

Decision \_\_\_\_\_

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

|   |   |
|---|---|
| Application of Pacific Gas and Electric Company for Authority to Establish Its Authorized Cost of Capital for Utility Operations for 2023 and to Reset the Cost of Capital Adjustment Mechanism (U39M). | Application 22-04-008<br>(Filed April 20, 2022)                         |
| And Related Matters.  | Application 22-04-009<br>Application 22-04-011<br>Application 22-04-012 |

**DECISION GRANTING COMPENSATION TO UTILITY CONSUMERS’ ACTION NETWORK FOR SUBSTANTIAL CONTRIBUTION TO DECISION 24-10-008**

|  |   |
|--|---|
| <b>Intervenor:</b> Utility Consumers’ Action Network     | <b>For contribution to Decision 24-10-008</b>     |
| <b>Claimed:</b> \$122,333.23                             | <b>Awarded:</b> \$104,866.23                      |
| <b>Assigned Commissioner:</b> John Reynolds <sup>1</sup> | <b>Assigned ALJ:</b> Brandon Gerstle <sup>2</sup> |

**PART I: PROCEDURAL ISSUES**

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| <b>A. Brief description of Decision:</b> | Applicants, the four Investor-Owned Utilities, filed their (Test Year) 2023 cost of capital applications with the Commission on April 20, 2022. These applications were consolidated, with the Assigned Commissioner’s Scoping Memo Ruling setting forth a number of policy issues for Parties to address in Phase 2 (upon conclusion of Phase 1). Phase 1 issues were resolved in Decision (D.) 22-12-031.<br><br>In Phase 2, the Scoping Memo requested the Parties address up to 10 issues (and sub-issues) such as “modifications to the Cost of Capital Mechanism (CCM)” as well as “other policy |
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<sup>1</sup> This proceeding was reassigned to Commissioner John Reynolds on March 3, 2026.

<sup>2</sup> This proceeding was reassigned to ALJ Brandon Gerstle on March 16, 2026.

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|  | <p>modifications” that included appropriate methodologies for calculating ROE, measures to prevent circularity, self-reference, and status quo biases. Additionally, “affordability considerations” was also identified as an issue. Other issues were identified too.</p> <p>D.24-10-008 resolved all issues in the scope of Phase 2. The Decision modified the Cost of Capital Mechanism that impacted the authorized cost of capital, as well as the returns on equity for each applicant. The Decision did not adopt any other policy modifications to future cost of capital applications.</p> |
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**B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812<sup>3</sup>:**

|   | <b>Intervenor</b> | <b>CPUC Verification</b>  |
|---|-------------------|---|
| <b>Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):</b>                                       |                   |   |
| 1. Date of Prehearing Conference:   | July 6, 2022      | Verified  |
| 2. Other specified date for NOI:  |                   |   |
| 3. Date NOI filed:  | August 4, 2022    | Verified  |
| 4. Was the NOI timely filed?  |                   | Yes   |
| <b>Showing of eligible customer status (§ 1802(b)) or eligible local government entity status (§§ 1802(d), 1802.4):</b> |                   |   |
| 5. Based on ALJ ruling issued in proceeding number:   | R.20-07-013       |   |
| 6. Date of ALJ ruling:  | December 14, 2020 |   |
| 7. Based on another CPUC determination (specify):   |                   | D.24-01-019 granted UCAN a finding of eligible customer status in Phase 1 of this proceeding; under the Commission’s Rules of Practice and Procedure (Rules) Rule 17.2, this finding continues through all phases of this proceeding. |

<sup>3</sup> All statutory references are to California Public Utilities Code unless indicated otherwise.

|  | <b>Intervenor</b> | <b>CPUC Verification</b>  |
|--|-------------------|---|
| 8. Has the Intervenor demonstrated customer status or eligible government entity status? |                   | Yes   |
| <b>Showing of “significant financial hardship” (§1802(h) or §1803.1(b)):</b>             |                   |   |
| 9. Based on ALJ ruling issued in proceeding number:                                      | R.20-07-013       |   |
| 10. Date of ALJ ruling:  | December 14, 2020 |   |
| 11. Based on another CPUC determination (specify):                                       |                   | D.24-01-019 granted UCAN a finding significant financial hardship in Phase 1 of this proceeding; under Rule 17.2, this finding continues through all phases of this proceeding. |
| 12. Has the Intervenor demonstrated significant financial hardship?                      |                   | Yes   |
| <b>Timely request for compensation (§ 1804(c)):</b>                                      |                   |   |
| 13. Identify Final Decision:   | D.24-10-008       | Verified  |
| 14. Date of issuance of Final Order or Decision:   | October 22, 2024  | Verified  |
| 15. File date of compensation request:   | December 18, 2024 | Verified  |
| 16. Was the request for compensation timely?   |                   | Yes   |

**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):**

| <b>Intervenor’s Claimed Contribution(s)</b>   | <b>Specific References to Intervenor’s Claimed Contribution(s)</b>                                       | <b>CPUC Discussion</b> |
|---|--|------------------------|
| <p>1. <i>UCAN contributed to the Ruling to modify the CCM.</i></p> <p>UCAN testified, briefed and presented arguments that the Decision incorporated into its holdings.</p> | <p>The Decision held that modifications to the CCM are warranted.<br/> <b>D.24-10-008, at p. 24.</b></p> | <p>Verified</p>        |

| Intervenor’s Claimed Contribution(s)   | Specific References to Intervenor’s Claimed Contribution(s)  | CPUC Discussion |
|--|--|-----------------|
| <p>UCAN’s Witness testified to the regulatory burden presently incurred in the current CCM process.<br/> <b>Phase 2 Opening Brief of UCAN, at pp. 2-4; Phase 2 Rebuttal Testimony of Karl Richard Pavlovic at pp. 4-6.</b></p> <p>UCAN’s Witness also raised concerns regarding the asymmetrical application of the CCM tilting in favor of the Utilities.<br/> <b>Phase 2 Opening Brief of UCAN, at p. 8; Phase 2 Rebuttal Testimony of Karl Richard Pavlovic at p. 6.</b></p> <p>In its Brief and Comments, UCAN argued that the CCM has not supported the goals of promoting regulatory efficiency and reducing the administrative burden on the utilities, intervenors, and Commission staff.<br/> <b>Phase 2 Opening Brief of UCAN, at pp. 4-6; Phase 2 Reply Brief, at p. 5; Opening Comments of UCAN on the Proposed Phase Two Decision, at p 3.</b></p> <p>And UCAN contended that the provisions of the CCM have been applied asymmetrically to the detriment of ratepayers. UCAN further argues that refining and revising the CCM process would not reduce the controversy around the CCM</p> | <p>The Decision supported its holdings by observing that “[o]ne of the primary goals of the CCM is to reduce the regulatory burden associated with annual cost of capital proceedings.<br/> <b>D.24-10-008, at p. 24.</b></p> <p>The Decision pronounced, “as noted by many parties, there is a structural asymmetry in the implementation of the CCM that favors shareholders.”<br/> <b>D.24-10-008, at p. 24.</b></p> <p>The Decision concurred with these conclusions. “Ratepayers have no direct path to challenge an upward CCM adjustment. If the CCM results in a downward adjustment to ROE, the Joint Utilities are able to file a cost of capital application outside of the CCM process citing to an “extraordinary or catastrophic event,” as allowed under D.08-05-035. If the CCM results in an upwards adjustment to ROE, ratepayer intervenors can protest the Joint Utilities’ Tier 2 Advice Letters implementing the CCM adjustments but cannot directly challenge the adjustments unless the Joint Utilities file an off-cycle application. Together, these features of the CCM do not necessarily lead to the reduction in regulatory burden on which the CCM is premised.”<br/> <b>D.24-10-008, at p. 24.</b></p> |                 |

| Intervenor’s Claimed Contribution(s)  | Specific References to Intervenor’s Claimed Contribution(s)  | CPUC Discussion |
|---|--|-----------------|
| <p>nor address the asymmetric application of the CCM.<br/> <b>Phase 2 Reply Brief of UCAN, at pp. 5-6; Phase 2 Rebuttal Testimony of Karl Richard Pavlovic at pp. 3-6 Opening Comments of UCAN on the Proposed Phase Two Decision, at pp. 2-3.</b></p> <p>UCAN’s Witness presented research and findings that presented a 20% adjustment factor is more appropriate.<br/> <b>Phase 2 Direct Testimony of Karl Richard Pavlovic at pp. 6-11; Phase 2 Rebuttal Testimony of Karl Richard Pavlovic at p. 2; Phase 2 Rebuttal Testimony of Marlon F. Griffing, at pp. 3-5.</b></p> <p>UCAN’s linear regression analysis of authorized ROEs against Baa utility bond rates is also persuasive, showing that a 100-basis point change in bond rates correlates with an approximate 21-basis point change in ROE over the period 2009-2023.<br/> <b>Phase 2 Opening Brief of UCAN, at pp. 6-7; Phase 2 Rebuttal Testimony of Karl Richard Pavlovic at pp. 9-10.</b></p> <p>UCAN supported Cal Advocates’ position and, along</p> | <p>The Decision agreed “Further, with ratepayer intervenors that a 50% adjustment factor likely leads to excessive changes to ROE.”<br/> <b>D.24-10-008, at p. 25.</b></p> <p>The Decision adopted “Cal Advocates’ proposal to modify the CCM to implement a 20% adjustment ratio instead of the current 50%.”<br/> <b>D.24-10-008, at p. 26.</b></p> <p>The Decision cited UCAN’s linear regression as a basis for its ruling. “Reducing the CCM adjustment ratio to 20% would better align CCM ROE changes with recent Commission Cost of Capital decision ROE changes, in addition to the nationwide average annual changes in ROEs noted by Cal Advocates and the linear regression analysis put forth by UCAN.”<br/> <b>D.24-10-008, at pp. 26-27.</b></p> <p>The Decision’s basis also incorporated these arguments. “While a 50% adjustment factor is used in these other</p> |                 |

| Intervenor’s Claimed Contribution(s)   | Specific References to Intervenor’s Claimed Contribution(s)   | CPUC Discussion  |
|--|---|--|
| <p>with its own findings, suggested at least that an adjustment factor of less than 50% and closer to 20% is more empirically accurate regarding the relationship between Baa utility bond yields and authorized ROEs.</p> <p><b>Phase 2 Reply Brief of UCAN, at pp. 5-6; Phase 2 Opening Brief of UCAN, at pp. 6-7; Phase 2 Rebuttal Testimony of Karl Richard Pavlovic at pp. 9-11 and Attachment 2; Phase 2 Rebuttal Testimony of Marlon F. Griffing, at p. 2; Reply Comments of UCAN on the Proposed Phase Two Decision, at pp. 3-4.</b></p> <p>UCAN concurred and supported the Decision’s holding that to adopt an earlier cost of capital application filing date – March 20 in the year prior to the test year - to provide more time for consideration of this complex issue by intervenors, and ultimately the Commission, in making its final determination.</p> <p><b>Opening Comments of UCAN on the Proposed Phase Two Decision, at pp. 1-2.</b></p> | <p>regulatory jurisdictions, it is not clear that the 50% adjustment factor is appropriate for a formula that relies solely on changes in utility bond yields relative to a benchmark rate and has a 100-basis point deadband, as the CCM does.”</p> <p><b>D.24-10-008, at p. 25.</b></p> <p>“It is reasonable to adopt an earlier cost of capital application filing date to provide more time for consideration of this complex issue by intervenors, and ultimately the Commission, in making its final determination. We adopt a new filing deadline of March 20 in the year prior to the test year, a modification from the current filing deadline of April 20 in the year prior to the test year.”</p> <p><b>D.24-10-008, at p. 7.</b></p> |  |
| <p><b>2. UCAN addressed the Scoping Memorandum Issues, as requested, regarding policy recommendations and, in particular, provided recommendations on ROE</b></p>  | <p>While the Decision, on the broader question of use of particular models or assumptions (i.e., issues 5(a) through 5(e)) above), declined to implement these constraints at this time, it did note the contribution of Intervenor’s.</p>  | <p>See Part III.D CPUC Comments, Disallowances, and Adjustments [1].</p> |

| Intervenor’s Claimed Contribution(s)  | Specific References to Intervenor’s Claimed Contribution(s)  | CPUC Discussion |
|---|--|-----------------|
| <p><i>calculation methodologies and modeling.</i> Even though the Decision did not adopt, as a whole, any policy-type recommendations, UCAN’s contribution helped more adequately complete the proceeding record and ensure a more comprehensive analysis of issues.</p> <p>UCAN’s Witness, per the Scoping Memo, addressed only issues 5(d) and 5(e). UCAN recommended excluding the risk premium approach (RPA) due to its reliance on inputs that do not reflect current market conditions and the fact that it introduces circularity into the process of determining a current ROE for a public utility.</p> <p><b>Phase 2 Opening Brief of UCAN, at pp. 9-14; Phase 2 Direct Testimony of Marlon F. Griffing, at pp. 2-5; Phase 2 Reply Brief of UCAN, at pp. 3-5.</b></p> <p>And in its Briefs and Comments, UCAN also presented, emphasized, and supported the arguments that the proceeding should address and incorporate aspects of affordability and protection for ratepayers.</p> <p><b>Phase 2 Reply Brief of UCAN, at pp. 1-2; Phase 2 Opening Brief of UCAN, at pp. 10-12.</b></p> | <p><b>D.24-10-008, at p. 29.</b></p> <p>Even though the ruling noted the limitations inherent in a Cost of Capital proceeding, the Decision echoed Intervenor’s emphasis on affordability and the duty to protect Utility customers from unreasonable risks.</p> <p>“On the question of affordability, the Commission agrees that affordability is of paramount importance. Cost of capital proceedings address affordability in that they set an allowed – but not guaranteed – rate of return for public utilities.”</p> |                 |

| Intervenor’s Claimed Contribution(s) | Specific References to Intervenor’s Claimed Contribution(s)   | CPUC Discussion |
|--------------------------------------|---|-----------------|
|                                      | <p><b>D.24-10-008, at pp. 29-30.</b></p> <p>“In approving a cost of capital, the Commission has a duty to utility ratepayers to protect them from unreasonable risks, including risks of imprudent management.</p> <p><b>D.24-10-008, at p. 30.</b></p> |                 |

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

|   | Intervenor’s Assertion | CPUC Discussion |
|---|------------------------|-----------------|
| <p><b>a. Was the Public Advocate’s Office of the Public Utilities Commission (Cal Advocates) a party to the proceeding?</b></p>   | Yes                    | Verified        |
| <p><b>b. Were there other parties to the proceeding with positions similar to yours?</b></p>  | Yes                    | Verified        |
| <p><b>c. If so, provide name of other parties:</b></p> <p>TURN, PCF, UCAN, EDF, and EPUC/IS</p>   |                        | Noted           |
| <p><b>d. Intervenor’s claim of non-duplication:</b></p> <p>UCAN presented unique research and findings, with its linear regression analysis of authorized ROEs against Baa utility bond rates, showing that a 100-basis point change in bond rates correlates with an approximate 21-basis point change in ROI, that directly contributed to the holding that a 20% adjustment factor was more appropriate. Phase 2 requested the Parties to address various and numerous topics, and, accordingly, UCAN addressed only a select few of the issues to avoid duplication of effort by other Intervenor’s. UCAN restrained its focus on calculation (methodology) and modeling concerns and left remaining policy issues to other Intervenor’s.</p> |                        | Noted           |

**PART III: REASONABLENESS OF REQUESTED COMPENSATION**

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

|   | CPUC Discussion |
|---|-----------------|
| <p><b>a. Intervenor’s claim of cost reasonableness:</b></p> <p>UCAN was conscientious about limiting its issue focus, and the number of hours it devoted, in this phase of A.22-04-008. As noted earlier, UCAN uniquely contributed to the determination of the CCM adjustment factor</p> | Noted           |

|   | <b>CPUC Discussion</b>   |                   |                   |                                    |        |     |   |       |     |              |               |             |                            |
|---|--|-------------------|-------------------|------------------------------------|--------|-----|---|-------|-----|--------------|---------------|-------------|----------------------------|
| <p>with its linear regression analysis of authorized ROEs against Baa utility bond rates, showing that a 100-basis point change in bond rates correlates with an approximate 21-basis point change in ROI. UCAN leveraged the expertise of its consultants to analyze the considerations associated with various ROE calculation methodologies and modeling as requested in the Scoping Memo. While not adopted in the final decision, this contribution, minimal in scope, did help form and complete the overall record in this proceeding.</p>   |  |                   |                   |                                    |        |     |   |       |     |              |               |             |                            |
| <p><b>b. Reasonableness of hours claimed:</b></p> <p>UCAN assigned a single staff attorney to Phase 2 of the proceeding and ensure its consultants focused on specific and non-duplicative issues. UCAN focused on areas where it could provide a substantial contribution and on which it had established research within the proceeding. All hours submitted to the Commission were crucial to UCAN’s substantial contribution.</p>   | <p>After the adjustments made to this claim, the remainder of the claimed hours are reasonable. <i>See Part III.D CPUC Comments, Disallowances, and Adjustments [1].</i></p> |                   |                   |                                    |        |     |   |       |     |              |               |             |                            |
| <p><b>c. Allocation of hours by issue:</b></p> <p>UCAN reviewed D.98-04-059 and has adopted the practice articulated in that decision of how to allocate time and costs by issue to the best of our understanding. In Part II.A above, UCAN identified its substantial contribution by issue, either where the Decisions cited UCAN’s participation or addressed issues/arguments raised by UCAN and that, in our opinion, added to the record of this proceeding. UCAN’s attached timesheet shows the work done as per Issue as so identified.</p> <table border="1" data-bbox="269 1310 1105 1612"> <thead> <tr> <th><b>Issue</b></th> <th><b>Hours</b></th> <th><b>Percentage</b></th> </tr> </thead> <tbody> <tr> <td><b>Issue #1: CCM Modifications</b></td> <td>114.59</td> <td>71%</td> </tr> <tr> <td><b>Issue #2: ROE Methodologies and Modeling</b></td> <td>47.92</td> <td>29%</td> </tr> <tr> <td><b>Total</b></td> <td><b>162.51</b></td> <td><b>100%</b></td> </tr> </tbody> </table> | <b>Issue</b>   | <b>Hours</b>      | <b>Percentage</b> | <b>Issue #1: CCM Modifications</b> | 114.59 | 71% | <b>Issue #2: ROE Methodologies and Modeling</b> | 47.92 | 29% | <b>Total</b> | <b>162.51</b> | <b>100%</b> | <p>Noted. Totals 100%.</p> |
| <b>Issue</b>  | <b>Hours</b>   | <b>Percentage</b> |                   |                                    |        |     |   |       |     |              |               |             |                            |
| <b>Issue #1: CCM Modifications</b>  | 114.59   | 71%               |                   |                                    |        |     |   |       |     |              |               |             |                            |
| <b>Issue #2: ROE Methodologies and Modeling</b>   | 47.92  | 29%               |                   |                                    |        |     |   |       |     |              |               |             |                            |
| <b>Total</b>  | <b>162.51</b>  | <b>100%</b>       |                   |                                    |        |     |   |       |     |              |               |             |                            |

**B. Specific Claim: \***

| CLAIMED                                      |      |       |          |                                      |             | CPUC AWARD                       |                 |             |
|--|------|-------|----------|--------------------------------------|-------------|----------------------------------|-----------------|-------------|
| ATTORNEY, EXPERT, AND ADVOCATE FEES          |      |       |          |                                      |             |                                  |                 |             |
| Item   | Year | Hours | Rate \$  | Basis for Rate*                      | Total \$    | Hours                            | Rate \$         | Total \$    |
| Edward Lopez                                 | 2023 | 4     | \$475    | D.24-01-019                          | \$1,900.00  | 3.25<br>[1]                      | \$460.00<br>[2] | \$1,495.00  |
| Edward Lopez                                 | 2024 | 54.5  | \$495    | See Comment 1                        | \$26,977.50 | 43.25<br>[1]                     | \$475.00<br>[2] | \$20,543.75 |
| Karl Pavlovic (Expert)                       | 2024 | 70.75 | \$885    | See Comment 3                        | \$62,613.75 | 68.00<br>[1]                     | \$885.00<br>[3] | \$60,180.00 |
| Marlon Griffing (Expert)                     | 2024 | 33.26 | \$885    | See Comment 4                        | \$29,435.10 | 24.06<br>[1]                     | \$885.00<br>[4] | \$21,293.10 |
| <b>Subtotal: \$120,926.35</b>                |      |       |          |                                      |             | <b>Subtotal: \$103,511.85</b>    |                 |             |
| INTERVENOR COMPENSATION CLAIM PREPARATION ** |      |       |          |                                      |             |                                  |                 |             |
| Item   | Year | Hours | Rate \$  | Basis for Rate*                      | Total \$    | Hours                            | Rate \$         | Total \$    |
| Edward Lopez                                 | 2024 | 5.25  | \$247.50 | ½ approved rate 2024 (See Comment 1) | \$1,299.38  | 5.25                             | \$237.50<br>[2] | \$1,246.88  |
| Courtney Cook-Sloan                          | 2024 | 1     | \$107.50 | ½ approved rate 2024 (See Comment 2) | \$107.50    | 1                                | \$107.50<br>[5] | \$107.50    |
| <b>Subtotal: \$1,406.88</b>                  |      |       |          |                                      |             | <b>Subtotal: \$1,354.38</b>      |                 |             |
| <b>TOTAL REQUEST: \$122,333.23</b>           |      |       |          |                                      |             | <b>TOTAL AWARD: \$104,866.23</b> |                 |             |

\*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. Intervenors' 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

| CLAIMED              |                                      |               | CPUC AWARD  |
|----------------------|--------------------------------------|---------------|---|
| ATTORNEY INFORMATION |                                      |               |   |
| Attorney             | Date Admitted to CA BAR <sup>4</sup> | Member Number | Actions Affecting Eligibility (Yes/No?)<br>If “Yes”, attach explanation |
| Edward Lopez         | 12/20/1991                           | 157052        | No  |

### C. Attachments Documenting Specific Claim and Comments on Part III<sup>5</sup>:

| Attachment or Comment #                                   | Description/Comment   |
|---|---|
| 1   | Certificate of Service  |
| Comment 1<br>Edward Lopez<br>Rate Request                 | Based on the approved \$475 2023 hourly rate, per D.24-01-019, the application of the Commission’s 4.07% escalation for 2024, and rounding to the nearest \$5 increment, UCAN requests the 2024 hourly rate for Mr. Lopez of \$495.   |
| Comment 2<br>Courtney Cook-Sloan<br>Rate Request          | Based on the approved \$205 2023 hourly rate, per D. 24-01-019, the application of the Commission’s 4.07% escalation for 2024, and rounding to the nearest \$5 increment, UCAN requests the 2024 hourly rate for Ms. Cook-Sloan of \$215.   |
| Comment 3<br>Dr. Karl Pavlovic<br>(Expert) Rate Request   | Based on the approved \$815 2022 hourly rate, per D.24-01-019, the application of the Commission’s 4.46% escalation for 2023 and 4.07% escalation for 2024, and rounding to the nearest \$5 increment, UCAN requests the 2023 hourly rate of \$850 and 2024 hourly rate of \$885 for Dr. Pavlovic |
| Comment 4<br>Dr. Marlon Griffing<br>(Expert) Rate Request | Based on the approved \$815 2022 hourly rate, per D.24-01-019, the application of the Commission’s 4.46% escalation for 2023 and 4.07% escalation for 2024, and rounding to the nearest \$5 increment, UCAN requests the 2023 hourly rate of \$850 and 2024 hourly rate of \$885 for Dr. Griffing |

### D. CPUC Comments, Disallowances, and Adjustments

| Item                                 | Reason  |
|--------------------------------------|---|
| [1] Lack of Substantial Contribution | <u>Lack of Substantial Contribution (16.77 hours):</u><br>UCAN seeks compensation for contributions made to address issues related to (1) modifications to the Cost of Capital mechanism (issues 5.a- 5.e in D.24-10-088 at 4-5) and (2) affordability (issue 5.f in D.24-10-088 at 5). The October 31, 2023 ALJ Ruling Outlining Phase 2 Issues and Schedule |

<sup>4</sup> This information may be obtained through the State Bar of California’s website at <https://apps.calbar.ca.gov/attorney/LicenseeSearch/QuickSearch>.

<sup>5</sup> Attachments not included in final Decision.

| Item                                  | Reason   |
|---------------------------------------|--|
|                                       | <p>(October 31 Ruling) affirmed inclusion of consideration of “other policy modifications for future cost of capital application cycles,” and listed the sub-issues identified in D.24-10-088 as issues 5.a-5.f. Regarding these issues, the October 31 Ruling states: “Parties are authorized to address these issues in their phase 2 testimony, although the Commission may not make specific findings related to some or all of these issues.”</p> <p>Ultimately, the Commission declined to address or resolve issues 5.a-5.e in D.24-10-088, stating that it did so “without prejudice.” In recognition of the value added to the proceeding pursuant to the Commission’s direction that parties respond to these scoped issues, we find compensation for 50% of the total hours spent addressing these issues to be reasonable given the contribution made by UCAN. To the extent that UCAN relies on the work for which compensation is here authorized in future proceedings, UCAN may not request compensation for such work in the future.</p> <p>Regarding issue 5.f, D.24-10-088 ultimately made no policy changes related to affordability and cost of capital proceedings, finding that, beyond application of the Hope and Bluefield standards, cost of capital proceedings are “ill-suited to more targeted consideration of the affordability of specific expenditures and investments.” (D.24-10-088 at 30). The Commission did not rely on or cite UCAN in support of this holding. Because the Commission did not rely on UCAN’s contribution to make this finding on affordability, we reduce 50% of UCAN’s hours dedicated to Issues 5.a-5.f as we find this commensurate with the work performed.</p> <p>UCAN requested 47.92 hours for Issue 2. As discussed, we apply the reductions due to (1) a lack of substantial contribution to Commission discussion of affordability and (2) work on issues the Commission scoped but did not address. This results in a reduction of 23.95 hours from UCAN’s work on Issue 2, which breaks down as follows:</p> <ul style="list-style-type: none"> <li>• Lopez 2023: 0.75 hours</li> <li>• Lopez 2024: 11.25 hours</li> <li>• Griffing 2024: 9.20 hours</li> <li>• Pavlovic 2024: 2.75 hours</li> </ul> |
| [2] Lopez’s 2023 and 2024 Hourly Rate | <p>D.25-06-028 approved a 2023 hourly rate of \$460.00 for Lopez.</p> <p>D.25-06-028 approved a 2024 hourly rate of \$475.00 for Lopez.</p>  |
| [3] Pavlovic’s 2024 Hourly Rate       | <p>UCAN identified Pavlovic as a consultant in their claim in proceeding A.22-04-008 et al. for contribution to D.22-12-031. Pursuant to Commission policy, the rate requested by an intervenor must not exceed the rate billed to that intervenor by any outside consultant it hires, even if the consultant’s billed</p>   |

| Item | Reason   |
|------|--|
|      | <p>rate is below the floor for a given experience level.<sup>6</sup> Per the IComp Program Guide at 24, the Commission may audit the records and books of the intervenors to the extent necessary to verify the basis for the award (§ 1804(d)). Supplemental documentation shows that Pavlovic is a consultant with PCMG and Associates, LLC.</p> <p>Per the original consultant agreement executed in 2022, Pavlovic’s billed rate was \$200 an hour, where UCAN would pay 25% of this rate for all the hours invoiced in the proceeding with the remaining portion of the hourly billing deferred pending this IComp award. It was also agreed that the UCAN would not owe the consultant, nor pay for any amounts billed on invoices that are not awarded in this IComp award. UCAN and PCMG and Associates, LLC later amended their consultant agreement in 2024. The amendment updates Pavlovic’s billed hourly rate for the exact same scope of work from \$200 to \$885, a 343% increase. All other terms remained the same. However, UCAN provides no explanation for this large rate change in the consultant agreement.</p> <p>We remind UCAN that they bear the burden of providing accurate, complete, and honest information in all compensation requests. Here, we will rely on UCAN’s good faith representation of this consultant agreement and payments, as we do not have the resources to review every contract or non-standard arrangement in detail. Moving forward, UCAN shall ensure consistency between contractual agreements and submitted claims and provide an explanation for any amended contracts that reflect such significant changes. While we approve the requested rate for this claim, future claims will be adjusted to reflect the lower documented rate, consistent with the Commission’s responsibility to safeguard ratepayer funds.</p> <p>UCAN confirmed in Attachment B of the supplement that it was invoiced \$885 per hour for Pavlovic’s work in this proceeding. Pavlovic has over 30 years of expertise in formal and mathematical logic, statistics, economics, financial analysis, econometrics, and computer modeling. He also has a B.A, M.A, and Ph.D. Based on Pavlovic’s experience, we approve this rate here.</p> <p>The award determined herein for Pavlovic’s contribution in this proceeding shall be paid in full to Pavlovic, and no portion of this part of the award shall be kept by UCAN. Additionally, the rates approved here are specific to work in this proceeding and the contract terms between the consultant and intervenor, as they are established in accordance with the Commission’s policy on consultant compensation.</p> |

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<sup>6</sup> D.07-01-009, D.08-04-010, and Resolution ALJ-235.

| Item                                   | Reason  |
|--|---|
|  | <p>We reiterate that it is the responsibility of the intervenor to be forthcoming about engaging consultants and the terms of the contract, to adhere to the Commission’s policy on compensation for consultant fees, and to provide the appropriate documentation with the initial claim to ensure efficient processing, and thus avoid the need for the Commission to request supplemental documentation. In this instance, UCAN did not provide all the documentation pertaining to the contract terms between Intervenor and Consultant in the initial claim and waited until the Commission requested supplemental documentation which delays the processing of the claim.</p>   |
| <p>[4] Griffing’s 2024 Hourly Rate</p> | <p>UCAN identified Griffing as a consultant in their claim in proceeding A.22-04-008 et al. for contribution to D.22-12-031. Pursuant to Commission policy, the rate requested by an intervenor must not exceed the rate billed to that intervenor by any outside consultant it hires, even if the consultant’s billed rate is below the floor for a given experience level.<sup>7</sup> Per the IComp Program Guide at 24, the Commission may audit the records and books of the intervenors to the extent necessary to verify the basis for the award (§ 1804(d)). Supplemental documentation shows that Griffing is a consultant with PCMG and Associates, LLC.</p> <p>Per the original consultant agreement executed in 2022, Griffing’s billed rate was \$200 an hour, where UCAN would pay 25% of this rate for all the hours invoiced in the proceeding with the remaining portion of the hourly billing deferred pending this IComp award. It was also agreed that the UCAN would not owe the consultant, nor pay for any amounts billed on invoices that are not awarded in this IComp award. UCAN and PCMG and Associates, LLC later amended their consultant agreement in 2024. The amendment updates Griffing’s billed hourly rate for the exact same scope of work from \$200 to \$885, a 343% increase. All other terms remained the same. However, UCAN provides no explanation for this large rate change in the consultant agreement.</p> <p>We remind UCAN that they bear the burden of providing accurate, complete, and honest information in all compensation requests. Here, we will rely on UCAN’s good faith representation of this consultant agreement and payments, as we do not have the resources to review every contract or non-standard arrangement in detail. Moving forward, UCAN shall ensure consistency between contractual agreements and submitted claims and provide an explanation for any amended contracts that reflect such significant changes. While we approve the requested rate for this claim, future claims will be adjusted to reflect the lower documented rate, consistent with the Commission’s responsibility to safeguard ratepayer funds.</p> |

<sup>7</sup> D.07-01-009, D.08-04-010, and Resolution ALJ-235.

| Item  | Reason  |
|---|---|
|   | <p>UCAN has confirmed in Attachment B of the supplement that it was invoiced \$885 per hour for Griffing’s work in this proceeding. Griffing has over 25 years of industry, government, and consulting experience. His work history includes providing economic data, reports, analysis, and leadership. Based on Griffing's experience, we approve this rate here.</p> <p>The award determined herein for Griffing’s contribution in this proceeding shall be paid in full to Griffing, and no portion of this part of the award shall be kept by UCAN. Additionally, the rates approved here are specific to work in this proceeding and the contract terms between the consultant and intervenor, as they are established in accordance with the Commission’s policy on consultant compensation.</p> <p>We reiterate that it is the responsibility of the intervenor to be forthcoming about engaging consultants and the terms of the contract, to adhere to the Commission’s policy on compensation for consultant fees, and to provide the appropriate documentation with the initial claim to ensure efficient processing, and thus avoid the need for the Commission to request supplemental documentation. In this instance, UCAN did not provide all the documentation pertaining to the contract terms between Intervenor and Consultant in the initial claim and waited until the Commission requested supplemental documentation which delays the processing of the claim.</p> |
| <p>[5] Cook-Sloan’s 2024 Hourly Rate</p>  | <p>D.25-02-024 approved a 2024 hourly rate of \$215.00 for Cook-Sloan.</p> <p>Intervenor Compensation claim preparation is rated at ½ preparer’s normal rate, bringing the 2025 claim preparation rate to \$107.50.</p>   |
| <p>[6] Intervenor Responsibility for Transparency and Accuracy in Compensation Requests</p> | <p>The Commission takes this opportunity to remind all intervenors that they bear the burden of providing accurate, complete, and honest information in all compensation requests. The Commission relies on intervenors' good faith representations, particularly regarding consultant agreements and payments, as it does not have the resources to review every contract or non-standard arrangement in detail.</p> <p>Intervenor compensation is funded by ratepayers, and the Commission takes seriously any effort to mislead or obscure the financial basis for a claim. Although no violation of Rule 1.1 has been found in this instance, we remind intervenors that under Rule 1.1, intent to deceive is not required for a violation, misstatements may still be actionable. Dishonest or misleading claims not only risk denial of compensation but may also subject the intervenor to penalties.</p> <p>The Commission has clear authority to audit intervenors' books and records to verify the basis for any award. Intervenor must therefore ensure full</p>   |

| Item | Reason  |
|------|---|
|      | transparency regarding actual time spent on issues, consultant fees, payment arrangements, and the actual disbursement of funds. Failure to meet this obligation undermines the integrity of the compensation process and may lead to denial of claims or further enforcement action. |

**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))**

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

**FINDINGS OF FACT**

- Utility Consumers' Action Network has made a substantial contribution to D.24-10-008.
- The requested hourly rates for Utility Consumers' Action Network's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
- The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
- The total of reasonable compensation is \$104,866.23.

**CONCLUSION OF LAW**

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

**ORDER**

- Utility Consumers' Action Network is awarded \$104,866.23.
- Within 30 days of the effective date of this decision, Pacific Gas and Electric, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company shall pay Utility Consumers' Action Network their respective shares of the award, based on their California-jurisdictional gas and electric revenues for the 2024 calendar year, to reflect the year in which the proceeding was primarily litigated. If such data are unavailable, the most recent gas and electric revenue data shall be used. 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, 2025, the 75th day after the filing of Utility Consumers' Action 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 \_\_\_\_\_, at San Francisco, California.

## APPENDIX

## Compensation Decision Summary Information

|                                  |   |                           |    |
|----------------------------------|---|---------------------------|----|
| <b>Compensation Decision:</b>    |   | <b>Modifies Decision?</b> | No |
| <b>Contribution Decision(s):</b> | D2410008  |                           |    |
| <b>Proceeding(s):</b>            | A2204008, A2204009, A2204011, A2204012  |                           |    |
| <b>Author:</b>                   | Judge Gerstle   |                           |    |
| <b>Payer(s):</b>                 | Pacific Gas and Electric, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company |                           |    |

## Intervenor Information

| <b>Intervenor</b>                 | <b>Date Claim Filed</b> | <b>Amount Requested</b> | <b>Amount Awarded</b> | <b>Multiplier?</b> | <b>Reason Change/Disallowance</b>                                   |
|-----------------------------------|-------------------------|-------------------------|-----------------------|--------------------|---|
| Utility Consumers' Action Network | 12/18/2024              | \$122,333.23            | \$104,866.23          | N/A                | See Part III.D CPUC Comments, Disallowances, and Adjustments above. |

## Hourly Fee Information

| <b>First Name</b> | <b>Last Name</b> | <b>Attorney, Expert, or Advocate</b> | <b>Hourly Fee Requested</b> | <b>Year Hourly Fee Requested</b> | <b>Hourly Fee Adopted</b> |
|-------------------|------------------|--------------------------------------|-----------------------------|----------------------------------|---------------------------|
| Edward            | Lopez            | Attorney <sup>8</sup>                | \$475                       | 2023                             | \$460.00                  |
| Edward            | Lopez            | Attorney <sup>8</sup>                | \$495                       | 2024                             | \$475.00                  |
| Karl              | Pavlovic         | Expert <sup>9</sup>                  | \$885                       | 2024                             | \$885.00                  |
| Marlon            | Griffing         | Expert <sup>10</sup>                 | \$885                       | 2024                             | \$885.00                  |
| Courtney          | Cook-Sloan       | Paralegal <sup>11</sup>              | \$215                       | 2024                             | \$215.00                  |

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<sup>8</sup> Lopez is classified as a Director V.

<sup>9</sup> Pavlovic serves UCAN as a consultant.

<sup>10</sup> Griffing serves UCAN as a consultant.

<sup>11</sup> Cook-Sloan is classified as a Paralegal Manager I.

**(END OF APPENDIX)**