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Decision 96-09-065 September 20, 1996

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Co. for Authority to Increase its Rates and Charges for Electric, Gas & Steam Service, Effective January 1, 1993.

Application of San Diego Gas & Electric Company (1) for authority to decrease its electric rates effective June 1, 1996; and (2) for a Commission order finding SDG&E's Nuclear and Certain Natural Gas Operations and Expenses Reasonable for the Applicable Record Period.

O.P.I.N.I.O.N

Utility Consumers Action Network (UCAN) is a San Diego-based consumer advocacy group which requests an award of intervenor compensation in the amount of \$39,238 for its substantial contribution to Decision (D.) 96-06-033.

This request comes pursuant to a settlement agreement that was adopted by the Commission in D.96-06-033, the result of a consolidated review of two separate applications. Application (A.) 91-11-024 and A.95-10-006. UCAN focused its efforts on residential rate design and revenue allocation issues so as not to duplicate the efforts of other parties. It conducted discovery and submitted expert testimony in support of its findings. In D.96-06-033, the parties recognized that UCAN's

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contribution on revenue allocation issues was substantial. In A.95-10-006 UCAN raised issues pertaining to the Energy Cost Adjustment Clause (ECAC) balancing account overcollection refund plan and transmission costs.

UCAN Has Made A Substantial Contribution in A.91-11-024

In this settlement, UCAN contends that its contribution

is very apparent. UCAN submitted testimony on January 29, 1996 detailing its concerns about five aspects of San Diego Gas & Electric Company's (SDG&E) filing.

The parties found that UCAN's points were meritorious and resulted in their being adopted.

Those points are described as follows:

- a. Revenue Allocation Methodology. UCAN proposed revenue allocation principles for SAPC decreases only and proposed an Equal Percentage of Marginal Cost capping methodology. The parties adopted UCAN's EPMC capping methodology until the New Customer Only issues were resolved in future proceedings.

- b. Customer Accounting Costs. UCAN made five proposals for amending SDG&E's

marginal customer costs. The parties agreed to UCAN's recommended changes.

- c. Real Economic Carrying Charges, Ancillary Services, Working Capital Loading Factor.

UCAN opposed each of SDG&E's

recommendations in these categories. The parties agreed that resolution of these

efforts on residential rate design and revenue allocation issues so as not to duplicate the efforts of other parties. If conducted discovery and submitted expert testimony in support of its findings. In D.95-06-033, the parties recognized that UCAN's

issues could not be achieved in this case and deferred these issues.

d. Distribution O&M - UCAN proposed that the distribution O&M either be based on most recent data or five-year historic data.

The parties agreed to use five years of historic data, as recommended by UCAN.

Customer Related Distribution O&M UCAN sought lower values than had been proposed by SDG&E for these distribution

The parties agreed to accept compromise numbers that fell between those proposed by UCAN and SDG&E.

In addition to these specific contributions, UCAN's expert and attorney contributed to settlement discussions about other issues, such as the residential customer charge, residential seasonal rates, and SDG&E's proposed contract options.

UCAN believes that the settlement agreement adopted in D.96-06-033 makes very clear the substantive nature of UCAN's contribution to this proceeding and comports with the definition of substantial contribution as set forth in PU Code § 1802(h). UCAN Made A Substantial Contribution in A.95-10-006.

In A.95-10-006, UCAN focused its intervention on the ECAC balancing account overcollection refund plan and proposed transmission costs. As set forth in D.96-06-033, Attachment "A", those issues were resolved via settlement. UCAN's primary focus and, thus, primary contribution was in crafting a refund plan which both reduced rates and resulted in an equitable credit. UCAN was concerned that the refund be administered in a fashion that recognized the contribution of the residential class to the

overcollection. SDG&E's commitment to file a revenue allocation in its next ECAC proceeding was the major concession achieved by UCAN's intervention.

since both cases settled, UCAN asserts that its contribution should be reimbursed based upon guidelines established for settled cases that do not have the benefit of a full evidentiary record upon which to gauge intervenor activity.

In this case, UCAN worked in conjunction with DRA and the Federal Executive Agencies in order not to duplicate work UCAN's efforts in the ECAC proceeding were curtailed substantially because DRA's experts identified many issues that had been targeted by UCAN. In the Rate Design Window (A.91-11-024), most of UCAN's substantial contributions were on matters in which UCAN and DRA took differing positions.

UCAN requests compensation for attorney Michael Shames' hours at a rate of \$175 for work in 1995 and \$180 per hour for work in 1996. UCAN relies upon Public Utilities (PU) Code § 1806 which instructs the Commission to take into consideration the market rates paid to persons of comparable training and experience. Michael Shames has most recently been awarded \$175 per hour by this Commission during 1995. (See D.96-05-064). He has not yet been compensated for 1996 work. As most of the work in this case was during 1996, UCAN seeks compensation at the rate of \$180 for that work. His total request is \$25,439.50. We will grant the request, including an increase in hourly rate from \$175 to \$180 for Mr. Shames. This increase is to reflect current market rates for attorneys of comparable training and experience. UCAN retained JBS Energy to conduct the expert analysis of SDG&E's application. The work was performed by and

under the supervision of William Marcus Hiserates and those of his associate Mr. Nahigian have been found reasonable by the Commission in numerous compensation decisions (d.f.c. D:95-08-039). In order to keep costs to a minimum, UCAN used Mr. Shamés' expertise to prepare most discovery and to appear at settlement conferences. UCAN seeks full compensation for all of JBS Energy's bills as summarized below:

Work Billed	ECAC	RDW
August	\$ 970.00	
November	67.50	\$ 4,659.50
December		2,257.50
January	210.00	1,977.10
February	807.60	541.50
March	315.00	603.00
Total	\$1,470.10	\$11,038.60

UCAN also seeks compensation for travel, copying, phone, and mail costs. These are \$1,289.80.

Summary	
1995 attorneys fees	\$67.3 hours x \$175 = \$11,777.50
1996 attorneys fees	\$75.9 hours x \$180 = <u>13,662.00</u>
	25,439.50
JBS Energy	1,289.80
Costs	1,289.80

Total Request \$39,238.00

The miscellaneous expenses detailed above are reasonable in magnitude and were necessary for UCAN's contribution to this case. Those expenses primarily reflect the cost of preparing UCAN's pleadings, communicating with other parties to the case, and attending hearings and meetings.

UCAN's contributions to this proceeding; the expenses are reasonable. We conclude that UCAN has substantially contributed to D.96-06-033. We will grant the requested amount of \$39,238. UCAN's request is reasonable. UCAN has met all the requirements of PU Code § 1804(c) and therefore is entitled to an award of \$39,238 as compensation for this proceeding.

Findings of Fact

1. UCAN has been found eligible for compensation in this proceeding.

2. UCAN has made a substantial contribution to D.96-06-033.

3. UCAN's request for an award of \$39,238 as compensation for its substantial contribution is reasonable.

Conclusion of Law

UCAN has met the requirements of PU Code § 1804, is eligible for compensation, and is entitled to an award of \$39,238.

ORDER

IT IS ORDERED that:

- Utility Consumers Action Network (UCAN) is awarded \$39,238 in compensation for its contribution to Decision 96-06-033. San Diego Gas & Electric Company shall, within 30 days after the effective date of this order, pay UCAN \$39,238 plus interest at the rate earned on prime, three-month commercial paper, as reported in the Federal Reserve Statistical Release G.13, with interest beginning thirty days after the

effective date of this order, and continuing until full payment is made.

2. This proceeding is closed.

This order is effective today.

Dated September 20, 1996, at San Francisco, California.

P. GREGORY CONLON

President

DANIEL Wm. FESSLER

JESSIE J. KNIGHT, JR.

HENRY M. DUQUE

JOSIAH L. NEEPER

Commissioners