



*Pacific Gas and
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January 22, 2007

VIA HAND DELIVERY

Administrative Law Judge Kim Malcolm
California Public Utilities Commission
505 Van Ness Ave., Room 5005
San Francisco, CA 94102

Re: A.06-06-032 et al., 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.

Dear ALJ Malcolm:

Enclosed is a courtesy copy of the "SIXTY-EIGHTH STATUS REPORT OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M) ON THE RESULTS OF ITS LOW INCOME ENERGY EFFICIENCY AND CARE PROGRAM EFFORTS IN COMPLIANCE WITH ORDERING PARAGRAPH 17 OF DECISION 01-05-033, ISSUED MAY 7, 2001.

This filing was submitted to the Docket Office using the new E-filing system. Service of the document was accomplished by electronic service on all parties listed on the official service lists for A.06-06-032; A.06-06-033; A.06-06-034 and A.06-07-001.

Very truly yours,

/s/

Chonda J. Nwamu

CJN/pak

cc: President Michael Peevey
Commissioner Geoffrey Brown
Commissioner Dian Grueneich
Commissioner John Bohn
Commissioner Rachelle Chong

Mariana C. Campbell
Hazyln Fortune
Sarita Sarvate
Donna L. Wagoner

**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)
Application of Southern California Gas Company (U 904 G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2007 and 2008.	Application 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.	Application 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)	Application 06-07-001 (Filed July 3, 2006)

**SIXTY-EIGHTH STATUS REPORT
OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M)
ON THE RESULTS OF ITS LOW INCOME ENERGY EFFICIENCY AND CARE PROGRAM
EFFORTS IN COMPLIANCE WITH ORDERING PARAGRAPH
17 OF DECISION 01-05-033, ISSUED MAY 7, 2001**

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Dated: January 22, 2007

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

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In accordance with Ordering Paragraph 17 of Decision 01-05-033, the direction of Administrative Law Judge Gottstein at the July 11 and 28, 2001, status conferences, and the agreements reached between the utilities and the Energy Division on the format and content of the tables, Pacific Gas and Electric Company submits its attached sixty-eighth monthly status report on the results of its Low Income Energy Efficiency and CARE Program efforts, showing results through December 2006.

Respectfully submitted,

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/s/

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January 22, 2007

CERTIFICATE OF SERVICE BY ELECTRONIC MAIL OR U.S. MAIL

I, the undersigned, state that I am a citizen of the United States and am employed in the City and County of San Francisco; that I am over the age of eighteen (18) years and not a party to the within cause; and that my business address is Pacific Gas and Electric Company, Law Department B30A, 77 Beale Street, San Francisco, CA 94105.

I am readily familiar with the business practice of Pacific Gas and Electric Company for collection and processing of correspondence for mailing with the United States Postal Service. In the ordinary course of business, correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On the 22nd day of January 2007, I served a true copy of:

**SIXTY-EIGHTH STATUS REPORT
OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M)
ON THE RESULTS OF ITS LOW INCOME ENERGY EFFICIENCY AND CARE PROGRAM
EFFORTS IN COMPLIANCE WITH ORDERING PARAGRAPH
17 OF DECISION 01-05-033, ISSUED MAY 7, 2001**

- [X] By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service list for A.06-06-032, A.06-06-033, A.06-06-034, A.06-07-001 with an e-mail address.
- [X] By U.S. Mail – by placing the enclosed for collection and mailing, in the course of ordinary business practice, with other correspondence of Pacific Gas and Electric Company, enclosed in a sealed envelope, with postage fully prepaid, addressed to all parties on the official service list for A.06-06-032, A.06-06-033, A.06-06-034, A.06-07-001 without an e-mail address.

I certify and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this 22nd day of January 2007 at San Francisco, California.

/s/

PATRICIA A. KOKASON

PG&E Low Income Programs Monthly Report For December 2006

This Low Income Programs Monthly Report complies with Ordering Paragraphs 14 and 17 of Decision (D.) 01-05-033, requiring the utilities to comply with reporting and program evaluation requirements previously established for the California Alternate Rates for Energy (CARE) and Low Income Energy Efficiency (LIEE) programs, including the reporting of costs and effects from these programs on an annual basis using the Reporting Requirements Manual. Reporting categories are consistent with the definitions contained in the Reporting Requirements Manual filed on January 10, 2002. Additionally, utilities are required to file regular monthly status reports on the results of their Low Income Programs.

A complete listing of the Low Income Programs Reporting Tables is included in Attachment A to this report. The full report (including selected tables 1-30 and Leveraging Tables A-C) is required quarterly, in the months of February, May, August and November. The tables required monthly include Tables 1, 4, 6, 10, 11, 11A, 11B, and 16. An End-of-Year Report for the previous year is required in February.

Monthly Low Income Programs Reporting

This Low Income Programs Report includes actual LIEE and CARE results and expenditures for December 2006. *All results reported in this monthly report update and supersede data reported in previous reports.*

2006 Reporting. D.05-12-026 authorized PG&E's CARE and LIEE programs and budgets for 2006. CARE and LIEE 2006 budgets remain the same as the 2005 budgets, with the CARE administration cost being \$7.457 million and the LIEE programs total cost being \$56.530 million plus previous unspent carryover. In recognition of potential added costs for the Winter Initiative and increases to the number of qualifying customers eligible for the programs through D.05-10-044's income eligibility increase, PG&E filed a 2006 budget augmentation on April 14, 2006. D.06-08-025 (corrected by D.06-09-026) augmented PG&E's 2006 budget by \$33.3 million. There were no changes to the 2006 reporting tables.

PG&E is using the most recent measure energy savings by climate zone developed in the Joint Utility 2001 LIEE Program Evaluation and the Standardization Team's Cost Effectiveness Report.

Customer Eligibility. In March 2003, the Joint Utilities updated and revised the penetration rate calculation methodology in compliance with D.02-07-033 and Assigned Commissioner's Ruling (ACR) dated December 27, 2002, as described in previous reports.¹

¹ The *Joint Utility Methodology for Calculating CARE Penetration* (February 6, 2002) and the *Joint Utility CARE Eligibility Update* (February 21, 2003) can be found as Attachments A and B in PG&E's *Seventeenth*

The Joint Utilities updated their annual customer eligibility estimations as required in a June 24, 2004 Commission Scoping Memo and filed these new annual estimates of CARE-eligible customers on October 15, 2004. Revised estimates were filed on December 28, 2004. These estimates were being used by the Joint Utilities in their 2005 filings until D.05-10-044 directed that low income customer eligibility be increased for both CARE and LIEE.

D.05-10-044 mandated that eligibility criteria for CARE and LIEE be changed from 175 percent of Federal Poverty Guidelines (FPG) (and 200 percent for LIEE seniors and disabled) to 200 percent of FPG for all residential customers. This became effective immediately. When D.05-10-044 was adopted on October 27, 2005, PG&E updated its reporting tables to reflect this change in the December 21, 2005 report for November 2005 results. As a result of this demographic adjustment, the estimated CARE and LIEE-eligible populations in PG&E's service area have both increased. PG&E's CARE and LIEE penetration rates have decreased due the increased pool of eligible customers and are thus not comparable to penetration rates reported before November 2005.

Low Income Winter Initiatives. On October 27, 2005, D.05-10-044 approved various emergency program changes in light of anticipated high natural gas prices in the winter of 2005-2006. For the low income programs, these winter initiatives:

1. Revised LIEE and CARE income eligibility criteria to 200 percent of FPG for all customers,
2. Held harmless from repayment any customer receiving LIEE or CARE program benefits even if the customer is later found to not qualify based on income,
3. Replaced central gas forced air furnaces to renters and homeowners as part of a whole-house effort where an existing furnace has an AFUE of 65 or lower,
4. Performed necessary duct work when installing a new furnace,
5. Replaced leaky water heaters,
6. Increased new refrigerator replacements through go-backs and other initiatives,
7. Implemented telephone enrollment for CARE, and
8. Suspended the dropping of CARE customers for recertification or post-enrollment verification failures.

The Winter Initiative ended April 30, 2006, and PG&E is no longer offering the special Winter Initiative measures and services. For example, inefficient central forced air furnace replacement is not available under the LIEE program. However, PG&E continues to install all furnaces and other measures committed under the Winter Initiative until they are complete.

Greater public awareness of the CARE program brought about by intensive media coverage of the high winter gas prices contributed to increased enrollment. Between November 1, 2005 and April 30, 2006, 200,942 new CARE customers were enrolled. This marked a net increase of 79,017 customers from the same time frame the previous year. PG&E is also continuing outreach initiatives specifically directed to newly eligible customers.

PG&E's 2006 CARE Program expenses were over-budget by \$6,330 due to the successful implementation of the 2005/2006 Winter Initiative program. This represents .08 percent of the total \$7.457 million administrative budget. See the attached Table 6 for details.

Low Income Program Highlights

CARE Automatic Enrollment. In October and November 2003, PG&E began to exchange data regarding low income qualified customers with the Turlock and Modesto Irrigation Districts (TID and MID). PG&E provides natural gas in the TID and MID electric service areas. PG&E automatically enrolls qualified low income customers served by the two irrigation districts into CARE. PG&E also provides CARE customer data on shared customers to TID and MID so that these customers can be enrolled in their programs.

PG&E exchanged data with the Sacramento Municipal Utility District (SMUD) in May 2006 to automatically enroll 2,746 low income qualifying SMUD customers that receive gas service from PG&E. PG&E currently exchanges data with Southern California Edison Company and Southern California Gas Company to automatically enroll their CARE customers who also receive PG&E service.

On May 5, 2004 the ACR on Automatic Enrollment authorized that Automatic Enrollment between the utilities and Consumer Services Department (CSD) be implemented. A total of 3,261 CSD customers were automatically enrolled into PG&E's CARE program in 2005. PG&E has received no CSD files from the Energy Division to date in 2006.

D.05-04-052 ordered the utilities to create a new application for migrant farm worker housing centers (MFHCs) and to use their best efforts to begin enrolling all residents of these California Office of Migrant Services (OMS) and other nonprofit managed migrant centers into the CARE program in compliance with Assembly Bill 868. PG&E has worked with the other utilities to consistently revise its agricultural housing CARE applications and has filed its new MFHC and revised agricultural housing applications by advice letter with the California Public Utilities Commission. PG&E has already automatically enrolled the 22 OMS centers in its service area with the new MFHC application. Additionally, PG&E is working in the community to seek and enroll any other qualifying nonprofit MFHCs.

LIEE Leveraging. Currently, PG&E has contracts with LIHEAP agencies that are not working in PG&E's LIEE program. PG&E is coordinating with these LIHEAP agencies to install PG&E ENERGY STAR[®] refrigerators in PG&E electric homes where the LIHEAP contractors have installed all other measures under the State Weatherization Program.

PG&E provides a list of all residential customers to the contractors. From this list, the contractors can tell if the customer is on the CARE rate and if they have received LIEE services in the past. With this information, the contractors are better able to market to the community, e.g., contacting only those customers who have not received LIEE services in the past.

On a daily basis, contractors are provided information about customers who have requested LIEE services (referrals). Each home that receives LIEE services where the customer is not on the CARE rate is then signed up for the CARE discount. This month 2,515 LIEE participants were enrolled into CARE.

LIEE program materials are provided in seven languages: English, Spanish, Vietnamese, Chinese, Russian, Korean, and Hmong.

In addition, PG&E continues to combine its LIEE and CARE outreach activities in order to leverage low income outreach efforts and provide PG&E low income customers with the knowledge and tools to access all of PG&E's free energy services.

Attachment A
Rapid Deployment Monthly Reporting Tables

Table 1 – LIEE Program Expenses

Table 4 – LIEE Measure Installations

Table 6 – CARE Program Expenses

Table 10 – CARE Enrollment, Recertification and Attrition

Table 11 – CARE Standard Random Verification Results

Table 11A – CARE Random Verification Results for Capitation

Table 11B – Combined CARE Standard Random Verification Results

Table 16 – CARE Participation – Combined Rural and Urban