

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In Re Request of MCI WORLDCOM, INC. AND
SPRINT CORPORATION for Approval to
Transfer Control of Sprint Corporation's
California Operating Subsidiaries to MCI
WORLDCOM, INC.

Application 99-12-012
(Filed December 10, 1999)

OPINION ON REQUESTS FOR INTERVENOR COMPENSATION

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OPINION ON REQUESTS FOR INTERVENOR COMPENSATION

A. Summary

This decision grants intervenor compensation to three intervenors who participated in developing the record of this proceeding, as follows:

- *The Utility Reform Network (TURN)*: \$84,616.04, a reduction of \$10,019.00 from its requested amount of \$94,635.04.
- *The Utility Consumers' Action Network (UCAN)*: \$31,362.18, a reduction of \$10,915.63 from its requested amount of \$42,277.81.
- *The Greenlining Institute/Latino Issues Forum (Greenlining/LIF)*: \$90,647.16, a reduction of \$109,273.84 from its requested amount of \$199,921.00.

In Decision (D.) 01-02-040, the Commission granted the motion of MCI WorldCom, Inc. (WorldCom) and Sprint Corporation (Sprint) (collectively, Applicants) to withdraw their merger application. However, in view of the time and effort that the parties—including TURN, UCAN, and Greenlining/LIF (Intervenors)—had expended on developing a record in the proceeding, the Commission took steps to preserve that record for other proceedings, to provide for future use of confidential documents produced in the case (while preserving, as appropriate, their confidentiality), and to ensure that the record could be made part of any future merger application of either Applicant. The Commission also affirmed several rulings the assigned Administrative Law

Judge (ALJ) made during the course of the proceeding, to which the Intervenors contributed.¹

The Commission acknowledged the Intervenors' efforts to develop a comprehensive analysis of Applicants' pricing, disclosure, customer service, and other practices. This evidence was of high quality; had Applicants not terminated the proposed merger, it is clear the evidence would have factored significantly in our merger decision. For various reasons—most notably due process concerns and the fact that the Commission is currently a party to a civil action (Civil Case) against WorldCom, on which Intervenors focused most of their efforts during the proceeding—the Commission did not make substantive findings regarding Applicants' conduct.

Nonetheless, the Commission commented on the high quality of the evidence—and Intervenors' efforts in developing it—in its decision granting the Applicants' motion to withdraw the merger application. We also tolled certain statutes of limitations on other actions against Applicants pending the outcome of the Civil Case, and took extra steps to ensure that confidential documents in this record might be used in future proceedings involving Applicants. Further, we required Applicants to disclose the existence of this record in future applications to this Commission. Finally, we commented on the appropriateness of an investigation into the Applicants' conduct once the Civil Case is concluded.

Thus, this is not a garden-variety case in which a routine application is withdrawn early in the proceeding. This case lasted for a year, and involved

¹ One such ruling affirmed in D.01-02-040, relating to the Commission's jurisdiction over the Internet backbone, was removed from the decision on rehearing (D.01-05-062), but the other rulings in D.01-02-040 remain.

intensive discovery and a full, 13-day evidentiary hearing before Applicants withdrew their application. In this extraordinary case, we are resolute that Intervenor's efforts in developing the record should not go unrewarded.

Applicants oppose the request for compensation on the ground that Intervenor did not contribute to a decision that will have immediate beneficial effects for ratepayers. Applicants also allege the Commission lacks authority under the laws governing intervenor compensation to grant an award where, as here, the intervenor plays no role in defeating the proposed merger. Applicants assert that "the commission does not have untrammelled discretion in taking property from Applicants to fund activities of intervenors, nor may it depart from the norms established by its own precedent without satisfactory explanation."²

We reject Applicants' premise and its legal challenge to our discretion to award compensation. While we do not grant Intervenor the entirety of their claimed compensation, we find the intervenor compensation statute grants us authority to award compensation in a case such as this.

Finally, we address two issues involving only Greenlining/LIF. We resolve the first issue, related to the timeliness of the intervenor compensation request, favorably to Greenlining/LIF. Greenlining/LIF filed its request for compensation on August 17, 2001, 32 days after the 60-day deadline of July 16, 2001. Greenlining/LIF seeks a waiver of the 60-day deadline imposed in Pub. Util. Code § 1804(c). We find that under the specific circumstances of this case, waiver is appropriate and that we may consider the request for compensation.

² *Applicants' Response to Request for Award of Compensation to The Utility Reform Network* (Response), filed May 10, 2001, at 1.

As to the second issue, we deny Greenlining/LIF's motion for recovery of attorneys' fees based on Commission Rules 1 and 1.5, on the ground there is no basis to sanction Applicants for violation of the Commission's code of ethics.

B. Background

Applicants announced their planned merger in late 1999, and filed this application—as well as applications in other states, with the Federal Communications Commission (FCC), with the European Union and with the United States Department of Justice—soon after the announcement.

WorldCom and Sprint called off their planned merger on July 13, 2000, after the United States Attorney General sued in federal court to block the merger and the European Union voted to reject it. The announcement came just two weeks after this Commission had held and completed a 13-day evidentiary hearing on the merger.

Intervenors participated actively in every aspect of the proceeding: in various combinations, they protested the original application, appeared at prehearing conferences, conducted discovery, briefed and argued motions, filed testimony, participated extensively in evidentiary hearings, filed post-hearing briefs and comments on the draft decision leading up to D.01-02-040, and participated in the post-decision Application for Rehearing.

Intervenors played a substantial role in creating a record worthy of re-use in other proceedings. TURN spent considerable time developing a record related to Applicants' products, services and pricing, especially for low volume callers. UCAN focused on developing an analysis of WorldCom's service quality. Greenlining/LIF stressed issues related to WorldCom's service to low-income and minority customers. It was because of the excellence and comprehensiveness of record in the case that the Commission took extraordinary

steps to make that record known and available to participants in other proceedings.

As we noted at the time, a merger inquiry, especially one of the importance of the WorldCom-Sprint merger application,

often examines, among other things, the applicants' past business practices in an attempt to predict how they will operate as a combined entity in the future[. Thus], the evidence adduced is often relevant to more than just the proposed transaction. Such is the case here: the record contains much information relevant to whether Applicants operate in the public interest. We do not wish to squander that record *nor have Intervenor's efforts in developing it go unrewarded*. Nor do we feel we can ignore the evidence before us to the extent it raises questions about whether Applicants fully disclose their prices, adequately serve low income and low volume customers, and deliver appropriate customer service. After all, both Sprint and WorldCom will continue business operations in California despite the merger's termination.³

We also stated that our dismissal of the merger application should not be construed as ruling out the possibility of an award of compensation:

Nothing in this decision shall preclude any party already deemed eligible for intervenor compensation from seeking such compensation in this proceeding, or, to the extent this proceeding's record is used in other proceedings, in those other proceedings, provided there is no duplicate compensation.

* * *

Intervenors are free to initiate complaints related to the allegations they make here, *and to seek compensation related to their efforts in this case*.⁴

³ D.01-02-040, 2001 Cal. PUC Lexis 142, at *5 (emphasis added).

⁴ *Id.* at *28 & *33 (Finding of Fact 10 and Ordering Paragraph 4) (emphasis added).

Thus, we anticipated that Intervenorors would seek—and receive—compensation for their efforts. We now turn to the requirements for such compensation, and to the question of our authority to award it under the facts of this case.

C. Requirements for an Award of Compensation

Intervenorors who seek compensation for their contributions in Commission proceedings must file requests for compensation pursuant to Pub. Util. Code §§ 1801-12.⁵ Section 1804(a) requires an intervenor to file a notice of intent (NOI) to claim compensation within 30 days of the prehearing conference or by a date established by the Commission. The NOI must present information regarding the nature and extent of the customer’s planned participation and an itemized estimate of the compensation the customer expects to request. The NOI may request a finding of eligibility for compensation.

In addition to filing a NOI, a party seeking intervenor compensation must also meet the statutory requirements for such awards. Section 1804(c) requires an intervenor requesting compensation to provide “a detailed description of services and expenditures and a description of the customer’s substantial contribution to the hearing or proceeding.” Section 1802(h) states that “substantial contribution” means that,

in the judgment of the Commission, the customer’s presentation has substantially assisted the Commission in the making of its order or decision because the order or decision has adopted in whole or in part one or more factual contentions, legal contentions, or specific policy or procedural recommendations presented by the customer. Where the customer’s participation has resulted in a substantial

⁵ All statutory citations are to the California Public Utilities Code.

contribution, even if the decision adopts that customer's contention or recommendations only in part, the Commission may award the customer compensation for all reasonable advocate's fees, reasonable expert fees, and other reasonable costs incurred by the customer in preparing or presenting that contention or recommendation.

Section 1804(e) provides for the Commission to issue a decision that determines whether the customer has made a substantial contribution and what amount of compensation to award, which we do here. The level of compensation must take into account the market rate paid to people with comparable training and experience who offer similar services. Pub. Util. Code § 1806. In the following paragraphs, we examine each of the statutory requirements in turn.

D. NOI to Claim Compensation and Timeliness of Request

Each Intervenor filed a timely NOI in this proceeding and was found eligible for compensation by an ALJ ruling dated April 28, 2000. Thus, each Intervenor has satisfied the requirements of Section 1804(a), including the requirement that Intervenors establish that participation in the proceeding would pose a significant financial hardship.

E. Substantial Contribution to Resolution of Issues

1. Introduction

Each Intervenor asserts that it made a substantial contribution to our decision to accept the withdrawal of the merger, with conditions related to preservation and use of the proceeding record for other cases, because it was active in creating the record that we took such extraordinary steps to preserve. Applicants argue that the Intervenors' contributions were not substantial because the Intervenors played no role in causing the merger application to be withdrawn. Applicants claim the Commission order preserving the record in this proceeding, tolling the statute of limitations, urging a future investigation of

Applicants, and requiring disclosure of this record in other proceedings, provided no present benefit to ratepayers. Applicants thus assert that Intervenor should not receive compensation for their work on this proceeding.

A party may make a substantial contribution to a decision in a number of ways.⁶ It may offer a factual or legal contention upon which the Commission relies in making a decision,⁷ or it may advance a specific policy or procedural recommendation that the ALJ or Commission adopts.⁸ A substantial contribution includes evidence or argument that supports part of the decision even if the Commission does not adopt a party's position in total.⁹ The Commission has provided compensation even when the position advanced by the intervenor is rejected.¹⁰

2. Effect of Termination of Merger

In our view, the fact that the merger was called off should not militate against an award of compensation. If we denied compensation for substantial efforts on transactions that—through no fault of the intervenor—were not consummated, we would discourage Intervenor such as TURN, UCAN, and Greenlining/LIF from participating in such proceedings. Every large and

⁶ Pub. Util. Code § 1802(h).

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ D.89-03-96 (awarding San Luis Obispo Mothers For Peace and Rochelle Becker compensation in Diablo Canyon Rate Case because their arguments, while ultimately unsuccessful, forced the utility to document thoroughly the safety issues involved).

controversial transaction presents some risk of not being consummated by virtue of its very largeness and level of controversy.

Indeed, WorldCom and Sprint abandoned their merger precisely because its importance caused the federal government and the EU to reject it. The merger would have combined the nation's second and third largest long distance companies into one entity, which raised serious concerns about whether the merger would decrease competition in that market. Such large transactions are precisely the ones on which the Commission most needs the views of Intervenors such as TURN, UCAN, and Greenlining/LIF. We should encourage such participation in proceedings of this magnitude. Thus, under the circumstances of this case, the fact that Applicants withdrew their merger application has no bearing on Intervenors' entitlement to intervenor compensation.

We do not agree with Applicants' contention that our decision in D.98-04-059¹¹ militates against a finding of substantial contribution in this case. Applicants claim that decision stands for the proposition that the competitive marketplace—and not the work of Intervenors—is adequate to protect ratepayers in the event of large mergers. The decision states that, “once competition is present, it may not be necessary for a fair determination of the proceeding to fund the participation of customers separate and apart from their participation through ORA.”¹² Applicants misconstrue this statement, which in any event is distinguishable here.

¹¹ *Order Instituting Rulemaking on the Commission's Intervenor Compensation Program* (Intervenor Compensation Order), 1998 Cal. PUC Lexis 429.

¹² Response at 4, citing D.98-04-059, 1998 Cal. PUC Lexis 429, at *15.

First, D.98-04-059 makes clear that it is looking to the future, and not the current, state of the telecommunications and energy markets: “*At some future point*, however, we expect that the presence of pervasive competition will be the ultimate protector of consumer interests in the marketplace in the future.”¹³

Second, the option available in a competitive market to “immediately and permanently cease to do business with a carrier,” as D.98-04-059 posited, would not necessarily have been available in the case of this merger. As the ALJ ruled (and the Commission affirmed) in determining that the strict merger review standard of Pub. Util. Code §§ 854(b) and (c) was applicable to this case,

If WorldCom completes the merger, two large carriers will dominate the long distance telecommunications market—the merged entity and AT&T. This result warrants the in-depth review of the merger application contemplated by §§ 854(b) and (c).¹⁴

Thus, the Commission acknowledged that this was not a simple merger of small companies that would leave consumers with ample opportunities to change carriers if they were dissatisfied with the merged entity’s practices. Rather, Intervenor’s participation was precisely in the nature of the intervention the Commission contemplated and approved in D.98-04-059:

As we progress from policy development to policy implementation in the telecommunications and energy industries, *we continue to believe that a broad base of public input can assist us in perfecting the restructured marketplaces*. Through the

¹³ D.98-04-059, 1998 Cal. PUC Lexis 429, at *15 (emphasis added).

¹⁴ *Administrative Law Judge’s Ruling Denying Motion of MCI WorldCom and Sprint for Early Determination of Exemption From Public Utilities Code Sections 854(b) and (c)*, dated February 7, 2000, at 2.

intervenor compensation program, we can reduce the barriers to participation that customers face, and award customers who make a substantial contribution to our decision making.¹⁵

Applicants are incorrect that a merger inquiry such as this does not warrant the intervention of parties other than the Office of Ratepayer Advocates (ORA).

3. Timing of Award

TURN addresses the appropriateness of receiving compensation for its work now, rather than waiting until the record that D.01-02-040 preserved is used in another proceeding.¹⁶ It asserts that it should not be required to wait until a later proceeding to be compensated because 1) a portion of its requested compensation is for work pertinent only to D.01-02-040 and not to any future proceeding; 2) a later proceeding using the record developed in this case may never materialize for reasons entirely unrelated to the merits of TURN's work; and 3) a later proceeding may not involve both WorldCom and Sprint, necessitating an apportionment of TURN's requested compensation to the affected Applicant, and the risk that the remainder of TURN's efforts will remain uncompensated. We agree.

Applicants oppose a grant of compensation at this time, on the ground that the groundwork TURN laid for future proceedings may never come to fruition if no party ever initiates such a proceeding:

[T]he only role TURN played in connection with the Commission's decision related to subsidiary, procedural and

¹⁵ D.98-04-059, 1998 Cal. PUC Lexis 429, at *14 (emphasis added).

¹⁶ Request at 3-6.

contingent conclusions. Even as to these, its recommendations were not adopted by the Commission and those Commission conclusions have no current value to customers. This is evident because the subsidiary findings which the Commission made all relate to possible future proceedings. . . .¹⁷ [T]he Commission has not had the occasion to apply any of its rulings and may never apply any of them or utilize the record developed in this case in any future proceeding.

As TURN points out in its Reply brief,¹⁸ Applicants' position that TURN's work was essentially worthless is belied by the vociferousness with which it opposed TURN's and another intervenor's attempt to have the Commission impose conditions on the merger withdrawal. Even when it became clear that the withdrawal would be granted, Applicants continued to oppose conditions aimed at preserving the record of this proceeding for future use, even seeking rehearing on them. Thus, far from being "subsidiary and contingent procedural provisions of no immediate substantive moment and of no present value to customers,"¹⁹ the conditions we imposed based in part on TURN's input were of substantial importance, even to Applicants.

We agree with TURN that it is appropriate to award it compensation for its contributions now, rather than requiring it to wait for a proceeding that might never occur despite our best intentions. We will afford all Intervenors this treatment. Next we turn to the substantial contributions each Intervenor made warranting compensation.

¹⁷ Response at 4.

¹⁸ *Reply of The Utility Reform Network to Response of MCI WorldCom and Sprint Corporation to Turn's Request for an Award of Compensation* (Reply), filed May 24, 2001.

¹⁹ Response at 3.

4. TURN's Substantial Contribution

During the proceeding, and in opposing Applicants' motion to withdraw their merger application, TURN asked the Commission to “order applicants to bring their business practices into conformity with both the law and their representations to this Commission, as follows:

Oral marketers for WorldCom and Sprint should disclose long distance options with no (or low) monthly fees or minimums whenever customer usage profiles suggest that such options might be appropriate for the customer.

Sprint should discontinue any training which directs employees to decline to offer services to customers whose usage does not meet a desired level.

WorldCom and Sprint should disclose on their websites their long distance options with no (or low) monthly fees or minimums as prominently as they disclose all other options.

In its "fulfillment kit," WorldCom should disclose and detail all rates and charges equally prominently.²⁰

TURN's contribution was substantial for several reasons. First, TURN's efforts provided much of the impetus for our decision to preserve the record of this proceeding for future use. As TURN correctly observes, it opposed the withdrawal of the merger application and sought to have the Commission address the issues it had raised about Applicants' business practices despite the merger's withdrawal.²¹ While we rejected that suggestion, we did the next best thing: we took extra steps to ensure not only that the record of this proceeding

²⁰ D.01-02-040, *mimeo.*, at 3 n.3.

²¹ Request at 7.

would be used in future cases involving WorldCom's or Sprint's pricing and disclosure of their long distance services, but also that Applicants

disclose the existence of the record here, and of this decision, in future proceedings initiated within two years of the effective date of this decision. Specifically, Applicants shall make such disclosure in any future proceeding in which they seek Commission approval of a transaction under § 854 or are alleged to be in violation of law because of failure accurately to disclose prices, to provide adequate customer service, to serve low volume or low income customers or communities, or adequately to train customer service employees. In close cases, Applicants should err on the side of disclosure.²²

TURN played a large part in formulating the conditions that we imposed on Applicants' merger withdrawal. For example, TURN addressed the Commission's authority to act on a merger that was no longer "live," and also spelled out ways in which we might provide for the record's later use in other proceedings.²³ TURN is correct that in deciding these issues, "the analysis described by the Commission [in D.01-02-040] paralleled the analysis TURN made [its] Response to the Motion to Withdraw."²⁴ Thus, we agree with TURN that it made a substantial contribution to our determination that the Commission had the authority to rule on the issues related to the merger application that were matters of continuing policy interest, even if the request for merger approval had been mooted.

²² D.01-02-040, 2001 Cal. PUC Lexis 142, at *18-19.

²³ See Request at 7.

²⁴ *Id.*

Second, we agree with TURN that our decision adopted an analysis very close to TURN's on the importance of preserving the record. It was TURN that made the argument, adopted in D.01-02-040, that Commission Rule 72 could serve as a basis for re-use of the record even in light of a nondisclosure agreement Applicants and intervenors signed during the discovery process.²⁵

Third, the quality of the record we worked so hard to preserve was in large part TURN's doing. The bulk of TURN's effort was focused on developing the record as to the adverse impact on low-volume customers of Applicants' long distance price changes and marketing behavior. While the Commission did not directly decide these issues, it would have had other governmental bodies not rejected the merger and caused Applicants to abandon their plans. Thus, TURN is correct that the Commission "recognized the importance and strength of the allegations [TURN raised] as evidenced by the effort the Commission made to preserve the evidentiary record."²⁶

Fourth, we agree with TURN that it provided substantial input early in the proceeding to the ALJ's—and ultimately the Commission's—determination that this merger was not exempt from the merger criteria contained in Pub. Util. Code §§ 854(b) and (c).²⁷ TURN is correct that the ALJ ruling early in the case—which the Commission's decision affirmed—embraced TURN's argument that the absence of rate regulation of WorldCom and Sprint, generally cited in prior decisions as a basis for exempting mergers from § 854(b), did not warrant an exemption from the application of subsection (c).

²⁵ *Id.* at 8.

²⁶ *Id.* at 9.

²⁷ *Id.* at 10.

Fifth, TURN also participated in assisting the ALJ rule on a number of procedural issues in the case. TURN's efforts on discovery motions were significant and productive, as TURN notes, and the final Commission decision affirmed the ALJ's discovery rulings.²⁸ Commission adoption of an intervenor's procedural recommendations can bolster a finding that an intervenor has made a substantial contribution to the Commission's decision.²⁹

Thus, we find that TURN made a substantial contribution to
D.01-02-040.

5. UCAN's Substantial Contribution

We also find that UCAN made a substantial contribution to this proceeding. UCAN spent significant time and resources presenting an analysis of WorldCom's customer service quality. Its testimony included an in-depth analysis of Commission complaint records and an investigation into WorldCom's customer service policies. It unfavorably compared WorldCom's service record with that of Sprint in an attempt to establish that the merger would result in an overall worsening of customer service for California customers. UCAN secured and analyzed the records of the Commission's Consumer Services Division (CSD), comparing WorldCom complaints to those of other California long distance carriers. Thus, its pretrial and hearing work was of substantial use in developing the record the Commission committed to preserve for future use.

WorldCom nowhere challenges the merits of UCAN's specific efforts. Rather, it challenges any award of intervenor compensation in this case on the

²⁸ *Id.* at 11.

²⁹ Pub. Util. Code § 1802(h) (identifying "procedural recommendations" as one type of effort worthy of compensation).

ground that the merger never occurred. As we state elsewhere in this decision, we do not find this fact to be dispositive when a proposed merger has received a full hearing at the Commission and is dismissed for reasons unrelated to the Commission proceeding. Once again, denying such awards would discourage intervenors from participating in proceedings that are highly controversial and subject to serious scrutiny in jurisdictions other than this one.

6. Greenlining/LIF's Substantial Contribution

Greenlining/LIF was the only party to the proceeding to focus on the interests of limited English speakers, low-income communities, people of color, and other underserved communities. (TURN emphasized low-volume callers, who may or may not fall into the low-income category.) Greenlining/LIF alleged that WorldCom:

intentionally turned away from serving the broader public immediately after promising the opposite, and instead engaged in continued de facto redlining against low-income and minority communities;

violated its promises in the 1998 merger approval by failing to take any steps to make a facilities-based entry into the residential market or make its high speed data network available to low-income and minority communities;

failed to promote, and in effect hid, the existence of its Family Assist Plan—after promising in the 1998 proceeding to make this product available to low-income consumers—so that those who most needed it would remain unaware of its existence;

failed in its commitment to be beneficial to all California customers by largely ignoring non-English speaking customers in its marketing efforts and, more importantly, in its customer service; and

allowed its zeal for profits and growth to lead it into marketing abuses which triggered both federal and state prosecutions in the last year alone, despite its 1998 commitments to quality service. WorldCom proposed in this proceeding several remedial measures, which need to be memorialized and strengthened.³⁰

We found in D.01-02-040 that both the Civil Case and Greenlining / LIF alleged problems with continued billing after service termination, slamming, and misleading advertising of “dial-around” services. Thus, as to these issues, we found that the record of this proceeding might prove useful. We did not make similar findings as to Greenlining / LIF’s allegations that low-income and minority customers were redlined out of WorldCom’s service area because WorldCom did not build a high speed, broadband network to reach individual homes in those communities, and we do not award compensation for this work. However, Greenlining / LIF’s evidence with regard to other service quality issues was helpful to the development of a record worthy of preserving, and we grant part of Greenlining / LIF’s compensation request. Our discounting of Greenlining / LIF’s fees by 40% reflects this reduction.

7. Significant Financial Hardship

We determined in ruling on each Intervenors’ NOI that they would experience significant financial hardship if not compensated for their participation in this proceeding. Thus, Intervenors have satisfied the requirement of Pub. Util. Code § 1802(g), requiring that an intervenor show such hardship in this case.

³⁰ D.01-04-050, *mimeo.*, at 3 n.4.

8. The Reasonableness of Requested Compensation

a. TURN's Request

(1) Amount of TURN's Compensation

TURN requests compensation in the amount of \$94,635.04, as follows:

Attorney Fees

<i>Tom Long</i>	1.25	Hours	X	\$280	=	\$350.00
	274.25	Hours	X	\$300	=	\$82,275.00
<i>Paul Stein</i>	7.5	Hours	X	\$200	=	\$1,500.00
<i>Robert Finkelstein</i>	18.00 ³¹	Hours	X	\$280	=	\$5,040.00
	20.25	Hours	X	\$140	=	\$2,835.00
<i>Attorney Fee Subtotal</i>					=	\$92,000.00

Other Costs

<i>Photocopies</i>					=	\$1,857.60
<i>Postage</i>					=	\$171.64
<i>Fax charges</i>					=	\$6.60
<i>Fed Ex/delivery</i>					=	\$85.02
<i>Phone expense</i>					=	\$72.04
<i>LEXIS</i>					=	\$130.14
<i>Deposition</i>						\$312.00
<i>Other Costs Subtotal</i>					=	\$2,635.04
TOTAL					=	\$94,635.04

(2) Overall Benefits of TURN's Participation

Before analyzing TURN's figures, we first must examine whether the amount TURN spent was reasonable in light of the benefits it produced for ratepayers. In order to obtain compensation, a customer must demonstrate that its participation is "productive," as that term is used in Pub.

³¹ In its Request, TURN sought compensation for 11.25 hours of Mr. Finkelstein's time, and in its Reply added an additional 6.5 hours. We deal with TURN's additional 6.5 hours in Section (5) below.

Util. Code § 1801.3.³² That is, an intervenor's costs of participation should bear a reasonable relationship to the benefits realized through such participation. Customers are directed to demonstrate productivity by assigning a reasonable dollar value to the benefits of their participation to ratepayers. This exercise assists us in determining the reasonableness of the request and in avoiding unproductive participation.

TURN concedes that “[i]t is near impossible to assign a value to the benefits achieved through TURN’s substantial contribution to D.01-02-040.”³³ Applicants seize on this admission: “TURN’s admission as to the speculative nature of its contribution compels the conclusion that no compensation award may appropriately be made now on the basis of the record in this proceeding in the expectation that the record some day may be used by the Commission.”³⁴

However, TURN correctly points out that “[t]he Commission has previously recognized the overall benefit of TURN’s participation where that participation assisted the Commission in developing a record on which to assess the reasonableness of the utility’s operations, and particularly its preparedness and performance in the future.”³⁵

³² See D.98-04-059, *mimeo.*, at 31-33, and Finding of Fact 42.

³³ Request at 16.

³⁴ Response at 12.

³⁵ Request at 17, citing D.99-12-005, *mimeo.*, at 6-7 (Compensation in 1995 Storm Phase of PG&E GRC A.97-12-020); D.00-04-006, *mimeo.*, at 9-10 (Compensation Decision in Edison PBR Midterm Review A.99-03-020); *see also* Reply at 8 n.1, citing D.00-10-014 (awarding compensation to TURN in proceeding adopting final rules to govern utility planning for, and responses to, emergencies and major power outages).

In one of TURN's cited cases,³⁶ we acknowledged the difficulty of translating an intervenor's work on a proceeding into direct rate impacts, and nonetheless awarded compensation: "Here, TURN concedes—and we agree—that it is difficult to place a dollar value on the development of new Edison reporting guidelines for its next PBR proceeding. However, to the extent TURN's efforts 'will aid in the crafting of a better PBR mechanism,' ratepayers should benefit."³⁷ Similarly, in the second decision TURN cites,³⁸ we stated: "It is difficult to put a dollar figure on the benefits TURN realized for ratepayers, aside from the \$25,000 fine. However, we feel that the benefits realized by TURN's participation outweigh the costs it claims for that participation."³⁹ Finally, TURN cites a third case in which the Commission awarded compensation even in light of TURN's inability to assign a dollar value to the benefit of its participation and even though the standards the Commission adopted in its decision might never come into play.⁴⁰

Nonetheless, TURN's case for compensation is weaker here than it was in the above-cited cases. TURN concedes the attenuated nature of its claim that its efforts cost less than the benefits it realized:

³⁶ D.00-04-006 (Compensation Decision in Edison PBR Midterm Review A.99-03-020).

³⁷ *Id.*, *mimeo.*, at 9-10.

³⁸ D.99-12-005 (Compensation in 1995 Storm Phase of PG&E GRC A.97-12-020).

³⁹ *Id.*, *mimeo.*, at 6-7.

⁴⁰ D.00-10-014, *mimeo.*, at 7-8 ("While the benefits are hard to quantify in dollar terms, the implementation of these standards should result in substantial savings to ratepayers by virtue of improved utility responsiveness to outages. We, therefore, conclude that TURN's participation was productive.")

Had the application not been withdrawn, the Commission would have issued a decision addressing the record evidence as to Applicants' products, services and pricing, especially for low volume callers. Even then, it is unlikely the Commission's decision would have calculated a sum of money that such callers would avoid paying, the circumstances under which the analysis called for in D.98-04-059 is the most straightforward to perform.⁴¹

We recognize that an intervenor's participation may be deemed productive in situations where it is difficult to assign a dollar value to the efforts. The benefits of having created a record that may well prove useful both in future Commission proceedings and in the Commission's Civil Case against WorldCom cannot be deemed to have no dollar value to ratepayers. However, we believe the attenuated nature of TURN's contribution to actual ratepayer benefits justifies reducing TURN's requested award of fees by 10%.⁴²

(3) TURN's Hours Claimed

TURN documented its claimed hours by presenting a daily breakdown of hours for each of its attorneys, including a brief description of each activity. The hourly breakdown presented by TURN reasonably supports its claim for total hours. Given the quality and comprehensiveness of TURN's participation in developing a record on the merger, especially in the area of the adequacy of Applicants' disclosure of the true rates they charge low-volume callers, we believe that TURN's time was well spent. Applicants nowhere challenge TURN's billing for particular tasks, and we find it to be reasonable.

⁴¹ Request at 16.

⁴² In calculating the 10% figure, we assumed that the 6.5 hours TURN spent in preparing its Reply would be compensated at \$140/hour.

(4) TURN's Hourly Rates

The hourly rates TURN requests reflect rates previously approved, and we approve them again here.

(a) Mr. Long

TURN requests \$280/hour for work Tom Long performed in 1999, and \$300/hour for work performed in 2000. We recently approved these rates for Mr. Long in D.01-08-010, and approve them again here.

(b) Mr. Stein

TURN requests an hourly rate of \$200 for the work Paul Stein performed in 2000. We recently adopted this rate for similar services performed by Mr. Stein during the same time period in D.01-09-045, and will apply it here.

(c) Mr. Finkelstein

TURN requests an hourly rate of \$280 for Robert Finkelstein's work in this proceeding. Consistent with our previous decisions to divide in half the hourly rate awarded for work on compensation applications, TURN seeks an actual rate of \$140 for Mr. Finkelstein's work, because all of his work related to such compensation. The Commission recently approved this rate for Mr. Finkelstein's work in 2000 in D.00-11-002 (PTR Compensation Decision, issued in A.99-01-016 *et al.*), and we will apply the same rate here.

(5) Time Spent Preparing TURN's Compensation Request

TURN requests compensation for time preparing its Request at \$140.00/hour, half Mr. Finkelstein's already-approved 2000 hourly rate of \$280. As we have already approved this 2000 rate for Mr. Finkelstein, and have awarded compensation at half the normal rate for preparing such requests in the

past, we find TURN's request reasonable here. We award TURN \$2,835.00 for the 20.25 hours of work Mr. Finkelstein spent to prepare its Request.

TURN requests compensation for 6.5 hours expended in preparing its Reply at the full \$280/hour rate, rather than at half that rate. It claims such an award is justified because its Reply "involved legal analysis deserving of compensation at higher rates, rather than preparation of a bill for services."⁴³ We reject the request for full compensation, and will, consistent with our general practice, award TURN half the hourly rate for the 6.5 hours it spent preparing this request. Thus, we award TURN \$910.00 (\$140 x 6.5 hours) for time spent preparing the Reply.

We award TURN a total of \$3,745.00 for preparation of its intervenor compensation briefs.

(6) TURN's Other Costs

TURN claims \$2,635.04 in costs for items such as photocopying, postage and Lexis research. TURN states that these costs relate exclusively to its work in this proceeding. Applicants do not challenge the amount of TURN's claimed costs. The amounts claimed appear reasonable, and we therefore award TURN all of its requested costs.

(7) TURN's Award

We award TURN \$84,616.04 calculated as described above and summarized below:

⁴³ Reply at 12.

Item	Amount
Base fee claimed	\$92,000.00
Less 6.5 hours at \$140.00 (intervenor compensation)	(\$910.00)
Subtotal	\$91,090.00
Less 10% (difficulty in assigning dollar value)	(\$9,109.00)
Total fee award	\$81,981.00
Add costs	\$2,635.04
Total award	\$84,616.04

We will assess responsibility for payment equally between WorldCom and Sprint, per the method first adopted in D.95-09-034. Consistent with previous Commission's decisions, we will order that interest be paid on the award amount (calculated at the three-month commercial paper rate), commencing June 24, 2001 (the 75th day after TURN filed its compensation request) and continuing until each Applicant makes full payment of its portion of the award.

As in all intervenor compensation decisions, we put TURN on notice that the Commission Telecommunications Division may audit TURN's records related to this award. Thus, TURN must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. TURN's records should identify specific issues for which it requests compensation, the actual time spent by each employee, the applicable hourly rate, fees paid to consultants, and any other costs for which compensation may be claimed.

b. UCAN's Request**(1) Amount of UCAN's Compensation**

UCAN seeks \$42,277.81 in compensation, as follows:

Attorney Fees						
<i>Michael Shames</i>	154.70	Hours	X	\$195	=	\$30,166.50
<i>Multiplier</i>				.25		\$7,541.63
<i>Charles Carbone</i>	35.8	Hours	X	\$100	=	\$3,580.00
<i>Attorney Fee Subtotal</i>					=	\$41,288.13
Other Costs						
<i>Photocopies / postage</i>					=	\$203.68
<i>Travel</i>					=	\$786.00
<i>Other Costs Subtotal</i>					=	\$989.68
TOTAL					=	\$42,227.81

In addition to his standard attorneys' fees, UCAN's Michael Shames seeks a multiplier alternately identified as .25 and .50 of the \$195/hour rate established for Mr. Shames in 2000. UCAN makes little showing that the work Mr. Shames performed is deserving of a multiplier, and concedes that it has never asked for a rate multiplier for Mr. Shames' work in the past. The sole reason cited for the multiplier—the fact that Mr. Shames served as both expert witness and counsel for UCAN during the proceeding—is inadequate in this case to warrant a multiplier. Indeed, Mr. Long did the same thing in TURN's case, yet TURN did not seek a multiplier. Therefore, we use Mr. Shames' base hours as a starting point for calculating our award. This amount is \$30,166.50, which results in a revised Attorney Fee subtotal of \$33,746.50.

(2) Overall Benefits of UCAN's Participation

As with TURN, it is difficult to place a dollar value on UCAN's participation. UCAN acknowledges the problem, but asks that the Commission "treat this case in a fashion similar to others where the Commission has been assisted in developing policy that has only indirect monetary impacts."⁴⁴ For the same reasons as we cite in connection with TURN's claim, we find the difficulty in attaching a monetary value to UCAN's work warrants a 10% decrease in its award.

(3) UCAN's Hours Claimed

UCAN documented its claimed hours by presenting a daily breakdown of hours for each of its attorneys, including a brief description of each activity. The hourly breakdown presented by UCAN reasonably supports its claim for total hours. Applicants nowhere challenge UCAN's billing for particular tasks, and we find it to be reasonable.

(4) UCAN's Hourly Rates**(a) Mr. Shames**

UCAN seeks a rate for Mr. Shames—\$195/hour—that we approved for its work in 1999, and seeks no increase in his hourly rate for 2000.⁴⁵ Thus, we approve Mr. Shames' requested hourly rate.

(b) Mr. Carbone

UCAN seeks an increase of \$10/hour in Mr. Carbone's hours for 2000 to \$100/hour. UCAN explains that during the pendency of this

⁴⁴ UCAN Request at 3.

⁴⁵ D.00-03-051, 2000 Cal. PUC Lexis 218, at *13-14.

proceeding, Mr. Carbone passed the California Bar exam and became a licensed attorney. Since UCAN filed its request, the Commission increased Mr. Carbone's rate for work in 2000 to the \$100/hour UCAN seeks in this proceeding.⁴⁶ Thus, we approve the same hourly rate for Mr. Carbone in this proceeding.

(5) Time Spent Preparing UCAN's Compensation Request

UCAN requests compensation for half the time it spent in preparing its request. Because in this case halving the time results in the same charge as halving the fee—our usual approach—we approve UCAN's request.⁴⁷ It is therefore eligible to recover its requested \$390 for preparation of its compensation request.

(6) UCAN's Other Costs

UCAN claims \$989.68 in costs for items such as photocopying, postage and travel costs. Applicants do not challenge the amount of UCAN's claimed costs. The amounts claimed appear reasonable, and we therefore award UCAN all of its requested costs.

(7) UCAN's Award

We award UCAN \$31,362.18 calculated as described above and summarized below.

⁴⁶ D.01-08-005, 2001 Cal. PUC Lexis 580, at *13.

⁴⁷ Where more than one attorney with different hourly rates work on an intervenor compensation request, the two numbers will not be equal. The better practice, therefore, is not to halve the hours, but to halve the rate for each attorney who worked on the request. Because only one attorney did such work in this case, the result is the same.

Item	Amount
Base fee claimed	\$41,288.13
Less multiplier	(\$7,541.63)
Subtotal	\$33,746.50
Less 10% (difficulty in assigning dollar value)	(\$3,374.00)
Total fee award	\$30,372.50
Add costs	\$989.68
Total award	\$31,362.18

We will assess responsibility for payment equally between WorldCom and Sprint, per the method first adopted in D.95-09-034. UCAN seeks allocation of the entire award to WorldCom, an approach Applicants oppose. Consistent with D.95-09-034, we allocate the award equally between both Applicants.

Consistent with previous Commission decisions, we will order that interest be paid on the award amount (calculated at the three-month commercial paper rate), commencing August 7, 2001 (the 75th day after UCAN filed its compensation request) and continuing until each Applicant makes full payment of its portion of the award.

As in all intervenor compensation decisions, we put UCAN on notice that the Commission Telecommunications Division may audit UCAN's records related to this award. Thus, UCAN must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. UCAN's records should identify specific issues for which it requests compensation, the actual time spent by each employee, the applicable

hourly rate, fees paid to consultants, and any other costs for which compensation may be claimed.

c. Greenlining/LIF's Request

(1) Timing of Compensation Request

An issue unique to Greenlining / LIF is the timing of its compensation request. Greenlining / LIF filed the request on August 17, 2001, 32 days after the 60-day deadline of July 16, 2001. It claims the Commission should still consider its request because at the time it was due, “Greenlining was in the midst of replacing its in-house counsel.”⁴⁸ It asserts that there is no prejudice resulting from the delay, and that because intervenor participation in Commission proceedings is invaluable, the Commission should overlook the lateness of the request. Applicants respond that the 60-day filing deadline is statutory and cannot be waived.

We do not find the 60-day filing deadline to be a hard-and-fast requirement. The statute puts the 60-day filing requirement in permissive terms, using the term “may,” unlike what it does in connection with NOIs, where it uses the term “shall”: “Following issuance of a final order or decision by the commission in the hearing or proceeding, a customer who has been found . . . to be eligible for compensation may file within 60 days a request for an award.”⁴⁹ It might be argued that if the foregoing sentence stated “shall file,” then it would require intervenors to seek compensation, which is not the case.

⁴⁸ *The Greenlining Institute's Reply to Applicants' Response to Request for Extension of Time by the Greenlining Institute to File Request for Award of Compensation*, filed August 1, 2001, at 2.

⁴⁹ Cal. Pub. Util. Code § 1084(c).

Nonetheless, we find that the statutory language leaves open the possibility for a waiver of the time requirement. Had the Legislature intended an outright bar of compensation to intervenors who missed the deadline, it easily could have made the language of the statute unambiguous. Thus, in view of the lack of demonstrated prejudice in this case, we excuse the lateness of Greenlining/LIF filing and consider the compensation request on its merits.

(2) Amount of Compensation

Greenlining/LIF seeks \$199,921 in compensation, as follows:

Attorney Fees						
<i>Chris Witteman</i>	470.2	Hours	X	\$255	=	\$119,901
<i>Susan E. Brown</i>	136.5	Hours	X	\$260	=	\$35,490
<i>Robert Gnaizda</i>	146	Hours	X	\$305	=	\$44,530
TOTAL					=	\$199,921

(3) Overall Benefits of Greenlining/LIF's Participation

As with the other Intervenors, it is difficult to place a dollar value on Greenlining/LIF's participation. For the same reasons as we cite in connection with TURN's claim, we find the difficulty in attaching a monetary value to Greenlining/LIF's work warrants a 10% decrease in its award.

(4) Greenlining/LIF's Hours Claimed

We find Greenlining/LIF's hours to be so out of line with those of the other two Intervenors that a reduction in the number of compensated hours is warranted.

The best comparison is to the TURN hours, since TURN attended the hearings and participated in the proceeding to the same degree as Greenlining/LIF. TURN devoted a total of 321.25 attorney hours to the case, compared to Greenlining/LIF's 752.7 hours, more than double the TURN

amount. While this is in part because Greenlining/LIF each had an attorney in the hearing room, and sometimes a third attorney, while TURN had only one, it is not at all clear that all three Greenlining/LIF attorneys were required on the case.

Indeed, we believe that most if not all of the extra hours in the Greenlining/LIF request (as compared to TURN's request) are the result of duplication of efforts, for which no compensation is allowed.⁵⁰ Moreover, the link between the issues Greenlining/LIF litigated and those in the Civil Case is more attenuated than it is to the issues litigated by TURN and UCAN.

Therefore, we further reduce Greenlining/LIF's requested hours by 40% to account for their excessiveness and for duplication. We also eliminate hours for projects that appear to have no relationship to this case, or for press conferences related to the case, as follows:

- Mr. Gnaizda: 7.3 hours (1.8 hours press conference time; 1.8 hours reviewing "ORA position" [ORA was not a party to this proceeding]; 3.7 hours on FCC filing).

We halve the award for travel time and time spent on intervenor compensation, consistent with our prior practice, as follows:

- Ms. Brown: 2.5 hours (intervenor compensation time; 1.25 hours compensable).
- Mr. Gnaizda: 1.3 hours (travel time; .63 hours compensable).

⁵⁰ See, e.g., D.01-09-045, 2001 Cal. PUC Lexis 778, at *18-19; D.00-04-011, 2000 Cal. PUC Lexis 190, at *12.

After adjustment for the foregoing reductions, we approve the following hours claimed for each Greenlining/LIF attorney:

- Mr. Witteman: $470.2 \text{ hours} \times .5 = 235.1 \text{ hours}$
- Ms. Brown: $(136.5 \text{ hours} - 1.25 \text{ hours}) \times .5 = 67.62 \text{ hours}$
- Mr. Gnaizda: $(146 \text{ hours} - 7.3 \text{ hours} - .63 \text{ hour}) \times .5 = 69.04 \text{ hours}$

(5) Greenlining/LIF's Hourly Rates

(a) Mr. Witteman

Greenlining/LIF seeks an hourly rate for Mr. Witteman of \$255/hour. We previously have approved rates of \$200/hour for Mr. Witteman for work performed during 2000—the year in which Mr. Witteman performed most of his work for this proceeding. Greenlining/LIF nowhere attempts to justify its higher rate, and we award Mr. Witteman \$200/hour for compensable time spent on the proceeding in 2000. Because Greenlining/LIF made no case for increasing Mr. Witteman's rate in 2001, we also award Mr. Witteman \$200/hour for work in that year.

(b) Ms. Brown

Greenlining/LIF seeks an hourly rate for Ms. Brown of \$260. We previously have approved this rate for Ms. Brown for work in 2000 and approve it again here.⁵¹ Because Greenlining/LIF made no case for increasing Ms. Brown's rate in 2001, we award Ms. Brown \$260/hour for work in that year.

(c) Mr. Gnaizda

Greenlining/LIF seeks an hourly rate for Mr. Gnaizda of \$305. We previously have approved rates of \$280/hour for Mr. Gnaizda for

⁵¹ D.01-09-011, 2001 Cal. PUC Lexis 521, at *16.

work performed in 2000—the only year in which Mr. Gnaizda did work on this proceeding.⁵² Thus, we award Mr. Gnaizda \$280/hour for his efforts on this proceeding in 2000.

(6) Time Spent Preparing Greenlining/LIF's Compensation Request

As noted above, we halve the time spent on Greenlining/LIF's intervenor compensation request. Because only Ms. Brown reported time attributable to the request, halving the time produces the same result as halving the hourly rate, but in the future we prefer the latter approach.

(7) Greenlining/LIF's Other Costs

Greenlining/LIF waived its costs, so we award no amount in this category.

(8) Greenlining/LIF's Award

We award Greenlining/LIF \$90,647.16 calculated as described above and summarized below:

⁵² *Id.*

Item	Amount
Base fee claimed	\$199,921.00
Less excess hourly rate • Mr. Witteman • Mr. Gnaizda	(\$25,861.00) (\$3,650.00)
Subtotal	\$170,410.00
Less misc. hours / time • Ms. Brown • Mr. Gnaizda	(\$325.00) (\$2,220.40)
Subtotal	\$167,864.60
Less 10% (difficulty in assigning dollar value)	(\$16,786.00)
Subtotal	\$151,078.60
Less 40% (dup., excessiveness, and attenuation)	(\$60,431.44)
Total award	\$90,647.16

We will assess responsibility for payment equally between WorldCom and Sprint, per the method first adopted in D.95-09-034.

Consistent with previous Commission decisions, we will order that interest be paid on the award amount (calculated at the three-month commercial paper rate), commencing October 31, 2001 (the 75th day after Greenlining / LIF filed its compensation request) and continuing until each Applicant makes full payment of its portion of the award.

As in all intervenor compensation decisions, we put Greenlining / LIF on notice that the Commission Telecommunications Division may audit Greenlining / LIF's records related to this award. Thus,

Greenlining/LIF must make and retain adequate accounting and other documentation to support all claims for intervenor compensation.

Greenlining/LIF's records should identify specific issues for which it requests compensation, the actual time spent by each employee, the applicable hourly rate, fees paid to consultants, and any other costs for which compensation may be claimed.

F. Greenlining/LIF's Rule 1 and 1.5 Motion

Concurrently with its request, Greenlining/LIF filed a motion seeking imposition of sanctions on Applicants for proceeding to hearing in this case even though they knew the merger was in trouble. They claim that once there was evidence that the merger might not clear regulatory hurdles, Applicants committed an ethical violation pursuant to Commission Rule 1⁵³ meriting sanctions pursuant to Rule 1.5 by not seeking to delay the proceedings.⁵⁴ We find no merit to the motion and deny it. While we wish that no party had been forced to expend time on a merger that did not occur, we believe the record that was developed in this proceeding will be of use in other contexts. Moreover, we do not see the wisdom of forcing a party with a controversial application to abey it pending other regulatory action.

⁵³ "Any person who signs a pleading or brief, enters an appearance at a hearing, or transacts business with the Commission, by such act represents that he or she is authorized to do so and agrees to comply with the laws of this State; to maintain the respect due to the Commission, members of the Commission and its Administrative Law Judges; and never to mislead the Commission or its staff by an artifice or false statement of fact or law."

⁵⁴ "The Commission may impose such penalties and sanctions, or make any other order, as it deems appropriate to ensure the integrity of the formal record and to protect the public interest."

G. Waiver of Comment Period

Pursuant to Pub. Util. Code § 311(g)(3) and Rule 77.7(f)(6) of the Rules of Practice and Procedure, the 30-day comment period for draft decisions may be waived because this is a decision on requests for intervenor compensation. However, in view of the changes to Intervenor's requested amounts this decision orders, we will allow the parties the full 30 days for comments.

Findings of Fact

1. TURN and UCAN made a timely request for compensation for their contribution to D.01-02-040.
2. Greenlining/LIF made an untimely request for compensation.
3. TURN, UCAN, and Greenlining/LIF contributed substantially to D.01-02-040.
4. TURN, UCAN, and Greenlining/LIF previously made a showing of significant financial hardship by demonstrating the economic interests of their individual members would be extremely small compared to the costs of participating in this proceeding.
5. TURN and UCAN have requested hourly rates for their attorneys that have already been approved by the Commission.
6. The Commission has established hourly rates for Greenlining/LIF's attorneys for 2000.
7. Greenlining/LIF has not established entitlement to an increase in hourly rates for 2001.
8. The miscellaneous costs incurred by TURN and UCAN are reasonable.
9. Greenlining/LIF did not seek costs for its participation in this proceeding.

Conclusions of Law

1. TURN, UCAN, and Greenlining/LIF have fulfilled the requirements of Sections 1801-12, which govern awards of intervenor compensation.

2. Work related to intervenor compensation should be compensated at 50% the approved hourly rate.

TURN's, UCAN's, and Greenlining/LIF's fees should be reduced 10% because of the difficulty in assigning a dollar value to their efforts.

3. Greenlining/LIF's fees should be reduced by 40% due to duplication, excessiveness, and attenuation from the issues in the Civil Case.

4. Greenlining/LIF's hours should be reduced by 50% for travel time and eliminated for efforts unrelated to this proceeding.

5. TURN should be compensated \$84,616.04, UCAN compensated \$31,362.18, and Greenlining/LIF compensated \$90,647.16 for their substantial contributions to D.01-02-040.

6. A request for compensation may be filed after the 60-day deadline in certain circumstances.

7. This order should be effective today so that Intervenors may be compensated without unnecessary delay.

O R D E R

IT IS ORDERED that:

1. The Utility Reform Network (TURN) is awarded \$84,616.04 for its contribution to Decision (D.) 01-02-040.

2. The Utility Consumers' Action Network (UCAN) is awarded \$31,362.18 for its contribution to D.01-02-040.

3. The Greenlining Institute / Latino Issues Forum (Greenlining / LIF) is awarded \$90,647.16 for its contribution to D.01-02-040.

4. Greenlining / LIF's Rule 1 and 1.5 Motion for sanctions is denied.

5. MCI WorldCom, Inc. (WorldCom) and Sprint Corporation (Sprint) shall each pay TURN \$42,308.02, UCAN \$15,681.09, and Greenlining / LIF \$45,323.58, half the awarded amount, within 30 days of the effective date of this order. If for any reason WorldCom's or Sprint's payment to TURN is delayed beyond June 24, 2001, the 75th day the date TURN filed its request for compensation, the entity whose payment is delayed shall also pay interest on the award at the rate earned on prime, three-month commercial paper, as reported in Federal Reserve Statistical Release G.13, with interest, beginning on June 24, 2001 and continuing until full payment is made. If for any reason WorldCom's or Sprint's payment to UCAN is delayed beyond August 7, 2001, the 75th day the date UCAN filed its request for compensation, the entity whose payment is delayed shall also pay interest on the award at the rate earned on prime, three-month commercial paper, as reported in Federal Reserve Statistical Release G.13, with interest, beginning on August 7, 2001 and continuing until full payment is made. If for any reason WorldCom's or Sprint's payment to Greenlining / LIF is delayed beyond October 31, 2001, the 75th day the date Greenlining / LIF filed its request for compensation, the entity whose payment is delayed shall also pay interest on the award at the rate earned on prime, three-month commercial paper, as reported in Federal Reserve Statistical Release G.13, with interest, beginning on October 31, 2001 and continuing until full payment is made.

6. This proceeding is closed.

This order is effective today.

Dated _____, at San Francisco, California.