

Decision 20-11-042 November 19, 2020

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

Application of SOUTHERN CALIFORNIA GAS COMPANY (U904G) and SAN DIEGO GAS & ELECTRIC COMPANY (U902G) for authority to revise their natural gas rates and implement storage proposals effective January 1, 2020 in this Triennial Cost Allocation Proceeding.

Application 18-07-024

**DECISION GRANTING COMPENSATION TO  
THE UTILITY REFORM NETWORK  
FOR SUBSTANTIAL CONTRIBUTION TO DECISION 20-02-045**

<b>Intervenor:</b> The Utility Reform Network (TURN)	<b>For contribution to Decision (D.) 20-02-045</b>
<b>Claimed:</b> \$418,159.82	<b>Awarded:</b> \$418,476.70
<b>Assigned Commissioner:</b> Martha Guzman Aceves	<b>Assigned ALJ:</b> Kelly Hymes

**PART I: PROCEDURAL ISSUES**

<b>A. Brief description of Decision:</b>	Decision (D.) 20-02-045 addressed the array of cost allocation and gas storage-related proposals typical of a Triennial Cost Allocation Proceeding (TCAP) for Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E). The Commission authorized an embedded cost method for allocating costs of the transmission and storage functions, and the Long Run Marginal Cost method for customer costs. The decision also adopted a modified version of an Energy Division proposal to allocate storage capacity consistent with the current condition of the Aliso Canyon Storage Facility. The Commission denied the utilities' requests for new or increased monthly fixed charges for residential customers, and
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	addressed several other requests related to regulatory accounts and other administrative processes.
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**B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812<sup>1</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:	10/16/18	Verified
2. Other specified date for NOI:		
3. Date NOI filed:	11/7/18	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:	I.15-08-019	Verified
6. Date of ALJ ruling:	11/8/17	Verified
7. Based on another CPUC determination (specify):		
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:	15-08-019	Verified
10. Date of ALJ ruling:	1/8/17	Verified
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes
<b>Timely request for compensation (§ 1804(c)):</b>		
13. Identify Final Decision:	D.20-02-045	Verified
14. Date of issuance of Final Order or Decision:	February 28, 2020	Verified
15. File date of compensation request:	April 27, 2020	Verified
16. Was the request for compensation timely?		Yes

<sup>1</sup> All statutory references are to California Public Utilities Code unless indicated otherwise.

## PART II: SUBSTANTIAL CONTRIBUTION

- A. Did the Intervenor substantially contribute to the final decision (see § 1802(j), § 1803(a), 1803.1(a) and D.98-04-059): (For each contribution, support with specific reference to the record.)**

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p><b>Overview:</b> This TCAP proceeding covered an array of proposals regarding matters that affect the allocation of cost of providing natural gas service among the customer classes of SoCalGas and SDG&amp;E. For the first time in several decades, the underlying issues were submitted for Commission decision on a fully litigated record, rather than based on proposed settlements supported by most or all of the interested parties. TURN's participation in the proceeding addressed a broad array of the underlying issues, including but not limited to storage capacity and cost allocation, a critical review of the utilities' embedded and marginal cost studies, and proposed modifications to residential rate design. TURN also addressed issues not covered in the utilities' application and direct testimony, but added later to the scope of the proceeding due to subsequent developments, like the impacts of Senate Bill (SB) 711 on residential rate design, and the staff-developed alternative approach to reflecting the current uncertain status of Aliso Canyon storage capacity.</p> <p>TURN's substantial contribution to D.20-02-045 appears in several ways. First, on a number of important issues, the Commission adopted TURN's recommended outcome and in some cases specifically cited TURN's position as a reason for doing so. However, TURN acknowledges that the Commission did not adopt its recommended</p>	<p>Please see Comment 1 in Section II.C., below, for an explanation of TURN's reliance on its pleadings as the main source of citations to identify our substantial contributions.</p>	<p>Noted</p>

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>outcome on all issues TURN addressed in the proceeding. Furthermore, the Commission's final decision did not address some of the issues addressed by TURN and other parties, despite those issues having been in the defined scope of the proceeding. For those issues, TURN is making a showing on substantial contribution based largely on its contribution to the decision-making process, even where the final decision did not agree with our recommended outcomes on the disputed issues. While unusual for TURN, the Commission has previously recognized that TURN may demonstrate its substantial contribution in this way (<i>see</i>, D.19-10-019 (in Aliso Canyon Section 455.5 Investigation), D.08-04-004 (in SCE Long Beach PPA application), and D.10-06-046 (in SCE carbon sequestration study funding application)). TURN more fully describes the basis for this approach in Attachment 5 to this request.</p>		
<p><b>1. Demand Forecast:</b> The Commission generally adopted the utilities' demand forecasts for core and noncore customers. TURN raised an exception to the demand forecast for a portion of SoCalGas's G-30 class, and recommended a higher peak day load. The Commission found TURN's argument had merit and adopted the recommended higher figure.</p> <p>The decision also cites with apparent favor TURN's argument against a recommendation of Southern California Generation Coalition (SCGC) that sought to dramatically reduce demand forecasts for the Electric Generation (EG) class due to operating restrictions on the Aliso Canyon storage field. TURN's reply testimony and brief pointed out that the curtailments SCGC relied upon as the basis for its proposal did</p>	<p>TURN Opening Brief, pp. 1-2.</p> <p>D.20-02-045, pp. 21 and 23, Finding of Fact (FOF) 6, Conclusion of Law (COL) 2.</p> <p>TURN Reply Brief, pp. 1-3.</p>	<p>Verified</p>

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not occur until after the more recent pipeline outages, and did not appear to be tied to Aliso Canyon's status. The Commission noted TURN's argument, then explained that it was partly relying on that argument in not adopting the SCGC proposal.	D.20-02-045, pp. 21-22, Finding of Fact (FOF) 2.	
<p><b>2. Embedded Costs:</b> The Commission adopted two modifications TURN had recommended to the Sempra Utilities' embedded cost study method for allocating transmission and storage costs. TURN challenged the utilities' allocation of A&amp;G and common plant costs and miscellaneous revenues, with their "two-step" process that begins by allocating 50% of the cost to "end users," and only allocates 50% based on labor factors. The Commission agreed with TURN, labeling the utilities' approach as "arbitrary and unreasonable." The Proposed Decision adopted TURN's recommended calculation for A&amp;G costs. Based on TURN's comments on the PD, the Commission extended that approach to common plant costs and miscellaneous revenues.</p> <p>TURN also proposed allocating Customer Advances for Construction (CACs) entirely to distribution, since there are no CACs for transmission. The Commission agreed with TURN that such amounts should be assigned entirely to distribution.</p>	<p>TURN Opening Brief, pp. 48-51.</p> <p>TURN Comments on Proposed Decision, pp. 7-8.</p> <p>D.20-02-045, pp. 30-32, and p. 86, FOF 17-21, COL 7.</p> <p>TURN Opening Brief, pp. 56-58.</p> <p>D.20-02-045, pp. 33-34, FOF 24-25, COL 9.</p>	Verified
<p><b>3. Allocation of Storage Capacity and Costs to Core and Load Balancing Categories:</b> Determining the storage capacities to be used for ratesetting in this proceeding presented an unusual challenge due to the uncertainties about the availability and capacity associated with the Aliso Canyon field. After the parties had submitted reply briefs based on the</p>	TURN Opening Brief, pp. 2-8; TURN Opening Comments on Staff Proposal (10/24/19); and TURN Reply Comments	Verified

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>evidentiary record developed up to that point, a Staff Proposal was issued for comment on October 3, 2019. In D.20-02-045, the Commission adopted the Staff Proposal that recommended a mechanism to allocate storage capacity at Aliso Canyon based on its shifting inventory capacity, with modifications reflecting recommendations from TURN and other parties.</p> <p><u>Withdrawal Capacity</u>: The Staff Proposal stated that it is essential to consider the actual total withdrawal capacity for the winter and summer seasons when allocating storage amounts, and it proposed to allocate two different withdrawal figures to core customers and the balancing account. TURN's opening comments noted that the storage withdrawal capacities used in the Staff Proposal represent maximum values that are unlikely to be available consistently, particularly during the winter season when storage inventory is likely to be drawn down below full field capacity. TURN's reply comments supported the utilities' prorationing proposal that would reduce both core and load balancing withdrawal (and injection) rights proportionally if the available capacity on any given day was less than the full allocated amount. The Commission agreed and adopted the prorationing proposal because it should lead to a proportionate reduction of withdrawal and injection capacity based on customer cost allocation shares. This approach replaces the prior policy of giving load balancing first priority access to system withdrawal and injection capacity, and therefore benefits core customers.</p> <p><u>Extension of Cycle 6</u>: The utilities noted that the Staff Proposal would limit Gas</p>	<p>on Staff Proposal (10/31/19). D.20-02-045, pp. 34-45.</p> <p>TURN Opening Comments, pp. 3-5; TURN Reply Comments, pp. 1-2.</p> <p>D.20-02-045, pp. 36-38.</p>	

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<p>Acquisition's ability to optimize its storage injections to minimize exposure to OFO penalties. They proposed an amendment of SoCalGas Rule 30 to extend Intraday Cycle 4, also known as Cycle 6, from 9:00 pm on the Gas Day to 9:00 a.m. on the day following the Gas Day, and SCGC proposed also extending imbalance trading to 9:00 am on the business day following the close of Cycle 6. TURN supported both proposals from the perspective of core customers. D.20-02-045 also adopted both modifications.</p> <p><u>Customer Rate Changes:</u> The Staff Proposal did not address when and how actual customer rates would be changed in the event of a modification of the maximum allowable inventory at Aliso Canyon. The utilities sought authorization to update its transportation rates, if necessary, as part of an otherwise scheduled rate change. TURN argued that the Commission should establish a threshold whereby a cost allocation change of \$5 million or more should trigger a rate change even if there is not another scheduled one upcoming. Furthermore, TURN called for the utility to be required to submit an advice letter with supporting workpapers to provide the necessary transparency. The Commission agreed and adopted TURN's recommended \$5 million threshold and, when that threshold is met, the requirement of a Tier 2 Advice Letter that provides allocated costs and illustrative class-average rate changes and related work papers.</p> <p><u>Unbundled Storage Program:</u> The Staff Proposal recommended continuing the Unbundled Storage Program if the capacity exists, as well as retaining the existing sharing mechanism. The utilities, however, requested elimination of the sharing</p>	<p>TURN Reply Comments on Staff Proposal, p. 2.</p> <p>D.20-02-045, pp. 39-40.</p> <p>TURN Opening Comments on Staff Proposal, p. 7.</p> <p>TURN Reply Comments on Staff Proposal, p. 2.</p> <p>D.20-02-045, pp. 41-42; FOF 33-34, COL 14.</p>	

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>mechanism associated with the Unbundled Storage Program. TURN, along with several other parties, urged the Commission to retain the Unbundled Storage Program with the sharing mechanism in place if capacity is available. TURN focused on the utilities' failure to establish a convincing basis for eliminating all shareholder risk associated with the Unbundled Storage Program. The Commission agreed and found that the sharing mechanism provides a balanced and fair approach for risk and reward sharing between shareholders and ratepayers.</p>	<p>TURN Reply Comments on Staff Proposal, p. 2.</p> <p>D.20-02-045, pp. 44-45, FOF 90, COL 18.</p>	
<p><b>4. LRMC Method For Allocating Customer Costs:</b> The Commission stated that neither the New Customer Only allocation method (supported by TURN and the Public Advocates Office) nor the Rental Method (supported by the utilities and a number of non-core intervenors) is perfect, and opted to use the results of the Rental Method for purposes of this TCAP. In doing so, the Commission adopted a number of TURN recommendations. First, it allocated certain "large commercial and industrial" and "economic development" program costs to only the subset of G-10 customers made up of large C&amp;I customers, rather than the entire class. Second, it allocated a greater portion of the costs for measurement and regulating stations to SDG&amp;E's high pressure distribution function. Third, it adopted a correct amount for the service line O&amp;M costs for use in the LRMC study. And fourth, it adopted a modified calculation of SDG&amp;E's cathodic protection costs.</p>	<p>TURN Opening Brief, pp. 95, 97-100.</p> <p>D.20-02-045, pp. 53-54, FOF 53-57, COL 20-23.</p>	Verified
<p><b>5. Self-Generation Incentive Program (SGIP) Cost Allocation:</b> The utilities proposed to re-allocate the contribution of customer classes to the SGIP by totaling the incentives awarded in the most recent three</p>		Verified



Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>years and allocating funds based on the percentage of incentives disbursed to each class. TURN joined other parties in opposing this proposal, arguing that this would result in the allocation of 92% of SGIP costs to the noncore electric generation customers most of whom, by their very nature, are prohibited from receiving SGIP payments. TURN supported SCGC's proposal which allocated zero percent to noncore Electric Generation customers and a majority of the cost to the Core Commercial and Industrial customer class. Ultimately, the Commission adopted a hybrid approach that would divide the SGIP costs, allocating half to the host customer class and half to the receiving customer class. This outcome will reduce the costs that will flow through to core electric ratepayers.</p>	<p>TURN Opening Brief, pp. 102-104.</p> <p>D.20-02-045, pp. 54-56, 59-60, FOF 58 and 62, COL 24-26.</p>	
<p><b>6. Transportation Rates -- Backbone Rate Credits:</b> Indicated Shippers recommended that the Commission direct the Sempra Utilities to provide a credit to firm Backbone Transmission Service charges during periods when a customer's Backbone Transmission Service nominations are cut as a result of pipeline outages. TURN supported Indicated Shippers' proposal, pointing out that core customers are also impacted by these cuts, and stated that it would provide a strong incentive for the utilities to resolve these very problematic outages as quickly as possible. The Commission found that such a credit mechanism should be developed.</p>	<p>TURN Opening Brief, p. 105; TURN Reply Brief, p. 44.</p> <p>D.20-02-045, pp. 65-66; FOF 33 and COL 33.</p>	Verified
<p><b>7. Residential Rate Design – Proposed Fixed Charges:</b> The Sempra Utilities proposed a \$10 fixed monthly charge for non-CARE residential customers, an increase</p>		Verified

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p>of \$5 to SoCalGas's existing charge, and introduction of a new charge for SDG&amp;E customers. TURN opposed the proposed charges on a number of grounds, and recommended continuing the status quo. The Proposed Decision would have denied the utilities' request for a \$10 monthly fixed charge for non-CARE residential customers, but permitted SDG&amp;E to implement a \$5 monthly fixed charge. TURN's opening comments focused on the Proposed Decision's failure to address the adverse bill impacts resulting from such a change, despite the record evidence on such impacts, and the recent decision that reached the opposite conclusion based on a similar record. In the final decision, the Commission both denied the utilities' request and chose not to permit SDG&amp;E to implement a \$5 monthly fixed charge.</p>	<p>TURN Opening Brief, pp. 105-122.</p> <p>Proposed Decision, pp. 64-69.</p> <p>TURN Opening Comments on PD, pp. 8-10.</p> <p>D.20-02-045, pp. 67-73, FOF 83-84 and 86-87, COL 36-37.</p>	
<p><b>8. <u>Regulatory Accounts</u></b></p> <p>The utilities proposed changes to SoCalGas's Core Fixed Cost Account (CFCA) tied to the proposed elimination of the unbundled storage program. They argued that since the CFCA balances revenues from core customers to recover the related authorized core storage costs, the revenues from the wholesale core customers should be balanced in the CFCA. TURN, along with SCGC, supported this proposal, regardless of whether the unbundled storage program was eliminated or maintained, because it made sense to account for all core storage-related revenues in a consistent manner in the CFCA. The Commission agreed and adopted the proposal even though it maintained the unbundled storage program.</p>	<p>TURN Opening Brief, p. 123.</p> <p>D.20-02-045, p. 74-75 and Conclusion of Law 41.</p>	Verified

Intervenor's Claimed Contribution(s)	Specific References to Intervenor's Claimed Contribution(s)	CPUC Discussion
<p><b>9. Implementation of SB 711:</b> The Commission added achieving compliance with Senate Bill (SB) 711 to the scope of this proceeding after the Sempra Utilities had served their application. TURN, along with Public Advocates Office, reviewed and analyzed the utilities' proposals, which covered not just complying with the new statute, but significant adjustments to their baseline allowances to restore compliance with P.U. Code Section 739. TURN raised concerns about potential bill volatility impacts of the proposed changes, and recommended staggering the timing of the implementation to mitigate those impacts. The Commission recognized that concern, but concluded that concurrent implementation as proposed by the utilities would more effectively reduce such volatility.</p>	<p>TURN Opening Brief, pp. 125-129.</p> <p>D.20-02-045, pp. 82-84, FOF 105-107, COL 49.</p>	<p>Verified</p>
<p><b>10. Post-Decision – Sempra Utilities' Proposal to Postpone Increase to Schedules G-10 and GN-3:</b> On March 30, 2020, the Sempra Utilities submitted advice letters showing the rate impacts of D.20-02-045 as adopted. A few days later, each utility sought an "extension of time" to comply with the decision in order to defer the scheduled rate increase for Schedule G-10 (for SoCalGas) and Schedule GN-3 (for SDG&amp;E). The utilities proposed that any resulting revenue shortfall would be borne by core customers starting in 2021. The next business day, TURN submitted a letter objecting to the utilities' request on both procedural and substantive grounds, and included an abbreviated analysis of the potential adverse cost impacts to core customers. The Commission's Executive Director issued a letter to each utility on April 20, 2020, agreeing with TURN that an</p>	<p>SoCalGas and SDG&amp;E Letters to CPUC Exec. Dir. Alice Stebbins, April 3, 2020.</p> <p>TURN Letter to CPUC Exec. Dir. Alice Stebbins, April 6, 2020.</p>	<p>Verified</p>

<b>Intervenor's Claimed Contribution(s)</b>	<b>Specific References to Intervenor's Claimed Contribution(s)</b>	<b>CPUC Discussion</b>
extension request is not the appropriate procedural vehicle for the proposed relief, authorizing a shorter extension period, and directing each utility to file a petition for modification to support any request for a longer extension.	CPUC Exec. Dir. Letters to SoCalGas and SDG&E, April 20, 2020.	

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

	<b>Intervenor's Assertion</b>	<b>CPUC Discussion</b>
<b>a. Was the Public Advocate's Office of the Public Utilities Commission (Cal Advocates) a party to the proceeding?<sup>2</sup></b>	Yes	Yes
<b>b. Were there other parties to the proceeding with positions similar to yours?</b>	Yes	Yes
<b>c. If so, provide name of other parties:</b> On some issues, TURN's position was similar to the position taken by certain parties representing non-core interests, such as Southern California Generation Coalition (SCGC), Indicated Shippers (IS), and Southern California Edison Company (SCE). TURN discusses this occasional alignment more fully in the following section.		Verified
<b>d. Intervenor's claim of non-duplication:</b>  As is typically the case in proceedings with cost allocation and rate design issues, TURN coordinated closely with Cal Advocates to minimize the risk of unproductive duplication. This coordination extended to the more standard marginal cost, revenue allocation and rate design issues (such as the New Customer Only versus "rental method" approach to customer costs, and opposition to the utilities' proposed residential customer charges). However, TURN's testimony addressed a number of issues not addressed by Cal Advocates (such as adjustments to embedded costs).  While TCAPs typically have core customers taking positions contrary to those of non-core customers and vice versa, on a few issues there can be an alignment of interests. For example, TURN supported the basic concept of		Noted

<sup>2</sup> The Office of Ratepayer Advocates was renamed the Public Advocate's Office of the Public Utilities Commission pursuant to Senate Bill No. 854, which the Governor approved on June 27, 2018.

	<b>Intervenor's Assertion</b>	<b>CPUC Discussion</b>
<p>the SCGC testimony seeking to shift storage capacity from Load Balancing to the Unbundled Storage program, even as it disagreed with other SCGC recommendations. Similarly, while TURN and Indicated Shippers (IS) were usually at odds, both took similar positions on the need for a credit mechanism for BTS when service is cut as a result of pipeline or storage outages. And for the allocation of SGIP program costs, TURN supported the recommendation of SCGC, SCE, and Long Beach.</p> <p>The Commission should find that TURN's participation was efficiently coordinated with the participation of Cal Advocates wherever possible (and with non-core customer groups on particular issues), so as to avoid undue duplication and to ensure that any such duplication served to supplement, complement, or contribute to the showing of the other intervenor. And consistent with such a finding, the Commission should determine that all of TURN's work is compensable consistent with the conditions set forth in Section 1802.5.</p>		

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

<b>#</b>	<b>Intervenor's Comment</b>	<b>CPUC Discussion</b>
1	<p>For the most part, TURN relies largely on our post-hearing briefs as the source for citations to where the arguments and evidence supporting our substantial contributions appear in the record of this proceeding. For the Staff Proposal issued after briefs had been submitted, TURN also relies on the comments submitted on that proposal. The cited section from the pleadings brief should point the Commission toward the prepared and oral testimony and other record evidence supporting TURN's position, where applicable. Should the Commission conclude that it needs further support for any of the substantial contributions described here, TURN requests an opportunity to supplement this showing with additional citations or material as appropriate.</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>TURN’s request for intervenor compensation seeks an award of approximately \$418,159.82 as the reasonable cost of our participation in the proceeding. This requested amount is substantially higher than the amounts TURN has requested in recent SoCalGas and SDG&amp;E TCAPs. In the earlier proceedings, though, TURN’s TCAP-related work covered a more limited scope of issues than was the case here, and resulted in settlements that resolved most or all of the disputed issues, thus avoiding the need for evidentiary hearings and briefing of the settled issues. Under the circumstances here, the Commission should conclude that the amount requested is reasonable.</p> <p>The Commission should recognize that TURN’s efforts here achieved a reduced burden on core customers generally and residential customers in particular as compared to the utilities’ proposals. For example, for SoCalGas TURN estimates a reduction of approximately \$15 million for core customers generally, with a reduction of approximately \$22 million for residential customers in particular.<sup>3</sup> These represent annual savings for the period the cost allocation underlying these TCAP rates remain in effect, and compare quite favorably to the \$400,000 figure TURN seeks as compensation for work in this proceeding.</p> <p>Harder to quantify but equally as important are the benefits from rejection of the SoCalGas and SDG&amp;E proposals for residential customer charges. While adoption of the utility proposals would have been a zero-sum game for the residential class as a whole, the proposals would have resulted in bill increases for the majority of residential customers, and very substantial increases for those customers using the smallest amounts of gas on a monthly basis. TURN urges the Commission to recognize that these outcomes were some of the most important in this proceeding, and are likely to provide substantial benefits, albeit benefits that are intra-class for residential customers and therefore harder to quantify as class savings.</p>	Noted

<sup>3</sup> TURN calculated these figures using the difference between the “% Rate change” figures in SoCalGas’s proposed allocation (Table 1R of Ex. App-12 (Chapter 12: Revised Prepared Direct Testimony of Sharim Chaudhury)) and the adopted allocation as set forth in Attachment B to SoCalGas Advice Letter 5609 (March 30, 2020). The percentage difference (approximately 0.5% for the overall Core class, and approximately 0.9% for Core residential customers) was then applied to May-1-20 Revenues figure in Attachment B. The result is a reduction of approximately \$15 million for Core customers generally (\$2.966 billion times -0.5%), with a reduction of approximately \$22 million Core residential customers (\$2.382 billion times -0.9%).

	CPUC Discussion
In sum, the Commission should conclude that TURN's overall request is reasonable, particularly in light of the savings to SoCalGas and SDG&E ratepayers that were attributable to TURN's participation in the case.	
<p><b>b. Reasonableness of hours claimed:</b></p> <p>TURN seeks compensation for approximately 840 hours of time devoted to this proceeding by our staff attorneys, outside attorney and expert witness. The total hours of attorney and consultant time is the equivalent of an average of approximately five weeks of full time work for each of the four individuals representing TURN. Robert Finkelstein, TURN's General Counsel, served as lead attorney throughout the proceeding and bore primary responsibility for cost allocation and rate design issues. David Cheng, a TURN Staff Attorney, was primarily responsible for supporting work on storage capacity and allocation issues. TURN also relied heavily on the services of Michel Peter Florio, TURN's outside counsel and expert witness on a variety of issues, with primary focus on storage capacity and allocation issues, and William Marcus, TURN's expert witness on cost allocation and rate design issues. The work included the full range of activities in a fully-litigated proceeding, starting with the usual initial efforts to obtain the necessary information to develop and support TURN testimony, to actively participating in evidentiary hearings, preparing extensive briefing on the full range of disputed issues, and reviewing and commenting on the proposed decision once issued. In addition, TURN recorded significant time on reviewing and responding to the staff proposal for storage capacity allocation.</p> <p>TURN's request includes all of the reasonable hours for work on certain issue categories for which TURN's substantial contribution did not extend to each recommendation made in those categories. For example, TURN's recommendations on the utilities' embedded cost study included several elements that the Commission did not adopt, such as updating the results derived from 2016 costs to a 2020 revenue requirement, and appropriate treatment of Asset Retirement Obligations. As explained more fully in Attachment 5, the Commission has awarded compensation for the full amount of recorded hours in past proceedings where <u>none</u> of TURN's recommendations were adopted, in recognition of contributions to the decision-making process, including enabling fuller analysis of all aspects of the issue in dispute. Here, TURN's clear substantial contribution on the allocation of A&amp;G and common and general plant costs and miscellaneous revenues supports a similar outcome, that is, an award for all reasonable hours on the embedded cost study issues, even though TURN's position was not adopted on each such issue.</p> <p>Another example is the substantial time and effort TURN devoted to analyzing and addressing storage capacity and allocation issues as presented in the utilities'</p>	Noted

	CPUC Discussion
<p>and other intervenors' testimony, prior to the release of the Energy Division's Staff Proposal on Storage Capacity Allocation. Here, TURN was addressing the issue as presented in the utilities' application and as set forth in the Scoping Memo. The need to address the issues based on the different perspective and approach set forth in the Staff Proposal was not known until that proposal issued, after hearings and briefing. In D.20-02-045, the Commission not only adopted the Staff Proposal (with modifications), but chose not to address a number of storage-related topics that had been developed in the pre-Proposal evidentiary record and legal briefs. Under the circumstances, TURN submits that the Commission should award compensation for all of the reasonable hours associated with storage capacity and allocation issues, even if the substantial contribution is limited to certain aspects of the Staff Proposal as modified.</p> <p><b><u>Meetings or Discussions Involving More Than One TURN Attorney or Expert</u></b></p> <p>A relatively small percentage of hours and hourly entries reflect internal and external meetings involving two or more of TURN's attorneys and expert witnesses. In past compensation decisions, the Commission has deemed such entries as reflecting internal duplication that is not eligible for an award of intervenor compensation. This is not the case here. For the meetings that were among TURN's attorneys and expert witnesses, such meetings are essential to the effective development and implementation of TURN's strategy for this proceeding. None of the attendees are there in a duplicative role – each is an active participant, bringing his or her particular knowledge and expertise to bear on the discussions. As a result, TURN is able to identify issues and angles that would almost certainly never come to mind but for the “group-think” achievable in such settings.</p> <p>There were also meetings with other parties at which more than one attorney represented TURN on occasion. The Commission should understand that this is often essential in a case such as this one, with a wide range of issues that no single person is likely to master. TURN's requested hours do not include any for a TURN attorney or expert witness where his or her presence at a meeting was not necessary in order to achieve the meeting's purpose. TURN submits that such meetings can be part of an intervenor's effective advocacy before the Commission, and that intervenor compensation can and should be awarded for the time of all participants in such meetings where, as here, each participant needed to be in the meeting to advance the intervenor's advocacy efforts.</p> <p><b><u>Intervenor Compensation-Related Time</u></b></p> <p>TURN is requesting compensation for 18.25 hours devoted to compensation-related matters, the largest share of which is the 17.75 hours</p>	



		CPUC Discussion
associated with Mr. Finkelstein's preparation of this request for compensation. Given his extensive knowledge of most aspects of this proceeding and experience with preparing such requests, he was the most efficient choice to prepare this request for this proceeding.		
<b>c. Allocation of hours by issue:</b>  TURN has allocated all of our attorney and consultant time by issue area or activity, as evident on our attached timesheets. The following codes relate to specific substantive issue and activity areas addressed by TURN in this proceeding, as well as general activities that are part of nearly all CPUC proceedings, such as tasks associated with general participation, general hearing activities, and work undertaken after the Proposed Decision issues.		Verified
<b>Code</b>	<b>Stands for:</b>	
Embedded	Embedded cost study for transmission and storage cost allocation	
MC	Marginal cost study for distribution and customer cost allocation	
Policy	Policy-related issues addressed in testimony and briefs	
Proc	Procedural-related issues, such as responding to utilities' motion for post-hearing evidence	
Rate Design	Rate design issues, primarily the utilities' proposals for increased or new fixed charge for residential customers	
RM	Ratemaking issues, such as retention of Noncore Storage Balancing Account for Unbundled Storage Program	
SB 711	Rate design issues specific to changes and implementation schedule for compliance with Senate Bill 711	
Storage	Storage capacity and allocation issues, including load balancing issues	
#	Time entries that cover substantive issue work that cannot easily be identified with a specific activity code. In this proceeding the time entries coded # represent a small portion of the total hours (approximately 4%). TURN requests compensation for all of the time included in this request for compensation, and therefore does not believe further allocation of the time associated with these entries is necessary. However, if such further allocation needs to occur, TURN proposes that the Commission allocate these entries in equal 33% shares to the broader issue-specific categories described above that were most likely to have work covered by a # entry (Embedded, MC and Storage).	

		CPUC Discussion
GP	General Participation -- work that is essential to TURN’s participation but would not vary with the number of issues that TURN addresses, for the most part. This code appears most regularly during early stages of broad reviews, such as the initial review of the application and testimony, the initial inquiry into issues areas that TURN opted not to pursue (such as certain subsets of T&D issues here), and other tasks throughout the course of the proceeding that are of a more general nature.	
GH	General Hearing -- Hearing-related (preparation and participation), but not issue-specific. There are a number of general tasks that fall upon any intervenor actively participating in evidentiary hearings, such as dealing with scheduling and similar issues. In addition, due to the nature of TCAP hearings and witness scheduling, TURN attorneys spent time in the hearing room waiting for the witness they would cross-examine to take the stand. To the extent possible, TURN’s attorneys used the time in the hearing room to perform other substantive work (such as preparing for the NEXT witness in queue), with the time recorded to the related substantive issue.	
GB	General Brief – Time associated with preparing a brief but either not issue-specific (such as reviewing hearing transcripts) or difficult to allocate on an issue-specific basis (such as general tasks early in the briefing process, or final reviews and edits of the entire brief)	
Coord	Coordination with other parties – meetings, e-mails and phone calls w/ Public Advocates Office.	
PD	Proposed Decision -- work on reviewing, analyzing, commenting on, lobbying on, strategizing on the Proposed Decision and revisions thereto.	
Post Dec	Post Decision – Work analyzing and preparing response to Sempra Utilities’ “requests for extensions” to suspend rate increases to one subset of core customers, and later recover any revenue shortfall from core class.	
Travel	Time required for travel for out-of-area attorney.	
Comp	Time devoted to compensation-related pleadings	
TURN submits that under the circumstances this information should suffice to address the allocation requirement under the Commission’s rules. Should the Commission wish to see additional or different information on this point, TURN		

	<b>CPUC Discussion</b>
requests that the Commission so inform TURN and provide a reasonable opportunity for TURN to supplement this showing accordingly.	

**B. Specific Claim:\***

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Robert Finkelstein, TURN General Counsel	2018	21.75	\$530	D.18-11-043	\$11,527.50	21.75	\$530	\$11,527.50
R. Finkelstein	2019	272.0	\$540	D.19-11-015	\$146,880.00	272	\$540	\$146,880.00
R. Finkelstein	2020	37.25	\$550	See Comment 1.	\$20,487.50	37.25	\$555 [1]	\$20,673.75
David Cheng, TURN Staff Attorney	2018	1.25	\$335	D.19-04-035	\$418.75	1.25	\$335	\$418.75
D. Cheng	2019	58.5	\$350	D.19-11-009	\$20,475.00	58.5	\$350	\$20,475.00
D. Cheng	2020	4.75	\$375	See Comment 1	\$1,781.25	4.75	\$375 [2]	\$1,781.25
Michel Peter Florio, Outside Counsel/ Expert Witness	2018	5.5	\$590	See Comment 1	\$3,245.00	5.5	\$590	\$3,245.00
M. Florio	2019	239.25	\$600	See Comment 1	\$143,550.00	239.25	\$600	\$143,550.00
M. Florio	2020	17.25	\$610	See Comment 1	\$10,522.50	17.25	\$615 [3]	\$10,608.75
William Marcus, Expert Witness	2018	12.0	\$290	D.19-11-009	\$3,480.00	12.0	\$290	\$3,480.00

CLAIMED						CPUC AWARD		
W. Marcus	2019	164.23	\$295	See Comment 1	\$48,447.85	164.23	\$295 [4]	\$48,447.85
Subtotal: \$410,815.35						Subtotal: \$411,087.85		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
David Cheng Travel	2019	6.0	\$175	50% of 2019 rate	\$1,050.00	6.0	\$175	\$1,050.00
Subtotal: \$1,050.00						Subtotal: \$1,050.00		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Robert Finkelstein	2018	0.5	\$265.00	50% of 2018 rate	\$132.50	0.5	\$265	\$132.50
Robert Finkelstein	2020	17.75	\$275.00	50% of 2019 rate	\$4,881.25	17.75	\$277.50	\$4,925.63
Subtotal: \$5,013.75						Subtotal: \$5,058.13		
COSTS								
#	Item	Detail			Amount	Amount		
1.	Photocopies	Photocopies of TURN prepared testimony and pleadings, and cross-examination exhibits and other hearing-related materials.			\$578.60	\$578.60		
2.	Postage	Postage expenses for mailing testimony and filings to the California Public Utilities Commission.			\$27.51	\$27.51		
4.	LexisNexis Legal Research	Computerized research costs associated with preparation of TURN's strategy, testimony and pleadings in this proceeding			\$270.08	\$270.08		
5.	Telephone	Phone charges for communications related to D.19-05-020.			\$2.57	\$2.57		

CLAIMED				CPUC AWARD
10.	Travel expenses (Staff)	Air fare and related parking costs for TURN attorney to attend SF workshop.	\$401.96	\$401.96
<b>Subtotal: \$1,280.72</b>				<b>Subtotal: \$1,280.72</b>
<b>TOTAL REQUEST: \$418,159.82</b>				<b>TOTAL AWARD: \$418,476.70</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

ATTORNEY INFORMATION			
Attorney	Date Admitted to CA BAR <sup>4</sup>	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Robert Finkelstein	June 1990	146391	No
David Cheng	June 2015	303794	No
Michel Peter Florio	November 1978	83245 [5]	No

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

Attachment or Comment #	Description/Comment
Attachment 1	Certificate of Service
Attachment 2	<b>Attorney and Consultant Time Sheet Detail</b>
Attachment 3	<b>Expense Detail</b>
Attachment 4	<b>TURN Hours allocated by issue</b>
Attachment 5	<b>Substantial Contribution Discussion</b>
Comment 1	<b>Hourly Rates for TURN Staff Members, Outside Counsel and Consultant</b>

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

Attachment or Comment #	Description/Comment
	<p>For work performed in 2018, TURN's staff members and consultant each have previously established hourly rates for intervenor compensation purposes, and TURN's request uses those previously authorized rates. For Mr. Florio, the Commission has on the agenda for its upcoming business meeting a proposed decision in A.17-11-009 (PG&amp;E GT&amp;S) that, once adopted, would establish his 2018 hourly rate.</p> <p>For work performed in 2019, the Commission has established hourly rates for TURN's staff attorneys, as indicated in the table above. For Mr. Florio, as with the requested 2018 rate, the proposed decision in A.17-11-009 (PG&amp;E GT&amp;S) would establish the 2019 hourly rate. TURN seeks an hourly rate for William Marcus of \$295 for his work in 2019. This figure is the market rate Mr. Marcus charges to his clients for work performed in 2019, and is consistent with applying the 2019 adopted COLA of 2.35% (adopted in Resolution ALJ-357) applied to his authorized rate for 2018 work.</p> <p>For work performed in 2020, this request for compensation is one of the first to include 2020 hours for TURN's staff or outside resources. In addition, the Commission has yet to adopt a 2020 COLA for intervenor hourly rates. Pending the Commission's COLA determination, TURN has used a placeholder COLA of 2% to calculate 2020 rates for where the increase relies on a COLA. If the Commission adopts a 2020 COLA that supports a different hourly rate for TURN's representatives, TURN requests that the Commission adjust the requested 2020 hourly rates accordingly.</p> <p><u>Robert Finkelstein</u>: The requested rate is the authorized rate for 2019, increased by 2% and rounded to the nearest \$5 increment.</p> <p><u>David Cheng</u>: TURN requests an hourly rate in 2020 of \$375 for staff attorney David Cheng. This increase reflects Mr. Cheng's move from the 5-7 year experience tier to the 8-12 year experience tier. Mr. Cheng was admitted to the California bar in June 2015, but had extensive prior experience directly related to utility operational and regulatory issues, gained during his nearly ten years of employment with SDG&amp;E. The Commission previously deemed his prior experience as placing Mr. Cheng in the 5-7 year tier in 2017 for intervenor compensation purposes (D.19-04-035, in A.17-07-011). With his additional experience since 2017, he should be deemed to be in the 8-12 year experience tier for his work in 2020.</p>

Attachment or Comment #	Description/Comment
	<p>The 2020 rate TURN requests for Mr. Cheng is 7% higher than the rate of \$350 requested for Mr. Cheng's work in 2019, when he was in the 5-7 year experience tier. The Commission has previously authorized comparable increases of 7-8% for movement to a higher experience tier. <i>See, e.g.</i>, D.17-03-022, issued in A.14-11-007 et al. (increasing Hayley Goodson's rate by 7% for her move from the 8-12 year experience tier into the 13+ year tier); D.12-07-019, issued in A.10-07-017 (increasing Matthew Freedman's rate by 7.7% for his move from the 8-12 year experience tier into the 13+ year tier). TURN notes that the requested rate is in the lower half of the range adopted in Resolution ALJ-357 for attorneys in the 8-12 year experience tier for 2019 (\$350 - \$410).</p> <p><u>Michel Florio</u>: Mr. Florio increased his billing rate to \$610 for 2020. This is an increase of slightly less than 2% from his 2019 rate of \$600, and thus is consistent with a COLA increase of 2% for 2020.</p>
Comment 3	<p><b>Non-travel Expenses</b> – TURN has included the reasonable expenses incurred associated with our participation in this proceeding. The photocopying expense of approximately \$580, the vast majority of which was from preparing multiple copies of TURN testimony, supporting attachments, and hearing exhibits for the evidentiary hearings. The postage, overnight delivery, and phone expenses were all associated exclusively with TURN's work in this proceeding. TURN also incurred and seeks recovery of \$270.08 of computerized research costs associated with the preparation of its testimony and pleadings.</p>
Comment 4	<p><b>Travel-Related Expenses</b> – TURN incurred approximately \$400 of travel-related expenses associated with our participation in this proceeding, representing the costs of having TURN's San Diego-based attorney travel to San Francisco for the March 2019 workshop attended by the ALJ, Commission staff, and representatives of all active parties. The Commission has recently awarded compensation for such travel-related expenses for TURN's San Diego-based attorneys in D.19-04-035 (PG&amp;E WEMA) and D.20-01-018 (SDG&amp;E Economic Development Rates).</p>

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

Item	Reason
[1]	Application of 2.55% Cost-of-Living Adjustment for 2020 authorized per Resolution ALJ-387.

Item	Reason
[2]	TURN requests a 2020 rate of \$375 for attorney David Cheng. This request reflects Mr. Cheng's move from the 5-7 year experience range to the 8-12 year experience range. TURN's request of \$375 for Cheng's work in 2020 is reasonable and is adopted herein.
[3]	Application of 2.55% Cost-of-Living Adjustment for 2020 authorized per Resolution ALJ-387.
[4]	We apply the 2019 adopted COLA of 2.35% (adopted in Resolution ALJ-357) to Marcus' authorized rate for 2018 work.
[5]	Bar Member Number 83245 is for Shela Cook Camenisch. Michel Peter Florio's Bar Member Number is 83425.

#### **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 (<i>see</i> Rule 14.6(c)(6))?</b>	Yes

#### **FINDINGS OF FACT**

1. The Utility Reform Network has made a substantial contribution to D.20-02-045.
2. The requested hourly rates for The Utility Reform 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.
3. The claimed costs and expenses are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$418,476.70.

#### **CONCLUSION OF LAW**

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



**ORDER**

1. The Utility Reform Network shall be awarded \$418,476.70.
2. Within 30 days of the effective date of this decision, Southern California Gas Company, and San Diego Gas & Electric Company shall pay The Utility Reform Network their respective shares of the award, based on their California-jurisdictional gas revenues for the 2019 calendar year, to reflect the year in which the proceeding was primarily litigated. If such data is unavailable, the most recent gas 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 July 11, 2020, the 75<sup>th</sup> day after the filing of The Utility Reform Network's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated November 19, 2020, at San Francisco, California.

MARYBEL BATJER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners

**APPENDIX****Compensation Decision Summary Information**

<b>Compensation Decision:</b>	D2011042	<b>Modifies Decision?</b>	No
<b>Contribution Decision(s):</b>	D2002045		
<b>Proceeding(s):</b>	A1807024		
<b>Author:</b>	ALJ Hymes		
<b>Payer(s):</b>	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>
The Utility Reform Network	April 27, 2020	\$418,159.82	\$418,476.70	N/A	<i>See CPUC Comments, Disallowances, and Adjustments above.</i>

**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>
Robert	Finkelstein	Attorney	\$530	2018	\$530
Robert	Finkelstein	Attorney	\$540	2019	\$540
Robert	Finkelstein	Attorney	\$550	2020	\$555
David	Cheng	Attorney	\$335	2018	\$335
David	Cheng	Attorney	\$350	2019	\$350
David	Cheng	Attorney	\$375	2020	\$375
Michel	Florio	Attorney	\$590	2018	\$590
Michel	Florio	Attorney	\$600	2019	\$600
Michel	Florio	Attorney	\$610	2020	\$615
William	Marcus	Expert	\$290	2018	\$290
William	Marcus	Expert	\$295	2019	\$295

**(END OF APPENDIX)**