

Decision 89 06 041 JUN 21 1989

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Southern California Gas Company)	Application 87-10-021
(U 904 G) for authority to Decrease)	(Petition for Modification
the Conservation Cost Adjustment)	Filed April 13, 1989)
(CCA) Component of its Rates.)	

ORDER MODIFYING DECISION 88-10-055

On October 26, 1988, we issued Decision (D.) 88-10-055. Finding of Fact 4 of that decision states that:

"4. The SoCal, DRA, Insulation Contractors Association stipulation provides a reasonable basis for SoCal's weatherization activities through 1989, if it is modified as follows:

- "A) Attic insulation shall not be a requirement for direct weatherization;
- "B) SoCal's weatherization goal for 1989 shall be at least 40,000 units, with an expense requirement of at least \$20.1 million. Money budgeted for 1988 for the rejected EEU and Affordable Housing programs shall be redirected to increase 1989 weatherization funding above \$20.1 million. SoCal's advice letter filing implementing this order shall specify the increase in the 1989 expense requirement due to these carryover funds, and shall indicate the number of additional units which can be weatherized with the carryover funds. Within this total program goal, funding may be shifted from attic insulation to ground work only, if the community agencies are unable to locate 10,000 units qualifying for attic insulation;
- "C) The minimum square footage requirement for direct weatherization shall be reduced to 300 square feet. There shall continue to be a three measure minimum requirement for direct weatherization except where attic insulation is installed. Door thresholds

shall be considered a part of the weather stripping measure. SoCal shall pay community agencies per square foot of insulation installed;

- "D) SoCal's EEU and Affordable Housing programs shall not be approved at this time because these proposed programs are better addressed in SoCal's upcoming general rate case. If SoCal again proposes these programs in its general rate case, it shall address the concerns which Cal-Neva has raised regarding the structure of the EEU program in comparison with PG&E's approved 'Low Cost' program and whether the Affordable Housing program is a marketing or a low-income program;
- "E) SoCal and Cal-Neva shall work together on an incentive plan intended to reduce both SoCal's administrative costs for inspections and the failure rate for water heater blankets."

On April 13, 1989 Southern California Gas Company (SoCal) filed a Petition for Modification of D.88-10-055 requesting that Finding of Fact 4.C be modified to read as follows:

- C) The minimum square footage requirement for direct weatherization shall be reduced to 300 square feet. There shall continue to be a three measure minimum requirement for direct weatherization except where attic insulation is installed. Door thresholds shall be considered a part of the weather stripping measure. SoCal shall reimburse Community Agencies on an average cost basis.

The petition also requests deletion of the last sentence of the first full paragraph on page 15 of the decision which sentence reads:

"Finally, we will adopt Cal-Neva's suggestion that SoCal be required to use PG&E's practice of paying community agencies per square foot of insulation installed, in order to assure that adequate incentives exist to weatherize groups

of homes that are consistently larger than the estimated average size."

SoCal states in the petition that it has discussed the Petition for Modification with the Community Agencies' representative, Mr. Jim Hodges, and he has informed counsel for SoCal that he supports the Petition for Modification.

The Energy Branch of the Commission Advisory and Compliance Division, which is charged with overseeing the low-income direct weatherization program, advises that it has reviewed the petition and supports the method of payment on an average-cost basis.

A copy of the Petition for Modification was mailed to all appearances of record. Notice of the filing of the petition for modification appeared on the Commission's Daily Calendar of April 19, 1989. No protests to the proposed modification have been received.

Findings of Fact

1. SoCal requests that Finding of Fact 4.C of D.88-10-055 be modified to provide for payment of installation of direct weatherization on an average cost basis rather than on actual square footage installed.

2. SoCal also requests that the last sentence of the first full paragraph on page 15 of D.88-10-055 be deleted.

3. The petition for modification has been discussed with the Community Agencies' representative and he has advised SoCal that he supports the petition for modification.

4. The Energy Branch of the Commission Advisory and Compliance Division, which is charged with overseeing the low-income direct weatherization program, advises that it has reviewed the petition and supports the method of payment on an average-cost basis.

5. No protests to the Petition for Modification have been received.

6. A public hearing is not necessary.

Conclusion of Law

The Petition for Modification should be granted.

IT IS ORDERED that:

1. Finding of Fact 4.C is modified as follows:

C) The minimum square footage requirement for direct weatherization shall be reduced to 300 square feet. There shall continue to be a three measure minimum requirement for direct weatherization except where attic insulation is installed. Door thresholds shall be considered a part of the weather stripping measure. SoCal shall reimburse Community Agencies on an average cost basis.

2. The last sentence in the first full paragraph on page 15 of D.88-10-055 which reads as follows is deleted:

"Finally, we will adopt Cal-Neva's suggestion that SoCal be required to use PG&E's practice of paying community agencies per square foot of insulation installed, in order to assure that adequate incentives exist to weatherize groups of homes that are consistently larger than the estimated average size."

3. In all other respects D.88-10-055 shall remain in full force and effect.

This order is effective today.

Dated JUN 21 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Victor Weisner, Executive Director