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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  
PARTIALLY DELEGATING CALIFORNIA ALTERNATES RATE  
FOR ENERGY (CARE) FUND EXPENDITURE OVERSIGHT**

**1. Summary**

This ruling delegates to the Commission's Consumer Service and Information Division (CSID) the California Alternates Rate for Energy (CARE) fund expenditure oversight and reasonableness review relating to Community Help and Awareness with Natural Gas and Electricity Services (CHANGES) pilot program approved by the Commission's Resolution CSID-004 (Resolution).

**2. Background**

On November 19, 2010, the Commission issued the Resolution. The Resolution approved a one-year pilot program, CHANGES, to provide limited English proficient consumers an in-language education, need and dispute

resolution, and outreach program for energy matters. The Resolution provides that the pilot would be funded by the four major Investor Owned Utilities (IOUs), specifically, Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), Southern California Edison Company (SCE), and Southern California Gas Company (SoCalGas), through their CARE program outreach funding, as allowed in California Public Utilities Code Section 739.4.

California Public Utilities Code Section 739.1(b), Decision (D.) 02-09-021 and its progeny and the Resolution require that expenditure of CARE funds be through balancing account process followed by reasonableness review. As set forth in more detail in D.02-09-021, this process generally entails that the IOUs submit projected CARE fund expenditure which is reviewed and pre-approved by the Commission. To date, such projections have been filed by the IOUs in their respective budget applications. Thereafter, upon subsequent filings by the IOUs of the reports detailing IOUs' actual CARE fund expenditures, the Commission, through the Energy Division and Assigned Administrative Law Judge, have conducted the reasonableness review of the actual reported expenditures as compared to the projected and approved expenditure and other exigencies, if there were any such to consider.

### **3. Discussion**

The Resolution authorized the IOUs to expend and record in the appropriate CARE balancing accounts, consistent with existing CARE balancing account processes, all actual and reasonable expenditures associated with the

pilot, not to exceed the authorized pilot budget amounts.<sup>1</sup> The Resolution also provides, *inter alia*:

5. Consistent with D.02-09-021, the Assigned Administrative Law Judge shall review the IOUs' actual expenditures and determine the reasonableness of the expenditures to assure the program is making the best use of the CARE outreach funds.
6. CSID shall have oversight authority to evaluate the effectiveness of the pilot and its related expenditures to assure the program is making the best use of the funds that are set aside for the program.<sup>2</sup>

The Resolution envisions the Commission's CSID to take an active and ongoing leadership role during the one-year pilot period in collecting and reviewing data, while also developing, implementing, overseeing and evaluating the effectiveness of the pilot program.<sup>3</sup> The Resolution provides that the pilot would be funded by the IOUs through their respective current<sup>4</sup> CARE approved budget. Ultimately, the Resolution directs CSID to recommend whether the Commission should, or should not, continue the program depending on the outcome of the CSID's evaluation of the pilot program's effectiveness.

Typically, the reasonableness of the IOUs' actual CARE fund expenditure would be examined by the Commission's Energy Division with the oversight by

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<sup>1</sup> Resolution, Ordering Paragraph (OP) 4.

<sup>2</sup> *Id.* at OP 5, 6.

<sup>3</sup> *Id.*, pp.1-2.

<sup>4</sup> The Commission approved the IOUs' CARE projected budget applications for budget cycle 2009-2011 (Application (A.) 08-05-022, et al.) in D.08-11-031.

the Assigned Administrative Law Judge. The Resolution provides Assigned Administrative Law Judge “shall review the IOUs’ actual expenditures and determine the reasonableness of the expenditures to assure the program is making the best use of the CARE outreach funds.” In addition, the Resolution also provides that CSID, not Energy Division, would have the overall “oversight authority to evaluate the effectiveness of the pilot and its related expenditures to assure the program is making the best use of the funds that are set aside for the program.”<sup>5</sup>

I, as the Assigned Administrative Law Judge, find my oversight of the CARE funds expenditure review for CHANGES one-year pilot program should be delegated to CSID. CSID’s constant and ongoing leadership involvement in the pilot program justifies that CSID should be delegated the authority to review and make the determination as to whether or not the CARE funds expenditure authorized by the Resolution is expended in the manner, assuring the pilot program is making the best use of the CARE outreach funds set aside for the program. Therefore, I will not be actively reviewing and directing the IOUs regarding the CARE fund expenditures concerning CHANGES pilot program. Instead, my reasonableness review will largely be limited to relying on the CSID’s ongoing review, evaluation and reporting of the pilot program progress.

I also find that this pilot program does not require duplicative reviews and oversight. As such, the Energy Division is excused from any review and oversight of reviewing the reasonableness of CARE fund expenditure relating to

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<sup>5</sup> Resolution, OP 6.

CHANGES pilot program. In sum, by this ruling, CSID is delegated the authority to oversee and determine the reasonableness of the actual CARE fund expenditure associated with the CHANGES pilot program.

**IT IS RULED** that:

1. CSID is delegated the authority and duty, set forth in the Resolution OP 5, and therefore ordered to review the IOUs' actual expenditures and determine the reasonableness of the expenditures to assure the program is making the best use of the CARE outreach funds.
2. CSID shall provide briefings of the Assigned Administrative Law Judge its ongoing review, evaluation and reporting of the CHANGES pilot program progress.
3. The Energy Division is excused from any review and oversight of the IOUs' CARE fund expenditure relating to CHANGES pilot program.

Dated December 9, 2010, at San Francisco, California.

          /s/ KIMBERLY H. KIM            
Kimberly H. Kim  
Administrative Law Judge

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Dated December 9, 2010, at San Francisco, California.

/s/ TERESITA C. GALLARDO

Teresita C. Gallardo

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