



Decision _____

FILED10/21/19
9:30 AM

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

Application of Pacific Gas and Electric Company for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2017. (U39M)	Application 15-09-001 (Filed September 01, 2015)
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**INTERVENOR COMPENSATION CLAIM OF
THE UTILITY REFORM NETWORK
AND DECISION ON INTERVENOR COMPENSATION CLAIM OF
THE UTILITY REFORM NETWORK**

NOTE: After electronically filing a PDF copy of this Intervenor Compensation Claim (Request), please email the document in an MS WORD and supporting EXCEL spreadsheet to the Intervenor Compensation Program Coordinator at Icompcoordinator@cpuc.ca.gov.

Intervenor: The Utility Reform Network ("TURN")	For contribution to Decision (D.) 19-08-023
Claimed: \$15,502.50	Awarded: \$
Assigned Commissioner: Michael Picker ¹	Assigned ALJ: Stephen C. Roscow
I hereby certify that the information I have set forth in Parts I, II, and III of this Claim is true to my best knowledge, information and belief. I further certify that, in conformance with the Rules of Practice and Procedure, this Claim has been served this day upon all required persons (as set forth in the Certificate of Service attached as Attachment 1).	
Signature:	/s/
Date: 10/21/2019	Printed Name: Robert Finkelstein

PART I: PROCEDURAL ISSUES
(to be completed by Intervenor except where indicated)

A. Brief description of Decision:	In D.19-08-023, the Commission revised the authorized revenue requirements for request of Pacific Gas and Electric Company (PG&E) in its 2018 and 2019 attrition years to reflect changes associated with the federal Tax Cuts and Jobs Act of 2017. In its petition for modification of its test year
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¹ President Michael Picker continues to be listed as the assigned Commissioner for this proceeding as of October 17, 2019.

	2017 GRC decision D.17-05-013, PG&E proposed revenue requirement reductions of \$267 million for 2018, and \$296 million for 2019. The Commission directed PG&E to modify its underlying calculations in several ways that served to increase the amount of the near-term revenue requirement reductions.

B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812²:

	Intervenor	CPUC Verification
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	10/29/15	
2. Other specified date for NOI:		
3. Date NOI filed:	11/30/15	
4. Was the NOI timely filed?		
Showing of eligible customer status (§ 1802(b) or eligible local government entity status (§§ 1802(d), 1802.4):		
5. Based on ALJ ruling issued in proceeding number:	A.15-03-005	
6. Date of ALJ ruling:	8/6/15	
7. Based on another CPUC determination (specify):	N/A	
8. Has the Intervenor demonstrated customer status or eligible government entity status?		
Showing of “significant financial hardship” (§1802(h) or §1803.1(b)):		
9. Based on ALJ ruling issued in proceeding number:	A.15-03-005	
10. Date of ALJ ruling:	8/6/15	
11. Based on another CPUC determination (specify):	N/A	
12. Has the Intervenor demonstrated significant financial hardship?		
Timely request for compensation (§ 1804(c)):		

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

13. Identify Final Decision:	D.19-08-023	
14. Date of issuance of Final Order or Decision:	August 21, 2019	
15. File date of compensation request:	October 21, 2019	
16. Was the request for compensation timely?		

C. Additional Comments on Part I: (use line reference # as appropriate)

#	Intervenor's Comment(s)	CPUC Discussion
	TURN is relying on the Commission's prior finding of eligibility in this proceeding, as confirmed in D.19-02-019, the decision that awarded TURN compensation for its substantial contribution to D.17-05-013. This is consistent with Rule 17.2 of the Commission's Rules of Practice and Procedure.	

PART II: SUBSTANTIAL CONTRIBUTION
(to be completed by Intervenor except where indicated)

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>1. <u>Shorter Amortization Period for Excess Accumulated Deferred Income Taxes (ADIT) for "Unprotected" Assets</u></p> <p>PG&E's proposed to return the full amount of net excess deferred taxes based on the Average Rate Assumption Model (ARAM), so that the amount would be returned over the regulated book life of the underlying plant. TURN acknowledged that such treatment is mandated for "protected assets," but the Commission has discretion in the method of returning deferred tax related to "unprotected" asset and liabilities. Because PG&E's petition and supporting material failed to distinguish</p>	TURN Response to PG&E Petition for Modification (4/30/18), pp. 3-6.	

<p>between protected and unprotected assets, TURN called for the Commission to direct the utility to provide further information that would permit the distinction of excess ADIT associated with protected assets and the amount associated with unprotected assets.</p> <p>The Commission described TURN’s analysis as “excellent” and agreed with TURN’s position that ADIT associated with unprotected assets should be returned to ratepayers over a shorter period than the book life of the associated assets. But rather than require an additional showing from PG&E, the Commission directed the utility to make the necessary calculations and present the results in an implementing advice letter. PG&E filed Advice Letter 4142-G/5636-E on September 13, 2019.</p>	<p>D.19-08-023, pp. 22-24, Conclusion of Law 3 and Ordering Paragraph 3.i.</p>	
<p>2. <u>Treatment of Cost of Removal for Computing ARAM</u></p> <p>PG&E proposed to apply ARAM to only the original cost of its capital investments, omitting the future cost of removal associated with that same plant. TURN argued that at the time PG&E submitted its Petition for Modification, the same issue was pending in the test year 2018 GRC for Southern California Edison Company (SCE), and called for the Commission to direct PG&E to submit a request for letter ruling to the Internal Revenue Service to determine whether the utility’s position on cost of removal was, in fact, compelled under existing tax law. TURN also called upon the Commission to adopt ratemaking under which it would adopt PG&E’s proposed revenue requirement on an interim basis, with an opportunity for further reductions once the outcome of the letter ruling process became known.</p> <p>The Commission relied upon its resolution of the similar issues in the SCE GRC for the outcome adopted here. After quoting from TURN’s response pleading in its description of the underlying issue, the Commission noted that when addressing the identical issue in the SCE GRC it had taken TURN’s recommendation “a step further” by directing the utility to reduce its revenue requirement immediately, rather than await a response from the IRS to a private letter ruling request. It directed PG&E to calculate its revenue requirement reduction by including cost of removal as part of “book depreciation,” and laid</p>	<p>TURN Response to PG&E Petition for Modification (4/30/18), pp. 3-4.</p> <p>D.19-08-023, pp. 20-22, Conclusions of Law 6 and 9, and Ordering Paragraphs 3.ii. and 4.</p>	

out a process the utility is to follow if it chooses to seek a private letter ruling on this topic.		
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B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Public Advocates Office (formerly Office of Ratepayer Advocates) a party to the proceeding? ³	No	
b. Were there other parties to the proceeding with positions similar to yours?	No	
c. If so, provide name of other parties:		
d. Intervenor's claim of non-duplication: TURN was the only party to file a response to PG&E's petition for modification, and to file comments on the Proposed Decision.		

C. Additional Comments on Part II: *(use line reference # or letter as appropriate)*

#	Intervenor's Comment	CPUC Discussion

PART III: REASONABLENESS OF REQUESTED COMPENSATION
(to be completed by Intervenor except where indicated)

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

	CPUC Discussion
a. Intervenor's claim of cost reasonableness: TURN's request for intervenor compensation seeks an award of just under \$15,000 as the reasonable cost of our work related to the tax Petition for Modification. The Commission should have little trouble concluding that the amount requested is reasonable. The requested compensation amount is a very small fraction of the near-term revenue requirement reduction that can be attributed in part to TURN's advocacy	

³ The Office of Ratepayer Advocates was renamed Public Advocates Office of the Public Utilities Commission pursuant to Senate Bill No. 854, which the Governor approved on June 27, 2018.

<p>efforts. PG&E’s calculations for the impacts of the Tax Cuts and Jobs Act of 2017 on its authorized GRC revenue requirement indicated a reduction of \$81.6 million in 2018 and \$106.9 million in 2019 for the “Decrease in Revenue Requirement due to Amortization of Excess Deferred Taxes (ARAM)” (D.19-08-023, p. 6, Table 1, Line 4). The decision’s outcomes on the issues disputed by TURN resulted in an increased reduction of \$120.4 million in 2018 and \$127.4 million in 2019, according to PG&E’s implementing advice letter. (A.L. 4142-G/5636-E, Table 9 for 2018 and 2019.) The total GRC revenue requirement difference for 2018 and 2019 is thus approximately \$60 million.</p>	
<p>b. Reasonableness of hours claimed:</p> <p>TURN’s attorneys and consultant recorded a reasonable number of hours for their work in this matter. The total hours of attorney and consultant time included in this request for compensation (approximately 30 hours, excluding compensation-related entries) is the equivalent of less than one week of full time work for an individual. This cumulative total should be found reasonable under the circumstances.</p> <p>The largest number of hours are for the work of Robert Finkelstein, TURN’s General Counsel, who served as the organization’s lead attorney in this proceeding. William Marcus, TURN’s long-term consultant on such matters, provided invaluable insight into the topics, and performed essential review of the draft pleadings prepared by Mr. Finkelstein. Hayley Goodson, TURN’s lead attorney in the test year 2017 GRC for PG&E in which the petition for modification was filed, served a limited but critical coordination role when PG&E initially sought to share its plans for implementing the Tax Cuts and Jobs Act of 2017.</p> <p>TURN has also included in this compensation request 0.75 hours for work that was associated with responding to the nearly identical petition for modification that PG&E served in A.13-12-012, its test year 2015 GT&S proceeding. (The hours were recorded by Mr. Finkelstein on August 11 and 12, 2019.) TURN acknowledges that it is highly unusual to include in a compensation request for one proceeding hours that were recorded in another proceeding. But here the petition for modification served in this GRC docket was identical in all material ways to the petition served in the GT&S docket, so much so that TURN’s attorney and consultant recorded no incremental time specific to the latter. The resulting Proposed Decision in each docket was also nearly identical, but were issued on different days, with the GT&S version trailing by several days. This created a need for a very limited amount of time devoted to identifying the differences between the Proposed Decisions and PG&E’s opening comments on each in order to ensure TURN’s reply comments on the GT&S versions of each were appropriate. TURN submits that it would be a poor use of resources for both TURN and the Commission to prepare and review a separate Request for Compensation for such a small number of GT&S-specific hours. Therefore, TURN has included them in this request. The Commission should find this approach reasonable under the circumstances here.</p>	

<p>Compensation Request Preparation Time: TURN is requesting compensation for 4.5 hours for preparation of this request for compensation. Mr. Finkelstein prepared this request for compensation because his role as lead attorney for TURN for the majority of this proceeding enabled him to prepare the request in a far more efficient manner than if it were prepared by a TURN attorney less familiar with the proceeding and TURN's work therein.</p> <p>TURN submits that the recorded hours are reasonable. Therefore, TURN seeks compensation for all of the hours recorded by our attorneys that are included in this request.</p>	
<p>c. Allocation of hours by issue:</p> <p>TURN's requests for compensation typically include an allocation of our advocates' time and entries based on the identified issues in the proceeding. TURN submits that such an allocation is not possible under the circumstances present here. The only substantive issue was the appropriate calculation and implementation of the Tax Cuts and Jobs Act of 2017. This application proceeding went forward in a manner better defined by the period of time in which work occurred rather than the underlying issues. From the start, the single issue was whether the Commission should authorize PG&E's requested exemptions and, if so, with what conditions. An issue-based allocation of that work would all be tied to that single issue. As a result, the work in this proceeding lends itself far less to the type of allocation TURN typically presents in a request for compensation.</p> <p>When faced with similar circumstances in a recent request for compensation, TURN presented an allocation of our advocates' time by period or activity rather than by issue. Here, the limited number of activities that occurred in only two distinct periods renders this approach of less probative value. There were only three limited periods of activity: discussions with PG&E and within TURN regarding the utility's plans to present its proposed changes through a petition for modification (early 2018 through PG&E's webinar in late March); review of PG&E's petition and developing and preparing the response thereto (April 2018); and review of the proposed decision and PG&E's comments thereon, and preparing reply comments (July and August of 2019).</p> <p>TURN submits that it is reasonable to use this approach under the circumstances here, for the reasons described above. If the Commission believes that a different approach to issue-specific allocation is warranted here, TURN requests the opportunity to supplement this section of the request.</p>	

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Robert Finkelstein	2018	12.25	\$530	D.18-11-043	\$6,492.50			
R. Finkelstein	2019	10.25	\$540	Res. ALJ-357 (2.35% 2019 COLA)	\$5,535.00			
Hayley Goodson	2018	1.0	\$435	D.18-04-020	\$435.00			
William Marcus, MCPM Economics	2018	3.75	\$290	See Comment #1	\$1,087.50			
W. Marcus	2019	2.5	\$295	See Comment #1	\$737.50			
Subtotal: \$14,287.50						Subtotal: \$		
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 \$
Subtotal: \$						Subtotal: \$		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Robert Finkelstein, General Counsel	2019	4.5	\$270	½ of requested 2019 rate	\$1,215.00			
Subtotal: \$1,215.00						Subtotal: \$		
COSTS								
#	Item	Detail			Amount	Amount		
Subtotal: \$0						Subtotal: \$		
TOTAL REQUEST: \$ 15,502.50						TOTAL AWARD: \$		

*We remind all intervenors that Commission staff may audit the records and books of the intervenors to the extent necessary to verify the basis for the award (§1804(d)). Intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor's records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.

**Travel and Reasonable Claim preparation time are typically compensated at ½ of preparer's normal hourly rate

ATTORNEY INFORMATION

Attorney	Date Admitted to CA BAR ⁴	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Robert Finkelstein	June 1990	146391	No
Hayley Goodson	December 2003	228535	No

C. Attachments Documenting Specific Claim and Comments on Part III: *(Intervenor completes; attachments not attached to final Decision)*

Attachment or Comment #	Description/Comment
Attachment 1	Certificate of Service
Attachment 2	Timesheets for TURN's Attorneys
Comment 1	<p>Hourly Rates for TURN Attorneys and Consultants</p> <p><u>Robert Finkelstein</u></p> <p>The Commission has previously authorized the hourly rate requested for Mr. Finkelstein for 2018, as indicated in the table above. The requested rate for 2019 represents the 2019 COLA from Res. ALJ-357 (adopted March 28, 2019) applied to the authorized 2018 rate, then rounded to the nearest \$5 increment.</p> <p><u>William Marcus of MCPM Economics</u></p> <p>The requested rates of \$290 and \$295 for Mr. Marcus's work in 2018 and 2019, respectively, represent his market rate charged for work performed during each of those years. The Commission should find the rate reasonable, even if viewed within the context of the annual rate escalations adopted for intervenor compensation purposes. The \$290 figure is consistent with using the authorized hourly rate of \$280 from 2016 for Mr. Marcus (from D.19-02-019, which reflected that Mr. Marcus did not increase his billed rate in 2017), then escalating by 2.14% for the 2017 COLA (Res. ALJ-345) and 2.3% for the 2018</p>

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

	COLA (Res. ALJ-352), then rounded to the nearest \$5 increment. Similarly, the \$295 figure for 2019 is consistent with the 2019 COLA adopted in Res. ALJ-357.
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D. CPUC Comments, Disallowances, and Adjustments (*CPUC completes*)

Item	Reason

PART IV: OPPOSITIONS AND COMMENTS

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

A. Opposition: Did any party oppose the Claim?	
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If so:

Party	Reason for Opposition	CPUC Discussion

B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	
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If not:

Party	Comment	CPUC Discussion

(Green items to be completed by Intervenor)

FINDINGS OF FACT

1. The Utility Reform Network (TURN) [has/has not] made a substantial contribution to D.19-08-023.
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 [, as adjusted herein,] are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$_____.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, [satisfies/fails to satisfy] all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. **The Utility Reform Network** shall be awarded \$_____.
2. Within 30 days of the effective date of this decision, _____ shall pay **The Utility Reform Network** the total award. [for multiple utilities: “Within 30 days of the effective date of this decision, ^, ^, and ^ shall pay **The Utility Reform Network** their respective shares of the award, based on their California-jurisdictional [industry type, for example, electric] revenues for the ^ calendar year, to reflect the year in which the proceeding was primarily litigated. If such data is unavailable, the most recent [industry type, for example, electric] revenue data shall be used.”] Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning [date], the 75th day after the filing of **The Utility Reform Network**’s request, and continuing until full payment is made.
3. The comment period for today’s decision [is/is not] waived.
4. This decision is effective today.

Dated _____, at San Francisco, California.

APPENDIX

Compensation Decision Summary Information

Compensation Decision:		Modifies Decision?	
Contribution Decision(s):	D.19-08-023		
Proceeding(s):	A.15-09-001		
Author:			
Payer(s):			

Intervenor Information

Intervenor	Date Claim Filed	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	10/21/19	\$15,502.50		N/A	

Hourly Fee Information

First Name	Last Name	Attorney, Expert, or Advocate	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Robert	Finkelstein	Attorney	\$530	2018	
Robert	Finkelstein	Attorney	\$540	2019	
Hayley	Goodson	Attorney	\$435	2018	
William	Marcus	Expert	\$290	2018	
William	Marcus	Expert	\$295	2019	

(END OF APPENDIX)

Attachment 1

Certificate of Service

(Filed electronically as a separate document pursuant to Rule 1.13(b)(iii))

(Served electronically as a separate document pursuant to Rule 1.10(c))

Attachment 2

Timesheets for TURN's Attorneys

A.15-09-001 (PG 2017 GRC - Tax PFM)

Timesheets for TURN's Attorneys

Date	Atty	Case	Task	Description	Time Spent
Attorney: B Marcus					
3/26/18	B Marcus	A15-09-001	Tax PFM	PG&E webinar on tax issues for upcoming PFM; post webinar call w/ Bob F	1.75
4/2/18	B Marcus	A15-09-001	Tax PFM	Review materials; call w/ Bob F re: issues for response to PFM	0.50
4/30/18	B Marcus	A15-09-001	Tax PFM	Draft portions of response to PFM.	1.50
8/2/19	B Marcus	A15-09-001	Tax PFM	research and write materials for comments on PD	2.00
8/6/19	B Marcus	A15-09-001	Tax PFM	respond to BF questions on PD comments	0.50
Total: B Marcus					6.25
Attorney: BF					
1/23/18	BF	A15-09-001	Tax PFM	E-mail exchanges re: upcoming PFM	0.50
3/26/18	BF	A15-09-001	Tax PFM	PG&E webinar on Tax Act; call w/ BMarcus	1.75
4/2/18	BF	A15-09-001	Tax PFM	Review PG&E PFMs for GRC and GT&S; draft e-mail to BMarcus; p/c w/ BMarcus	1.00
4/3/18	BF	A15-09-001	Tax PFM	Detailed review of PFMs, attachments; draft long memo to BMarcus re: issue identification, strategies	2.25
4/26/18	BF	A15-09-001	Tax PFM	Tax -- review PG&E PFMs, file material; begin drafting response	3.75
4/27/18	BF	A15-09-001	Tax PFM	Tax - finish response draft; draft cover e-mail to BMarcus re: issues needing his input and drafting	1.25
4/30/18	BF	A15-09-001	Tax PFM	Review and edit BMarcus additional material; finalize responses	1.75
7/15/19	BF	A15-09-001	Tax PFM	Review PD, draft e-mail to Bmarcus	0.50
8/1/19	BF	A15-09-001	Tax PFM	Review PG&E cmmts on PD; draft e-mail to BMarcus re: same	1.25
8/2/19	BF	A15-09-001	Tax PFM	Research IRS notice cited in PG&E cmmts; forward to BMarcus w/ further questions; p/c w/ BMarcus re: same	1.00
8/4/19	BF	A15-09-001	Tax PFM	Further review PG&E PD cmmts and file materials; begin drafting reply comments	2.75
8/5/19	BF	A15-09-001	Tax PFM	Draft reply comments on PD; e-mail exchange w/ Bmarcus re: same	3.25
8/6/19	BF	A15-09-001	Tax PFM	E-mail exchange w/ Bmarcus re: final changes; final review and edit	0.75
8/11/19	BF	A13-12-012	Tax PFM	Review GT&S PD; modify reply cmmts to match PG&E cmmts on GT&S version of tax PFM	0.50
8/12/19	BF	A13-12-012	Tax PFM	Final review of reply cmmts	0.25
Total: BF					22.50
Attorney: HG					
1/23/18	HG	A15-09-001	Tax PFM	call from Steve Frank re PG&E's plan for incorporating impacts of new tax law into RRQ	0.25
1/23/18	HG	A15-09-001	Tax PFM	confer with Bob, Bill re PG&E implementation of tax law changes	0.50
3/27/18	HG	A15-09-001	Tax PFM	confer with Bob, Bill re yesterday's tax briefing with PG&E; draft email to PG&E re PFM	0.25
Total: HG					1.00
Grand Total					29.75