



July 14, 2008

Editorial Board
San Diego Union-Tribune

Re: Your July 14 editorial attack on intervenor compensation fees
paid to the consumer group Utility Consumers' Action Network

Dear Sirs:

Your July 14 editorial attacks intervenor compensation paid to the state's largest organization of utility ratepayers, the Utility Consumers' Action Network. You contend it is a "rip-off," but your critique is flawed by its material omissions.

First, you neglect to mention that intervenor compensation is only paid at market rate, and it is *only* paid where the intervenor appreciably contributes to an outcome in the public interest. If the intervenor (UCAN) makes no such impact, it gets nothing. Hence, consumers are in a no-lose position. And, indeed, UCAN has accounted for millions and millions of dollars in rate reductions and has contributed to the denial of rate hikes requested by SDG&E – hundreds of times more in amount than the modest compensation it has received. It has received not the 30%–50% contingency of plaintiff attorneys, but under 1% in total monies saved – it is a huge and unparalleled bargain.

Second, you omit the fact that the utilities, on the other side, have a blank check for their advocacy. And we, the ratepayers, pay for it – all of it. Our Center for Public Interest Law has monitored the PUC for 28 years. I can tell you that the utilities pay for Nobel Prize-winning expert witnesses. They pay high legal fees. They out-staff UCAN five to one. And if they lose, they still get paid. From us. It is considered – without any significant check – a "prudent cost" to be passed onto all ratepayers off the top.

You are looking at the wrong target. Fire at the one who costs you, not the one who – for a modest and contingent price – has saved you a fortune.

And as far as the "intervenor compensation statute" your editorial would imprudently repeal, it should be applied to all agencies. Currently, proceedings throughout the regulatory agency world are stacked in favor of large, organized special interests benefitting from exemptions and favors borne of their dominant influence. And, contrary to public belief, many advocate the regulatory

Center for Public Interest Law ■ Children's Advocacy Institute ■ Energy Policy Initiatives Center

5998 Alcalá Park, San Diego, CA 92110-2492 ■ Phone: (619) 260-4806 ■ Fax: (619) 260-4753

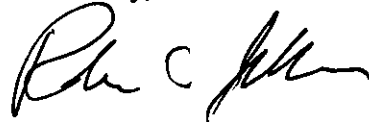
717 K Street, Suite 509, Sacramento, CA 95814-3408 ■ Phone: (916) 444-3875 ■ Fax: (916) 444-6611

www.cpil.org ■ www.caichildlaw.org ■ www.sandiego.edu/epic

Reply to: San Diego Sacramento

stifling of competition for their “raise the drawbridge, we are in the castle” approach. We need a counterbalance in these public offices. Those regulatory agencies commonly function without media attention and need it more than legislative or court forums do. Intervenor compensation on behalf of underrepresented or diffuse interests (consumers, children, future interests) can stimulate the provision of more information to agencies from directions not subject to short-term profit-stake outcomes. The groups that intervene are hardly “special interests,” as your editorial labels UCAN in an Orwellian twist of phrase. Their contributions create a fairer hearing and better, more balanced decisions – with no downside because they only get paid if they make a contribution to the benefit of our higher ethical sensibilities.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. C. Fellmeth', written in a cursive style.

Robert C. Fellmeth
Price Professor of Public Interest Law
University of San Diego School of Law