PACIFIC GAS AND ELECTRIC COMPANY'S RESPONSE TO ALJ WEISSMAN'S OCTOBER 3, 2005 ELECTRONIC DATA REQUEST IN PREPARATION FOR THE CALIFORNIA PUBLIC UTILITIES COMMISSION FULL-PANEL HEARING

Rulemaking 04-01-006, Low Income Programs
Data Response

PG&E Data Request No.:	CPUC_001-01		
PG&E File Name:	LowIncomeOIRPost2003_DR_CPUC_001-01		
Request Date:	October 3, 2005	Requester DR No.:	001
Date Sent:		Requesting Party:	CPUC
PG&E Witness:		Requester:	ALJ Weissman

DATA REQUEST:

Pacific Gas and Electric Company, Southwest Gas Company, SDG&E, Southern California Edison Company, and Southern California Gas Company are hereby directed to provide the following information to the Commission at or before the October 6th Full Panel Hearing on low income concerns, to the extent to which the information can be developed in that timeframe. Anything available in advance shall be provided to the entire service list by e-mail. For any information that cannot be provided by Thursday, please provide an estimated date for providing the information.

QUESTION 1

1. What are the utility's total available carry-over funds from prior years for all low-income programs (broken down by program)?

PG&E'S RESPONSE TO QUESTION 1

PG&E has California Public Utilities Commission (CPUC)-authorized budgets for two low-income programs: (1) the California Alternate Rate for Energy (CARE) Program; and (2) the Low Income Energy Efficiency (LIEE), Energy Partners Program. The CARE program has a two-way balancing account and there is no carryover amount associated with the CARE program. PG&E's current carryover amount for its LIEE Energy Partners program is set forth in the table below.

Pacific Gas & Electric Company Available LIEE Program Carry-over Funds from Prior Years as of August 31, 2005	
2005 Authorized LIEE Program Budget [1]	$56,530,000
Carry-over Funds from Prior Years - YTD August 2005 [2]	18,525,302
Forecasted 2005 Program Expenditures	(62,000,000)
Net Available Carry-over Funds - YTD August 2005	**$13,055,302**

[1] Per Table 16 of Decision 05-04-052.

[2] Combined Electric & Gas Balances in Balancing Accounts. Includes an undercollection of $7.092 million in the gas balancing account at the end of Program Year 2004. CPUC has not approved PG&E's Advice Letter 2590-E/2586-G requesting approval to transfer $7.0 million from the Gas Public Purpose Program Low-Income Balancing Account (PPPLIBA) to the Electric PPPLIBA.

Although the Table above reflects a carryover amount of $13 million, PG&E proposes to add the $13 million carryover to its requested $56.53 million budget for the 2006 LIEE program for a total 2006 LIEE program budget of approximately $69.53 million. PG&E planned its 2006 program and budget with the expectation that the 2005 carryover amount would be added to the 2006 LIEE program budget because the addition of carryover amounts to the following year's budget has been the historical practice. For 2006, PG&E projects to spend approximately $68.42 million to treat 55,000 homes. If PG&E is not able to include the $13 million carryover as part of its 2006 LIEE budget, PG&E may need to seek an increase in LIEE funding for 2006 to treat the projected number of homes.

QUESTION 2

For each utility, what are the likely dollar impacts if the Commission were to adopt the proposals to eliminate reconnection fees for CARE customers and to ban winter service shut-offs for customers making minimum bill payments? What are the likely dollar impacts if the Commission were to suspend collection of deposits on low income customers?

PG&E'S RESPONSE TO QUESTION 2

PG&E assesses a $20 reconnection charge to recover part of the cost associated with dispatching of a field service representative and the work performed to restore service to the customer. On average on a monthly basis in 2004, 3,850 CARE customers (0.4% of CARE customers) went completely through PG&E's collection process and were shut off for non-payment. Based on these numbers, if the Commission were to adopt the proposal to eliminate reconnection fees for CARE customers during the winter season (November 2005 – April 2006) there would be a reduction of reconnection fees in the amount of $462,000.

If PG&E experienced the same termination of service rates for CARE customers this winter as it did on a monthly average basis in 2004 and each of those customers were able to make minimum bill payments of at least 50%, then a ban on winter service shut-offs for CARE customers making minimum bill payments of at least 50% would result in an increase of about $7.5 million (includes anticipated increase in gas rates in 2005 and 2006) in receivables outstanding beyond 30-days. A portion of those receivables would likely never be recovered from the customers, increasing write-off exposure.

Based on the same 2004 numbers, the suspension of collection of deposits from CARE customers subject to service interruption would result in approximately a $5 to $6 million under collection of deposits.

QUESTION 3

What would be the potential dollar impact of increasing CARE eligibility to 200% of the federal poverty guidelines? If this amount could be redirected to provide additional rate relief to existing CARE customers, what would be the additional average bill reduction?

PG&E'S RESPONSE TO QUESTION 3

As PG&E noted in its September 30 comments, expanding CARE eligibility to 200% of federal poverty guidelines for seniors and disabled customers (using the same elderly/disabled limitation as currently used for LIEE eligibility) would increase the current size of PG&E's CARE-eligible population by approximately 115,000 households, with a potential dollar impact of $40 million (based on current projections for PG&E's 2006 gas and electric prices). Such a change would increase the size of PG&E's CARE-eligible population by somewhat less than 10%, expanding eligibility from slightly less than 1.3 million households to a new total of 1.4 million. A broader expansion of CARE eligibility, to all households at or below the 200% income level, might increase the size of PG&E's CARE-eligible population by up to 250,000 households. This would expand CARE eligibility to a total of more than 1.5 million households, or nearly 30% of all of PG&E's residential gas and electric customers, at an additional annual program cost of up to $100 million.

If the Commission chose to allocate $40 million of new CARE funding in such a way as to provide additional rate relief in 2006 for PG&E's existing CARE customers, this might be accomplished either by:

(1) increasing the currently stated gas and electric CARE discounts to a level in the range of 22 to 23 percent; or

(2) leaving the stated electric discount at 20 percent, but increasing the gas CARE discount to 27 percent.

If the Commission chose to allocate $100 million of new CARE funding in such a way as to provide additional rate relief in 2006 for PG&E's existing CARE customers, this might be accomplished either by:

(1) increasing the currently stated gas and electric CARE discounts to a level in the range of 25 percent; or

(2) leaving the stated electric discount at 20 percent, but increasing the gas CARE discount to 37 percent.

(As PG&E explained in its September 30 comments, the current average effective electric CARE discount is already somewhat more than 30 percent, even though the stated electric discount is only 20 percent.)

(Note that these CARE discount increases are based on management's best estimates of 2006 rates and gas price forecasts as of September, 2005, and are subject to change.)

PG&E notes that adding an additional 100,000 of those current CARE-eligible households who have not yet enrolled will also add approximately $40 million of new rate relief to total CARE program costs for 2006. Because PG&E expects that the new CARE enrollment initiatives described in its September 30 comments may well add 100,000 or more new CARE enrollments in coming months, it is possible that new CARE enrollments together with only a modest expansion of existing CARE discounts (e.g., increasing only the gas CARE discount to 25 percent) would add nearly $100 million to total CARE program costs for 2006 even without any further expansion of CARE eligibility.

QUESTION 4

How could each utility target Low-Income Energy Efficiency program relief to master meter customers and other under-served customers in multi-family dwellings?

PG&E'S RESPONSE TO QUESTION 4

PG&E has already taken several steps to ensure that its master-metered and multi-family customers are not being excluded or underserved, and we welcome any opportunity to discuss other ideas that will help us to reach our qualifying low income customers.

Per the Commission-adopted Statewide LIEE Weatherization Installation Standards (WIS) and Policy and Procedures (P&P) Manuals, PG&E already offers all LIEE measures and services (including refrigerators) to its master metered and multi-family customers, except for hard-wired Compact Fluorescent Lamps (CFLs) (not offered to multi-family dwellings or mobile homes) and Evaporative Coolers (not offered to multi-family dwellings). Duct Seal and Repair, a proposed new measure for 2006, would also be restricted and not available to multifamily units. These restrictions are mostly due to structural and building code restrictions making them non-feasible or dangerous to install in multifamily dwellings or mobile homes.

Additionally, by contract, PG&E sets percentage goals by housing type for its LIEE contractors, requiring them to treat all housing types. This is to ensure that contractors neither exclude nor concentrate their resources exclusively on customers residing in any particular housing type. By the end of the year, between 18-25% of dwellings treated must be multi-dwelling units, and 5-7% must be mobile homes. Between 59-83% may be single-family dwellings.