

**ORIGINAL**

Decision 82 11 085 NOV 17 1982

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHERN CALIFORNIA EDISON COMPANY )  
for Authority to Redirect Certain )  
Conservation/Load Management Program )  
Costs in 1982 in Accordance with )  
Decision No. 92549 and to Implement )  
Incentives for Certain Solar )  
Programs. )

Application 61095  
(Filed December 2, 1981)

O P I N I O N

By Decision (D.) 92549 dated December 30, 1980 in Application (A.) 59351 Southern California Edison Company (Edison) was authorized to spend \$39,000,000 for its 1981 conservation/load management (C/LM) program. We noted that the \$91 million allowance for operational attrition authorized was to include C/LM programs. We then noted that Edison would be expected to increase its 1982 C/LM budget to reflect the effects of inflation.

The prorated amount of the \$91 million attrition is \$4.4 million. Adding this \$4.4 million to the 1981 C/LM budget of \$39 million results in a budget of \$43.4 million for 1982.

D.82-02-058 dated February 4, 1982, modified D. 92549 as follows:

- "15. Edison shall obtain prior approval in writing from the Commission for any redirection of conservation and/or load management funds exceeding \$1,200,000 in a single year by an advice letter filing. Management may reallocate funds for conservation and/or load management programs up to \$1.2 million from a given program to another program or to a new program but shall not reallocate funds among three major program areas: residential conservation, commercial/industrial/agricultural conservation, and load management."

Accordingly Edison must still obtain Commission approval for re-direction of certain program funds.

By this application Edison seeks authorization for redirection of funding of 14 of its 1982 programs as follows.

<u>Program</u>	<u>Proposed Redirection</u>
<u>Nonresidential Conservation</u>	
Energy Audits - Large	\$ 752,680
Energy Audits - Small	1,210,880
Energy Audits - Very Small	457,840
<u>Residential Conservation</u>	
Sherlock	(1,069,600)
ZIP	(3,039,500)
SAVES	(494,300)
RCS	2,511,700
Second Refrigeration Reduction	(370,500)
Residential Cogeneration	(753,700)
Residential New Construction	690,400
<u>Advertising</u>	
General Advertising	(472,500)
<u>Management/Administrative Support</u>	
	789,300
<u>Nonresidential Load Management</u>	
Nonresidential Time-of-Use	(310,700)
<u>Residential Load Management</u>	
Demand Subscription Service	3,038,300

(Red Figure)

Edison also seeks authority to implement two new solar programs which would provide incentives for solar water heaters and heat pump water heaters. Redirection of funds to these programs would total \$113,700.

Edison states that approval of the proposed redirection will not result in a change in the total level of funding for the 1982 C/LM program. Further, no increase in rates is sought in the application. Edison also asserts that full implementation of the 1982 C/LM program is dependent on the timely authorization of the level of funding for individual programs.

A description of the proposed redirections follows.

Nonresidential Conservation

The application states that nonresidential conservation program costs have increased due to labor escalation and to a greater labor requirement for in-depth audits to identify potential energy-saving measures and to convince customers to implement more extensive conservation measures.

Residential Conservation

In November 1981, Edison filed offset rate applications for additional funding to augment the Residential Conservation Service (RCS) program (A.61067) and to implement the RCS financing program (A.61066). The proposed financing program would offer zero-interest loans and cash rebates to residential customers who install specific conservation measures and devices. In addition to the funding requested in A.61067, Edison also requests that \$2,511,700 be redirected to RCS in this application.

Due to the anticipated implementation of RCS, Edison in its application plans to discontinue the residential Sherlock and Sure Actions for Valuable Energy Savings (SAVES) programs for 1982. Similarly, Edison proposes that the greater eastern desert zero interest program be replaced by the systemwide program described in A.61066. Until the systemwide program is approved, Edison states that the eastern desert program will be continued.

The second refrigerator program will be reduced by \$370,500 because the incentive levels and numbers of participants are lower than originally proposed in 1981.

The residential cogeneration project developed at a 156-unit apartment complex would be reduced by \$753,700. The decrease in costs is because the 1982 costs for monitoring and evaluating the project were developed in 1981 and have proved to be less than estimated.

The residential new construction project is a new program which Edison wishes to implement.

General Advertising

The objective is to promote and continue to encourage effective energy conservation and load management practices among residential, commercial, industrial, and agricultural customers. The requested reduction of \$472,500 reflects Edison's and the Commission staff's view that public response to general conservation advertising activity may not continue to be positive. The focus of the 1982 advertising activity will be to promote customer awareness of the C/LM programs and to reinforce the behavioral energy-use patterns of customers, as well as to provide continuity with past advertising efforts.

Management/Administrative Support

The objective of the management/administrative support program is to evaluate on a continuing basis the feasibility of the C/LM program, recommend modification and/or termination of any component found to be ineffective, and approve the implementation of new components.

The requested increase is due to centralization of certain administrative activities supporting the total C/LM effort and in preparation for an organization to handle a doubling of activity in 1983.

Nonresidential Load Management

Edison's time of use (TOU) rates are designed to provide an economic incentive in the form of lower off-peak charges for energy and demand in an attempt to stimulate customers to shift a portion of their on-peak energy use to mid- and/or off-peak periods.

During 1982 Edison plans to continue to evaluate the impact of TOU rates. However, costs will be less than expected since the majority of Edison's TOU experiments are complete. Costs for 1982 are for monitoring of ongoing TOU activity and for continuation of the TOU general service experiment.

Residential Load Management

The \$3,038,300 for demand subscription service (DSS) reflects Edison's requested transition from the 1981 experimental program to its proposed large scale program. The application states this program would aid Edison in bridging its current load management activities with the proposed programs for 1983.

Edison's plans for the large scale expansion of DSS were developed in 1981 and were to be implemented starting in the late spring and early summer of 1982. Since the filing of this application, the DSS program has been materially changed and is the subject of hearings in A.82-08-10 in November 1982.

Solar

In addition to the requested redirection of funds Edison seeks authority to implement two new solar incentive programs. These two programs, outside the target market identified in D.92251 and D.92501, are for solar water heaters and heat pump water heaters. The application states the expansion of solar activity is aimed to encourage customers not eligible for rebates under OII 42 because of the dwelling construction date, and to install solar hardware. Where heat pump heaters would be more appropriate than solar, Edison proposes to offer customer incentives to encourage retrofit. The application states that the heat pump water heater activity is an extension of the program mandated by D.92501. The incentives for these two programs are the same as those shown in test year 1983 in A.61138, Edison's pending general rate case. However, lower participation is anticipated since the 1982 programs are to be used as a transition into 1983 and are included in the overall \$43.4 million in 1982 C/LM budget. The redirections requested for the new solar water heater and heat pump water heater programs are \$67,700 and \$46,000, respectively.

Discussion

We note that processing of this application has been delayed because of extensive discussions between Edison and the Commission staff relative to the redirection of funds and the expansion of the DSS program.

We will approve the funding increases requested for the nonresidential audit and residential RCS programs, and the requested decrease in ZIP funding.

A brief summary of major changes in approved funding levels for RCS and the greater eastern desert area ZIP is in order. In D.92549, the last general rate decision, we approved funding in 1981 of \$7,313,000 for Edison's RCS program and \$1,866,900 for a Conservation Contingency Fund. Order Paragraph 14 further directed:

"14. Edison shall submit plans by January 31, 1981 for implementing a zero-interest financing conservation program. Edison is authorized to initially implement such a program for those portions of its service territory exposed to extremely high summer temperatures, and within the funding limitations authorized herein for the Residential Conservation Services and Conservation Contingency Fund."

In response, Edison filed its Zero Interest Program plan with a budget of \$3.5 million, using \$1.0 million from the Contingency Fund and \$2.5 million from the authorized RCS funding. The ZIP plan was approved by the Commission in a letter dated March 11, 1981. ✓

On November 3, 1981, Edison requested redirection of certain 1981 conservation funds in a letter to the Executive Director, consistent with the procedure established in D.92549. This proposed redirection included an increase of \$300,000 to the ZIP allocation, and was approved on December 4, 1981. Thus, the total approved funding for ZIP stands at \$3.8 million.

In this application, Edison requests approval of its proposed redirections of 1982 funds which are in excess of \$300,000. These proposed redirections include a reduction of \$3,039,500 in the ZIP

program anticipating its assumed supercedence by RCFP, and an increase of \$2,511,700 in the RCS program to replace in 1982 the money "borrowed" from RCS in 1981 to initiate the ZIP program. The level of funding which would result from approval of these changes would be \$760,500 for ZIP and \$7,328,500 for RCS, or a total of \$8,089,000 for the two programs.

We note that in A.61066 and A.61067 Edison has stated incorrectly that this \$8,089,000 was authorized in the last general rate case. Edison requested additional funding for RCS and RCFP in those two applications beyond this \$8,089,000.

We will approve the funding redirections for RCS and ZIP requested in this application, since they restore RCS funding to a level close to that authorized in the last general rate case. The further funding request made in A.61067 is addressed in the decision in that proceeding, which is also issued today.

Since we will not reach a decision in Edison's DSS application in 1982, we will not authorize the \$3,038,000 which Edison earmarked for large scale implementation during 1982.

None of the remaining program changes requested in this application are large enough to require Commission approval as determined in D.82-02-058. We will not approve these redirections.

In A.61138, a procedure to treat unspent C/LM funds will be approved. Unspent C/LM funds allocated for 1981 and 1982 will be accounted for according to that procedure.



Findings of Fact

1. By D.92549 dated December 10, 1980, Edison was authorized to expend \$39,000,000 for its 1981 C/LM programs.

2. D.92549 allowed \$91 million for operational attrition which included C/LM programs.

3. The prorated amount of the \$91 million attrition is \$4.4 million. Adding the \$4.4 million to the \$39 million 1981 C/LM budget results in \$43.4 million C/LM budget for 1982.

4. D.82-02-058 dated February 4, 1982 modified D.92549 authorizing Edison management to reallocate funds for C/LM programs up to \$1.2 million from a given program to another program or to a new program. Edison was not authorized to reallocate funds among three major program areas: Residential conservation, commercial/industrial/agricultural conservation, and load management. ✓

5. By this application Edison seeks Commission approval for redirection of funding levels for 14 of its 1982 C/LM program levels.

6. The proposed redirections would not result in a change in the \$43.4 million overall 1982 funding level.

7. The proposed redirection of funding to the nonresidential conservation programs as outlined in the application is reasonable.

8. Because a decision on Edison's DSS application (A.82-08-10) will not be reached in 1982, the request for \$3,038,000 for large-scale implementation of DSS for 1982 should be denied. ✓

9. The proposed redirection of funding for the residential RCS and ZIP programs as outlined in the application is reasonable. ✓

Conclusion of Law

The application should be granted to the extent provided in the following order.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company (Edison) is authorized to redirect funding of its nonresidential conservation program and its residential RCS and ZIP programs, as set forth in this order. ✓

2. Conservation and load management funds allocated for 1981 and 1982 and unspent as of December 31, 1982 shall be accounted for by the procedure to be established in Edison's general rate case A.61138. ✓

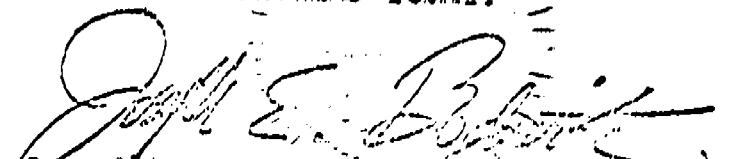
3. Edison is directed to include in its March 31, 1983 conservation report for calendar year 1982 details of the energy savings and expenses incurred through redirection of the funds authorized by this order.

This order is effective today to allow Edison the opportunity to effectively use the funds being authorized for redirection by this order during the remainder of calendar year 1982.

Dated November 17, 1982, at San Francisco, California.

JOHN E. BRYSON  
President  
RICHARD D. GRAVELLE  
LEONARD M. GRIMES, JR.  
VICTOR CALVO  
PRISCILLA C. GREW  
Commissioners

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

  
Joseph E. Bodovitz, Executive Director

ALJ/md

Decision \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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Accordingly Edison must still obtain Commission approval for redirection of certain program funds.

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<u>Nonresidential Load Management</u>	
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Demand Subscription Service	3,038,300

(Red Figure)

The application states that nonresidential conservation program costs have increased due to labor escalation and to a greater manpower requirement for in-depth audits to identify potential energy-saving measures and to convince customers to implement more extensive conservation measures.

<sup>1</sup> We are also concerned that unexpended 1981 funds be prudently spent in 1982, and the allocation of that \$2.85 million is discussed in a separate proceeding.

For residential conservation, due to the implementation of Residential Conservation Service (RCS), the Sherlock and Sure Actions for Valuable Energy Savings (SAVES) programs are to be discontinued for 1982.

Edison states that approval of the proposed redirection will not result in a change in the total level of funding for the 1982 C/LM program. Further, no increase in rates is sought in the application. Edison also asserts that full implementation of the 1982 C/LM program is dependent on the timely authorization of the level of funding for individual programs.

A description of the proposed redirections follows.

Nonresidential Conservation

In the nonresidential area the application states that Edison's objective is to achieve an annualized energy savings of 1,354,169,000 kWh and reduce on-peak demand by 230 MW through programs that encourage nonresidential customers to implement conservation actions and install conservation hardware. The 1982 nonresidential conservation activities are to be composed of three programs: commercial/industrial energy audits, pump tests, and support activities.

Commercial/Industrial Energy Audits - (200 kW Demand or Over - Energy Audits Large)

This audit activity was developed in 1973 and ensures that commercial/industrial customers in this category are personally contacted by an energy services representative on a yearly basis. Customers are offered a free energy audit of their business establishment, which includes a summary of the survey findings with recommended energy-saving actions. It is planned to use financial incentive programs to stimulate customer installation of conservation hardware.

For larger commercial customers (500 kW demand and over) in-depth technical audits performed by five teams of engineering specialists will be offered. It is anticipated that technical audits will identify a greater portion of the potential energy savings available to the customers and provide a basis for the attainment of greater results.

Commercial/Industrial Energy Audits (20-199 kW Demand - Energy Audits - Small)

Edison energy services representatives will continue to respond to customer requests for audits and to personally initiate contact with commercial/industrial customers in this category approximately every two years. A summary of the survey findings, along with recommended energy-saving actions, would be provided to each customer whose facilities are audited. Financial incentives, designed to encourage installation of conservation hardware, will also be offered.

Commercial/Industrial Energy Audits (Less than 20 kW Demand - Energy Audits - Very Small)

Customers in the less than 20 kW demand group represent two-thirds of Edison's commercial/industrial market. Due to the large number of customers in this group, Edison realizes the importance of communicating the need for conservation to this market segment using the most cost-effective approach possible.

A 1979 test indicated that the most cost-effective method for contacting this group was to mail each customer a personalized letter. The letter, developed as a result, will continue to be used to explain the energy survey activities and encourage customers to return a postage-paid response card requesting an appointment for an energy audit. To further maximize program results, cold-calls will be made to higher-use customers (using over 2,000 kWh per month) whether or not a response card is received from the customer.

In addition, financial incentives will be offered to stimulate installation of conservation hardware.

Residential Conservation

Edison states it has developed residential conservation activities for 1982 designed to increase energy efficiency, maintain previously accomplished savings levels, and develop greater dependability and persistence of energy savings through application of conservation hardware.

It states that to complement its residential conservation activities, in November 1981 it filed offset rate applications for additional funding to augment the RCS program and to implement an RCS financing program. The financing program will offer zero-interest loans and cash rebates to residential customers who install specific conservation measures and devices.

Its 1982 residential conservation activities are categorized into the following six programs:

1. Residential energy survey activities,
2. Community energy conservation development,
3. Conservation information,
4. Conservation resource centers,
5. Conservation hardware,
6. Residential cogeneration.

Residential items for redirection included in the residential energy survey activities include the following programs: Zero Interest Program (ZIP), SAVES, and RCS.

The RCS program for 1982 will be increased by \$2,511,700. The program will be implemented under the California Energy Commission (CEC), California plan presently in force.

Under the plan Edison will send the program announcement, conduct the audits, arrange for installation and financing of conservation measures, provide post installation inspections, and help resolve complaints from program participants.

It states its plans to achieve annualized energy savings of 48,506,110 kWh through programs designed to encourage residential customers to implement conservation actions and install conservation hardware.

Its plans call for cancellation of the Sherlock and SAVES programs, replacing them with Class A and Class B audits.

Under the Class A audit, residential customers will be offered a free, on-site home energy audit. Participation will be solicited by mail offering the free audit. Results of the audit will be fed into a computer which will print out suggested conservation actions. Results of the audit and computer recommendations will be discussed with the customer. The customer will also be given a written confirmation.

Class B will replace the SAVES program and audits will be designed to meet the Class B requirements of the California plan. A mail-in energy use survey will be offered to residential customers through a variety of information channels including direct mail. Customers completing a mail-in questionnaire will receive an energy-use computer analysis. The computer analysis will provide prioritized energy conservation recommendations and include estimates of the dollar and energy savings achievable.

The greater eastern desert zero interest program is to be replaced by the systemwide program outlined in A.61066 filed November 19, 1981. Until the systemwide program is approved the eastern desert program will be continued.

The second refrigerator program will be reduced by \$370,500 because the incentive levels and numbers of participants are lower than originally proposed in 1981.

The residential cogeneration project developed at a 156-unit apartment complex would be reduced by \$753,700. The decrease in costs is because the 1982 costs for monitoring and evaluating the project were developed in 1981 and have proved to be less than estimated.



### General Advertising

The objective is to promote and continue to encourage effective energy conservation and load management practices among residential, commercial, industrial, and agricultural customers. The requested reduction of \$472,500 reflects the Commission staff's view that public response to general conservation advertising may not continue to be positive. The focus of the 1982 advertising activity will be to promote customer awareness of the C/LM programs and to reinforce the behavioral energy-use patterns of customers, as well as to provide continuity with past advertising efforts.

The advertising activities planned for 1982 reflect an expense level lower than that authorized by the CPUC in D.92549. It has been determined that the activities proposed in 1982 are reasonable in communicating to residential, commercial, industrial, and agricultural customers the need for C/LM.

General conservation advertising will be designed to reinforce customer commitment to conservation and will provide specific suggestions on techniques available to conserve energy. Suggestions will include information on the efficient use of electrical appliances and purchase of energy-efficient appliances, as well as general information on other conservation subjects. Among the efforts planned for 1982 is a campaign to broaden the residential customer's knowledge of what commercial and industrial customers are doing to conserve energy.

### Management/Administrative Support

The objective of the management/administrative support program is to evaluate on a continuing basis the feasibility of the C/LM program, recommend modification and/or termination of any component found to be noneffective, and approve the implementation of new components.

The requested increase is due to centralization of certain administrative activities supporting the total C/LM effort and in preparation for an organization to handle a doubling of activity in 1983.

Management activity comprises the salaries, clerical support, and related expenses necessary for the manager of the C/LM Services Department and expenses incurred by other managers directly related to the C/LM programs.

Administrative support includes salaries and associated expenses of staff personnel involved in providing budget and information support for the C/LM program.

While providing administrative support to the C/LM program, this activity does not generally provide direct program support.

Activities conducted include:

1. Preparation of C/LM exhibits, testimony, and workpapers for Notices of Intent (NOI), Orders Instituting Investigations (OII), Edison's general rate case, and offset applications.
2. Development of C/LM program budget and other associated management reports.
3. Analyses of energy C/LM legislative and regulatory policy development and formulation of company objectives and strategies designed to attain these goals.
4. Coordination of responses to state and federal regulatory data requests pertaining to C/LM activities.
5. Preparation of formal reports to the CPUC, CEC, and federal regulatory agencies, outlining the C/LM program and results.
6. Monitoring development of state and federal regulatory policies designed to increase C/LM efforts.

TOU rates will also be made available as an option to an additional 1,000 customers with billing demands in the 20 to 500 kW range.

#### Nonresidential Load Management

Edison's time of use (TOU) rates are designed to provide an economic incentive in the form of lower off-peak charges for energy and demand in an attempt to stimulate customers to shift a portion of their on-peak energy use to mid- and/or off-peak periods.

During 1982 Edison plans to continue to evaluate the impact of mandatory TOU rates on approximately 2,100 of its largest commercial and industrial customers whose demands are in excess of 500 kW.

Experimental TOU rates are to remain in effect for approximately 550 general service (GS-2) customers throughout 1982. Data collected and a modeling system will be used to provide the analytical framework for a thorough review of the experimental results in 1983.

#### Residential Load Management

The \$3,038,300 for demand subscription service (DSS) reflects the costs of transition from the 1981 experimental program to a large scale demonstration program. The application states this program will aid Edison in bridging its current load management activities with the proposed programs for 1983.

The application states that the DSS concept provides an innovative approach to residential load management because it is designed to allow customers to preselect a level of electric service that will satisfy their energy needs while at the same time allowing Edison to control loads during periods of system capacity shortage. When activated by Edison the DSS load control device places a limit on the customers' electrical load based on the level of service the customer has selected. If the customer is exceeding the subscribed level during the activation period, the service is totally disconnected and remains off until the customer reduces the load to the subscribed level and resets the DSS device or until service is restored by Edison once the activation period is over.

Edison's plans for the large scale expansion of DSS were developed in 1981 and were to be implemented starting in the late spring and early summer of 1982. Since the filing of this application the DSS program has been materially changed and will be the subject of hearings in A.82-08-10 in November 1982.

In addition to the requested redirection of funds Edison seeks authority to implement two new solar incentive programs. These two programs, outside the target market identified in D.92251 and D.92501, are for solar water heaters and heat pump water heaters. The application states the expansion of solar activity is aimed to encourage customers not eligible for rebates under OII 42 because of the dwelling construction date, and to install solar hardware. Where heat pump heaters would be more appropriate than solar, Edison proposes to offer customer incentives to encourage retrofit. The application states that the heat pump water heater activity is an extension of the program mandated by D.92501. The incentives for these two programs are the same as those shown in test year 1983 in A.61138, Edison's pending general rate case. However lower participation is anticipated since the 1982 programs are to be used as a transition into 1983 and are included in the overall \$43.4 million in 1982 C/LM budget.

The redirections requested for the new solar programs are \$67,700 and \$46,000, respectively. These redirections would bring the 1982 funding for these individual programs, with the proposed incentives, to \$146,100 for new solar construction and \$176,300 for solar retrofit.

Three electric water heater applications programs are proposed with an estimated 200 customers participating in each program. These program incentives are summarized as follows:

1. Expand the Solar Demonstration Rebate Program created by OII 42, and offer a rebate of \$60 per quarter over three years (\$720 total) to solar retrofit installations in single-family dwellings constructed after January 29, 1980.
2. Extend the Heat Pump Water Heater Demonstration Program authorized in D.92501, and offer a \$250 incentive to retrofit existing electric water heaters with a heat-pump water heater.

3. Offer an incentive of \$250 to promote the installation of heat pump water heaters in new construction projects scheduled for electric water heaters primarily where natural gas is not available.

Discussion

We note that processing of this application has been delayed because of extensive discussions between Edison and the Commission staff relative to the reduction of funds and the expansion of the DSS program. We also note that, by a separate decision, we today approve an RCS program for Edison and establish funding for it through the Conservation Load Management Adjustment Clause balancing account. Since the RCS decision was delayed beyond the decision date originally anticipated, we do not know how much money is actually left in the Sherlock, ZIP, and SAVES program. Therefore, we will not authorize specific reductions today.

Since there is little chance that we will reach a decision on Edison's DSS application in 1982, we will not authorize the \$3,038,000 which Edison earmarked for large scale implementation during 1982.

Of the remaining program changes requested in this application, as determined in D.82-02-058, only the funding increases requested for the nonresidential conservation programs are large enough to require Commission approval. We will approve this redirection.

In A.61138, a procedure to treat unspent C/LM funds will be approved. Unspent C/LM funds allocated for 1981 and 1982 will be accounted for according to that procedure.

Findings of Fact

1. By D.92549 dated December 10, 1980, Edison was authorized to expend \$39,000,000 for its 1981 C/LM programs.
2. D.92549 allowed \$91 million for operational attrition which included C/LM programs.
3. The prorated amount of the \$91 million attrition is \$4.4 million. Adding the \$4.4 million to the \$39 million 1981 C/LM budget results in \$43.4 million C/LM budget for 1982.
4. D.82-02-058 dated February 4, 1982 modified D.92549 authorizing Edison management to reallocate funds for C/LM programs up to \$1.2 million from a given program to another program or to a new program. Edison was not authorized to reallocate funds among three major program areas: residential conservation, commercial/industrial/agricultural conservation, and load management.
5. By this application Edison seeks Commission approval for redirection of funding levels for 14 of its 1982 C/LM program levels.
6. The proposed redirections would not result in a change in the \$43.4 million overall 1982 funding level.
7. The proposed redirection of funding to the nonresidential conservation programs as outlined in the application is reasonable.
8. Because there is little chance that a decision on Edison's DSS application (A.82-08-10) will be reached in 1982, the request for \$3,038,000 for large-scale implementation of DSS for 1982 should be denied.
9. The proposal to implement solar water heater and heat pump water heater programs is unreasonable at this time.

Conclusion of Law

The application should be granted to the extent provided in the following order.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company (Edison) is authorized to redirect funding of its nonresidential conservation program as requested.

2. Conservation and load management funds allocated for 1981 and 1982 and unspent as of December 31, 1982 shall be accounted for by the procedure established in Edison's general rate case A.61138.

3. Edison is directed to include in its March 31, 1983 conservation report for calendar year 1982 details of the energy savings and expenses incurred through redirection of the funds authorized by this order. Unexpended funds on December 31, 1982 shall be carried over to Edison's 1983 conservation budget.

This order is effective today to allow Edison the opportunity to effectively use the funds being authorized for redirection by this order during the remainder of calendar year 1982.

Dated \_\_\_\_\_, at San Francisco, California.