

April 14, 2006

VIA ELECTRONIC MAIL & U.S. MAIL

Administrative Law Judge Steven A. Weissman  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Re: R.04-01-006

Dear ALJ Weissman:

The purpose of this letter is to inform you that Southern California Edison Company (U 388-E) (“SCE”) will not be seeking a 2006 budget augmentation pursuant to Ordering Paragraph 12 of Decision 05-12-026 (“D.05-12-026” or “Decision”). With the carryover funds available from the 2005 Low Income Energy Efficiency (LIEE) program and the authorized budget for 2006, SCE estimates that it has sufficient funds to implement its LIEE program (or Energy Management Assistance Program (“EMA Program”)) pursuant to Commission directives.

In D.05-12-026, the Commission approved funding for the 2006 LIEE and CARE programs. In Ordering Paragraph 12, the Commission ordered that “[e]ach of the utilities shall seek a 2006 budget augmentation, through an application to be filed no later than April 14, 2006.” The reason for this budget augmentation was to avoid a drop in program activity after the winter, and enable the utilities to treat at least 5-10% more homes than projected in their applications.<sup>1</sup>

SCE estimates that, with its carryover funds from the 2005 LIEE program and the authorized funding for the 2006 LIEE program, it has sufficient funding to serve at least 5-10% more homes than had been estimated in SCE’s Application filed on June 1, 2005 (the “June 1, 2005 Application”).<sup>2</sup> If SCE later determines that additional funds may be required, pursuant to Ordering Paragraph 3 of the Decision, SCE will file a budget augmentation application at least 90 days before the funds are needed, or file for a budget augmentation as part of its July 2006 applications for the 2007-2008 programs.

In D.05-04-052, the Commission approved an increase in SCE’s 2005 EMA Program budget for a total of \$27.4 million. SCE spent approximately \$22.6 million in 2005 on its EMA Program, leaving a carryover of approximately \$4.8 million. In D.05-12-026, the Commission approved

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<sup>1</sup> D.05-12-026, p. 5.

<sup>2</sup> Application 05-06-009. Application of Southern California Edison Company (U 338-E) for Approval of Low Income Assistance Programs and Budget for Program Years 2006 and 2007.

SCE's requested EMA Program budget of \$27.4 million for 2006. This, combined with the carryover of approximately \$4.8 million, leaves SCE with a total of nearly \$32.2 million for its 2006 EMA Program. This amount is more than sufficient to serve at least 5-10% more homes.<sup>3</sup>

SCE's EMA Program offers all feasible electric measures to eligible low-income customers as described in SCE's June 1, 2005 Application, and as approved by the Commission. Eligible measures include but are not limited to, refrigerators, window-wall air-conditioners, evaporative coolers, weatherization, and compact fluorescent lights (CFLs). In 2006, SCE continues with its rapid deployment effort as authorized by the Commission in D.05-10-044.

The funding available for SCE's 2006 EMA Program – nearly \$32.2 million – is sufficient to serve at least 5-10% more homes. Accordingly, SCE will not be applying for a 2006 budget augmentation at this time.

Very truly yours,

Stacie Schaffer

SS:as:LAW-#1278024

cc: R.04-01-006 Service List

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<sup>3</sup> In SCE's June 1, 2005 Application, SCE's planning assumption was that 41,293 homes would be treated in 2006 with all feasible measures as approved in D.03-11-020. SCE treated 36,420 homes during the 2005 EMA Program year with an expenditure of approximately \$22.6 million. With funding of approximately \$32.2 million, SCE estimates that it will be able to treat approximately 50,000 homes in 2006. SCE recognizes that the above assumptions reflect the measures that were approved in D.03-11-020, and that the Commission has revised the approved measures through D.05-10-044 and D.05-12-026. SCE further recognizes that the addition of central air conditioners as an eligible measure in Zones 14 and 15 can increase the cost per treated home. If SCE finds that during 2006, the number of homes qualifying for central air conditioners reduces the expected number of homes that can be treated to a figure below a threshold that is 5% greater than the estimate in SCE's June 1, 2005 Application, SCE will seek direction from the Commission, including exploring the option of augmenting the 2006 EMA Program budget.

**CERTIFICATE OF SERVICE**

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of LETTER TO ALJ WEISSMAN REGARDING R.04-01-006 on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

- Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.
- Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand or by overnight courier to the offices of the Commission or other addressee(s).
- Placing copies in properly addressed sealed envelopes and depositing such copies in the United States mail with first-class postage prepaid to all parties.
- Directing Prographics to place the copies in properly addressed sealed envelopes and to deposit such envelopes in the United States mail with first-class postage prepaid to all parties.

Executed this **14th day of April, 2006**, at Rosemead, California.

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