

Decision 22-04-026

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

**DECISION GRANTING COMPENSATION TO
THE UTILITY REFORM NETWORK
FOR SUBSTANTIAL CONTRIBUTION TO DECISION 20-11-007**

Intervenor: The Utility Reform Network (“TURN”)	For contribution to Decision (D.) 20-11-007
Claimed: \$50,220.00	Awarded: \$50,220.00
Assigned Commissioner: Alice Reynolds ¹	Assigned ALJ: Jason Jungreis

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	In D.20-11-007, the Commission granted, with conditions, the request of Southern California Edison Company (SCE) for authority to issue a Recovery Bond and thereby to securitize certain capital expenditures the Commission previously found reasonable and otherwise eligible for rate recovery. The decision authorizes recovery of the bond-related principal, interest and costs via a Fixed Recovery Charge. It also directed creation of a Finance Team for ongoing review and, ultimately, approval of the structure of the Recovery Bond, and addressed the process for presentation and review of requests for future financing orders.
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¹ Proceeding was reassigned from President Batjer to President Alice Reynolds on March 3, 2022.

B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:²

	Intervenor	CPUC Verification
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	9/4/20	Verified
2. Other specified date for NOI:		
3. Date NOI filed:	10/5/20	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.19-01-011	Verified
6. Date of ALJ ruling:	July 26, 2019	Verified
7. Based on another CPUC determination (specify):	N/A	
8. Has the Intervenor demonstrated customer status or eligible government entity status?		Yes
Showing of “significant financial hardship” (§ 1802(h) or § 1803.1(b)):		
9. Based on ALJ ruling issued in proceeding number:	R.19-01-011	Verified
10. Date of ALJ ruling:	July 26, 2019	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:	D.20-11-007	Verified
14. Date of issuance of Final Order or Decision:	11/10/20	Verified
15. File date of compensation request:	12/18/20	Verified
16. Was the request for compensation timely?		Yes

² All statutory references are to California Public Utilities Code unless indicated otherwise.

PART II: SUBSTANTIAL CONTRIBUTION

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

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>1. Reducing Customer Rates To The Maximum Extent Possible: TURN challenged SCE's showing of compliance with the new statutory standard requiring that securitization serve to reduce customer rates to the maximum extent possible. TURN's briefs argued that if the Commission only considered SCE's proposal, it must deny the request as having failed to satisfy the standard. 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.</p>	<p>TURN Opening Brief, pp. 5-10; TURN Reply Brief, pp. 1-6.</p> <p>D.20-11-007, pp. 42-50, and Findings of Fact 4, 11-12, 32, 37, and Conclusions of Law 1, 5, 26, 28, and 42.</p>	Verified
<p>2. Inter-Class Cost Allocation Issues For Fixed Customer Charge: TURN opposed SCE's proposal to allocate costs associated with the CARE and FERA exemptions using a distribution allocator rather than the previously-adopted methods for allocating costs of CARE and FERA discounts. The Commission required the exemption costs to be allocated</p>	<p>TURN Opening Brief, pp. 11-13; TURN Reply Brief, p. 8.</p> <p>D.20-11-007, pp. 80-81.</p>	Verified

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>consistent with the long-standing practice of allocating other discount costs, and cited with favor TURN's argument regarding flaws in SCE's logic.</p> <p>TURN supported the Public Advocates Office (Cal Advocates) proposal to allocate Fixed Recovery Charge costs on an equal-cents-per-kilowatt-hour basis, but recommended that the cost allocation issue be deferred to a SCE's GRC Phase 2 proceeding for fuller development. The Commission adopted SCE's proposed distribution allocator for purposes of this proceeding, but deferred the broader issue to the Phase 2 proceeding and expressly retained its authority to revisit such allocation issues.</p>	<p>TURN Opening Brief, pp. 13-14; TURN Reply Brief, p. 6-8.</p> <p>D.20-11-007, pp. 79-80.</p>	
<p>3. Required Procedure for Future Financing Order Applications: TURN opposed SCE's proposal to have future financing order requests presented in advice letters with an even more accelerated timeline than the 180 day period set forth in statute, and recommended that the Commission require a formal and well-supported application for the next such request. The Commission determined that such future requests require a formal application.</p>	<p>TURN Opening Brief, pp. 14-17; TURN Reply Brief, pp. 8-10.</p> <p>D.20-11-007, pp. 83-84, and COL 82.</p>	Verified
<p>4. Bill Presentment and Calculation Issues: TURN presented alternative bill presentment language for explanation of the Fixed Recovery Charge. SCE purported to accept TURN's alternative, but proposed modifications the TURN opposed as</p>	<p>TURN Opening Brief, pp. 19-20; TURN Reply Brief, pp. 10-11.</p> <p>D.20-11-007, p. 70 and COL 46.</p>	Verified

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
unnecessary. The Commission adopted TURN's proposed language.		
5. Comments on Proposed Decision: TURN's comments on the Proposed Decision addressed several issues warranting clarification. The final decision acknowledged TURN's comments as "presented in the interest of the Financing Order's clarity, and were helpful, and have been incorporated in one form or another without opposition."	TURN Opening Comments (10/23/20). D.20-11-007, p. 86, FOF 5, COL 44.	Verified

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

	Intervenor's Assertion	CPUC Discussion
a. Was the Public Advocates Office (formerly Office of Ratepayer Advocates) a party to the proceeding?³	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: Wild Tree Foundation, Energy Producers and Users Coalition (EPUC), California Large Energy Consumers Association (CLECA)		Verified
d. Intervenor's claim of non-duplication: There were a number of active intervenors with positions that were similar to those TURN took on some but not all of the key issues in this proceeding. For example, the Public Advocates Office seemed to find SCE's proposed securitization transaction generally reasonable without addressing the need for ongoing participation of a "Finance Team," but opposed the utility's cost allocation proposal (opposing SCE's general use of a distribution allocator, which eliminated the need to specifically address SCE's proposed changes to CARE and FERA cost allocation) and proposal for review of future securitization proposals. Wild Tree Foundation focused on the need for a "Finance Team," and opposed SCE's proposed reliance on an advice letter		Noted

³ The Office of Ratepayer Advocates was renamed Public Advocates Office of the Public Utilities Commission pursuant to Senate Bill 854, which the Governor approved on June 27, 2018.

	Intervenor's Assertion	CPUC Discussion
<p>process for future proposals, but did not address cost allocation issues. CLECA and EPUC raised important criticisms of the proposed terms and conditions of the securitization transaction at issue here and, in the case of CLECA, also opposed the advice letter process for future proposals, but both supported and sought to bolster SCE's cost allocation proposals, both on a general basis and as applied to CARE and FERA customers.</p> <p>Given the array of issues addressed and positions taken among the intervenors, effective coordination among the parties would have been challenging at best. The accelerated timetable for this proceeding made it even more difficult than usual to closely coordinate with other intervenors holding similar positions on at least some of the issues TURN addressed in the proceeding. However, TURN sought to coordinate with other active intervenors (particularly Wild Tree Foundation) on both substantive and procedural matters at relevant times during the proceeding, as indicated in TURN's time records. As a result, TURN was able to rely on Wild Tree Foundation's substantive showing in testimony on the need for a Finance Team, and to provide additional support for that position in briefs.</p> <p>The Commission should find that TURN's participation was reasonably coordinated with the participation of the Public Advocates Office and other intervenors under the circumstances so as to avoid undue duplication, and to ensure that, whenever duplication occurred, it served to supplement, complement, or contribute to the showing of the other intervenors. And consistent with such a finding, the Commission should determine that all of TURN's work is compensable consistent with the conditions set forth in Section 1802.5.</p>		

PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

	CPUC Discussion
<p>a. Intervenor's claim of cost reasonableness:</p> <p>TURN typically illustrates the cost reasonableness of its efforts by comparing the requested amount of compensation with the dollar value attributable at least in part to its efforts, usually in the form of reductions to the authorized revenue requirement or authorized cost recovery. Here, SCE's application presented issues for which a direct revenue requirement impact is not immediately</p>	Noted

	CPUC Discussion
<p>calculable. The securitization transaction has not yet occurred, and the Commission will not know be in a position to assess whether TURN's positions led to lower costs to ratepayers until the later review of the actual Recovery Bond. However, the Recovery Bond has a total principal amount of nearly \$327 million for the "Initial AB 1054 CapEx," with additional fee and cost forecasts of approximately \$10 million. TURN's request for compensation totals approximately \$50,000, and is a very small fraction of just the associated fees and costs for the transaction. TURN's efforts to ensure that SCE will actually achieve rate reductions to the maximum extent possible, primarily through supporting other parties' efforts to require Finance Team approval to establish reasonableness, achieved important ratepayer protections and, hopefully, cost savings. The Commission should find reasonable TURN's requested amount of compensation here given the importance of the issues implicated in this proceeding.</p>	
<p>b. Reasonableness of hours claimed:</p> <p>TURN's attorneys and analysts recorded a reasonable number of hours for their work in this matter. The total hours of professional time included in this request for compensation (90 hours, excluding compensation-related entries) is the equivalent of just over two weeks of full time work for a single attorney. TURN's efforts covered the initial review and analysis of SCE's application, coordination with other interested parties, preparation of a protest to the application, preparation for and participation in the prehearing conference as well as the informational meeting SCE conducted, preparation of an opening and reply brief, and review of the Proposed Decision and preparation of opening comments. This cumulative total should be found reasonable under the circumstances.</p> <p>The majority of the requested hours represent the work of Robert Finkelstein, TURN's General Counsel, who served as the organization's lead attorney in this proceeding and prepared and sponsored TURN's direct testimony. Thomas Long (Legal Director), Hayley Goodson (Staff Attorney), David Cheng (Staff Attorney), Eric Borden (Energy Policy Analyst) and Jennifer Dowdell (Energy Policy Analyst, each assisted with each specific topic within their area of expertise, as well as with general review and analytical support, and input on TURN's positions.</p> <p><u>Compensation Request Preparation Time:</u> TURN is requesting compensation for 6.5 hours devoted to compensation-related matters, of which 6.0 hours is for preparation of this request for compensation. Mr. Finkelstein prepared this request for compensation because his role as lead attorney for TURN for the majority of this proceeding enabled him to prepare the request in a far more</p>	

		CPUC Discussion								
<p>efficient manner than if it were prepared by a TURN attorney less familiar with the proceeding and TURN’s work therein.</p> <p>TURN submits that the recorded hours are reasonable. Therefore, TURN seeks compensation for all of the hours recorded by our attorneys that are included in this request.</p>										
<p>c. Allocation of hours by issue:</p> <p>TURN has allocated all of our attorney time by issue area or activity, as evident on the timesheets attached to this request. TURN typically employs codes that relate to specific substantive issue and activity areas addressed by TURN in a proceeding, as well as general activities that are part of nearly all CPUC proceedings, such as tasks associated with general participation, and work undertaken after the Proposed Decision issues. Here, TURN has taken a slightly different approach. For much of the work associated with preparing testimony and briefs, TURN’s efforts addressed a variety of issues associated with the determination of the reasonableness of SCE’s proposed securitization and associated ratemaking and bill presentation issues, but in a relatively compressed period that required near-simultaneous work on each issue. Therefore, TURN has included several categories that allocate the recorded time by period of work rather than specific issues (#, OB and RB). For each of these categories, TURN has provided an estimate of how the time would be allocated among specific issues.</p> <table><tr><th>Code</th><th>Stands for:</th></tr><tr><td>MaxRed</td><td>Maximum Reduction – issues associated with achieving compliance with the new statutory standard in Section 850.1(a)(1)(A)(ii)(III).</td></tr><tr><td>CostAlloc</td><td>Cost Allocation – issues associated with both general inter-class cost allocation, and allocation of costs of CARE and FERA exemptions</td></tr><tr><td>#</td><td>Time entries that cover substantive issue work that cannot easily be identified with a specific activity code. Here, the work on maximum reduction, cost allocation, process for future applications, and bill presentation issues often occurred during the same day and were hard to specifically identify. TURN proposes that the Commission allocate these entries as follows: 30% to maximum reduction; 30% to cost allocation; 20% to future application requirements; 10% to bill presentation; and 10% to other.</td></tr></table>		Code	Stands for:	MaxRed	Maximum Reduction – issues associated with achieving compliance with the new statutory standard in Section 850.1(a)(1)(A)(ii)(III).	CostAlloc	Cost Allocation – issues associated with both general inter-class cost allocation, and allocation of costs of CARE and FERA exemptions	#	Time entries that cover substantive issue work that cannot easily be identified with a specific activity code. Here, the work on maximum reduction, cost allocation, process for future applications, and bill presentation issues often occurred during the same day and were hard to specifically identify. TURN proposes that the Commission allocate these entries as follows: 30% to maximum reduction; 30% to cost allocation; 20% to future application requirements; 10% to bill presentation; and 10% to other.	
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#	Time entries that cover substantive issue work that cannot easily be identified with a specific activity code. Here, the work on maximum reduction, cost allocation, process for future applications, and bill presentation issues often occurred during the same day and were hard to specifically identify. TURN proposes that the Commission allocate these entries as follows: 30% to maximum reduction; 30% to cost allocation; 20% to future application requirements; 10% to bill presentation; and 10% to other.									

		CPUC Discussion
OB	Opening Brief – again, the work on many of the issues covered in the opening brief is not easily identified by specific activity due to the interrelated work on reasonableness and cost sharing issues. TURN proposes that the Commission allocate these entries as follows: 30% to maximum reduction; 20% to cost allocation; 30% to future application requirements; and 20% to bill presentment.	
RB	Reply Brief. TURN proposes that the Commission allocate these entries as follows: 50% to maximum reduction; 20% to cost allocation, 20% to future application requirements, and 10% to bill presentment.	
GP	General Participation -- work that is essential to TURN's participation but would not vary with the number of issues that TURN addresses, for the most part. This code appears most regularly during early stages of a proceeding, such as the initial review of the application and testimony, the preparation of the protest and participation in the prehearing conference, and other tasks throughout the course of the proceeding that are of a more general nature.	
Coord	Coordination with other parties – meetings, e-mails and phone calls w/ Public Advocates Office, Wild Tree Foundation, and Energy Producers and Users Coalition.	
PD	Proposed Decision -- work on reviewing, analyzing, and commenting on the Proposed Decision and revisions thereto.	
Comp	Time devoted to compensation-related pleadings	
TURN submits that under the circumstances this information should suffice to address the allocation requirement under the Commission's rules. Should the Commission wish to see additional or different information on this point, TURN requests that the Commission so inform TURN and provide a reasonable opportunity for TURN to supplement this showing accordingly.		

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Robert Finkelstein	2020	82.5	\$555.00	D.20-11-042	\$45,787.50	82.5	\$555.00	\$45,787.50
Thomas Long	2020	0.75	\$630.00	See Comment 1	\$472.50	0.75	\$630.00 [1]	\$472.50
Hayley Goodson	2020	1.25	\$455.00	D.20-09-032	\$568.75	1.25	\$455.00	\$568.75
David Cheng	2020	0.5	\$375.00	D.20-11-042	\$187.50	0.5	\$375.00	\$187.50
Eric Borden	2020	1.0	\$220.00	See Comment 1	\$220.00	1.0	\$220.00 [2]	\$220.00
Jennifer Dowdell	2020	4.0	\$295.00	See Comment 1	\$1,180.00	4.0	\$295 [3]	\$1,180.00
Subtotal: \$48,416.25						Subtotal: \$48,416.25		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Robert Finkelstein, General Counsel	2020	6.5	\$277.50	½ of 2020 rate	\$1,803.75	6.5	\$277.50	\$1,803.75
Subtotal: \$1,803.75						Subtotal: \$1,803.75		
TOTAL REQUEST: \$50,220.00						TOTAL AWARD: \$50,220.00		
<p>*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.</p> <p>**Travel and Reasonable Claim preparation time are typically compensated at ½ of preparer’s normal hourly rate</p>								

CLAIMED			CPUC AWARD
ATTORNEY INFORMATION			
Attorney	Date Admitted to CA BAR ⁴	Member Number	Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation
Robert Finkelstein	June 1990	146391	No
Thomas Long	December 1986	124776	No
Hayley Goodson	December 2003	228535	No
David Cheng	June 2015	303794	No

C. Attachments Documenting Specific Claim and Comments on Part III:

Attachment or Comment #	Description/Comment
Attachment 1	Certificate of Service
Attachment 2	Timesheets for TURN’s Attorneys and Analysts
Attachment 3	TURN Hours Allocated by Issue
Comment 1	<p>Hourly Rates for TURN Attorneys and Analyst</p> <p><u>2020 Rates for TURN Attorneys and Consultants</u></p> <p>The Commission has previously authorized 2020 hourly rates for TURN’s attorneys Finkelstein, Goodson and Cheng. TURN has used those rates here.</p> <p>For Thomas Long, Legal Director, TURN seeks the Commission-authorized COLA for 2020 (2.55% - Res. ALJ-387) to the previously-authorized rate of \$615 for 2019 (D.19-11-015), then rounded to the nearest \$5 increment to arrive at \$630.</p> <p>For Eric Borden, Energy Policy Analyst, TURN also seeks to apply the 2020 COLA to the previously-authorized rate of \$215 (D.20-04-025), then rounded to \$220.</p> <p>For Jennifer Dowdell, Energy Analyst, TURN seeks to increase the previously-authorized rate of \$275 (D.20-06-010) by the 2020 COLA, plus the first of the two “step” increases of 5% that the Commission reaffirmed in Res. ALJ-387. Therefore, TURN has increased the rate of \$275 for 2019</p>

⁴ This information may be obtained through the State Bar of California’s website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

Attachment or Comment #	Description/Comment
	work by 7.55%, which yields an hourly rate of \$295 for 2020 work when rounded to the nearest \$5 increment.

D. CPUC Comments, Disallowances, and Adjustments (*CPUC completes*)

Item	Reason
[1]	The 2020 rate for Thomas Long reflects the 2019 rate set in D.19-11-015 increased by 2.55% to reflect the 2020 Cost of Living Adjustment established in Res. ALJ-387.
[2]	The 2020 rate for Eric Borden reflects the 2019 rate set in D.20-04-025 increased by 2.55% to reflect the 2020 Cost of Living Adjustment established in Res. ALJ-387.
[3]	The 2020 rate for Jennifer Dowdell reflects the 2019 rate set in D.20-06-010, with a 5% step increase and a 2.55% Cost of Living Adjustment as established in Res. ALJ-387.

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))**

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	Yes

FINDINGS OF FACT

1. The Utility Reform Network (TURN) has made a substantial contribution to D.20-11-007.
2. The requested hourly rates for The Utility Reform Network's representatives 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 are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$50,220.00.

CONCLUSION OF LAW

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

ORDER

1. The Utility Reform Network shall be awarded \$50,220.00.
2. Within 30 days of the effective date of this decision Southern California Edison Company shall pay The Utility Reform Network the total award. Payment of the award shall 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 March 3, 2021, the 75th day after the filing of The Utility Reform Network's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated April 7,2022, at San Francisco, California.

ALICE REYNOLDS

President

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE L. HOUCK

JOHN R.D. REYNOLDS

Commissioners

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:	D2204026	Modifies Decision?	No
Contribution Decision(s):	D2011007		
Proceeding(s):	A2007008		
Author:	ALJ Jungreis		
Payer(s):	Southern California Edison Company		

Intervenor Information

Intervenor	Date Claim Filed	Amount Requested	Amount Awarded	Multiplier?	Reason Change/ Disallowance
The Utility Reform Network	12/18/20	\$50,220.00	\$50,220.00	N/A	N/A

Hourly Fee Information

First Name	Last Name	Attorney, Expert, or Advocate	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Robert	Finkelstein	Attorney	\$555	2020	\$555.00
David	Cheng	Attorney	\$375	2020	\$375.00
Thomas	Long	Attorney	\$630	2020	\$630.00
Hayley	Goodson	Attorney	\$455	2020	\$455.00
Jennifer	Dowdell	Expert	\$295	2020	\$295.00
Eric	Borden	Expert	\$220	2020	\$220.00

(END OF APPENDIX)