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Witnesses: Duane F. Larson

Jay X. Luo

PACIFIC GAS AND ELECTRIC COMPANY

**TESTIMONY IN SUPPORT OF APPLICATION FOR THE 2005
LOW-INCOME ENERGY EFFICIENCY PROGRAM AND THE CALIFORNIA
ALTERNATE RATES FOR ENERGY PROGRAM**



PACIFIC GAS AND ELECTRIC COMPANY

TESTIMONY IN SUPPORT OF APPLICATION FOR THE 2005 LOW-INCOME
ENERGY EFFICIENCY PROGRAM AND THE CALIFORNIA ALTERNATE RATES FOR
ENERGY PROGRAM

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PACIFIC GAS AND ELECTRIC COMPANY

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**PACIFIC GAS AND ELECTRIC COMPANY
2005 LIEE/CARE PROGRAM APPLICATION
EXECUTIVE SUMMARY**

Since 1983, PG&E has treated over 800,000 homes through the Low Income Energy Efficiency (LIEE) program. It plans to continue to offer the measures approved for the 2004 LIEE program, strengthen leveraging relationships and continue process improvement efforts to reduce administrative costs while improving customer satisfaction.

PG&E has increased CARE program participants to over 850,000 customers since its inception in 1989, made great strides towards enrolling all eligible customers with a 240% increase in the CARE enrollment level since 2001. It intends to continue its extra efforts to meet the Commission's penetration goals.

In this application, PG&E asks for approval of the 2005 LIEE/CARE programs and budgets and expects to have an early 2005 program launch.

I. PG&E SEEKS AN AUTHORIZED BUDGET OF \$56.530 MILLION FOR THE 2005 LIEE PROGRAM

- In 2005, PG&E seeks the same authorized LIEE budget as in 2004.
- PG&E requests a change in the LIEE electric/gas revenue split to align with the actual spending pattern of LIEE measures. PG&E proposes to change the electric/gas revenue split to 70%/30% from 48%/52%.
- Beyond the change in revenue split, PG&E proposes to continue the same LIEE measures that have been approved for 2004.

II. PG&E PROPOSES AN AUTHORIZED BUDGET OF \$7.457 MILLION FOR CARE ADMINISTRATIVE RELATED COSTS IN 2005

- PG&E proposes the CARE administrative cost budget that reflects a \$151,148 increase over the 2004 budget. This small increase reflects costs associated with the new automatic enrollment program recently ordered by the Commission.
- PG&E proposes to continue the adopted methodology for incorporating in rates the electric and gas CARE balancing account balances for 2005.

III. PG&E WILL CONSOLIDATE LIEE AND CARE RATE CHANGES WITH OTHER PROCEEDINGS.

- PG&E will consolidate the electric revenue requirement authorized in this proceeding into electric rates with other rate changes effective January 1, 2005.
- PG&E will consolidate the gas revenue requirement authorized in this proceeding into gas rates in the Annual True-up or the next BCAP.

PACIFIC GAS AND ELECTRIC COMPANY

CHAPTER 1

**INTRODUCTION TO THE APPLICATION FOR THE 2005
LOW-INCOME ENERGY EFFICIENCY PROGRAM AND THE
CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM**

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 1
INTRODUCTION TO THE APPLICATION FOR THE 2005 LOW-INCOME ENERGY
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3 **INTRODUCTION TO THE APPLICATION FOR THE 2005**
4 **LOW-INCOME ENERGY EFFICIENCY PROGRAM AND THE**
5 **CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM**

6 **A. Introduction**

7 As directed by Decision 03-11-020, Pacific Gas and Electric Company
8 (PG&E or the Company) presents its application for the 2005 Low Income
9 Energy Efficiency (LIEE) and California Alternate Rates for Energy (CARE)
10 Programs. PG&E has administered the LIEE program since 1983 and the
11 CARE program since its inception in 1989.

12 For 2005, PG&E proposes a total budget of \$56.530 million, which is the
13 same total amount that has been authorized for 2004. PG&E plans to continue
14 to offer the measures approved for the 2004 program, strengthen leveraging
15 relationships and continue process improvement efforts to reduce administrative
16 costs while improving customer satisfaction. PG&E will continue to perform non-
17 utility fueled infiltration measures and combustion appliance safety tests until the
18 California Public Utilities Commission (CPUC or Commission) decides
19 otherwise.

20 For the CARE program, PG&E proposes to continue the aggressive
21 outreach campaign started in 2001. PG&E proposes an administrative budget of
22 \$7.457 million. PG&E has made great strides towards enrolling all eligible
23 customers with a 240 percent increase in the CARE enrollment level since 2001,
24 and intends to continue its extra efforts to meet the Commission's penetration
25 goals. To meet those goals, it is crucial to maintain the momentum started in
26 2001 through intensive targeted outreach to specific demographic groups.
27 Although there are now more than twice as many enrolled CARE accounts to
28 service, PG&E is not applying for additional processing staff funds because we
29 have captured efficiencies through process improvement.

30 PG&E will consolidate the electric revenue requirement authorized in this
31 proceeding into electric rates with other rate changes effective January 1, 2005.
32 PG&E will consolidate the gas revenue requirement authorized in this

1 proceeding into gas rates in the Annual True-up or the next Biennial Cost
2 Allocation Proceeding (BCAP).

3 The LIEE rate recovery split between electric and gas dollars will be
4 adjusted in this application. The new split shall reflect the expenditures pattern
5 for the program since Rapid Deployment and the addition of more electric
6 measures, and the continuing decline in the number of homes needing ceiling
7 insulation. PG&E will advise file later this year to true up the balance between
8 the electric and gas funds collected for LIEE through 2004.

9 PG&E projects to spend \$52 million of the 2004 budget. The carry over will
10 be added to PG&E's 2005 proposed budget of \$56.530 million.

11 **B. Background**

12 Since 1983 PG&E has treated over 800,000 homes and in 2003 treated
13 44,837 homes under the LIEE program. During the 20 years PG&E has
14 managed the LIEE program, customers have saved over \$355 million on their
15 energy bills, reduced electric use by over 265,000 MWh, reduced natural gas
16 use by over 35 million therms and eliminated over 138 million tons of carbon
17 dioxide emissions. PG&E forecasts it will treat over 50,000 homes in 2005 with
18 commensurate energy, pollution and bill savings per home.

19 On the CARE program, PG&E was able to sustain the penetration rate
20 growth that began in 2001 when only 353,000 customers were on the discount
21 program. PG&E increased the CARE program penetration rate with an average
22 monthly net increase since 2001 of over 12,000 customers. The net increase of
23 customers in the CARE program between January 2001 and May 2004
24 represents 500,000 families, increasing CARE participation to over
25 850,000 participants. Additionally PG&E's new CARE enrollments are
26 distributed fairly evenly in all 47 counties of our service territory. During the
27 spring of 2004, PG&E's CARE program delivered it's one billionth dollar of bill
28 discounts since the 1989 program inception. PG&E expects to continue
29 achieving significant increases in CARE program participation penetration of the
30 eligible population in 2005.

31

1 **C. Conclusion**

2 The Commission should adopt PG&E's requested budget for the PY 2005
3 LIEE and CARE programs. PG&E has successfully managed the low income
4 programs since 1983, has treated over 800,000 homes and has increased
5 CARE program participants to over 850,000 customers. PG&E requests a
6 timely decision on this application so that it can bid the LIEE administration
7 contract and have an early 2005 program launch.

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 2
LOW-INCOME ENERGY EFFICIENCY PROGRAM

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 2
LOW-INCOME ENERGY EFFICIENCY PROGRAM

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1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **CHAPTER 2**
3 **LOW-INCOME ENERGY EFFICIENCY PROGRAM**

4 **A. Introduction**

5 Pacific Gas and Electric Company (PG&E or the Company) is pleased to
6 present its application for the Program Year (PY) 2005 Low Income Energy
7 Efficiency (LIEE) Program. PG&E has administered the LIEE program since
8 1983.

9 In 2005, PG&E requests no changes from the 2004 LIEE budget or
10 program. PG&E's proposed total budget of \$56.530 million is the same
11 authorized amount for 2004. PG&E plans to continue to offer the measures
12 approved for the 2004 program, strengthen leveraging relationships and
13 continue process improvement efforts to reduce administrative costs while
14 improving customer satisfaction. PG&E will continue to perform non-utility
15 fueled infiltration measures and combustion appliance safety tests since this
16 matter has not been decided by the California Public Utilities Commission
17 (CPUC or Commission).

18 PG&E will consolidate the electric revenue requirement authorized in this
19 proceeding into electric rates with other rate changes effective January 1, 2005.
20 PG&E will consolidate the gas revenue requirement authorized in this
21 proceeding into gas rates in the Annual True-up or the next Biennial Cost
22 Allocation Proceeding (BCAP).

23 **B. LIEE Background**

24 The LIEE Program, also known as Energy Partners, helps low income
25 customers reduce their energy consumption and costs while increasing their
26 comfort and safety. The program provides free home weatherization, energy
27 efficient appliances, and energy education services to qualified low income
28 PG&E customers throughout the Company's service area.

29 Customers are qualified based on California Alternative Rate for Energy
30 (CARE) income guidelines of 175 percent of the Federal poverty level guidelines
31 (with income adjustments for family size) or 200 percent for senior and disabled
32 customers.

1 Since 1983, PG&E has treated over 800,000 homes in the LIEE program.
2 PG&E treated 44,837 homes in 2003. During the 20 years PG&E has managed
3 the LIEE program, customers have saved over \$355 million on their energy bills,
4 reduced electric use by over 265,000 megawatt-hours (MWh), reduced natural
5 gas use by over 35 million therms, and eliminated over 138 million tons of
6 carbon dioxide emissions. PG&E forecasts it will treat over 50,000 homes in
7 2005 with commensurate energy, pollution and bill savings per home.

8 **C. LIEE Program Elements and Implementation**

9 PG&E plans to continue to offer the measures approved for the 2004
10 program in PY 2005. Continuing the current measure mix for another year is in
11 keeping with the dictates of Decision 03-11-020, Ordering Paragraph 16, which
12 specifies that:

13 The PY2006 program planning cycle shall be the forum for considering the
14 cost-effectiveness of existing and new LIEE measures, and proposed
15 changes to the LIEE measures offered under the program. The
16 Standardization Team shall conduct this cost-effectiveness evaluation and
17 develop recommendations, with public input. The Team's report shall be
18 filed with the utility applications for PY2006 program plans, currently due on
19 July 1, 2005.

20 The 2004 LIEE program continued the 2002 Rapid Deployment LIEE
21 program with several changes. Effective June 1, 2004, PG&E implementers
22 began providing Natural Gas Appliance Testing (NGAT) services at customer
23 homes. Previously, only PG&E personnel had performed this work. PG&E
24 continues to seek and evaluate cost saving processes within the LIEE program
25 and will make changes accordingly.

26 Decision 03-11-020 continued authorization of a \$56.530 million funding
27 level for PG&E's LIEE program and dropped several measures from the LIEE
28 program, including: high-efficiency water heaters, high-efficiency central air
29 conditioners, duct testing and sealing, evaporative cooler maintenance, set-back
30 thermostats (except where required by code in conjunction with furnace repair or
31 replacement), and whole house fans. Additionally, several measures are
32 restricted to certain climate zones or housing types. These modifications to the
33 2004 program were made based on Standardization Team and Cost
34 Effectiveness activities and recommendations. The authorized PY 2004 LIEE
35 program measures and installation criteria are listed below. PG&E proposes to
36 continue to implement these measures in PY 2005.

Line No.	Measure	Adopted Action
1	<u>Non-Weather-Sensitive Measures</u>	
2	Hard-wired CFL porch lights	Retain in all climate zones for single family homes, but drop for multi-family and mobile homes
3	Compact fluorescent lamps	Retain in all climate zones and residence types
4	Faucet aerators	Retain in all climate zones and residence types
5	Low-flow showerheads	Retain in all climate zones and residence types
6	High-efficiency refrigerators	Retain in all climate zones and residence types
7	Water heater blankets	Retain in all climate zones and residence types
8	Water heater pipe wrap	Retain in all climate zones and residence types
9	High-efficiency water heaters	Drop from Program
10	<u>Weather-Sensitive Measures</u>	
11	Outlet gaskets	Retain in all climate zones and residence types
12	High-efficiency central Air Conditioners	Drop in all climate zones and residence types
13	High-efficiency room Air Conditioners	Retain in Climate Zones 11, 12, 13, 14, and 15
14	Caulking	Retain in all climate zones and residence types
15	Attic Insulation	Retain in all climate zones and residence types
16	Duct testing and sealing	Drop in all climate zones and residence types
17	Evaporative cooler/AC covers	Retain in all climate zones and residence types
18	Evaporative cooler maintenance	Drop in all climate zones and residence types
19	Evaporative coolers	Retain in Climate Zones 11–16 for single family and mobile homes; drop for multi-family homes and in Climate Zones other than 11–16.
20	Furnace filters	Retain, but only as part of furnace repair or replacement
21	Gas furnace repairs	Retain in all climate zones and residence types
22	Gas furnace replacements	Retain in all climate zones and residence types
23	Minor home repairs	Retain in all climate zones and residence types
24	Setback Thermostats	Drop Program except where required by code in conjunction with furnace repair or replacement
25	Weatherstripping attic access	Retain in all climate zones and residence types
26	Weatherstripping doors	Retain in all climate zones and residence types
27	Whole house fans	Drop in all climate zones and residents types

1 **D. LIEE Program Administration**

2 PG&E's current program administrator was hired as the result of a
3 competitive bid in 2001. PG&E is re-bidding its program administrator contract
4 for the 2005 LIEE program. The LIEE program administrator bid will be let
5 during the third quarter 2004 in order for a program administrator to be selected
6 and get 2005 implementation contracts in place by early 2005. PG&E requests
7 a timely decision on this PY 2005 application so that this schedule may be met.

1 **E. Providing Infiltration Measures to Homes With**
2 **Non-Utility-Fueled Combustion Appliances**

3 All homes that receive utility space heating are eligible for infiltration
4 measures under the LIEE program. However, the NGAT protocol adopted in
5 Decision 03-11-020 for 2004 does not allow for testing of non-utility fueled
6 combustion appliances. As a safety precaution, PG&E will not install infiltration
7 measures in a home where combustion appliance safety cannot be verified.
8 This means that some otherwise qualified PG&E customers may not receive
9 infiltration measures that they are otherwise qualified for. To address this issue,
10 Decision 03-11-020 required the Standardization Team to investigate providing
11 infiltration-reduction measures and combustion appliance testing in homes that
12 use a utility fuel for space heating (such as electricity) and a non-utility
13 combustion fuel (such as propane) for one or more other end uses.

14 Prior to 2004, PG&E's combustion appliance safety procedures included
15 tests of non-utility combustion fuel appliances (such as propane water heaters,
16 for example) to ascertain the safety and feasibility of installing infiltration
17 measures in LIEE participant homes. Decision 03-11-020 authorized PG&E to
18 continue its current practices in PG&E-space heated homes and homes that
19 also have non-PG&E supplied combustion appliances until the Commission
20 rules on the Standardization Team's recommendations filed on March 12, 2004.

21 In addition to providing NGAT to its customers with non-utility-fueled
22 appliances, PG&E is currently negotiating leveraging agreements with LIHEAP
23 agencies under which these homes will be referred to LIHEAP agencies to
24 provide NGAT and install infiltration measures, as recommended in the
25 Standardization Team's report. PG&E will continue to provide NGAT and
26 feasible infiltration measures to its LIEE customers as directed by
27 Decision 03-11-020, through either its own implementation contractors and/or
28 LIHEAP agencies, until the Commission directs otherwise.

29 **F. Leveraging**

30 PG&E continues to work with community-based organizations and other
31 non-profits to leverage LIEE program services. Leveraging is a daily part of
32 PG&E's LIEE program. In addition to the separate leveraging contracts we
33 currently manage, all contractors that work for the LIEE program leverage their
34 work with other agencies such as the Department of Community Services and

1 Development to maximize the amount of work that can be done on a customer's
2 home.

3 **G. LIEE Rapid Deployment Go-Back Initiative**

4 PG&E requests a time limit on the customer's ability to re-enter the LIEE
5 program for additional measures or services that they were not eligible for the
6 first time the customer's house was treated.

7 Under LIEE standardization rules, homes that were treated under the LIEE
8 program within the past 10 years were generally not eligible for participation in
9 the current program, although exceptions could be granted with the written
10 approval of the utility administrator's program manager (per D.01-03-028).
11 Decision 01-05-033 granted utility administrators the flexibility to send service
12 providers back to treated homes to install the new measures adopted under the
13 Rapid Deployment program. Other load reduction measures that were not
14 offered at the time the home was originally treated and that would contribute
15 significantly to bill savings (e.g., refrigerator replacements) could also be
16 installed under the Rapid Deployment program. Decision 01-05-033 granted an
17 "automatic exception" to previously treated homes for these measures during the
18 rapid deployment period.

19 PG&E implemented a special "Go-Back" component of the Rapid
20 Deployment LIEE program in 2001 and 2002. Under the Go-Back Initiative,
21 PG&E attempted to contact all previous LIEE participants to determine whether
22 they might now qualify for additional measures newly provided under the Rapid
23 Deployment Program. Often this was because either the refrigerator was not old
24 enough to be replaced at the time the customer originally participated or
25 because the participant was a renter and therefore ineligible to receive the
26 measure at the time of their previous participation. If it was determined that the
27 customers were eligible for additional measures at the time of this follow-up
28 communication, refrigerators, evaporative coolers and other measures were
29 then provided to these qualified, past-participating low income customers.

30 Although the Go-Back Initiative was completed as a special component of
31 the LIEE program in 2002, PG&E continues to provide Rapid Deployment
32 measures to previously treated homes that were not eligible for them at the time
33 they were originally treated. This re-entry into the program to receive new
34 measures is available to any customer that calls back to ask for them, as

1 permitted under Decision 01-05-033. In fact, many previous LIEE participants
2 have now heard that they can just call back to ask for refrigerator replacement
3 when their ineligible refrigerator turns ten years old, and the PG&E program is
4 receiving more of these requests each year.

5 The practice of going back to already treated homes makes it difficult for the
6 utility to ever close projects and accurately count treated homes. PG&E notes
7 that if customers are always eligible to re-enter the program to receive any
8 measures which they were unqualified to receive at the time of their original
9 participation, a home treated under the LIEE program may never be truly
10 completed. This continuing participation also raises questions regarding when
11 to start the 10-year clock ticking against program re-entry: following original
12 participation, or following any subsequent participation to upgrade measures.
13 Furthermore, if previous LIEE participants are forever eligible to upgrade their
14 measures, the program in effect becomes more like a subscription program than
15 a one-time treatment service. In addition it is hard to accurately budget for
16 go-backs. More customers call each year to request appliances they were
17 ineligible for at time of their original participation.

18 **H. Multi-Year Program Planning**

19 PG&E believes that that the Commission should adopt a multi-year program
20 planning cycle for LIEE. The Commission has recently implemented a two-year
21 planning cycle for the regular (non-Low Income) Energy Efficiency programs.
22 PG&E considers this a high priority because establishing the program planning
23 cycle drives the timing and efficacy of most of the other Low Income program
24 issues.

25 The continuity of a multi-year planning cycle minimizes both customer and
26 contractor disruption caused by annual program ramp-up/ramp-down time and
27 annual training updates to inform contractors about program changes.

28 PG&E recommends that the Commission adopt a two-year program
29 planning cycle, starting with the PY 2006 program. Deferring multi-year planning
30 until PY 2006 makes sense during this “stay-the-course” transition period. Other
31 activities with deadlines in late 2004/early 2005 also warrant the deferral of
32 multi-year planning to PY 2006. For example, we expect both the PG&E LIEE
33 Audit and the Needs Assessment to be completed by end-of-year 2004, too late

1 to be considered for PY 2005 program planning. Recommendations from both
2 studies can be fully considered and addressed in PY 2006 applications.

3 **I. Shareholder Incentives**

4 PG&E believes that the shareholder incentive mechanism for 2005 should
5 be revisited and revised, since the 2005 program is not a continuation of the
6 2001-2003 Rapid Deployment programs for which it was devised. Neither the
7 shareholder incentive mechanism nor the adopted minimum performance
8 standards are particularly relevant to the current LIEE program design in which
9 all feasible measures must be installed in each home enrolled in the program.

10 **J. LIEE Budget Summary and Unit Comparison Tables**

11 Decision 03-11-020, Ordering Paragraph 2 directed the utilities to prepare
12 and file LIEE budget summary and unit comparison tables for PY 2003, PY 2004
13 and PY 2005 in the same format as the previously filed Attachments 1 and 2 that
14 were included with Decision 02-12-019. These tables are included herein as
15 Attachments 1, and 2.

16 PG&E forecasts that it will spend \$52 million in PY 2004 and carryover
17 unspent funds into PY 2005.

18 PG&E will be changing its gas/electric collection allocations to better reflect
19 the current LIEE measure installation trends.

20 **K. Measure Cost Effectiveness Breakdown Tables**

21 PG&E has submitted Attachment 3 to the Commission under the provisions
22 of Public Utilities Code Section 583 and has provided a redacted version of
23 Attachment 3 for service on the public, as required by Decision 03-11-020,
24 Ordering Paragraph 4:

25 The utilities shall submit a per LIEE measure cost break-down of materials,
26 labor, administrative and travel (or "windshield time") costs, including an
27 explanation of the reasons for cost disparities within the same climate zone
28 and recommendations for further evaluation work and adjustments to the
29 manner in which administrative costs and travel are allocated across
30 measures, as appropriate. This information shall be submitted jointly by the
31 utilities as part of their PY2005 low-income assistance program applications
32 due on July 1, 2004. The utilities may serve a redacted version of this
33 information to the public, but shall provide a non-redacted version to the
34 Commission and Commission staff subject to the provisions of Public
35 Utilities Code Section 583.

36 A redacted copy of Attachment 3 is provided herein.

1 PG&E knows the per-measure prices that it *pays* its contractors, but the
2 utility does not know how these costs are broken down by the contractors, as
3 this is normally considered competitive, confidential business information and is
4 outside the scope of the utility's contractual agreements with the contractors.
5 The Commission directed that despite the confidential competitive nature of this
6 information, it should be provided to the Commission pursuant to the
7 confidentiality protection of PU Code 583. Therefore, PG&E asked its
8 contractors to provide their measure cost data, and many of them attempted to
9 comply. However, many contractors noted that they do not break out their costs
10 by the requested categories in this way and that the data provided in their
11 measure cost breakdown tables is based upon estimates, guesses, and
12 averages. Several contractors provided their measure cost breakdown
13 information under protest and voiced concerns regarding how the utility's
14 knowledge of this information may effect their future competitiveness in the
15 utility's and/or the administrator's bidding processes. One contractor included a
16 formal letter of protest, included as Attachment 4.

17 The measure cost breakdown information provided in Attachment 3 is a
18 direct pass-through from PG&E's implementation sub-contractors. PG&E has
19 no direct knowledge of the information provided and has not corrected or
20 changed the information provided except to format the tables consistently, and
21 to conceal contractor identities and assigned work areas. PG&E shares the
22 concerns of its subcontractors that detailed knowledge by either PG&E or the
23 public regarding their costs could hinder the contractors' abilities to construct
24 winning bids as well as hinder PG&E's ability to conduct a fair, competitive
25 bidding process. Additionally, as PG&E is re-bidding administration of the LIEE
26 program this year, knowledge of the current measure costs by prospective
27 bidders and of the way they are broken out by contractors in each project area
28 and climate zone could adversely impact the ability of PG&E to receive fair,
29 competitive bids.

30 Through its LIEE program administrator, PG&E uses both private and
31 non-profit agencies to provide measure installation and weatherization services
32 under the LIEE program. Contractors are hired by project area, which are often,
33 but not always, based on counties. For some measures, the LIEE administrator
34 pays as a flat amount that is the same for all contractors (i.e., a fixed price), but

1 most measures are competitively bid on by the contractors. Measures that are
2 bid at a fixed amount include the more expensive energy efficiency appliances
3 such as refrigerators or evaporative coolers.

4 Competitive pricing is driven by many factors, including the measure cost
5 contractors pay, their labor, administrative costs and travel time, as described in
6 Decision 03-11-020. However, other factors such as whether or not multiple
7 contractors are bidding in a project area, and additional fixed and non-fixed
8 overhead costs such as local labor rates, office rental costs, insurance, taxes,
9 and gasoline prices, are also important. For example, some project areas are
10 competitively bid on by several contractors, whereas others (particularly in very
11 rural, mountain counties with small populations and a small number of potential
12 LIEE units available to weatherize) have no bidders at all. In these project
13 areas, the LIEE administrator may need to pay a premium to secure a contractor
14 just to handle referrals.

15 Although climate zones are a factor used to break out and monitor measure
16 cost effectiveness, measure costs and bid prices are not particularly driven by
17 climate zone. Rather, these costs are much more influenced by competition, the
18 number of units available in a given project area, measure availability and
19 access to distributor networks, delivery systems, overheads, insurance, gas,
20 office rental, local pay rates, and taxes, as described above. Many of these are
21 much more closely attuned to local demographics (such as geography, politics,
22 and economics) than to weather factors. Thus, it should not be surprising that
23 these costs differ across climate zones.

24 PG&E and its administrator competitively bid out project areas. We believe
25 that this helps the Company get the best costs it can per measure and ensures
26 that we hire contractors that can complete the work on time and within budget.
27 PG&E has no recommendations for fixing costs or setting measure cost
28 formulas at this time, and does not believe that this is an equitable or economic
29 solution in many project areas for the reasons described above. If the
30 Commission wishes to further investigate this issue, PG&E believes a public
31 workshop including input from the utilities, program administrators,
32 weatherization implementation and energy efficiency appliance contractors,
33 community based organizations and other interested parties would provide
34 useful information.

1 **L. Central Air Conditioning Maintenance Pilot**

2 The Scoping Memo of Assigned Commissioner and Administrative Law
3 Judge issued June 24, 2004, requested the Investor Owned Utilities to meet with
4 the Low Income Oversight Board and address the feasibility of a central air
5 conditioner maintenance pilot project in this application. PG&E, Southern
6 California Edison Company, San Diego Gas and Electric Company, Southern
7 California Gas Company, Energy Division and Office of Ratepayer Advocates
8 participated in a conference call on June 25, 2004, to address this issue. The
9 utilities' joint proposal is included as Attachment 5.

10 **M. Conclusion**

11 The Commission should adopt PG&E's requested budget for the PY 2005
12 LIEE program and institute a multi-year planning cycle beginning with 2006.
13 PG&E has successfully managed the low-income programs since 1983, treating
14 over 800,000 homes in that time. PG&E requests a timely decision on this
15 application so that we can bid out the LIEE administration contract and have an
16 early 2005 program launch.

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 3
CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 3
CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM

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1 In 2003 and 2004, PG&E implemented several changes and additions to
2 improve cost effectiveness.

3 Two new approaches to reach a higher re-certification retention rate were
4 tested: a multilingual “in color” re-certification packet; and a 60 day reminder
5 letter that was sent to those customers who had only 30 days left on their 90 day
6 cycle to reapply. CARE re-certification retention rates reached an all-time high
7 of 85 percent as a result of these new efforts.

8 PG&E’s new billing system allowed application processing to be partially
9 automated. This “mass transaction” process created a cost savings per
10 application of \$4.64. The CARE processing team was able to certify CARE
11 applications within 48 hours of receipt. This new process also provided
12 additional quality assurance in the certification process.

13 Customer bills were modified to include a specific CARE line item stating the
14 amount of the CARE discount by commodity, thus giving the customer a clear
15 picture of how much they are saving every month.

16 PG&E enhanced its sub-metered information database to automatically print
17 customer letters and mobile home park manager reports. The PG&E CARE
18 processing team also partnered with PG&E’s general mail processing center to
19 mass mail all CARE correspondence.

20 The annual application bill insert process was also updated in October 2003
21 to exclude bill inserts to customers already enrolled in the CARE Program.
22 Although the bill insert is one of PG&E’s most successful outreach methods, the
23 increase in processing duplicate applications was extremely time consuming and
24 created a large volume of customer correspondence. Excluding already-
25 enrolled customers from the process enhanced the CARE Processing Center’s
26 certification time and greatly improved team efficiency.

27 In previous years, CARE customer discount adjustment requests were
28 created manually and faxed from PG&E’s Call Centers to the CARE processing
29 team. In 2003, an electronic CARE queue was developed and implemented,
30 allowing adjustment requests to be distributed directly to the CARE processing
31 team. The CARE processing team was able to process discount adjustments
32 within 48 hours of receipt.

33 Also in 2003, PG&E contracted with an outside agency, Trimmer Agency, to
34 improve outreach in rural areas that do not have the same access to distribution

1 channels commonly used in the more urban areas. Several rural counties were
2 identified based on their demographic characteristics (Butte, Placer, Mendocino,
3 Calaveras, El Dorado) and special outreach to these counties was conducted
4 utilizing a miniature CARE application welfare check insert. PG&E partnered
5 with several other utilities, including Sierra Pacific Power, Avista and Southwest
6 Gas to develop collateral materials such as napkins and grocery bags.

7 **D. Outreach**

8 PG&E has made great strides towards enrolling all eligible customers, as
9 illustrated by a 240 percent increase in the CARE enrollment level since 2001.
10 PG&E fully intends to continue its successful outreach and marketing efforts to
11 meet the California Public Utilities Commission's (CPUC or Commission) goal of
12 enrolling 100 percent of eligible CARE customers that want to participate. To
13 meet this ambitious goal, it is crucial to maintain the momentum started in 2001
14 through intensive targeted outreach to specific demographic groups. PG&E
15 proposes to continue the aggressive outreach campaign started in 2001 to
16 facilitate the Rapid Deployment efforts espoused in Decision 01-05-033.

17 Beginning in 2001, PG&E clearly defined its CARE eligible households so
18 that it could develop a targeted outreach and education plan. PG&E learned
19 that CARE eligible customers fall into the following demographic groups:

- 20 1. Ninety-seven percent of all eligible customers speak one of five languages
21 at home: English, Spanish, Cantonese, Mandarin or Vietnamese.
22 Forty-three percent are Spanish-dominant.
- 23 2. CARE eligible households are predominantly ethnic minorities. These
24 include a mix of seniors, rural residents, agricultural farm workers and
25 residents of sub-metered tenant facilities.
- 26 3. While the male head of household is often the customer of record, the
27 female head of household usually makes energy and spending decisions
28 and takes action on important issues.

29 Because of the tremendous geographic and ethnic diversity of the target
30 community, PG&E realized its CARE enrollment would be greatly enhanced by
31 launching an integrated communications effort. PG&E developed and
32 implemented a CARE Outreach and Education Campaign in 2001-2002. PG&E
33 has continued and expanded this Campaign in 2003 and 2004, using the
34 following approaches:

- 1 1. A public relations program that includes educational materials, enrollment
2 events and local media outreach, focusing on previously underrepresented
3 target areas within the PG&E service area;
- 4 2. A capitation fee program to support the participation of grassroots
5 organizations as Community Outreach Contractors (COCs); and
- 6 3. A program of grassroots paid media placements targeting low and fixed
7 income households.

8 PG&E has sustained the steady penetration rate growth that began in 2001
9 when only 353,000 customers were on the discount program. PG&E increased
10 CARE program penetration with an average monthly net increase since 2001 of
11 over 12,000 customers. The net increase of customers in the CARE program
12 between January 2001 and May 2004 represents 500,000 families, and an
13 increase in CARE participation to over 850,000 participants.

14 PG&E employees and outreach workers have worked throughout the service
15 area to ensure that new CARE enrollments are distributed fairly evenly in all 47
16 counties of our service territory. During the spring of 2004, PG&E's CARE
17 program achieved an exciting landmark, delivering its one billionth dollar of bill
18 discounts since the 1989 program inception. PG&E expects to continue
19 achieving significant increases in CARE program participation penetration of the
20 eligible population in 2005.

21 **E. Leveraging**

22 PG&E leverages the CARE and Low Income Energy Efficiency (LIEE)
23 programs. The entire database of participating CARE customer contact
24 information is uploaded for distribution to the LIEE providers quarterly to use for
25 their outreach.

26 Since the CARE discount is noted directly into the Customer Information
27 System (CIS), customer service representatives see the CARE status of any
28 customer that phones PG&E's call center for assistance. This knowledge comes
29 in handy for handling these calls, and provides important information for the
30 customer service representative to use when discussing other benefits and
31 services that may be of assistance to the low income customer.

32 CARE leverages other financial assistance information, which is included on
33 PG&E's CARE applications. On each application that is delivered to a customer,

1 PG&E provides a brief description of other assistance available and contact
2 numbers for these other programs.

3 Also, as part of PG&E's Customer Service Call Center scripting, customer
4 service representatives are instructed to provide information on the Home
5 Energy Assistance Program (HEAP) program should a customer contact PG&E
6 regarding any other payment assistance program (including CARE, REACH,
7 Balance Payment Plan, Medical Baseline and Life Support and Energy
8 Partners). Likewise, the CARE Processing Center also provides referral
9 information to customers who may be identified as being in need of additional
10 assistance.

11 PG&E has also provided assistance in leveraging federal funding through
12 the HEAP on an annual basis since 1989. The primary information provided to
13 the Department of Community Services and Development (CSD) is a monthly
14 breakdown of the total number of participants (residential and sub-metered
15 tenant count) along with the total dollar amount of discount provided to that
16 portion of the population during that period.

17 **F. Automatic Enrollment**

18 On May 5, 2004, the Assigned Commissioner Ruling (ACR) on Automatic
19 Enrollment authorized that Automatic Enrollment between the utilities and CSD
20 begin implementation. PG&E received 122,199 LIHEAP customer records at the
21 end of May. Of these, 29,995 had no active PG&E account; 73,873 had active
22 PG&E CARE accounts; and 18,331 had active non-CARE PG&E accounts.
23 PG&E mailed Commission-authorized opt-out letters to the 18,331 active non-
24 CARE accounts on June 8. These customers then have 30 days to notify PG&E
25 that they do not wish to be automatically enrolled in the CARE program. All
26 customers not asking to opt-out of the CARE program during this 30-day period
27 will then be automatically enrolled in the CARE program.

28 In addition to the automatic enrollment initiated under the May 5, 2004 ACR,
29 PG&E already automatically enrolls eligible customers under informal
30 agreements with several neighboring utilities. In certain areas, customers may
31 receive one commodity from PG&E, and another from an adjacent utility. When
32 an eligible customer application from such a customer is received, PG&E will
33 certify the customer and then mail a copy of the application directly to the
34 processing center for that bordering utility.

1 PG&E is beginning a data exchange with Southern California Edison (SCE)
2 and Southern California Gas companies in 2004. In 2003, PG&E implemented
3 automatic enrollment agreements with the Modesto Irrigation District (MID) and
4 the Turlock Irrigation District (TID). PG&E has a Memorandum of Understanding
5 (MOU) with the MID to share customer data and ensure that shared customers
6 receive the benefits of their respective discount programs. PG&E is also
7 working with the Sacramento Municipal Utility District (SMUD) to sign a similar
8 MOU. MID and SMUD both contract with the California Department of CSD to
9 administer their discount programs.

10 **G. Multi-Year Planning**

11 PG&E believes that the Commission should adopt a multi-year program
12 planning cycle for CARE. The Commission has recently implemented a
13 two-year planning cycle for the regular (non-Low Income) Energy Efficiency
14 programs. PG&E considers this a high priority because establishing the
15 program planning cycle drives the timing and efficacy of most of the other Low
16 Income program issues.

17 The continuity of a multi-year planning cycle minimizes both customer and
18 contractor disruption caused by annual program ramp-up/ramp-down time and
19 annual training updates to inform contractors about program changes.

20 PG&E recommends that the Commission adopt a multi-year program
21 planning cycle, starting with the PY 2006 program. Deferring multi-year planning
22 until PY 2006 makes sense during this “stay-the-course” transition period. Other
23 activities with deadlines in late 2004/early 2005 also warrant the deferral of
24 multi-year planning to PY 2006. For example, we expect both the CARE Audit
25 and the Needs Assessment to be completed by 2005. Recommendations from
26 both studies can be fully considered and addressed in PY 2006 applications.
27 Additionally, by July 2005, the utilities will have almost one year’s experience
28 implementing CARE Automatic Enrollment to consider as they write PY 2006
29 CARE applications.

30 **H. Benchmarks**

31 Attachment 6 shows proposed CARE participation benchmarks and
32 expenditures for 2004 and 2005.

1 **I. Conclusion**

2 The Commission should adopt PG&E's requested budget for the PY 2005
3 CARE program. PG&E has successfully managed the CARE program since
4 1989, increasing CARE program participation to over 850,000 customers.

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 4
LIEE AND CARE COSTS RECOVERY PROPOSAL

PACIFIC GAS AND ELECTRIC COMPANY
CHAPTER 4
LIEE AND CARE COSTS RECOVERY PROPOSAL

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1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **CHAPTER 4**
3 **LIEE AND CARE COSTS RECOVERY PROPOSAL**

4 **A. Introduction**

5 This chapter presents the electric and gas revenue requirements and cost
6 recovery proposal for: (1) the 2005 Low-Income Energy Efficiency (LIEE)
7 program; and (2) administration-related costs for the 2005 electric and gas
8 California Alternate Rates for Energy (CARE) program.

9 **B. 2005 Revenue Requirements for LIEE**

10 Consistent with the 2004 annual LIEE budget of \$56.530 million as
11 authorized in Decision 03-11-020, Pacific Gas and Electric Company (PG&E or
12 the Company) proposes the same level LIEE annual budget of \$56.530 million
13 for 2005.

14 Due to measure changes during the Rapid Deployment period of the LIEE
15 programs, the spending pattern of LIEE programs has changed in the last
16 several years. There are more electric measures and fewer gas measures. The
17 current electric/gas revenue split of 48 percent/52 percent no longer reflects the
18 current electric/gas expenditure split of 64 percent/36 percent. This expenditure
19 split is derived from 2004 year-to-date expenditures. Due to this difference
20 between the revenue and expenditure splits, the current revenue collection split
21 has led to an over collection of gas funds.

22 PG&E proposes in 2005 to adjust the electric/gas revenue split to be
23 70 percent/30 percent. This will allow for an alignment of revenue collection of
24 electric and gas funds with an eventual reduction in the over collected gas
25 balancing account. Therefore, based on PG&E's proposed budget, the electric
26 revenue requirement, net of Franchise Fees and Uncollectibles (FF&U), is
27 \$39.571 million and the gas revenue requirement is \$16.959 million.

28 PG&E will consolidate the electric revenue requirement authorized in this
29 proceeding into electric rates with other rate changes effective January 1, 2005.
30 PG&E will consolidate the gas revenue requirement authorized in this
31 proceeding into gas rates in the Annual True-up or the next Biennial Cost
32 Allocation Proceeding (BCAP).

1 **C. Recovery of CARE Account Balances**

2 By this application, PG&E proposes to continue the adopted methodology
3 for incorporating in rates the electric and gas CARE balancing account balances
4 for 2005. Consistent with the currently adopted practice from
5 Decision 89-07-062, PG&E allocates the CARE administrative costs between
6 electric and gas departments in proportion to the 20 percent discounts received
7 by CARE customers in the most recent 12 months. As a result, PG&E assigns
8 61 percent of the CARE administrative costs to the electric department and 39
9 percent of that to the gas department. Therefore, based on the \$7.457 million
10 budget of 2005 CARE administrative costs described in Chapter 1, PG&E
11 proposes to book up to \$4.549 million of CARE administrative costs, net of
12 FF&U, to its electric CARE balancing account and up to \$2.908 million to its gas
13 CARE balancing account.

14 Methods for recovery of the electric and gas CARE account balances were
15 established by the California Public Utilities Commission (CPUC or Commission)
16 to include CARE shortfalls and balances in rates in Decision 89-09-044.[1]
17 PG&E does not propose any changes to these established methods in 2005.
18 The revenues to be collected through the CARE surcharge rates equal the sum
19 of the forecasted 20 percent CARE discount, the CARE administrative costs,
20 and the current balances in the CARE balancing accounts. The revised CARE
21 surcharge rates equal the CARE surcharge revenues divided by the applicable
22 adopted sales.[2]

23 **D. Conclusion**

24 In summary, PG&E requests that the Commission authorize PG&E's
25 \$56.530 million 2005 LIEE revenue requirement, net of FF&U (\$39.571 million
26 for electric department, \$16.959 million for gas department) and authorize
27 PG&E's \$7.457 million budget of 2005 CARE administration-related costs, net of
28 FF&U (\$4.549 million for electric department and \$2.908 million for gas budget).

[1] "Revisions to the LIRA [CARE] rate, the LIRA [CARE] surcharge, amortization of the LIRA [CARE] balancing account, and review of the LIRA [CARE] program will occur annually." (D.89-09-044, Ordering Paragraph 10)

[2] In addition to CARE sales, sales to Utility Electric Generation and Streetlighting customers are exempt from the CARE surcharge.

1 PG&E will consolidate the electric revenue requirement authorized in this
2 proceeding into electric rates with other rate changes effective January 1, 2005.
3 PG&E will consolidate the gas revenue requirement authorized in this
4 proceeding into gas rates in the Annual True-up or the next BCAP.
5

APPENDIX A

PY 2005 LIEE UNIT COMPARISON

Pacific Gas & Electric, Southern California Edison,
Southern California Gas and San Diego Gas & Electric

FURNACES					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Repair - Gas - Each	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	695	1500	1290	(210)	71
Edison	0	0	0	0	0
SCG	546	4999	4500	-499	229
SDG&E	1,062	1584	1287	-297	334

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Replacement - Gas - Each	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	238	1,000	860	(140)	17
Edison	0	0	0	0	0
SCG	4,252	5,350	4,500	-850	1,931
SDG&E	284	755	430	-325	103

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Repair - Electric - Each	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	0	0	100	100	0
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Replacement - Electric - Each	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	0	0	50	50	0
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

Attachment 1

INFILTRATION & SPACE CONDITIONING					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Cover Plates / Gaskets - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	26,359	35,000	36,500	1,500	5,528
Edison	775	584	1,151	567	32
SCG	41,365	54,051	44,054	-9997	12,686
SDG&E	9,102	9,102	9,102	0	3,081

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Evap Cooler & Air Conditioner Covers - Each	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	4,535	3,024	2,601	(423)	668
Edison	1	108	205	97	0
SCG	2,325	2,612	2,476	-136	784
SDG&E	55	55	55	0	9

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
HVAC Air Filter Replacement - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	14,023	2,500	0	(2,500)	0
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

WEATHERIZATION					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Attic Insulation - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	3,672	5,162	4,439	(723)	697
Edison	0	3	3	0	0
SCG	2,192	3,063	2,280	-783	782
SDG&E	353	351	313	-38	145

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Water Heater Blanket - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
	7,199	8,607	7,402	(1,205)	1,272
Edison	149	447	850	403	3
SCG	4,992	6,576	5,192	-1384	2,168
SDG&E	1,167	1,167	1,042	-125	346

Attachment 1

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Low Flow Showerhead - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	25,061	37,029	31,845	(5,184)	4,660
Edison	819	190	362	172	29
SCG	43,197	56,670	44,925	-11745	14,176
SDG&E	11,228	11,900	10,427	-1473	3,472

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Door Weatherstripping - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	25,410	32,500	25,800	(6,700)	5,166
Edison	881	564	1,073	509	31
SCG	46,182	60,780	48,029	-12751	14,950
SDG&E	11,132	11,600	9,941	-1659	3,585

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Caulking - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	26,660	37,500	30,100	(7,400)	5,523
Edison	181	127	241	114	15
SCG	1,644	2,022	1,710	-312	781
SDG&E	10,883	11,250	9,719	-1531	3,527

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Minor Home Repair - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E ¹	24,507	32,200	30,100	(2,400)	4,963
Edison	867	511	970	459	9
SCG	42,552	58,868	44,254	-14614	14,029
SDG&E	6,397	7,500	3,518	-3982	2,044

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Attic Access Weatherstripping - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	12,241	15,778	13,569	(2,209)	2,315
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

Attachment 1

WATER HEATER SAVINGS					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Water Heater Pipe Wrap - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	1,151	1,636	1,407	(229)	137
Edison	4	16	30	14	3
SCG	491	1,000	523	-477	107
SDG&E	364	1,791	1,791	0	70

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Faucet Aerators - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	30,995	44,695	38,438	(6,257)	5,749
Edison	724	536	1,019	483	17
SCG	44,834	58,820	47,748	-11072	14,540
SDG&E	11,352	11,373	11,373	0	3,485

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Miscellaneous Measures	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	NA	0	0	0	0
Edison	60	60	115	55	1
SCG	47,673	44,000	40,000	-4000	15,400
SDG&E	-	0	0	0	0

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Portable Evaporative Coolers - Each	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E ²	3,915	0	0	0	0
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Permanent Evaporative Coolers - Each	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	0	2,523	2,553	30	700
Edison	825	1,390	2,401	1,011	493
SCG	-	0	0	0	0
SDG&E	4	4	4	0	0

Attachment 1

Compact Fluorescents - Each					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
PG&E	198,552	225,000	215,000	(10,000)	33,029
Edison	65,509	107,682	210,210	102,528	37,109
SCG	-	0	0	0	0
SDG&E	33,414	45,000	36,000	-9000	14,706

Porch Lights (Fixture or CFLs) - Each					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
PG&E	2,934	7,236	7,000	(236)	2,417
Edison	58	286	637	351	99
SCG	-	0	0	0	0
SDG&E	1,028	1,000	1,000	0	327

Refrigerators - Each					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
PG&E	17,698	19,000	17,200	(1,800)	4,088
Edison	17,326	15,224	29,302	14,078	5,451
SCG	-	0	0	0	0
SDG&E	4,948	8,200	6,000	-2200	1,969

LANDLORD CO PAYS

Refrigerators (CoPay) - Each					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
PG&E	54	1,000	100	(900)	19
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	12	0	0	0	0

A/C Replacement (CoPay) - Room - Each					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
PG&E	0	100	25	(75)	0
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

Attachment 1

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
A/C Replacement (CoPay) - Central - Each					
PG&E	0	0	0	0	0
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

RAPID DEPLOYMENT

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
A/C Replacement - Room - Each					
PG&E	306	1,788	1,538	(250)	26
Edison	20	200	196	-4	48
SCG	-	0	0	0	0
SDG&E	90	20	20	0	0

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
A/C Replacement - Central - Each					
PG&E	273	25	100	75	7
Edison	1,316	342	0	-342	237
SCG	-	0	0	0	0
SDG&E	101	0	0	0	0

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Duct Sealing & Repair - Home					
PG&E	6,063	0	0	0	0
Edison	950	349	0	-349	239
SCG	1,001	0	0	0	0
SDG&E	219	0	0	0	0

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Whole House Fans - Each					
PG&E	244	0	0	0	0
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

Attachment 1

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Water Heater Replacement - Gas - Each					
PG&E	320	500	430	(70)	42
Edison	0	0	0	0	0
SCG	4,708	1,000	300	-700	19
SDG&E	339	100	100	0	0

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Water Heater Replacement - Electric - Each					
PG&E	121	200	50	(150)	0
Edison	137	20	0	-20	12
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Set-Back Thermostats - Each					
PG&E	3,877	1,500	500	(1,000)	0
Edison	1,033	338	0	-338	235
SCG	-	0	0	0	0
SDG&E	-	0	0	0	0

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Evaporative Cooler Maintenance - Each					
PG&E	516	0	0	0	0
Edison	178	269	0	-269	163
SCG	-	0	0	0	0
SDG&E	86	0	0	0	0

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
New Central Return - Home					
PG&E	NA	NA	NA	NA	NA
Edison	0	0	0	0	0
SCG	-	0	0	0	0
SDG&E	87	0	0	0	0

Attachment 1

ENERGY EDUCATION					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Outreach & Assessment - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	38,631	50,000	43,000	(7,000)	7,194
Edison	14,953	29,124	51,940	22,817	11,115
SCG	47,673	44,000	40,000	-4000	15,400
SDG&E	684	0	0	0	0

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
In-Home Education - Home	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	38,631	50,000	43,000	(7,000)	7,194
Edison	15,866	53,131	49,000	-4,131	5,245
SCG	47,370	44,000	40,000	-4000	15,320
SDG&E	15,022	14,000	13,000	-1000	4,772

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Energy Education Workshops - Participants	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	7,318	6,000	5,000	(1,000)	140
Edison	0	0	0	0	0
SCG	20,035	20,000	20,000	0	8,510
SDG&E	23,866	25,000	25,000	0	997

HOMES SERVED					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Total Homes Treated	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	47,271	50,000	43,000	(7,000)	7,194
Edison	33,372	29,124	49,000	19,877	16,004
SCG	57,179	56,624	50,500	-6124	17,589
SDG&E	15,706	14,000	13,000	-1000	4,772

LIEE Cost Category	PY 2003 Recorded	PY 2004 Estimated	PY 2005 Estimated	Increase/Decrease	YTD 2004
Total Homes Weatherized	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	45,670	50,000	43,000	(7,000)	7,247
Edison	948	593	1,127	534	35
SCG	47,673	44,000	40,000	-4000	15,400
SDG&E	11,982	12,000	10,700	-1300	3,714

NOTES:

PG&E

1. For PG&E, Minor Home Repair includes window replacement, glass replacement, exterior wall repair, door jamb, door repair, exhaust fan vent, floor repair, thresholds and other miscellaneous repairs.
2. In 2003 PG&E did not differentiate between permanent and portable evaporative cooler installations since there was not difference in the savings claimed.

Edison
SCG
SDG&E

PY 2005 LIEE ELECTRIC BUDGET CATEGORY COMPARISON

Pacific Gas & Electric

ENERGY EFFICIENCY					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Gas Appliances	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$0	\$0	\$0	\$0	\$30,556
SCE					
SCG					
SDG&E					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Electric Appliances	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$15,491,652	\$19,571,356	\$17,133,000	(\$2,438,356)	\$4,226,602
SCE					
SCG					
SDG&E					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Weatherization	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$4,568,878	\$3,569,156	\$3,527,250	(\$41,906)	\$672,642
SCE					
SCG					
SDG&E					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Outreach / Assessment / Marketing	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$1,329,082	\$2,250,000	\$2,386,800	\$136,800	\$352,674
SCE					
SCG					
SDG&E					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
In Home Energy Education	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$1,230,710	\$2,250,000	\$2,386,800	\$136,800	\$369,680
SCE					
SCG					
SDG&E					

Attachment 2

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Education Workshops					
PG&E	\$697	\$30,000	\$30,000	\$0	\$0
SCE					
SCG					
SDG&E					

LANDLORD CO PAYS					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Refrigerator (CoPay)					
PG&E	\$24,244	\$200,000	\$20,000	(\$180,000)	\$6,704
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
A/C Replacement (CoPay) - Room					
PG&E	\$456	\$20,000	\$5,000	(\$15,000)	\$0
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
A/C Replacement (CoPay) - Central					
PG&E	\$0	\$0	\$0	\$0	\$0
SCE					
SCG					
SDG&E					

PILOTS					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Pilot B					
PG&E -LIHEAP Leveraging	\$74,792	\$6,416,581	\$750,000	(\$5,666,581)	\$198,597
SCE					
SCG					
SDG&E					

Attachment 2

OTHER PROGRAM ACTIVITIES					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Training Center	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$123,920	\$240,000	\$240,000	\$0	\$114,003
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Inspections	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$2,181,285	\$2,077,281	\$1,500,000	(\$577,281)	\$1,363,670
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Advertising	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$0	\$0	\$0	\$0	\$0
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
M&E	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$260,542	\$360,000	\$180,000	(\$180,000)	\$60,072
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Regulatory Compliance	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$259,261	\$237,930	\$285,600	\$47,670	\$123,370
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Other Administration	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E ¹	\$4,230,785	\$7,772,383	\$5,592,000	(\$2,180,383)	\$2,008,866
SCE					
SCG					
SDG&E					

Attachment 2

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Indirect Costs	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$0	\$0	\$0	\$0	\$0
SCE					
SCG					
SDG&E					

OVERSIGHT COSTS					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
CPUC Energy Division	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$28,554	\$21,000	\$21,000	\$0	\$8,161
SCE					
SCG					
SDG&E					

TOTAL PROGRAM COSTS					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Total Program	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$29,804,858	\$45,015,687	\$34,057,450	(\$10,958,237)	\$9,535,597
SCE					
SCG					
SDG&E					

NOTES:

PG&E

1. Other Administration includes administration contractor and PG&E management.

SCE

See E&G Combined Budget Summary table for SCE electric budget.

SCG

Not applicable.

SDG&E

See E&G Combined Budget Summary table notes for SDG&E gas/electric budget.

PY 2005 LIEE GAS BUDGET CATEGORY COMPARISON

Pacific Gas & Electric

ENERGY EFFICIENCY					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Gas Appliances	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$3,555,755	\$4,463,833	\$3,334,300	(\$1,129,533)	\$355,178
SCE					
SCG					
SDG&E					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Electric Appliances	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$0	\$0	\$141,700	\$141,700	\$0
SCE					
SCG					
SDG&E					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Weatherization	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$9,624,593	\$10,707,466	\$10,581,750	(\$125,716)	\$2,017,925
SCE					
SCG					
SDG&E					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Outreach / Assessment / Marketing	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$784,478	\$1,500,000	\$1,591,200	\$91,200	\$216,155
SCE					
SCG					
SDG&E					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
In Home Energy Education	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$725,333	\$1,500,000	\$1,591,200	\$91,200	\$226,578
SCE					
SCG					
SDG&E					

Attachment 2

LANDLORD CO PAYS					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Education Workshops					
PG&E	\$427	\$20,000	\$20,000	\$0	\$0
SCE					
SCG					
SDG&E					

LANDLORD CO PAYS					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Refrigerator (CoPay)					
PG&E	\$0	\$0	\$0	\$0	\$0
SCE					
SCG					
SDG&E					

LANDLORD CO PAYS					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
A/C Replacement (CoPay) - Room					
PG&E	\$0	\$0	\$0	\$0	\$0
SCE					
SCG					
SDG&E					

LANDLORD CO PAYS					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
A/C Replacement (CoPay) - Central					
PG&E	\$0	\$0	\$0	\$0	\$0
SCE					
SCG					
SDG&E					

PILOTS					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Pilot B					
PG&E -LIHEAP Leveraging	\$45,840	\$0	\$0	\$0	\$0
SCE					
SCG					
SDG&E					

Attachment 2

OTHER PROGRAM ACTIVITIES					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Training Center	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$75,949	\$160,000	\$160,000	\$0	\$69,873
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Inspections	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$1,336,892	\$1,384,854	\$1,000,000	(\$384,854)	\$835,798
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Advertising	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$0	\$0	\$0	\$0	\$0
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
M&E	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$159,687	\$240,000	\$120,000	(\$120,000)	\$36,818
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Regulatory Compliance	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$159,339	\$158,620	\$190,400	\$31,780	\$75,614
SCE					
SCG					
SDG&E					

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Other Administration	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E ¹	\$2,590,320	\$5,181,588	\$3,728,000	(\$1,453,588)	\$1,231,240
SCE					
SCG					
SDG&E					

Attachment 2

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Indirect Costs	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E ²	\$3,345,325	\$3,000,000	\$2,500,000	(\$500,000)	\$618,936
SCE					
SCG					
SDG&E					

OVERSIGHT COSTS					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
CPUC Energy Division	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$17,467	\$14,000	\$14,000	\$0	\$5,002
SCE					
SCG					
SDG&E					

TOTAL PROGRAM COSTS					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Total Program	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E ³	\$22,421,405	\$28,330,361	\$24,972,550	(\$3,357,811)	\$5,689,117
SCE					
SCG					
SDG&E					

NOTES:

PG&E

1. Other Administration includes administration contractor and PG&E management.
2. Indirect Costs include CAS testing, which is not paid out of the LIEE budget.
3. Total Program Costs include CAS testing.

SCE

Not applicable.

SCG

See E&G Combined Budget Summary Table for SCG gas budget.

SDG&E

See E&G Combined Budget Summary table notes for SDG&E gas/electric budget.

PY 2005 LIEE BUDGET CATEGORY COMPARISON

Pacific Gas & Electric, Southern California Edison,
Southern California Gas and San Diego Gas & Electric

ENERGY EFFICIENCY					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Gas Appliances	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$3,555,755	\$4,463,833	\$3,334,300	(\$1,129,533)	\$385,734
SCE	\$0	\$0	\$0	\$ -	\$0
SCG	\$8,997,394	\$9,830,500	\$8,020,500	(\$1,810,000)	\$2,812,814
SDG&E	\$703,253	\$1,367,484	\$919,943	(\$447,540)	\$170,722

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Electric Appliances	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$15,491,652	\$19,571,356	\$17,274,700	(\$2,296,656)	\$4,226,602
SCE	\$15,616,106	\$12,600,304	\$20,971,520	\$8,371,216	\$4,655,875
SCG	\$0	\$0	\$0	\$0	\$0
SDG&E	\$3,968,607	\$5,679,815	\$4,349,064	(\$1,330,751)	\$1,446,630

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Weatherization	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$14,193,471	\$14,276,622	\$14,109,000	(\$167,622)	\$2,690,567
SCE	\$1,019,505	\$308,549	\$394,450	\$85,901	\$6,176
SCG	\$17,019,174	\$17,747,839	\$15,949,814	(\$1,798,026)	\$6,083,412
SDG&E	\$4,751,340	\$4,346,432	\$3,924,924	(\$421,508)	\$1,437,780

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Outreach / Assessment / Marketing	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$2,113,560	\$3,750,000	\$3,978,000	\$228,000	\$568,829
SCE	\$925,689	\$1,752,310	\$2,817,745	\$1,065,435	\$519,803
SCG	\$2,967,080	\$5,060,000	\$4,600,000	(\$460,000)	\$1,100,763
SDG&E	\$0	\$0	\$0	\$0	\$0

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
In Home Energy Education	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$1,956,043	\$3,750,000	\$3,978,000	\$228,000	\$596,258
SCE	\$244,785	\$557,782	\$518,400	(\$39,382)	\$78,675
SCG	\$1,196,114	\$660,000	\$600,000	(\$60,000)	\$374,118
SDG&E	\$951,102	\$1,256,795	\$1,244,291	(\$12,504)	\$386,902

Attachment 2

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Education Workshops					
PG&E	\$1,124	\$50,000	\$50,000	\$0	\$0
SCE	\$0	\$0	\$0	\$ -	\$0
SCG	\$0	\$462,000	\$420,000	(\$42,000)	\$0
SDG&E	\$205,704	\$268,107	\$268,107	\$0	\$6,733

LANDLORD CO PAYS					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Refrigerator (CoPay)					
PG&E	\$24,244	\$200,000	\$20,000	(\$180,000)	\$6,704
SCE	\$0	\$0	\$0	\$ -	\$0
SCG	\$0	\$0	\$0	\$0	\$0
SDG&E	\$0	\$0	\$0	\$0	\$0

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
A/C Replacement (CoPay) - Room					
PG&E	\$456	\$20,000	\$5,000	(\$15,000)	\$0
SCE	\$0	\$0	\$0	\$ -	\$0
SCG	\$0	\$0	\$0	\$0	\$0
SDG&E	\$0	\$0	\$0	\$0	\$0

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
A/C Replacement (CoPay) - Central					
PG&E	\$0	\$0	\$0	\$0	\$0
SCE	\$0	\$0	\$0	\$ -	\$0
SCG	\$0	\$0	\$0	\$0	\$0
SDG&E	\$0	\$0	\$0	\$0	\$0

PILOTS					
LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
Pilots					
PG&E - LIHEAP Leveraging	\$120,632	\$6,416,581	\$750,000	(\$5,666,581)	\$198,597
SCE - Cool Center ³	\$150,541	\$0	\$0	\$ -	\$0
SCG - NGAT	\$28,473	\$0	\$0	\$0	\$0
SDG&E - CoolZones	\$0	\$0	\$55,000	\$55,000	\$0

Attachment 2

OTHER PROGRAM ACTIVITIES					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Training Center	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$199,869	\$400,000	\$400,000	\$0	\$183,876
SCE	\$0	\$20,000	\$20,000	\$-	\$0
SCG	\$11,485	\$16,000	\$325,000	\$309,000	\$122,900
SDG&E	\$0	\$0	\$0	\$0	\$0

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Inspections	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$3,518,177	\$3,462,135	\$2,500,000	(\$962,135)	\$2,199,468
SCE	\$105,160	\$250,000	\$555,000	\$305,000	\$23,532
SCG	\$1,168,358	\$1,690,033	\$1,132,919	(\$557,114)	\$455,800
SDG&E	\$354,548	\$350,719	\$486,048	\$135,330	\$161,386

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Advertising	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$0	\$0	\$0	\$0	\$0
SCE	\$0	\$25,000	\$15,000	\$(10,000)	\$0
SCG	\$335,261	\$540,800	\$281,000	(\$259,800)	\$45,422
SDG&E	\$233,182	\$250,000	\$250,000	\$0	\$106,870

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
M&E	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$420,229	\$600,000	\$300,000	(\$300,000)	\$96,890
SCE	\$165,453	\$195,000	\$195,000	\$-	\$124,434
SCG	\$65,765	\$67,000	\$60,000	(\$7,000)	\$82,879
SDG&E	\$0	\$50,000	\$50,000	\$0	\$43,516

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Regulatory Compliance	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$418,600	\$396,550	\$476,000	\$79,450	\$198,984
SCE	\$63,126	\$70,000	\$70,000	\$-	\$23,344
SCG	\$27,941	\$157,000	\$230,000	\$73,000	\$34,012
SDG&E	\$153,772	\$50,000	\$200,000	\$150,000	\$371,119

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Other Administration	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E ¹	\$6,821,105	\$12,953,971	\$9,320,000	(\$3,633,971)	\$3,240,106
SCE ⁴	\$0	\$1,620,229	\$1,772,885	\$152,656	\$1,284,833
SCG	\$2,159,963	\$1,909,267	\$1,669,642	(\$239,625)	\$582,791
SDG&E	\$509,741	\$1,311,540	\$563,614	(\$747,927)	\$227,094

Attachment 2

LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Indirect Costs	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E ²	\$3,345,325	\$3,000,000	\$2,500,000	(\$500,000)	\$618,936
SCE	\$260,305	\$ 360,000	\$420,000	\$ 60,000	\$112,458
SCG	\$0	\$733,714	\$641,628	(\$92,086)	\$223,961
SDG&E	\$1,014,768	\$1,938,411	\$833,002	(\$1,105,409)	\$335,637

OVERSIGHT COSTS					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
CPUC Energy Division	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E	\$46,021	\$35,000	\$35,000	\$0	\$13,163
SCE	\$92,673	\$ 70,000	\$70,000	\$ -	\$17,633
SCG	\$21,933	\$25,000	\$36,000	\$11,000	\$18,355
SDG&E	\$20,372	\$47,200	\$21,000	(\$26,200)	\$9,135

TOTAL PROGRAM COSTS					
LIEE Cost Category	PY 2003 Recorded	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease	YTD 2004
Total Program	(SBX1 5 and Base)			PY 2004 to PY 2005	Through May 31
PG&E ^{3, 4, 5}	\$52,226,263	\$73,346,048	\$59,030,000	(\$14,316,048)	\$15,224,714
SCE ^{1,2,5}	\$18,643,343	\$17,469,174	\$27,400,000	\$ 9,930,826	\$6,734,304
SCG *	\$33,998,942	\$38,899,153	\$35,766,502	(\$3,132,651)	\$12,565,600
SDG&E *	\$12,866,391	\$16,916,503	\$13,518,093	(\$3,398,410)	\$4,775,129

NOTES:

PG&E

1. Other Administration includes administration contractor and PG&E management.
2. Indirect Costs include CAS testing, which is not paid out of the LIEE budget.
3. Total Program Costs include CAS testing.
4. PY 2004 Proposed: Includes total carry-over of PY 2003 funds currently available in the LIEE balancing accounts.
5. PY 2005 Proposed: Includes carryover.

SCE

Indirect cost - Pension and Benefit, not part of LIEE Budget

Total Program - exclude indirect cost

PY 2003

1. Recorded program expenses as per Table TA2 of 2003 AEAP Report filed May 1 2004.
2. LIAB charges of \$20,839 for 2003 were not included in the table

PY 2004/2005

3. Cool Center Project - Cool Center project is no longer funded by LIEE budget in 2004 and 2005.
4. Other Administration - Staff labor and other non program related costs. For PY 2003 and prior years this cost was allocated to each LIEE measure.
For column titled "Y-T-D 2004 through May 31" the amount of \$721,284.58 for the Low Income Need Assessment Study has been charged to the LIEE program.
A correction will be made in the next month to reflect this charge against CARE.
5. SCE 2004 Budget of \$17,469,174 consists of authorized funding of \$15,893,500 and \$1,575,674 of carryover funding.

SCG

Through PY2003 SCG was capturing Indirect Costs in Other Administration.

Attachment 2

PY2005 Energy Division cost estimates based on 2003 invoiced amounts.

SDG&E

EELI costs are allocated 80% to electric program, 20% to gas program. Administrative costs for Advertising, M&E, Regulatory Compliance, and CPUC Energy Division and In-home Energy Education costs are allocated 50% gas program costs and 50% electric program costs. All other administrative costs are allocated to program measures based on a proration of individual measure cost to total measure cost.

Attachment 2

Gas/Electric Split for PY2003 was \$7,262,188 Gas and \$5,604,203 Electric.

Gas/Electric Split for PY2004 is estimated to be \$8,332,747 Gas and \$8,583,756 Electric.

Gas/Electric Split for PY2005 is estimated to be \$7,051,308 Gas and \$6,466,785 Electric.

Other Administration includes cost for electric program cost for Performance Incentive.

PY2005 Energy Division cost estimates based on 2003 invoiced amounts.

* SCG and SDG&E total includes the following CO Testing line items:

LIEE Cost Category	PY 2003 Recorded (SBX1 5 and Base)	PY 2004 Proposed	PY 2005 Proposed	Increase / Decrease PY 2004 to PY 2005	YTD 2004 Through May 31
CO Testing					
SCG	\$0	\$0	\$1,800,000	\$1,800,000	\$628,372
SDG&E	\$0	\$0	\$353,100	\$353,100	\$71,605

Measure Cost Breakdown

Contractor 105, 110, 115, 125, 130, 140, 145, 150, 155, 160, 165, 170, 175, 190, 195, 200
Project Area 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 48, 49, 50, 51, 53, 55, 56, 57
Climate Zones 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16

Measure	Total Cost	Labor	Materials	Administration	Travel
Attic Access Install					
Attic Access Weatherstripping					
Attic Insulation (sq. ft.)					
Attic Venting (sq. ft.)					
C-10 Certificate					
Caulking, Mobile (flat fee)					
Caulking, MUD (flat fee)					
Caulking, SF <200' (flat fee)					
Ceiling Repair					
CFL's					
Cover Plate Replaced					
CVA					
Door Jambs					
Door Patch/Plate					
Door Replacement					
Door Weatherstripping					
Education					
Evap Cooler Cover					
Evaporative Cooler (Window/Wall)					
Exhaust Fan Vent					
Exterior Wall Repair					
Faucet Aerators					
Floor Repair					
Foam Wall Patch					
Glass Replacement					
Glazing Compound					
Hardwired Porch Light/CFL					
Lock Set					
Marketing and Assessment					
MHR Shop Fee					
Shower Head					
Thresholds Installed					
Utility Gaskets					
Wall Repair - Interior					
Water Heater Blanket					
Water Heater Pipe Wrap (Ft. In.)					
Window Ass. Replace <12 Sq. Ft.					
Window Ass. Replace >12 Sq. Ft.					
Window Sash/Sill Repair					
Window/Wall AC Up to 6,000 BTU					
Window/Wall Up to 6,000 w/ co pay					
Window/Wall AC 6,001 to 10,000 BTU					
Win/Wall 6,001 to 10,000 w/ co pay					
Window/Wall AC 10,001 to 15,000 BTU					
Win/Wall 10,001 to 15,000 w/ co pay					
Window/Wall AC > than 15,000 BTU					
Win/Wall >15,000 w/ co pay					



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June 10, 2003

Mr. Art Brice
Vice President
Richard Heath and Associates, Inc.
590 West Locust Avenue. Suite 103
Fresno, CA 93650

Dear Art:

Attached is the per measure cost breakdown as requested by RHA & PG&E.

As I previously indicated, we do not normally breakdown our costs by measure. In fact, with all the program changes constantly being handed down in the middle of each program year, it makes deriving completely accurate numbers almost impossible.

Pricing and costs for the Energy Partners Program are constantly changing. Thus, any cost breakdown may be obsolete long before it is evaluated.

Specific pricing and costs associated with materials and special labor are largely negotiated pricing and are considered "Trade Secrets" internal to our organization.

Moreover, we are concerned that submitting these numbers to PG&E and RHA could negatively affect our position in future competitive bids for the program. It is our preference not to submit these numbers to RHA or PG&E but rather directly to the CPUC. However, this was not an option afforded us.

We have compiled the attached detail using standard business practices based on our experience in the program prior to June 1, 2004. Please note these numbers are estimates to the best of our knowledge and we do not profess them 100% accurate. We expect anyone receiving these numbers to treat them as strictly confidential so as not to create an anti-competitive environment for us in the future.

Regards,

Allan Rago

Enclosure

Attachment 5
Joint Utility Pilot Proposal on
Central Air Conditioning Maintenance

The June 24, 2004 Scoping Memo, at page 13, notes that the Low Income Oversight Board (LIOB) has recommended that the Commission consider directing the utilities to set aside LIEE program funds to discuss the feasibility of adding a new pilot program to service and maintain electric central air conditioning systems¹ to the LIEE program measure mix. Although central air conditioning unit replacement has previously been provided under the utilities' LIEE programs, air conditioning *maintenance* has not been part of the LIEE program. In order to properly evaluate a proposal for air conditioning maintenance, the utilities' believe a technical evaluation should be completed.

In D. 02-08-034², the Commission adopted a standardized protocol for assessing the cost effectiveness of all LIEE program measures, based on recommendations by the joint utility LIEE Program Standardization Project team. Utilizing these protocols, the project team completed an assessment of existing program measures, and the Commission adopted a new LIEE standard measure mix based on that assessment in D. 03-11-020.³ Before considering making this new measure part of the LIEE program measure mix, Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Gas Company, and Southern California Edison Company believe the proposed measure should be subjected to the Commission's adopted measure assessment process.

¹ "Scoping Memo of Assigned Commissioner and Administrative Law Judge" June 24, pg 13.

² "Interim Decision : Low-Income Energy Efficiency Program and Measure Cost Effectiveness Testing"

adopted August 8, 2002 in R. 01-08-027.

³ See D. 03-11-020, November 13, 2004, Ordering Paragraph 1

Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Gas Company, and Southern California Edison Company recommend that the Commission remand this assessment task to the joint utility LIEE Program Standardization Project team. The Commission should direct the team to collect measure cost and energy savings data, develop pilot measure installation standards, policies and procedures, and assess the cost effectiveness of this measure compared to that of the existing standard program measure mix.

To accomplish the tasks outlined above, the Commission should order the standardization project team to file a work plan, budget and schedule that would be required to support this activity.

Pacific Gas and Electric Company
Attachment 6

Pacific Gas and Electric Company
CARE Expense Summary

CARE Expense Categories	2003 Actual Expenses	2004 Planned Expenses	YTD 2004 (through May) Expenses	2005 Planned Expenses
Outreach	\$4,002,515	\$4,063,852	\$851,933	\$3,850,000
Automatic Enrollment			\$614	\$150,000
Processing / Certification / Verification	\$1,950,752	\$1,975,000	\$666,148	\$2,100,000
Bill System / Programming	\$44,867	\$50,000	\$17,466	\$150,000
Pilots	\$0	\$0	\$0	\$0
Measurement and Evaluation	\$51,933	\$487,000	\$0	\$487,000
Regulatory Compliance	\$129,898	\$170,000	\$45,920	\$170,000
General Administration	\$376,232	\$470,000	\$52,153	\$450,000
Indirect Costs	\$0	\$0	\$0	\$0
CPUC Energy Division Staff	\$101,822	\$90,000	\$30,539	\$100,000
Total Expenses	\$6,658,019	\$7,305,852	\$1,664,774	\$7,457,000
CARE Rate Discount	\$145,078,774	NA	\$68,744,661	NA
Avoided Surcharges	\$97,307,019	NA	\$36,586,331	NA
Merger Credit	NA	NA	NA	NA
Total Program Costs and Discounts	\$249,043,812	NA	\$106,995,766	NA

* Includes Billing System changes for Automatic Enrollment

Pacific Gas and Electric Company
Attachment 6

Pacific Gas and Electric Company

CARE Participation Rates

	Total Enrolled 12-31-03	Total Enrolled Through May 2004	PY 2004/2005 Estimated Eligible	Estimated Net PY 2004 Enrollments	Estimated Year End PY 2004 Participation	Estimated PY 2004 Goal Rate	Estimated PY 2005 Net Enrollments	Estimated Year End PY 2005 Participation	Estimated PY 2005 Goal Rate (a)
(Source)	(1)	6/21/04 RD Report	(2)	(3)	(Col. B+E)	(Col. F/D)	(2)	(Col. F+H)	(Col. I/D)
PG&E	812,204	845,859	1,188,701	87,796	900,000	76%	62,850	962,850	81%
SCE	899,148	931,130	1,053,643	48,252	947,400	90%	26,561	973,961	92%
SDG&E	181,028	187,113	249,050	15,829	196,857	79%	11,080	207,937	83%
SoCal	957,602	1,013,235	1,358,706	90,716	1,048,318	77%	46,558	1,094,876	81%

(a) Estimated PY2005 Goal Rate will fluctuate based on updated CARE Eligibility information to be filed September 2004.

(1) CARE Annual Reports, dated 5/1/04

(2) Each utility's estimate based on eligibility rates filed 11/03/03; rates for PY2005 still to be developed. SCE and SoCalGas have factored in estimated meter growth.

(3) Each utility's most recent estimates of 2004 net enrollments.

Note: Estimated PY2005 Goal Rate will fluctuate based on updated CARE Eligibility information.

APPENDIX B

Statement of Qualifications

1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **STATEMENT OF QUALIFICATIONS OF DUANE F. LARSON**

3 Q 1 Please state your name and business address.

4 A 1 My name is Duane F. Larson, and my business address is Pacific Gas and
5 Electric Company, 245 Market Street, San Francisco, California.

6 Q 2 Briefly describe your responsibilities at Pacific Gas and Electric Company.

7 A 2 I am manager of PG&E's Residential Energy Efficiency programs and the
8 Low Income Energy Efficiency Program.

9 Q 3 Please summarize your educational and professional background.

10 A 3 I received a Bachelor of Arts degree in Political Science from California
11 State University, Hayward and a Certificate of Project Management from the
12 University of California, Berkeley, California. I have worked at PG&E for
13 23 years. My energy efficiency/conservation work at PG&E includes
14 residential energy auditor, small business and commercial auditor, ZIP loan
15 supervisor, residential contractor liaison, quality assurance auditor of
16 residential programs, program manager of residential, commercial,
17 agricultural and industrial energy surveys and education, senior program
18 manager and team lead for the heating and cooling and retrofit and
19 renovation programs. I am a member in good standing of the Association of
20 Energy Services Professionals, served on the Board of Directors for the
21 National Fenestration Rating Council in 2001 through 2002 and am a
22 member of the national steering committee for the Appliance Standards
23 Awareness Project.

24 Q 4 What is the purpose of your testimony?

25 A 4 I am sponsoring Chapters 1, 2, and 3: "Introduction to the Application for
26 the 2005 Low-Income Energy Efficiency Program and the California
27 Alternate Rates for Energy Program," "Low-Income Energy Efficiency
28 Program," and "California Alternate Rates for Energy Program."

29 Q 5 Does this conclude your statement of qualifications?

30 A 5 Yes, it does.

1 **PACIFIC GAS AND ELECTRIC COMPANY**
2 **STATEMENT OF QUALIFICATIONS OF JAY X. LUO**

3 Q 6 Please state your name and business address.

4 A 6 My name is Jay X. Luo, and my business address is Pacific Gas and Electric
5 Company, 77 Beale Street, San Francisco, California.

6 Q 7 Briefly describe your responsibilities at Pacific Gas and Electric Company.

7 A 7 I am a team leader of the electric energy cost recovery and analysis section
8 in the Energy Revenue Requirements Department.

9 Q 8 Please summarize your educational and professional background.

10 A 8 I received a Bachelor of Science degree in Electrical Engineering from
11 Qingdao University in China, a Master of Business Administration degree in
12 International Business from Lincoln University, and a Master of Arts degree
13 in Economics from Dominican University of California. After six years of
14 economic analysis consulting experience with PG&E, I joined the Company
15 in 1996 as a senior economist. I was promoted to a senior program
16 manager in Customer Energy Management Department in 1997, and was
17 promoted to a team leader in Energy Revenue Requirements Department in
18 2000.

19 Q 9 What is the purpose of your testimony?

20 A 9 I am sponsoring Chapter 4, "LIEE And Care Costs Recovery Proposal."

21 Q 10 Does this conclude your statement of qualifications?

22 A 10 Yes, it does.

23