD TREE’S COMPENSATION CLAIM WAS IN VIOLATION OF THE CODE AND UNDERTAKEN IN AN UNFAIR AND INEQUITABLE MANNER

The First PD was issued 2 years and 4 months (866 days) days after Wild Tree filed its compensation claim. The Code requires timely awards of intervenor compensation: “Intervenor compensation be awarded to eligible intervenors in a timely manner, within a reasonable period after the intervenor has made the substantial contribution to a proceeding that is the basis for the compensation award.”⁴⁸ The Code explicitly defines timely as “within 75 days after the filing of a request for compensation . . . the commission shall issue a decision that determines whether or not the customer or eligible local government entity has made a substantial contribution to the final order or decision.”⁴⁹ 866 days is beyond untimely and contrary to the legislative intent expressed in the Code that intervenor compensation be “administered in a manner that encourages the effective and efficient participation of all groups that have a stake in the public utility regulation process.”⁵⁰

Not only was Commission untimely in reviewing Wild Tree’s compensation claim, it has done so in an inequitable manner. TURN filed its intervenor compensation claim 3 weeks prior to Wild Tree - yet it took the Commission an additional 1 year and 2 months to take any action on Wild Tree’s claim. The Commission issued a PD granting 100% of TURN’s compensation

⁴⁸ Pub. Util. Code, § 1801.3.

⁴⁹ Pub. Util. Code, § 1804, subd. (e).

⁵⁰ Pub. Util. Code, § 1801.3, subd. (b).

claim on March 28, 2022 and approved the decision April 7, 2022. It was not until more than a year later that the Commission issued a proposed decision on Wild Tree's claim.

Wild Tree does not, by any means, take the position that TURN's award should not have been timely and fully awarded – it should have been. But the full approval of TURN's claim juxtaposed with a more than 2/3 reduction of Wild Tree's claim more than a year later and three years after Wild Tree made a substantial contribution on a key Commission decision clearly reveals unfair and inequitable devaluing of Wild Tree and its substantial contribution.

B. THE COMMISSION FAILED TO PROCEED IN A MANNER REQUIRED BY LAW AND ACTED IN AN ABUSE OF DISCRETION WHEN IT DENIED WILD TREE COMPENSATION BASED UPON A NEW STANDARD CONTRARY TO THE CODE

Wild Tree's substantial contribution was devalued and compensation denied based upon application of a standard contrary to that required by the Code. This standard of novelty, uniqueness, and/or "inventing a new concept or approach" was wrongly applied to Wild Tree and, in a biased abuse of discretion, was not applied to TURN even on the exact same issue.

In the Second PD, denial of compensation was on the extra-statutory grounds that Wild Tree's contribution was not novel or unique. The Second PD states, "The Commission adopted [Wild Tree's] recommendation. However, Wild Tree's proposal was not unique nor a novel one:

the final decision emphasized that the finance team solution had been adopted in D.04-11-015, and Wild Tree also based its recommendation on D.04-11-015 and D.20-03-008 . . .”⁵¹

The Second Revised PD/Compensation Decision purports to have changed the wording regarding uniqueness and novelty but the result remains the same – the Compensation Decision relies upon extra-statutory standards to wrongly disallow most of Wild Tree’s compensation:

We agree with WTF’s critique of the terminology used in the PD where it states that WTF’s contribution was not unique. Because WTF’s contribution did not duplicate presentations made by other parties, WTD’s contribution in the context of this proceeding was unique. We change the wording, accordingly. . .

The Comments brought to our attention a lack of clarity in the PD’s description of the contribution as not novel. This finding more appropriately belongs to the reasonableness analysis, as it points to the fact that WTF’s advocacy referred to the Commission’s own practice, and did not involve inventing a new concept or approach. We have made the changes, accordingly.⁵²

Following revision, the Compensation Decision reads, “Here Wild Tree did not propose a new concept or approach. Wild Tree’s recommendation adopted by the Commission was based on D.04-11-015 and D.20-03-008; the contribution decision D.20-11-007 relied on the recommendation and these orders.”⁵³ The Second Revised PD also added argument that TURN provided a “unique approach or analysis.”⁵⁴

Inventing a new concept or approach is a longer way of saying novelty and uniqueness. Novelty, uniqueness, inventing a new concept or approach are not requirements for substantial

⁵¹ First PD at p. 8.

⁵² Comp. Decision at p. 24.

⁵³ Comp. Decision at p. 9.

⁵⁴ Comp. Decision at p. 23.

contribution. “‘Substantial contribution’ means that, in the judgment of the commission, the customer's presentation has substantially assisted the commission in the making of its order or decision because the order or decision has adopted in whole or in part one or more factual contentions, legal contentions, or specific policy or procedural recommendations presented by the customer.”⁵⁵ The Decision adopted factual contentions, legal contentions, and specific policy and procedural recommendations presented by Wild Tree. Wild Tree made a substantial contribution and it is contrary to the Code for this contribution to be reduced by the application of an extra-statutory standard invented and applied ad hoc to just one intervenor.

In addition, the evidence demonstrates that Wild Tree’s contribution was substantial as well as novel and unique. Wild Tree’s contribution extended well beyond just recommending what the Compensation Decision calls “a typical solution in the prior financing proceeding.”⁵⁶ The Decision implemented, for the first time, a new law that established a new process for securitized recovery bonds. The claim that the Commission action in this case represented nothing more than “a typical solution” is contradicted in the Decision itself. The Decision specifically addresses the different standard in the new law applicable to SCE’s application:

We also take note that D.04-11-015 was based upon a less stringent standard than is at issue here, because here we are applying § 850.1(a)(1)(A)(ii)(III) which specifically directs that the Recovery Bond issued pursuant to this Financing Order is found to reduce rates on a present value basis to the maximum extent possible compared to the use of traditional utility financing mechanisms. (By contrast, D.04-11-015 applied an older version of § 848.1(a) . . .)⁵⁷

⁵⁵ Pub. Util. Code, § 1802.

⁵⁶ Comp. Decision at p. 17.

⁵⁷ Decision at pp. 48-49fn33.

SCE's Application did not include a finance team. SCE applied to have its proposed bond, designed by its underwriters with pre-determined terms, approved without the use of a finance team. Wild Tree was the only party to provide testimony as to how SCE's proposal would not meet the requirements of the new statute and would waste ratepayer money by relying upon terms that would not maximize savings and to provide an alternate proposal for curing the defects in SCE's proposal.

1. In A Biased Abused Of Discretion, The Extra-Statutory Standard Was Applied Only To Wild Tree While TURN Was Not Held To The Same Standard

The Commission has abused its discretion by devaluing Wild Tree's substantial contribution based upon application of standards contrary to that required by the Code in a biased, inequitable, and unfair manner. TURN's intervenor compensation request was granted in full without being subject to review of its claims using extra-statutory standards of uniqueness, novelty, or inventing a new approach or analysis. TURN's compensation was not denied or reduced on the grounds that it made recommendations that the Commission follow its own precedent.

TURN's substantial contribution did involve recommendations that the Commission follow its own past practices and TURN attributed the largest share of its time to issues for which it supported recommendations of Wild Tree and Cal Advocates.⁵⁸ Nevertheless, the Compensation Decision states that TURN "provide[d] a unique approach or analysis" and "given

⁵⁸ D.22-04-026 at p. 3, issues 1 and 2.

TURN's many a contributions [sic] to the final decision, TURN's requested hours stand in stark contrast to WTF's claim."⁵⁹

The Compensation Decision provides the following examples of TURN's "unique approach or analysis." All of these examples involve recommendations that the Commission follow its own precedent and/or involve TURN providing support for other party's arguments.

- a.) "D.20-11-007 adopted modifications to SCE's financing order proposed by TURN (D.20-11-007 at 70)."⁶⁰ TURN proposed changes to the language that would be in consumers' bills. This language was included as a paragraph in the financing order. As noted in Wild Tree's compensation claim, Wild Tree proposed an entire 25 page draft financing order which was cited in the Decision:

For these reasons, we will adopt Wild Tree's proposal for the creation of a Finance Team. Wild Tree writes as follows:

This can be accomplished by including language in the financing order that sets-up a financing team composed of the utility, Commission and its staff, and any necessary outside financial and legal experts that will provide approvals of the material terms of the bond in a pre-issuance review process to create a bond with material terms that can meet the statutory requirements, in particular, minimization of ratepayer cost. (Wild Tree Opening Brief at 27, and drafted in its proposed Financing Order.)⁶¹

- b.) "TURN's proposals or arguments substantially contributed either directly to the final decision or to presentations of other parties, while providing a unique approach or analysis (D.20-11-007 at 80)."⁶² Here, TURN's contribution was to support Cal Advocates' proposal that the Commission act consistent with past Commission decisions:

⁵⁹ Comp. Decision at p. 23.

⁶⁰ Comp. Decision at p. 23.

⁶¹ Decision at p. 47.

⁶² Comp. Decision at p. 23.

Moreover, Cal Advocates notes that an equal cents-per-kilowatt allocation across all Customer Classes is consistent with past Commission decisions. Nevertheless Cal Advocates accepts that given the expedited nature of the instant proceeding, it may be appropriate to address the issue in the upcoming SCE GRC Phase 2 proceeding. TURN, for its part generally supports Cal Advocates' proposal for an equal-cents-per-kilowatt allocation, while acknowledging such a proposal should be considered in a different forum, such as SCE's GRC Phase 2 proceeding.⁶³

- c.) "D.20-11-007 adopted TURN's critique of SCE's position that allocating CARE exemption costs on the basis of distribution is appropriate because the nature of the underlying costs are primarily distribution-related (D.20-11-007 at 81)."⁶⁴ TURN and Cal Advocates argued that Commission precedent on allocation of CARE costs should be relied upon and the Commission concluded that "we find no reason to diverge from our long-standing practice of allocating CARE costs on an equal-cents-per-kilowatt basis."⁶⁵
- d.) "The decision mentions that TURN's comments on the PD were "presented in the interest of the Financing Order's clarity, and were helpful, and have been incorporated in one form or another without opposition (D.20-11-007 at 86)."⁶⁶ Most of Wild Tree's recommended changes in the PD were also incorporated in one form or another into the Decision.
- e.) "TURN also raised the issue of phased securitization versus a single securitization which led to supplemental testimony."⁶⁷ TURN did not include this in its intervenor compensation request and it was never deemed to be a substantial contribution. SCE did file supplemental testimony that it stated was in response to TURN's protest as well as discussion by other parties at the prehearing conference.

⁶³ Decision at p. 80.

⁶⁴ Comp. Decision at p. 23.

⁶⁵ Decision at p. 81.

⁶⁶ Comp. Decision at p. 23.

⁶⁷ Comp. Decision at p. 23.

Plainly, TURN's contributions were not more or less unique than Wild Tree's with the exception of TURN's contribution that was to support Wild Tree's recommendation. In this case, Wild Tree's contribution was clearly more unique than TURNs. But, ultimately, relative uniqueness is irrelevant because the application of a new standard of uniqueness is contrary to the Code and it should not have been applied to Wild Tree or to TURN. The manner in which Wild Tree was singled out for this disparate and unfair treatment on an ad hoc basis and in which the Compensation Decision attempts to justify denial of Wild Tree's compensation based upon claim that TURN's contribution was unique but Wild Tree's was not, demonstrates a biased abuse of discretion.

2. Despite Having Held Wild Tree To A Higher, Extra-Statutory Standard Than TURN, TURN's Participation Was Used In Comparison To Devalue Wild Tree's Contribution

The Compensation Decision explicitly devalues Wild Tree's work by comparing its hours to TURN's hours, stating:

Our analysis shows that incurring 437 hours of work and \$198,210.50 in costs for Wild Tree's single citable contribution was unreasonable, and that Wild Tree's participation was not efficient. (As a comparison: The Utility Reform Network (TURN) requested reimbursement for 90 hours and \$50,220 in costs for the contribution to D.20-11-007.16) These findings cause significant reductions to the claim.⁶⁸

⁶⁸ Compensation Decision at p. 9.

The Compensation Decision specifically denied Wild Tree the majority of its time for all of its pleadings⁶⁹ based on direct comparison between TURN’s work and wrongly narrowed scope of Wild Tree’s contribution:

- “Wild Tree devoted 87.78 hours to the brief (Sommer – 41.58, Reiter – 2.95, and A. Rothschild – 43.25). Participation on the finance team issue should not call for such time-consuming effort. (Compare to 18.75 hours allocated by TURN to its brief.) We reduce Wild Tree’s hours spent on the brief, to reflect the time that would be sufficient to effectively advocate Wild Tree’s position.”⁷⁰
- “As in our analysis of the opening brief, we find that working on the reply brief was unnecessarily time-consuming, and we make reductions, accordingly. Wild Tree spent 41.47 hours preparing this document (Sommer – 26.27, Reiter 1.70, and A. Rothschild – 13.50). (Note that TURN allocated 11.50 hours to the brief.)”⁷¹
- “Wild Tree spent 21 hours preparing the comments (Sommer – 15.41, A. Rothschild – 6.0). (Compare to the total of 7.75 hours allocated to TURN’s comments.) Given Wild

⁶⁹ For each pleading and testimony, the Compensation Decision also makes the allegation that Wild Tree denied that its advising attorney and experts “participated in preparing” briefs or that its managing attorney participated in preparing testimony. (Comp. Decision at pp. 11,12.) Wild Tree has never stated that its advising attorney and experts did not participate in preparing briefs or that managing attorney did not participate in preparing testimony. For example, Wild Tree stated in its comments on the First PD that A. Rothschild “did not draft or author any briefings or comments” and that Reiter “did not prepare, draft, or author any briefings, testimonies, or comments.” As shows in the time sheets, A. Rothschild assisted in preparing briefs but did not draft or author any briefs and Wild Tree’s advising attorney reviewed, revised, and edited testimony and pleadings but did not draft or author any documents.

⁷⁰ Comp. Decision at p. 12.

⁷¹ Comp. Decision at p. 12.

Tree’s input, we find Wild Tree’s effort inefficient, and hours devoted to preparing the comments excessive.”⁷²

The Compensation Decision defends the comparison between Wild Tree and TURN, stating, “there is nothing illegitimate in comparing the requested costs to another intervenor’s claim, to assess their reasonableness. (See, for example, D.20-02-044, *68-69, where the intervenor’s participation is compared to the more productive participation of another intervenor.)”⁷³ What is illegitimate is the comparison between one intervenor’s contribution based upon a falsely narrowed scope and application of extra-statutory standards and another party’s contribution not subject to any such restriction. An honest comparison between Wild Tree and TURN based upon the record, including explanations by TURN in its intervenor compensation claim and in TURN’s comments on the First PD, demonstrates that Wild Tree’s participation was the more productive. As TURN describes, “as TURN’s request and the resulting compensation decision acknowledged, the opportunity to rely on Wild Tree Foundation to do the “heavy lifting” on this issue permitted TURN to record fewer hours on issues related to the reasonableness of the proposed transaction, necessary ratepayer protections, and cost savings.”⁷⁴

TURN submitted direct testimony by TURN attorney, Bob Finkelstein, who also represented TURN as its attorney in this case. TURN’s 14 page direct testimony addressed cost reduction approaches, review of future securitization proposals, cost allocation, and bill

⁷² Comp. Decision at p. 12.

⁷³ Comp. Decision at p. 23.

⁷⁴ D.22-04-026 at p. 6.

presentation. In TURN's 21 page opening brief it acknowledged that it changed its posture in this proceeding based upon Wild Tree's testimony and "urges the Commission to implement the approach described by Wild Tree Foundation."

Wild Tree submitted direct and supplemental testimony by two financial experts. Wild Tree's 34 page direct testimony addressed traditional utility debt instruments, utility incentives to issue lowest cost recovery bonds, problems with underwriters, best practices of other state utility commissions, CPUC use of financing team, proposed marketing plan, and recovery bond maturities. In Wild Tree's 13 page supplemental testimony, Wild Tree's expert witness addressed proposed phased execution strategy, alternatives analysis, pricing recovery bonds months before marketing, comparison of underwriter and independent modeler, and asset backed securities. In addition to Wild Tree's 53 pages of briefing, Wild Tree also provided a 25 pages proposed financing order which the Decision explicitly cites to.

TURN and Wild Tree's intervenor compensation claims were for different issues with the exception of the Reducing Customer Rates To The Maximum Extent Possible which TURN specifically attributed Wild Tree's contribution, stating in its intervenor compensation claims:

TURN further argued that the creation of a Finance Team, as recommended by Wild Tree Foundation, could ameliorate the deficiencies in SCE's proposal, and give the Commission the opportunity to ensure compliance with the new standard. The Commission expressed general agreement with the concerns raised by TURN and other intervenors regarding the "crystal ball dilemma" presented by SCE's approach, and adopted an approach that relies on a Finance Team for review and approval of the Recovery Bonds prior to their issuance.⁷⁵

⁷⁵ D.22-04-026 at p. 3.

TURN was rightly awarded its full compensation in this case for the effort it put into the case. Wild Tree should also have been granted its full compensation for its participation which was different and distinct from TURN and for which it made a substantial contribution that is due no reduction based upon the biased application of made-up standards and backwards comparisons.

CONCLUSION

For the reasons stated above, Wild Tree Foundation's Application for Rehearing should be granted and its intervenor compensation claim awarded in full.

Respectfully Submitted,

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