

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

Application 06-06-032  
(Filed June 30, 2006)

And Related Matters

Application 06-06-033  
(Filed June 30, 2006)

Application 06-06-034  
(Filed June 30, 2006)

Application 06-07-001  
(Filed July 3, 2006)

**DIVISION OF RATEPAYER ADVOCATES'  
OPENING COMMENTS ON THE PROPOSED DECISION OF  
ADMINISTRATIVE LAW JUDGE MALCOLM**

## **I. INTRODUCTION**

Pursuant to Rule 14.3 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, the Division of Ratepayer Advocates ("DRA") hereby submits the following comments on the proposed decision ("PD") of Administrative Law Judge ("ALJ"). The PD adopts the 2007-2008 budgets, polices and programs of Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E), referred to as the 'Investor Owned Utilities' (IOUs), for Low Income Energy Assistance.

DRA supports the PD in its entirety and requests that the Commission adopt it. The PD sets forth policies and conclusions that ensure that maximum benefit to low-income beneficiaries. In the instant comments, DRA will highlight some key provisions from the PD.

The PD sets viable policies for the CARE and LIEE programs for the program years 2007 – 2008 and resolves disputed policy and program issues. In an effort to promote customer participation in both LIEE and CARE, the PD develops initiatives to expand the scope of the LIEE program.<sup>1</sup> The PD provides clarification on many key issues, most importantly the correct interpretation of the Commission's directive in D.05-12-026. The PD also clarifies the gas furnace issue, which has been particularly problematic between the parties.

## **II. THE PD ARTICULATES THE COMMISSION'S FRAMEWORK FOR CONSIDERING LIEE AND CARE PROGRAMS AND BUDGETS**

The PD sets the following two criteria of evaluating low-income programs: 1) to benefit low income customers by reducing their bills and 2) promoting energy efficiency. The purpose of the low income programs is to provide low

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<sup>1</sup> Draft Order Adopting Utility Budgets for Low Income Energy Efficiency Programs and California Alternate Rate for Energy at 3.

income customers with financial assistance, and the PD's criteria is most consistent with such purpose. DRA agrees with the Commission's tendency to favor programs that provide direct benefits to customers rather than costly operations or studies that do not provide energy bill savings to customers.<sup>2</sup> As such, DRA considers it prudent for the Commission to deny funding for some of the studies proposed by the utilities, such as PG&E's 'post-verification study' for CARE and SCE's Cool Center evaluation, and agrees that the need for the proposed studies is not justified.<sup>3</sup> The PD also correctly retains the responsibility to oversee the evaluation and measurement studies for utility energy efficiency programs except those for low-income customers.<sup>4</sup>

### **III. THE PD CLARIFIES WHETHER THE UTILITIES PRESENTED OR SHOULD PRESENT GOAL-BASED PROGRAM PLANS RATHER THAN PLANS BASED ON BUDGETS**

The PD provides important clarification on the issue of whether the utilities presented or should present goal-based program plans rather than plans based on budgets. The various parties differed on the definition of "goal-based" planning. As pointed out in the PD, the confusion was partly due to the fact that the utilities were carrying out the directives of D.05-12-026 without the benefit of the KEMA study which was not published until several months after the filing of the utilities' proposals.<sup>5</sup> The unavailability of the KEMA study also had a similar effect on the related issue of penetration rates, where the parties had no common definition of the universe of qualified customers or realistic range of penetration rates over a

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<sup>2</sup> *Id.*, at 6-7.

<sup>3</sup> *Id.*, at 18.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*, at 8.

given period. DRA joins the Commission in its expectation that the KEMA report will inform the discussion of these issues in more depth over the coming year.<sup>6</sup>

The PD adopts DRA's position that goal-based planning should result in the utilities reaching increasingly more homes and found that the utilities' proposal to focus instead on increasing energy savings per home is contrary to the Commission's directive in D.05-12-026. Consistent with this position, the PD states that the utilities should have proposed targeted and aggressive goals designed to increase participation, not only energy savings.<sup>7</sup>

#### **IV. THE PD ARTICULATES THE IMPACT OF NATURAL GAS APPLIANCE TESTING (NGAT) ON PROGRAM PARTICIPATION AND NGAT FUNDING PROTOCOLS**

The gas furnace issue has proven particularly problematic, revealing broad complexities and related disagreements between the parties that could not be resolved within the scope of this proceeding. DRA therefore welcomes the PD's directive to conduct workshops to focus on these issues, publish a report and allow parties to review and comment on this report. DRA hopes that the recommendations contained in this workshop report will clarify the issues related to the gas furnace repair and replacement as well those related to the Natural Gas Appliance Testing (NGAT) processes. The Commission's recommendations on these issues will provide a uniform frame of reference.

The natural gas appliance testing issue is twofold, consisting of: (1) the request by the utilities that NGAT tests be funded as any other LIEE cost, rather than through the general rate case, and (2) the impact of NGAT on program participation. In the case of PG&E, DRA notes that subsequent to the request made in its original filing, PG&E signed a settlement that resolved the matter in its

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<sup>6</sup> *Id.*, at 10.

<sup>7</sup> *Id.*, at 8-10.

general rate case A.05-12-002. (pg. 30) The PD denied SDG&E<sup>8</sup> and SoCalGas<sup>9</sup> requests to modify accounting for NGAT and calls on further analysis of NGAT policy. DRA remains concerned that current NGAT and CVA (Combustion Ventilation Air) procedures prevent some customers from receiving LIEE benefits but agrees with the PD's assessment that the issues concerning gas appliance programs are complex and broad. Such complexities justify and necessitate the PD's directive to conduct a workshop to focus specifically on these issues and its decision not to authorize the utilities to modify their gas furnace programs in the interim.<sup>10</sup>

#### **V. THE PD CHANGES REPORTING REQUIREMENTS AND PROGRAM INFORMATION**

DRA supports the PD's changes to the reporting requirements for both the CARE and LIEE programs. DRA welcomes the opportunity to participate in future workshops to streamline this process.

#### **VI. COOL CENTERS WITHIN PG&E'S TERRITORY**

DRA supports ALJ Malcolm's decision directing PG&E to introduce a plan to the Energy Division for the implementation of Cool Centers/Cool Zones within its service territory.

#### **VII. CONCLUSION**

The proposed decision effectively addresses all of DRA concerns with respect to the IOUs' LIEE and CARE budgets and DRA therefore strongly supports the rationale, findings and conclusions of ALJ Malcolm and respectfully requests that the Commission adopt the Proposed Decision as written.

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<sup>8</sup> *Id.*, at 37.

<sup>9</sup> *Id.*, at 41.

<sup>10</sup> *Id.*, at 12-13.

Respectfully submitted,

/s/ RASHID A. RASHID

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December 4, 2006

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of **DIVISION OF RATEPAYER ADVOCATES' OPENING COMMENTS ON THE PROPOSED DECISION OF ADMINISTRATIVE LAW JUDGE MALCOLM** in **A.06-06-032 ET AL.** by using the following service:

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Executed on December 4, 2006 at San Francisco, California.

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/s/ Albert Hill  
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