



*Pacific Gas and
Electric Company™*

Chonda J. Nwamu
Attorney at Law

Mailing Address
P.O. Box 7442
San Francisco, CA 94120

Street/Courier Address
Law Department
77 Beale Street
San Francisco, CA 94105

(415) 973-6650
Fax: (415) 973-0516
Internet: CJN3@pge.com

November 21, 2006

VIA HAND DELIVERY

DOCKET OFFICE
California Public Utilities Commission
505 Van Ness Ave., Room 2001
San Francisco, CA 94102

Re: R.04-01-006 - Order Instituting Rulemaking on the Commission's Proposed Policies
and Programs Governing Post 2003 Low Income Assistance Programs

Dear Docket Clerk:

Enclosed for filing are an original and five (5) copies of:

**SIXTY-SIXTH 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**

Please file the original document, date-stamp a copy, and return the endorsed copy in the stamped, self-addressed envelope provided for this purpose.

Very truly yours,

/s/

Chonda J. Nwamu

CJN/pak
Enclosures

cc: President Michael Peevey
Commissioner Geoffrey Brown
Commissioner Dian Grueneich
Commissioner John Bohn
Commissioner Rachell Chong
Administrative Law Judge Steven A. Weissman

Susan E. Brown, LIF
Mariana C. Campbell, DRA
Hazlyn Fortune, DRA
Sarita Sarvate, ED
Donna L. Wagner, ED
Josie Webb, ED

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

Order Instituting Rulemaking to Examine the
Commission's Proposed Policies and Programs
Governing Post 2003 Low-Income Assistance
Programs.

R.04-01-006
(Issued January 8, 2004)

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PETER OUBORG
CHONDA J. NWAMU
Law Department
Pacific Gas and Electric Company
Post Office Box 7442
San Francisco, CA 94120
Telephone: (415) 973-6650
Fax: (415) 973-0516
e-mail: CJN3@pge.com

Attorneys for:
PACIFIC GAS AND ELECTRIC COMPANY

Dated: November 21, 2006

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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-sixth monthly status report on the results of its Low Income Energy Efficiency and CARE Program efforts, showing results through October 2006.

Respectfully submitted,

PETER OUBORG
CHONDA J. NWAMU

/s/

CHONDA J. NWAMU
Law Department
Pacific Gas and Electric Company
Post Office Box 7442
San Francisco, CA 94120
Telephone: (415) 973-6650
Fax: (415) 973-0516
e-mail: CJN3@pge.com

Attorneys for:
PACIFIC GAS AND ELECTRIC COMPANY

November 21, 2006

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 21st day of November 2006, I served a true copy of:

**SIXTY-SIXTH STATUS REPORT
OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 M)
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- By Electronic Mail – serving the enclosed via e-mail transmission to each of the parties listed on the official service list for R.04-01-006 with an e-mail address.
- 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 R.04-01-006 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 21st day of November 2006 at San Francisco, California.

/s/

PATRICIA KOKASON

PG&E Low Income Programs Monthly Report For October 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 October 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 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. 200,942 new CARE customers were enrolled between November 1, 2005 and April 30, 2006. 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.

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 655 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
Low Income Assistance Programs Quarterly Reporting Tables

Table A – LIEE Leveraging and Outreach Initiatives – Columns are: A) LIEE Initiative; B) Summary; C) Timeline; and D) Status

Table B – CARE Leveraging and Outreach Initiatives – Columns are: A) CARE Initiative; B) Summary; C) Timeline; and D) Status

Table C – CARE Advertising – Columns are: A) Advertising Initiative; B) Summary; C) Timeline; and D) Status

Table 1 – LIEE Program Expenses

Table 2 – LIEE Installation Contractor Expenses

Table 2A – LIEE Direct Purchase and Installation Contractor Legend

Table 3 – LIEE SBX1-5 Percentage of Expenditures for Direct Purchases and Administration
No longer reported

Table 4 – LIEE Measure Installations

Table 4A – LIEE Homes Treated by Dwelling Type

Table 5 – LIEE kWh Savings, kW Demand Reduction and Therm Savings

Table 5A – Average Bill Savings per Customer for Installations Completed and Paid

Table 5B – Average Bill Savings per Customer for Installations Completed and Not Paid

Table 5C – Average Bill Savings per Customer for Installations Completed and Paid and Not Paid

Table 6 – CARE Program Expenses

Table 7 – CARE Leveraging and Outreach Contractor Expenses
No longer reported

Table 7A – CARE Leveraging and Outreach Contractor Legend
No longer reported

Table 8 – CARE Capitation Fees

Table 8A – CARE Capitation Contractor Legend

Table 9 – CARE SBX1-5 Percentage of Expenditures for Mass Marketing
No longer reported

Table 10 – CARE Enrollment, Recertification and Attrition

Table 10.1 – DCSD CARE Automatic Enrollment

Table 11 – CARE Standard Random Verification Results

Table 11A – CARE Random Verification Results for SBX1 5 Outreach

Table 11B – Combined CARE Standard Random Verification Results

Table 12A – Rural vs. Urban CARE Enrollments (Electric Only)

Table 12B – Rural vs. Urban CARE Enrollments (Gas Only)

Table 12C – Rural vs. Urban CARE Enrollments (Gas and Electric Combined)

Table 13A – Rural LIEE Installations (Gas Only)

Table 13B – Rural LIEE Installations (Electric Only)

Table 13C – Rural LIEE Installations (Gas and Electric Combined)

Table 13D – Urban LIEE Installations (Gas Only)

Table 13E – Urban LIEE Installations (Electric Only)

Table 13F – Urban LIEE Installations (Gas and Electric Combined)

Table 14 – CARE Participation - Rural

Table 15 – CARE Participation - Urban

Table 16 – CARE Participation – Combined Rural and Urban

Table 17 – Summary of Urban Homes Treated (Base Funding)

Table 18 – Summary of Urban Homes Treated (SBX1-5 Appliance Funding)
No longer reported

Table 19 – Summary of Urban Homes Treated (SBX1-5 LIEE Funding)
No longer reported

Table 20 – Summary of Urban Homes Treated (Base and SBX1-5 Funding)
No longer reported

Table 21 – Summary of Rural Homes Treated (Base Funding)

Table 22 – Summary of Rural Homes Treated (SBX1-5 Appliance Funding)
No longer reported

Table 23 – Summary of Rural Homes Treated (SBX1-5 LIEE Funding)
No longer reported

Pacific Gas and Electric Company LIEE and CARE Monthly Report

Table 24 – Summary of Rural Homes Treated (Base and SBX1-5 Funding)

No longer reported

Table 25 – Summary Energy and Bill Savings Base Program (Base Funding)

Table 26 – Summary Energy and Bill Savings Base Program (SBX1-5 Appliance Funding)

No longer reported

Table 27 – Summary Energy and Bill Savings Base Program (SBX1-5 LIEE Funding)

No longer reported

Table 28 – Summary Energy and Bill Savings Base Program (Base and SBX1-5 Funding)

No longer reported

Table 29 – Rural and Urban Capitation Contractors

Table 30 – LIEE Penetration