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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
for Approval of the 2009-2011 Low Income
Energy Efficiency and California Alternate Rates
for Energy Programs and Budget (U39M).

Application 08-05-022
(Filed May 15, 2008)

And Related Matters.

Application 08-05-024
Application 08-05-025
Application 08-05-026

**ADMINISTRATIVE LAW JUDGE'S RULING
PROVIDING ADDITIONAL GUIDANCE ON THE INTERIM DIRECTION
REGARDING EXPENDITURE OF LOW-INCOME ENERGY EFFICIENCY
MARKETING, EDUCATION, AND OUTREACH BUDGETS FOR 2010**

Administrative Law Judge (ALJ) Kim hereby issues this ruling to provide the investor-owned utilities with additional guidance on the interim direction regarding the expenditure of the Low-Income Energy Efficiency (LIEE) Marketing, Education and Outreach (ME&O) budgets for 2010, as referenced in the ALJ's September 4, 2009 email ruling (September 4th Ruling).

Background

On August 28, 2009, ALJ Kim issued a ruling (August 28th Ruling) providing the investor-owned utilities (IOUs) with some interim direction regarding the expenditure of the LIEE ME&O budgets for 2010.

August 28th Ruling, in part, provided as follows:

1. The investor-owned utilities (IOUs) may use the fund shifting mechanisms as described herein and in Decision (D.) 08-11-031 for Low-Income Energy Efficiency (LIEE) marketing, education and outreach (ME&O) efforts such that the IOUs may continue their current LIEE ME&O efforts, beginning in January 2010; and
2. Within 7 days of this ruling, each of the IOUs should develop and file in this docket an Interim LIEE ME&O Plans for 2010, as a response to this ruling. Such Interim LIEE ME&O Plans should detail which of the fund shifting options, if any, each plans to use and describe how each plans to reallocate funds for the 2010 ME&O use through these fund shifting options.

ALJ Kim's September 4th Ruling directed the IOUs not to file the Interim Low-Income Energy Efficiency Marketing, Education and Outreach Plans (Interim LIEE ME&O Plans) ordered in August 28th Ruling, until ALJ Kim issued a subsequent ruling with further directions to the IOUs.

Additional Interim Direction to the IOUs

The *California Long-Term Energy Efficiency Strategic Plan* (Strategic Plan) uses the terms Statewide "Marketing, Education and Outreach" or "ME&O" to refer to what are general marketing activities such as printing brochures and developing and purchasing advertisements, etc. However, in the specific context of the LIEE program, budget and funding, and in D.08-11-031 and its ordering paragraphs (OPs), the terms "Marketing, Education and Outreach" or "ME&O" include many more activities, namely activities such as the "outreach" efforts by IOUs contractors to enroll eligible consumers in LIEE or the "education" that takes place during the IOU contractor assessment of the home, which fall outside the general marketing category.

Without clarifying, OP 2 of D.08-11-031 held "the remaining 2/3 of their ME&O budgets (the amounts for 2010 and 2011) in abeyance." The August 28th

Ruling also did not identify the above distinctions in terminology usage. I therefore find it necessary to make the following clarification so that the appropriate "marketing" budget line item is used by the IOUs in preparing and submitting the Interim LIEE ME&O Plans.

In preparing the Interim LIEE ME&O Plans ordered herein and in the August 28th Ruling, the IOUs are advised that the only line item from the IOUs' 2010-2011 ME&O budgets currently held in abeyance under the OP 2 of D.08-11-031 is the general "marketing" budget line item. Therefore, the Interim LIEE ME&O Plans and any budget figures used to prepare the proposed fund shifting proposal should only relate to and cover budgets and funds directly connected with the IOUs' general marketing efforts and related expenditures.

In the upcoming proposed decision in A.08-05-022 et al. which will soon be released in later part of September 2009 and will authorize and provide further direction to the IOUs' overall LIEE ME&O expenditures for 2010-2011, the Commission will elaborate on this issue.

IT IS RULED that:

1. The investor-owned utilities may use the fund shifting mechanisms as described in Administrative Law Judge Kim's August 28th Ruling and in Decision 08-11-031 for Low-Income Energy Efficiency Marketing, Education and Outreach efforts such that the investor-owned utilities may continue their current Low-Income Energy Efficiency Marketing, Education and Outreach efforts, beginning in January 2010;

2. Within 7 days of this ruling, each of the investor-owned utilities should develop and file in this docket an Interim Low-Income Energy Efficiency Marketing, Education and Outreach Plans for 2010, (Interim ME&O Plans) as a response to this and Administrative Law Judge Kim's August 28th ruling. Such

Interim LIEE ME&O Plans should detail which of the fund shifting options, if any, each plans to use and describe how each plans to reallocate funds for the 2010 through these fund shifting options. Such Interim LIEE ME&O Plans and any figures used to prepare proposed fund shifting should only relate to and cover budgets and funds directly connected with the investor-owned utilities' general marketing efforts and related expenditures;

3. Investor-owned utilities should document all subsequent transactions under the Interim LIEE ME&O Plans consistent with the directives of this ruling, Administrative Law Judge Kim's August 28, 2009 Ruling and Decision 08-11-031, and report the same as part of their monthly Low-Income Energy Efficiency reports relevant to the period in which they occurred; and

4. The investor-owned utilities are directed to refrain from any unnecessary fund shifting or expenditure which may become obsolete once the proposed decision in the Application 08-07-021 et al. (Energy Efficiency Decision) and the accompanying proposed decision in Application 08-05-022 et al. (Low-Income Energy Efficiency Marketing, Education and Outreach Decision) are approved, especially items that may no longer be useful particularly regarding a statewide marketing program or efforts.

Dated September 14, 2009, at San Francisco, California.

s/ KIMBERLY H. KIM

Kimberly H. Kim
Administrative Law Judge

INFORMATION REGARDING SERVICE

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Dated September 14, 2009, at San Francisco, California.

/s/ LILLIAN LI

Lillian Li