ALJ/JMO/SPT/SJP/lil/avs **Date of Issuance 10/5/2018**

Decision 18-09-040 September 27, 2018

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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| Order Instituting Rulemaking on the Commission’s Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities’ Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations. | Rulemaking 12-06-013 |

**DECISION GRANTING COMPENSATION TO Consumer   
Federation of California FOUNDATION FOR SUBSTANTIAL   
CONTRIBUTION TO DECISION (D.) 16-09-016 AND d.17-09-036**

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| **Intervenor: Consumer Federation of California Foundation [[1]](#footnote-1)** | **For contribution to Decision (D.): D.16-09-016, D.17-09-036** |
| **Claimed: $99,053.50[[2]](#footnote-2)** | **Awarded: $54,085.00** |
| **Assigned Commissioner:** Michael Picker | **Assigned ALJs:** Jeanne McKinney, S. Pat Tsen, and Sophia Park |

**PART I: PROCEDURAL ISSUES**

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| **A. Brief description of Decision:** | D. 16-09-016: Decision on the Requirements of California Public Utilities Code §745 for Default Time-Of-Use (TOU) Rates for Residential Customers.  D. 17-09-036: Decision Adopting Findings Required Pursuant to Public Utilities Code 745 For Implementing Residential Time-of-Use Rates. |

1. **Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:**

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|  | **Intervenor** | **CPUC Verified** |
| **Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):** | | |
| 1. Date of Prehearing Conference: | October 2, 2012 | October 24, 2012 |
| 2. Other specified date for NOI: | N/A |  |
| 3. Date NOI filed: | November 20, 2012 | Verified |
| 4. Was the NOI timely filed? | | Yes |
| **Showing of eligible customer status (§ 1802(b) or eligible local government entity status (§§ 1802(d), 1802.4):** | | |
| 5. Based on ALJ ruling issued in proceeding number: | R. 12-06-013 | Verified |
| 6. Date of ALJ ruling: | February 25, 2013 | Verified |
| 7. Based on another CPUC determination (specify): | N/A |  |
| 8. Has the Intervenor demonstrated customer status or eligible government entity status? | | Verified |
| **Showing of “significant financial hardship” (§1802(h) or §1803.1(b))** | | |
| 9. Based on ALJ ruling issued in proceeding number: | R. 12-06-013 | Verified |
| 10. Date of ALJ ruling: | February 25, 2013 | Verified |
| 11. Based on another CPUC determination (specify): | N/A |  |
| 12. Has the Intervenor demonstrated significant financial hardship? | | Yes |
| **Timely request for compensation (§ 1804(c)):** | | |
| 13. Identify Final Decision: | D1609016, D1709036 | Verified |
| 14. Date of issuance of Final Order or Decision: | September 19, 2016, October 2, 2017. | Verified |
| 15. File date of compensation request: | November 27, 2017. | December 1, 2017 and amended on March 5, 2018 |
| 16. Was the request for compensation timely? | | Verified |

**PART II: SUBSTANTIAL CONTRIBUTION**

1. **Did the Intervenor substantially contribute to the final decision (*see* § 1802(j),   
   § 1803(a), 1803.1(a) and D.98-04-059).**

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| **Intervenor’s Claimed Contribution(s)** | **Specific References to Intervenor’s Claimed Contribution(s)** | **CPUC Discussion** |
| 1. Section 745 Issues   * CFC argued that the residential tenure requirements for seniors living at a particular customer location had not been fully established, and should be during the proceeding. * CFC argued that bill protection is only really effective if the participation rate (enrollees as a % of eligible customers) is sufficiently high. CFC recommended improved outreach to improve enrollment. * CFC recommended added Section 745 analysis, to evaluate "unreasonable hardship." The additional analysis should examine whether the Nexant finding of limited seniors' response to TOU is actually a low-income effect--rather than an age effect. * CFC recommended that the Nexant "Health Index" be adopted as an adjunct metric for hardship--for health hardship. Doing so would provide a more rounded perspective on customer stress, than solely relying on an economic hardship metric. | PHC Statement of CFC as Requested in the Requested in the Sep. 30, 2016 ALJ’s Ruling Inviting PHC Statements and Setting Next Steps Following the September 12, 2016 ME&O Workshop, p.3  Opening Brief of CFC as Requested in the Oct. 15, 2015 ALJ Scoping Memo and Ruling for Phase 3, pp. 2-3.  Comments of CFC on the PD on the Requirements of CA Public Utilities Code Section 745 for Default TOU Rates for Residential Customers, pp. 2-4.  Opening Brief of CFC on the Commission’s Examination of PUCode Section 745 Issues, pp. 1-2.  D.16-09-016, pp. 10‑11.  D. 17-09-036, p. 11.  PHC Statement of CFC as Requested in the Requested in the Sep. 30, 2016 ALJ’s Ruling Inviting PHC Statements and Setting Next Steps Following the September 12, 2016 ME&O Workshop, pp. 1-2.  Opening Brief of CFC as Requested in the Oct. 15, 2015 ALJ Scoping Memo and Ruling for Phase 3, pp. 2-3.  Comments of CFC on the PD on the Requirements of CA Public Utilities Code Section 745 for Default TOU Rates for Residential Customers, pp. 5-6.  Opening Brief of CFC on the Commission’s Examination of PUCode Section 745 Issues, pp. 2‑4.  Opening Comments of CFC on the PD Adopting Findings Required Pursuant to PUCode Section 745 for Implementing Residential TOU Rates, p. 2.  D.16-09-016, pp. 8-9.  D. 17-09-036, p. 15-17.  Opening Brief of CFC as Requested in the Oct. 15, 2015 ALJ Scoping Memo and Ruling for Phase 3, pp. 2-4.  Comments of CFC on the PD on the Requirements of CA Public Utilities Code Section 745 for Default TOU Rates for Residential Customers, pp. 2-3, 6.  CFC PD Comment, pp. 2, 3  Opening Brief of CFC on the Commission’s Examination of PUCode Section 745 Issues, pp. 1-2.  D.16-09-016, pp. 10‑11. 15-17.  D. 17-09-036, p. 7‑11.  Opening Brief of CFC as Requested in the Oct. 15, 2015 ALJ Scoping Memo and Ruling for Phase 3, p. 5.  Opening Comments of CFC on the PD Adopting Findings Required Pursuant to PUCode Section 745 for Implementing Residential TOU Rates, p.4  D.16-09-016, pp. 14‑17.  D. 17-09-036, p. 9, 30. | Verified; However, CFC Foundation’s contributions to D.16-09-016 were duplicative of contributions made by other intervenors such as Center for Accessible Technology, The Utility Reform Network, and Utility Consumers Action Network. This duplication is underscored by the fact that the only reference to CFC Foundation in the discussion sections of D.16-09-016 states that “numerous parties (TURN, CforAT, UCAN, CFC) objected to the exclusion of customers who are eligible but not enrolled in these programs.” In addition, the following references did not appear to be relevant: Opening Brief of CFC on the Commission’s Examination of PUCode Section 745 Issues, pp. 1-2 (notably, CFC cites “Nexant findings” yet, at the time this brief was filed, Nexant had not made any findings); D.16-09-016, 10-11. |
| 2. CARE   * CFC recommended future program assessments also evaluate impacts on those whose incomes just exceed CARE boundaries. Those customers may have some of the harshest impacts due to TOU. * CFC proposed the Commission consider future exclusions for those outside CARE eligibility, but whose calculated energy burden would justify relief. | 8/17/15 PHC Statement of CFC as Requested in the August 6, 2015 ALJ Ruling Inviting Comments, pp. 1-2.  Opening Brief of CFC as Requested in the Oct. 15, 2015 ALJ Scoping Memo and Ruling for Phase 3, pp. 2-3.  Comments of CFC on the PD on the Requirements of CA Public Utilities Code Section 745 for Default TOU Rates for Residential Customers, pp. 4-5.  Opening Comments of CFC on the PD Adopting Findings Required Pursuant to PUCode Section 745 for Implementing Residential TOU Rates, p. 4.  D.16-09-016, pp.7-9.  D. 17-09-036, p. 33.  Opening Brief of CFC on the Commission’s Examination of PUCode Section 745 Issues, pp. 2-5.  Opening Comments of CFC on the PD Adopting Findings Required Pursuant to PUCode Section 745 for Implementing Residential TOU Rates, p.4  D.16-09-016, pp. 14, 22.  D. 17-09-036, pp. 20‑23. | Verified. However, CFC Foundation’s contributions to D.16-09-016 were duplicative of arguments by other intervenors. For example, TURN provided detailed argument for why these customers should be studied. In contrast, CFC Foundation provided a few paragaphs. Regarding the categories of customers that should be studied to comply with Section 745(c)(2), D.16-09-016 states, “CforAT, ORA, UCAN and TURN, agree that CARE and FERA customers are “economically vulnerable,” but they argue such as construction is too narrow.” (D.16-09-016 at 7). Regarding using “energy burden” as a test under Section 745(d) and 745(2), D.16-09-016 quotes TURN. (D.16-09-016 at 22). |

1. **Duplication of Effort (§ 1801.3(f) and § 1802.5):**

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|  | **Intervenor’s Assertion** | **CPUC Discussion** |
| **a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?** | Yes | Verified |
| **b. Were there other parties to the proceeding with positions similar to yours?** | Yes | Verified |
| **c. If so, provide name of other parties:**  TURN | | Verified |
| **d. Intervenor’s claim of non-duplication:**  CFC took positions in this matter that reflect its consumer protection mission. While the IOUs and other entities with business interests in the various aspect of demand response were more concerned with the costs and expenses relating to profit and loss, CFC steadfastly fought for residential consumers.  CFC communicated with parties on several occasions to discuss strategy and positions taken. Non-duplication was also discussed.  The specific concerns of CFC and other intervenors were sufficiently divergent that there was very little overlap in positions taken on the issues. | | False. As described above, CforAT, TURN, UCAN and ORA all focused on residential consumers. It is difficult to understand why CFC Foundation continues to disregard the contributions of other consumer advocates. The extent of duplication is remarkable and suggests that CFC Foundation did not make any real effort to prevent duplication and instead takes credit for the contributions of others. This is particularly disappointing because CFC Foundation should be aware of the existence of the other parties because it was expressly noted in D.17-09-033 (Granting Compensation to CFC for D.15-07-001 and D.14-06-029). There we identified other active consumer groups (Greenlining, CforAT and UCAN) and noted that “it is false to state that other parties were merely interested in profit margins.” (D.17-09-033 at 6). |

1. **Additional Comments on Part II:**

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| **#** | **Intervenor’s Comment** | **CPUC Discussion** |
| Part II-A: 1 and 2. | There is a great deal of overlap with both 745 and ME&O issues throughout this proceeding. All ME&O references here are to work on 745 issues, discussion, and contribution. Actual hours related to ME&O work will be claimed in a separate compensation request once there is a final decision on that issue. | Verified |

**PART III: REASONABLENESS OF REQUESTED COMPENSATION**

1. **General Claim of Reasonableness (§ 1801 and § 1806):**

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| **a. Intervenor’s claim of cost reasonableness:**  There will be monetary benefits for ratepayers based on CFC’s participation, although it is difficult to estimate a specific amount of monetary benefits. Some of the CFC’s contributions adopted by the final decision will result in a clearer Section 745 rule which will, in part, help to provide some customers with services and stability during and after the shift to Time of Use. | **CPUC Discussion**  Verified |
| **b. Reasonableness of hours claimed:**  CFC worked diligently throughout the process to only spend a reasonable and prudent amount of time  Throughout, CFC has been very conservative in recording hours in this case. On many occasions a white paper or study referred to, or a cite in, the numerous documents generated, would lead CFC counsel into vast areas of research and reports. This was done in order to master the subject matter, which in turn is required if CFC is to add value to these various matters. However, we were very conservative in claiming hours relating to our research. CFC has, in terms of this matter specifically, made a conscious decision to refrain from requesting compensation relating to most – but not all - of the general research which was engaged in while this matter was pending. | CFC Foundation did not make a reasonable showing in its claim of non-duplication. Therefore, the hours claimed are not entirely reasonable and have been adjusted accordingly. With the adjustment, the hours claimed are reasonable. |
| **c. Allocation of hours by issue:**  This proceeding is vast, long, and touched upon a number of evolving topics. Issues altered over time.   **Issues and Sub-issues:**  GP: Where preparation and work was required but not necessarily attributable to one issue or another.  W: Workshops  745: Subjects covered in Section 745 of the Public Utilities Code.  CARE: Issues involving CARE, low-income, other programs.  #: Where time entries cannot easily be identified with a specific activity code. For these entries, the allocation of time spent on activities can be broken down as such: 745=75%; CARE=16%; GP=9% | Verified |

1. **Specific Claim:\***

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| **Claimed** | | | | | | | | | | **CPUC Award** | | |
| **ATTORNEY, EXPERT, AND ADVOCATE FEES** | | | | | | | | | | | | |
| **Item** | **Year** | | **Hours** | | **Rate $** | **Basis for Rate\*** | | **Total $** | | **Hours** | **Rate $** | **Total $** |
| Nicole Johnson | 2015 | | 52.1 | | $300 | Resolution ALJ-308 | | $15,630 | | 27 | $300 | $8,100 |
| Nicole Johnson | 2016 | | 85 | | $305 | Resolution ALJ-329 | | $25,925 | | 43 | $305 | $13,115.00 |
| Nicole Johnson | 2017 | | 132.7 | | $310 | Resolution ALJ-329 | | $41,137 | | 75 | $310 | $23,250.00 |
| Tony Roberts | 2017 | | 52.1 | | $275 | See Sec.C, Item #5 | | $14,327.50[[3]](#footnote-3) | | 35 | $240[[4]](#footnote-4) | $8,400.00 |
| ***Subtotal: $97,019.50[[5]](#footnote-5)*** | | | | | | | | | | ***Subtotal:* $52,865.00** | | |
| **INTERVENOR COMPENSATION CLAIM PREPARATION \*\*** | | | | | | | | | | | | |
| **Item** | | **Year** | **Hours** | | **Rate $** | **Basis for Rate\*** | | **Total $** | | **Hours** | **Rate** | **Total $** |
| Nicole Johnson | | 2017 | 6 | | $155 | Resolution ALJ-329 | | $930 | | 4 | $155 | $620.00 |
| Tony Roberts | | 2017 | 8 | | $138 | Resolution ALJ-329 | | $1104 | | 5 | $120 | $600.00 |
| ***Subtotal: $2,034*** | | | | | | | | | | ***Subtotal: $1,220.00*** | | |
| ***TOTAL REQUEST: $99,053.50*** | | | | | | | | | | ***TOTAL AWARD: $54,085.00*** | | |
| \*We remind all intervenors that Commission staff may audit the records and books of the intervenors to the extent necessary to verify the basis for the award (§1804(d)). Intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.  \*\*Travel and Reasonable Claim preparation time are typically compensated at ½ of preparer’s normal hourly rate | | | | | | | | | | | | |
| **ATTORNEY INFORMATION** | | | | | | | | | | | | |
| **Attorney** | | | | **Date Admitted to CA BAR[[6]](#footnote-6)** | | | **Member Number** | | **Actions Affecting Eligibility (Yes/No?)**  **If “Yes”, attach explanation** | | | |
| Nicole Johnson | | | | June 2006 | | | 242625 | | No | | | |

1. **Attachments Documenting Specific Claim and Comments on Part III:**

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| **Attachment or Comment #** | **Description/Comment** |
| 1. | Certificate of Service |
| 2. | Nicole Johnson Timesheet |
| 3. | Tony Roberts Timesheet |
| 4. | CFC proposes an hourly rate for Mr. Roberts of $275.  Justification for Tony Roberts’s Rate  (Originally submitted to the Commission in CFC’s IComp claim for Proceeding A1509001)  CFC arrived at this recommended rate on the basis of the combination of Mr. Roberts’s experience and training, modelled on rates approved for TURN experts.  I. Experience Basis  Mr. Roberts has 22 years of experience as an practicing economist, including 14 years of regulatory experience.  Mr. Roberts’s regulatory career started in 2003, when Mr. Roberts was responsible for collaborating with the British Columbia Ferry Commissioner, Martin Crilly, in developing and constructing the BC Ferries Price Cap Model for regulatory compliance. Mr. Roberts was subsequently responsible for administering the price cap, on behalf of both the Commission and BC Ferries.  Beyond Mr. Roberts’s regulatory role, he was also a corporate tariff manager and revenue and operations analyst. Mr. Roberts’s forecasting performance was acclaimed. Mr. Roberts also managed the development and introduction of the British Columbia Ferry Corporation strategic fuel management programme.  From 2007 through 2010, Mr. Roberts was a Senior Economist with the British Columbia Utilities Commission. Mr. Roberts’s contributions ranged from analysis of utility demand and revenue forecasts, through taking the role of Commission Lead Staff, responsible for managing a major regulatory proceeding, involving Federal Energy Regulatory Commission Open Access Transmission Tariff compliance and resolution of a financially significant dispute between Crown Corporation British Columbia Hydro and Power Authority and TransCanada Energy with regard to Intertie access, curtailment, and pricing. In other Commission Lead Staff roles, Mr. Roberts was responsible for managing entire regulatory proceedings, from drafting announcement Orders establishing the proceeding scope and timetable, through to drafting Decision sections regarding pricing, demand forecasts, and resource plan requirements. CFC notes Payscale.com reports that amongst the professional skills weighing most on remuneration for economists, policy analysis, forecasting, and research analysis each command above-average pay rates. Mr. Roberts is an expert forecaster, having over ten years of experience.  As a regulatory consultant, Mr. Roberts provided economic analysis supporting the British Columbia Public Interest Advocacy Centre on behalf of the British Columbia Old Age Pensioners Organisation (BCOAPO), for regulatory proceedings involving the provincial Crown Corporation auto insurance company, the Insurance Corporation of British Columbia. Mr. Roberts has used his economics and statistics acumen as a facsimile for actuarial support, on behalf of the BCOAPO.  Based on Mr. Roberts’s combination of corporate manager/analyst, regulatory economist, and public interest advocacy experience, CFC believes he brings a valuable, 360‑degree perspective as a regulatory specialist.  For determining a reasonable hourly rate for Mr. Roberts, CFC started by examining the CPUC published hourly rates for various experts, reported in the IComp “Hourly Rate Table.” CFC looked for experts comparable with Mr. Roberts, based on academic background, professional resume, and regulatory experience, supplemented by examinations of recent compensation claim descriptions of their proceeding contributions.  CFC identified TURN consultants/experts John Sugar, Bill Marcus, Garrick Jones, Jeffrey Nahigian, and Kevin Woodruff as potential comparables to Mr. Roberts. These individuals were selected due to their combinations of education, experience, and most importantly, their contributions to recent TURN interventions, in terms of written testimony and analytical analysis/modelling.  CFC examined the recent record of rates approved for the aforementioned economists, analysts, and experts—per data presented in the CPUC “Hourly Rate Table.” Using only the approved hourly rates for TURN consultants, CFC identified a range of $140 to $450. CFC notes this range is consistent with that shown in Table 2 of ALJ-329, at page 4.  CFC reviewed the details of work undertaken by Messer’s. Marcus, Sugar, Jones, and Nahigian in support of TURN’s intervention in the PG&E 2014 GRC proceeding. CFC concluded that the nature of submissions made by Messer’s Sugar and Marcus on behalf of TURN’s intervention most closely approximated that provided by Mr. Roberts in support of CFC’s intervention in the PG&E 2017 GRC, Phase I proceeding.  In terms of resumes, Mr. Roberts’s background is also quite similar to that of Messer’s Sugar and Marcus. All three have acted as Senior Economists for the organizations at which they were employed—especially regarding Mr. Marcus, as both he, and Mr. Roberts, served that role with state (in Mr. Roberts’s case, provincial) utility commissions.  Both Mr. Sugar and Mr. Roberts undertook parallel tasks: reading the application, identifying and developing preliminary Issues; drafting data requests; analysing data responses; formulating intervenor position; writing testimony; advising attorneys on final position.  Overall, CFC considers Mr. Marcus’s work as most broadly similar to Mr. Roberts’s. The difference is that Mr. Marcus has been participating in CPUC proceedings for many, many years, and written testimony in a considerable number of cases. Like Mr. Marcus, Mr. Roberts has proposed mathematical means for evaluating regulatory performance. For this reason, CFC believes it important to establish a commensurate rate for Mr. Roberts in this proceeding that fully reflects his education, extensive corporate and Commission experience, and aligns with this expectation. On balance, CFC considers Mr. Roberts’s background and skill set as somewhat more comparable with Mr. Marcus than Mr. Sugar. Mr. Marcus recently realized an approved rate of $270 per hour.  All three have corporate management experience. As Manager, Fuel Management with the British Columbia Ferry Corporation, Mr. Roberts was responsible for developing the corporate fuel hedging program for C-suite approval, and establishing the initial fuel hedging strategy. Mr. Roberts was responsible for the program’s $(CAD)35 million budget. As Manager, Tariff, and as Senior Analyst, Tariff and Revenue, Mr. Roberts worked either independently or jointly with his colleague, Mr. Peter Hildebrand, in administering the corporate tariff, and its associated $(CAD)360 million toll revenue operations, including product line supervision of over 2,000 ticket agents.  CFC obtained information on the impact of years of experience on the pay of economists from recognized human resources advisory site Payscale.com. Payscale.com deems 5 to 10 years of experience as “mid-career.” Mr. Roberts, as well as Messer’s. Sugar and Marcus, are all clearly beyond mid-career, in terms of both overall experience and regulatory experience.  Payscale.com describes how economists’ salaries progress with years of experience. (Note that Payscale’s reported progression is for all economists, regardless of industry.)  “Pay by Experience for an Economist has a positive trend. An entry-level Economist with less than 5 years of experience can expect to earn an average total compensation of $63,000 based on 531 salaries provided by anonymous users. Average total compensation includes tips, bonus, and overtime pay. An Economist with mid-career experience which includes employees with 5 to 10 years of experience can expect to earn an average total compensation of $89,000 based on 168 salaries. An experienced Economist which includes employees with 10 to 20 years of experience can expect to earn an average total compensation of $102,000 based on 114 salaries. An Economist with late-career experience which includes employees with greater than 20 years of experience can expect to earn an average total compensation of $119,000 based on 49 salaries.”    CFC converted Payscale.com’s assessment of economist compensation, by years of practice, into a dollar index. The dollar index shows the ratio of how much an economist with the selected number of years of experience would command, as a multiple of the pay for an early-career economist, with 0-to-5 years of experience):    CFC developed a formula, capturing the impact of experience years on economist pay, based on Payscale.com’s above assessment. The formula produces an indexed dollar value, by years of experience, using an exponential formulation:  Dollars in Experience Year i = 0.6815 + 0.3534 • ln (Experience Years)      (Assuming a potential career of 40 years, CFC deemed “an experienced professional with over 20 years” as having 30 years of experience.)  The formula output is a dollar index, indicating the ratio of what an economist, with any selected years of experience, should earn, compared to an ‘early career’ (0-to-5 years of experience) economist.  The dollar index values allow comparison of expected pay for economists with different years of experience. (For example, the formula result (the dollar index value) for 5 years of experience is $1.250; the result for 15 years of experience is $1.639. The ratio is $1.639/$1.250=1.31. Thus, it would be expected that an economist with 15 years of experience would earn 31% more than one with 5 years of experience.)  In his JBS Energy bio, Mr. Marcus is described as having joined the California Energy Commission in 1978, after having completed his M.A., in 1975, and then having served as a Research Analyst at the Kennedy School of Government, from 1975 to 1978. CFC assumed 39 years of corporate (whether industry or governmental) experience for Mr. Marcus. Mr. Sugar’s bio indicates his professional career started in 1975, with his engagement with state health, social service, and transportation programs. On this basis, Mr. Sugar has 42 years of experience. Mr. Roberts has 22 total years as a practitioner. The formula produces the following results, for the experience dimension:  Therefore, on an experience-basis only, the indicated rate for Mr. Roberts is 0.898 • $275 = $245.  II. Training Basis  Regarding academic credentials, Mr. Sugar has an M.A. in Public Policy. Mr. Marcus has an M.A. in Economics. Mr. Roberts has a M.Sc. in Business Administration.  Mr. Roberts is a Member of the Association of Professional Economists of British Columbia.  Mr. Roberts is a graduate of the University of British Columbia’s Master of Science (Bus. Admin.) program. UBC’s M.Sc. program requires completion of core MBA courses, courses in the candidate’s area of specialty, and successfully writing and defending a thesis. Having already held a B.A. in Economics, his specialty courses were in applied economics, logistics, operations management, and marketing management (particularly, pricing). His thesis was an applied economics evaluation of Canada-United States air transportation services agreements, and the associated implications for airline pricing and competition in Canada.  For the training-based component of Mr. Roberts’s hourly rate, CFC reviewed current information on Economist and similar profession compensation from Payscale.com.  **Table 1 - Payscale.com Reported Pay by Degree**    For comparisons, CFC looked at the differential Mid-Career Pay, reported by Payscale.com, per the above table, for holders of the degrees similar to those of Messer’s Roberts, Sugar, and Marcus. Mr. Marcus has an M.A. in Economics, Mr. Sugar has an M.A. in Public Policy Analysis, and so their degrees are directly identifiable in the table. For Mr. Roberts, the table does not have a directly identifiable degree equivalent to UBC’s Master of Science in Business Administration. Therefore, CFC used both MBA-Marketing & Management and MBA-Operations & Supply Chain Management as comparables.    Therefore, on a training-basis only, the indicated rate for Mr. Roberts is 1.048 • $275 = $290.  Additionally, Mr. Roberts is a Commercial Pilot. As such, he has a level of formal training in electronics that exceeds what would be typical of most regulatory economists, and directly pertinent to competently understanding and addressing issues with respect to electricity distribution.  Finally, CFC notes the California State Auditor’s Report (Report 2012-118) recommendation that the Commission update its hourly rates via a new market rate study—the last one having been done in 2005—for compliance with state law. If the Commission has in fact undertaken the recommended update, CFC requests that the rate approved for Mr. Roberts reflect the new rate indications based on the updated market study.  III. Weighting  Of course, the eventual hourly rate is a combination of the indicated Experience and Training rates. CFC inquired with the Commission regarding whether an algorithm for weighting the contributory factors was available. Absent such a mechanism, CFC examined two possible weighting scenarios.  The first scenario simply applied 50% weights for each of experience and training. For Mr. Roberts, an equal weighting of his Experience rate ($247) and Training rate ($288) results in a net hourly rate of $267.50—when rounded, per standard Commission practice, his rate would be $270. However, CFC notes that, under this weighting, a higher rate for Mr. Sugar is indicated: $240 per hour, instead of his most-recently approved $225.  The second scenario used a weighting such that the rates for Messer’s Sugar and Marcus reflect their most recently-approved rates ($275 and $225, respectively). The weighting consistent with those approved rates is 30% Experience, 70% Training. On that basis, a rate of $277.41 is indicated for Mr. Roberts—on rounding, $275.  IV. Recommended Rate  As this basis leads to rates consistent with those actually awarded to Messer’s Marcus and Sugar, CFC recommends an hourly rate for Mr. Roberts of $275. |

**D. CPUC Disallowances and Adjustments:**

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| **Item** | **Reason** |
| Hours Reduction | Because of the excessive amount of duplication of the work of other parties and CFC Foundation’s repeated misstatements about the extent of its contribution and duplication, and because of CFC Foundation’s continued unwillingness to acknowledge that other parties advocated for residential customers, Nicole Johnson’s hours and Tony Roberts’ hours were reduced by approximately 50%. |
| Hourly Rate Reduction for Mr. Roberts | CFC Foundation requested an hourly rate of $275 for Mr. Roberts. However, the Commission recently set Mr. Roberts’ hourly rate at $240 and we adopt that rate here. See D.18-07-035. |
| Claim Preparation | We reduced the hours deemed reasonable for claim preparation due to miscalculations, references to issues not in this proceeding, and vague timesheets. |

**PART IV: OPPOSITIONS AND COMMENTS**

**Within 30 days after service of this Claim, Commission Staff or any other party may file a response to the Claim (*see* § 1804(c))**

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| **A. Opposition: Did any party oppose the Claim?** | No |

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| **B. Comment Period: Was the 30-day comment period waived (*see* Rule 14.6(c)(6))?** | No |

If not:

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| **Party** | **Comment** | **CPUC Discussion** |
|  | No comments received. |  |

**FINDINGS OF FACT**

1. Consumer Federation of California Foundation has made a substantial contribution to D.16-09-016 and D.17-09-036.
2. The requested hourly rates for Consumer Federation of California Foundation’s representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is $54,085.00.

**CONCLUSION OF LAW**

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

**ORDER**

1. Consumer Federation of California Foundation shall be awarded $54,085.00.
2. Within 30 days of the effective date of this decision Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company must pay Consumer Federation of California Foundation their respective shares of the award, based on their California-jurisdictional 2017 electric revenues. Payment of the award must include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning February 14, 2018, the 75th day after the filing of Consumer Federation of California Foundation’s request, and continuing until full payment is made.
3. The comment period for today’s decision is not waived.

This decision is effective today.

Dated September 27, 2018, at Sacramento, California.

MICHAEL PICKER

President

CARLA J. PETERMAN

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

Commissioners

**APPENDIX**

Compensation Decision Summary Information

|  |  |  |  |
| --- | --- | --- | --- |
| Compensation Decision: | D1809040 | Modifies Decision? | No |
| Contribution Decisions: | D1609016 and D1709036 | | |
| Proceeding: | R1206013 | | |
| Author: | ALJ McKinney, ALJ Tsen, and ALJ Park | | |
| Payers: | Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company | | |

Intervenor Information

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Intervenor | Claim Date | Amount Requested | Amount Awarded | Multiplier? | Reason Change/Disallowance |
| Consumer Federation of California Foundation  (CFC Foundation) | 12/1/17 and Amended on 3/5/18 | $99,045.00 | $54,085.00 | N/A | *See* CPUC Disallowances and Adjustments, above. |

Advocate Information

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| First Name | Last Name | Type | Intervenor | Hourly Fee Requested | Year Hourly Fee Requested | Hourly Fee Adopted |
| Nicole | Johnson | Attorney | CFC Foundation | $300 | 2015 | $300 |
| Nicole | Johnson | Attorney | CFC Foundation | $305 | 2016 | $305 |
| Nicole | Johnson | Attorney | CFC Foundation | $310 | 2017 | $310 |
| Tony | Roberts | Expert | CFC Foundation | $275 | 2017 | $240 |

**(END OF APPENDIX)**

1. On March 27, 2018, Consumer Federation of California filed a notice of name change from Consumer Federation of California to Consumer Federation of California Foundation (CFC Foundation). We incorporate the name change here and throughout the amended request. [↑](#footnote-ref-1)
2. We correct here and throughout the amended requested amount of $99,045, which was based on two mathematical errors. [↑](#footnote-ref-2)
3. We correct here the originally requested amount of $14,323 based on a mathematical error. [↑](#footnote-ref-3)
4. *See* D.18-07-035. [↑](#footnote-ref-4)
5. We correct here the original requested subtotal of $95,686 based on a mathematical error. [↑](#footnote-ref-5)
6. This information may be obtained through the State Bar of California’s website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>. [↑](#footnote-ref-6)