CXW/LYN/MEG/hkr 5/6/2003

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company (U904G) for Authority to increase its Gas Revenue Requirements to Reflect its Accomplishments for Demand-Side Management Program Years 1995 and 1997, Energy Efficiency Program Year 1999, and Low-Income Program Years 1998 and 1999 in the 2000 Annual Earnings Assessment Proceeding ("AEAP").	Application 00-05-002
And Related Matters.	Application 00-05-003 Application 00-05-004 Application 00-05-005 Application 01-05-003 Application 01-05-009 Application 01-05-017 Application 01-05-018 Application 02-05-002 Application 02-05-003 Application 02-05-005 Application 02-05-007
Order Instituting Rulemaking on the Commission's Proposed Policies and Programs Governing Low-Income Assistance Programs.	Rulemaking 01-08-027 (Filed August 23, 2001)

ASSIGNED COMMISSIONERS' RULING REQUESTING COMMENT ON THE CONTINUATION OF LIEE SHAREHOLDER INCENTIVES ON A PROSPECTIVE BASIS AND REQUESTING SUMMARY TABLES ON UTILITY ADMINISTRATIVE COSTS

By Decision (D.) 01-06-082, the Commission adopted the shareholder incentive mechanism for program year (PY) 2001 low-income energy efficiency (LIEE) programs, stating its intent to revisit the issue for future program years:

> ". . . we expect the issue of shareholder incentives for LIEE programs to be revisited in the future, either in the post-2001 program planning process, AEAP [Annual Earnings Assessment Proceeding], or other procedural forum, as deemed appropriate by the Assigned Commissioner."[1]

Subsequently, the Commission eliminated the shareholder incentives for non-low-income energy efficiency programs in D.01-11-066, and reiterated this determination in D.02-03-056.

Accordingly, we believe that the issue of whether shareholder incentives for LIEE programs should be addressed at this time. In considering this issue, we are requesting the utilities to provide consistent summary information on their LIEE administrative costs for the 1999, 2000, and 2001 program years.[2] These are costs that the utility incurs to administer the program with in-house resources or through outsourcing, over and above the costs of the measures installed. These costs are fully recovered through rates up to authorized budget levels.[3] The utilities and interested parties should address whether, in addition to full recovery of administrative costs, the utilities should continue to be authorized shareholder incentives in the future.

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[1] D.01-06-082, mimeo., pp. 21-22.

[2] We refer to Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company collectively as "the utilities" in today's ruling.

[3] One-time appropriations by the Legislature under Senate Bill SBX1 5 have also been used for this purpose.

The attached table presents a summary of LIEE administrative costs for PY 2001, developed by Energy Division from the utilities' 2003 Bill Savings Report. The utilities should work with Energy Division to confirm the accuracy of this table, and to develop comparable information for PYs 1999 and 2000. This information is due by May 23, 2003.

Comments on the issue of whether LIEE shareholder incentives should continue are due May 30, 2003, and reply comments are due June 9, 2003.

All submittals and comments required by this ruling shall be filed at the Commission's Docket Office and served electronically on all appearances and the state service list in Application 00-05-002 et al., the AEAP consolidated proceeding. Service by U.S. mail is optional, except that one hard copy shall be mailed to Judge Meg Gottstein at P.O. Box 210, Volcano, CA 95689. In addition, if there is no electronic mail address available, the electronic mail is returned to the sender, or the recipient informs the sender of an inability to open the document, the sender shall immediately arrange for alternate service (regular U.S. mail shall be the default, unless another means—such as overnight delivery—is mutually agreed upon). Parties that prefer a hard copy or electronic file in original format in order to prepare analysis and filings in this proceeding may request service in that form as well. The current service list for this proceeding is available on the Commission's web page, www.cpuc.ca.gov.

IT IS SO RULED.

Dated May 6, 2003, at San Francisco, California.

/s/ CARL WOOD	/s/ LORETTA M. LYNCH
Carl Wood	Loretta M. Lynch
Assigned Commissioner	Assigned Commissioner

ATTACHMENT

PY2001 LIEE PROGRAM COST BREAKDOWN

	PGE			SCE			SDGE			SCG		
Costs	Utility Internal Costs	Outsourced	Total	Utility Internal Costs	Outsourced	Total	Utility Internal Costs	Outsourced	Total	Utility Internal Costs	Outsourced	Total
LIEE Measure Costs	$1,039,095	$18,841,107	$19,880,202	$1,305,663	$17,231,926	$18,537,589	$460,968	$10,283,083	$10,744,051	$248,952	$19,268,291	$19,517,243
Pilot Costs	$22,916	$582	$23,498	$12,072	$398,457	$410,529	$0	$0	$0	$0	$0	$0
Total Measure Costs	$1,062,011	$18,841,689	$19,903,700	$1,317,735	$17,630,383	$18,948,118	$460,968	$10,283,083	$10,744,051	$248,952	$19,268,291	$19,517,243
Training Center	$175,604	$62,020	$237,624	$0	$0	$0	$0	$0	$0	$173,617	$33,600	$207,217
Inspections	$1,108,284	$2,144,039	$3,252,323	$0	$103,523	$103,523	$147,363	$257,412	$404,775	$0	$434,453	$434,453
Advertising	$0	$0	$0	$0	$0	$0	$0	$23,578	$23,578	$0	$124,708	$124,708
M & E	$46,627	$186,105	$232,732	$25,000	$0	$25,000	$0	$0	$0	$0	$182,752	$182,752
Regulatory Compliance	$321,716	$238,837	$560,553	$65,000	$0	$65,000	$233,843	$119,531	$353,374	$246,785	$117,416	$364,201
Other Admin	$1,425,413	$2,530,390	$3,955,803	$0	$0	$0	$0	$17,513	$17,513	$479,371	$1,214,670	$1,694,041
Indirect Costs	$1,107,249	$339,324	$1,446,573	$222,645	$0	$222,645	$0	$0	$0	$0	$44,185	$44,185
Total Admin	$4,184,893	$5,500,715	$9,685,608	$312,645	$103,523	$416,168	$381,206	$418,034	$799,240	$899,773	$2,151,784	$3,051,557
Total Before Energy Div. Costs	$5,246,904	$24,342,404	$29,589,308	$1,630,380	$17,733,906	$19,364,286	$842,174	$10,701,117	$11,543,291	$1,148,725	$21,420,075	$22,568,800
Energy Division Costs	$0	$45,221	$45,221	$38,143	$0	$38,143	$16,547	$0	$16,547	$0	$28,060	$28,060
Total Program Costs	$5,246,904	$24,387,625	$29,634,529	$1,668,523	$17,733,906	$19,402,429	$858,721	$10,701,117	$11,559,838	$1,148,725	$21,448,135	$22,596,860
SOURCE	**2003 Bill Savings Report Exhibit 4.2 PGE Table TA 7.2**			**2003 Bill Savings Report Exhibit 4.5 SCE Table TA 7.2**			**2003 Bill Savings Report Exhibit 4.11 SCG Table TA 7.2**			**2003 Bill Savings Report Exhibit 4.8 SDGE Table TA 7.2**		

(END OF ATTACHMENT)

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Assigned Commissioners' Ruling Requesting Comment on the Continuation of LIEE Shareholder Incentives on a Prospective Basis and Requesting Summary Tables on Utility Administrative Costs on all parties of record in this proceeding or their attorneys of record.

Dated May 6, 2003, at San Francisco, California.

/s/ KE HUANG
Ke Huang

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.