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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric Company (U 902 M) for Approval of Low-Income Assistance Programs for Program Years 2007 and 2008.

A.06-06-032  
(Filed June 30, 2006)

Application of Southern California Gas Company (U 904 G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2007 and 2008.

A.06-06-033  
(Filed June 30, 2006)

Application of Pacific Gas and Electric Company (U 39 M) for Approval of the 2007 and 2008 California Alternative Rates for Energy and Low Income Energy Efficiency Programs and Budget.

A.06-06-034  
(Filed June 30, 2006)

Southern California Edison Company's (U 388-E) Application for Approval of Low-Income Assistance Programs and Budgets for Program Years 2007 and 2008.

A.06-07-001  
(Filed July 3, 2006)

**ASSIGNED COMMISSIONER'S SCOPING MEMO AND RULING**

This scoping memo and ruling follows a telephonic and unreported prehearing conference conducted by Administrative Law Judge (ALJ) Kim Malcolm in these proceedings on August 22, 2006. It affirms the schedule for the proceeding, addresses the scope of hearings, and addresses other procedural matters.

## **Scope of Issues**

Pacific Gas and Electric Company (PG&E), Southern California Edison, Southern California Gas Company and San Diego Gas & Electric Company filed these applications in June 2006 seeking approval of their respective proposed budgets for low income energy efficiency programs for 2007-08.

At the prehearing conference, several parties stated their intent to participate in the proceeding to address concerns they have regarding the utility proposals. Association of California Community and Energy Services (ACCES), Division of Ratepayer Advocates (DRA), and Disability Rights Advocates (DisabRA) filed responses to the applications. The issues raised in the prehearing conference and in responses to the applications include:

- Whether the utilities presented or should present goal-based program plans rather than plans based on budgets;
- How to manage and implement program details, and adopt new measures between Commission decisions and budget cycles in light of the suspension of the standardization team;
- The impacts of Natural Gas Appliance Testing on program participation;
- Whether and how the incentives for solar development should be incorporated into the Low Income Energy Efficiency (LIEE) program;
- The need for cool centers and cool zones;
- The proposal of PG&E to remove caps for compact fluorescent lamps and exterior hardwired fixtures;
- Program outreach, recertification and enrollment;
- The proposal of SCE to initiate an LIEE pilot program on Catalina Island;

- Reallocating funds between budget categories;
- Accessibility by disabled customers to telephonic enrollment, outreach efforts, LIEE programs and cool center facilities; and
- Availability of capitation fees to community-based organizations serving disabled communities.

One issue that deserves particular mention here is the suggestion made by ACCES to require the utilities to comply with that portion of Decision (D.) 05-12-026 that directs these utility applications to “establish, and work to achieve, penetration goals” rather than planning LIEE program activities around a budget. As ACCES suggests, the utility applications do not appear to make that shift in the way they present their proposals. However, D.05-12-026 also assumed that the utilities and the Commission would have the benefit of the needs assessment the Commission has planned to issue. That needs assessment, which is the subject of a report by KEMA, is not yet public and was therefore not available for the utilities’ use in developing their LIEE applications. I expect the KEMA report to be published in the near future and that it will provide some immediate guidance for market penetration strategies as well as a foundation for considering longer term program priorities. The parties may address related issues in their testimony and in hearings if the KEMA report is issued in time. If not, I hope to focus on the implications of the needs assessment in the coming year as the Commission explores LIEE policies, program priorities and structure.

As part of its California Solar Initiative (CSI) program, the Commission has stated that 10% of incentives for solar distributed generation investments should be set aside for low income customers and affordable housing. Until the Commission has resolved the basic parameters of that program in the CSI proceeding, it is unclear whether using the underlying structure of the LIEE

program is the best way to implement this part of the CSI program. The Commission does not plan to resolve related issues before an order is issued that addresses programs and budgets in these proceedings. For that reason, the Commission will not consider here whether and how to incorporate the solar incentives into the existing LIEE framework this year, although it may decide to do so at a later date.

Otherwise, the issues raised by the parties and the applications are appropriately within the scope of the proceeding.

### **Work Shop Agenda**

The Commission has scheduled a workshop to take place in Sacramento on September 13, 2006. A previous ruling by the ALJ suggested some topics for the workshop. This ruling provides more information to the parties about the topics for the workshop and what I hope can be accomplished.

The general purpose of the workshop is to share information and ideas about the utility applications and what can be accomplished in this budget cycle. I am hoping the workshop can build some consensus between the parties and obviate the need for hearings. To that end, I would like each utility to provide a 20-30 minute overview of their respective program proposals, with particular emphasis on new programs and changes they would make to existing program elements. Other parties may also make presentations. There will be time after each presentation for questions. Other than this, this workshop will not be highly structured. The assigned ALJ plans to lead the workshop with assistance from Energy Division staff. Parties other than the utilities who wish to make presentations should contact the ALJ and the parties by way of the electronic service list to provide a very brief summary of the presentation and an estimate of time needed, not to exceed 15 minutes per presentation.

## Proceeding Schedule

The ALJ developed the following schedule in this proceeding, which this ruling affirms:

Testimony served.....	September 4, 2006
Rebuttal Testimony served.....	September 12, 2006
Workshop.....	September 13, 2006 at 10:00 a.m., Sacramento <sup>1</sup>
Evidentiary Hearings .....	September 25-26, 28-29, 2006, San Francisco <sup>2</sup>

At the prehearing conference, the assigned ALJ also asked the utilities to electronically notify the service list, by September 12, 2006 how utility witnesses would be presented in hearings, whether on panels or individually. The ALJ stated her preference that utility witnesses sit as panels in order to facilitate the hearings and promote discussion of program elements and design. The ALJ also stated that parties should electronically notify the service list by September 18, 2006 of their estimates of cross-examination time for each witness.

The assigned ALJ may modify this schedule as necessary for the efficient and effective management of these proceedings.

Pursuant to Pub. Util. Code § 1701.5,<sup>3</sup> this scoping memo clarifies that all issues in both phases of these proceedings are likely to be resolved within 18 months of this scoping memo.

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<sup>1</sup> Parties may participate by phone by calling: 877-347-9604, Participant PASSCODE 771069, Department of Community Services and Development, Kings Conference Room, 700 N. 10<sup>th</sup> Street, Sacramento, CA.

<sup>2</sup> Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, CA 94102.

**Applicable Ex Parte Rules, Category of Proceeding, and Presiding Officer**

The *ex parte* rules as set forth in Rule 7(c) of the Commission's Rules of Practice and Procedure and § 1701.3(c) apply in this proceeding, which rules generally require prior notice to parties of a scheduled meeting with a decision-maker, and the filing of an *ex parte* notice after the meeting.

The Commission preliminarily determined that these consolidated applications are ratesetting proceedings for which hearings are likely to be required, which this ruling confirms.

Dian M. Grueneich is the Assigned Commissioner in these proceedings and ALJ Kim Malcolm is the principal hearing officer.

**IT IS RULED** that:

1. The scope and schedule for these consolidated proceedings are as set forth herein.
2. The Commission will conduct evidentiary hearings in these proceedings at 10:00 a.m. on September 25, 2006 in the Commission Courtroom, State Office Building, 505 Van Ness Avenue, San Francisco, California.
3. These proceedings are categorized as ratesetting and hearings are likely to be required. This ruling as to categorization is appealable pursuant to Rule 6(d) of the Commission's Rules of Practice and Procedure.

Dated September 1, 2006, at San Francisco, California.

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<sup>3</sup> All section references are to the Public Utilities Code unless otherwise indicated.

/s/ DIAN M. GRUENEICH  
Dian M. Grueneich  
Assigned Commissioner

### **INFORMATION REGARDING SERVICE**

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the copy of the filed document is current as of today's date.

Dated September 1, 2006, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis



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