

ORIGINAL

Decision 83 11 060 NOV 22 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC )  
 COMPANY for Authority to Increase its )  
 Electric and Gas Rates and Charges )  
 effective January 1, 1984, in )  
 Accordance with the Conservation )  
 Financing Adjustment (CFA) Authorized )  
 in Applications Nos. 59537, 60701, )  
 and 82-09-17 for Operation of a Zero- )  
 interest Program (ZIP) of Conservation )  
 Financing, including a Weatherization )  
 Rebate Component and a Direct )  
 Weatherization Component. )

Application 83-08-65  
 (Filed August 26, 1983)

(Electric and Gas)

Application of PACIFIC GAS AND ELECTRIC )  
 COMPANY to Decrease its Electric Rates )  
 and Charges and Increase its Gas Rates )  
 and Charges Effective January 1, 1984, )  
 for Operation of a Residential )  
 Conservation Services (RCS) Program as )  
 Authorized in Applications Nos. 60700 )  
 and 82-09-18. )

Application 83-08-66  
 (Filed August 26, 1983)

(Electric and Gas)

INTERIM OPINION

In Application (A.) 83-08-65, Pacific Gas and Electric Company (PG&E) requests authority to increase its electric revenues by approximately 0.010% (\$400,000) and to increase gas revenues by 0.632% (\$26,600,000) for the 1984 calendar year, in connection with rates and charges under the conservation financing adjustment (CFA) included in PG&E's tariffs. These rates support PG&E's zero interest program (ZIP) of conservation financing, including a new proposed weatherization rebate component and a direct weatherization component for low income homeowners.

A.83-08-66 requests authority to decrease PG&E's electric revenues by about 0.012% (\$500,000) and to increase gas revenues by about 0.084% (\$3,500,000). This application concerns the residential conservation service (RCS) balancing account. The RCS rates support PG&E's program of residential energy audits as required by federal law. Costs associated with RCS are the subject of a separate application because of our order in Decision (D.) 92653 dated January 28, 1981 (A.59537) requiring separation of costs associated with RCS.

The CFA account itself was established by D.92653 as modified by D.93981 dated December 30, 1981. It provides for periodic adjustment of CFA rates designed to recover annual costs of approved conservation programs.

A prehearing conference in these applications was held before Administrative Law Judge (ALJ) Meaney on October 13, 1983. Counsel for PG&E represented that D.92653 established a termination date for the CFA balancing account and the rates collected under it. He requested the Commission to issue an ex parte order granting all relief requested subject to later hearings and our further orders.

Based upon that statement of counsel, the staff and Community Network for Appropriate Technologies, an interested party, stated they opposed such a decision because of issues on costs and expenditures, and possible additional issues over the proposed weatherization rebate component. South Bay Insulation Contractors Association stated that while discussions between PG&E, the staff, and itself might resolve issues on the subject of proposed bidding requirements, hearing time might be required.

The ALJ inquired if any party opposed an interim decision which would extend the life of the CFA balancing account beyond 1983, at 1983 levels, until a final decision could be issued. Two community-group interested parties spoke in favor of such a decision so that the programs would continue without interruption. No party opposed the procedure, although PG&E stated that

reasonable priority should be assigned to hearings and to completing the proceeding so that adjustments to the programs and revenue levels may be made.

As a letter from PG&E's counsel dated October 19, 1983 recognizes, it is not accurate to state that D.92653 orders a December 31, 1983 termination to the programs or to PG&E's authorization to continue to collect CFA expense rates or to maintain the balancing account. However, the decision may be susceptible to such an interpretation because there is a statement (mimeo. opinion p. 76) that a review of the CFA balancing account should be completed no later than the end of 1983, and ordering paragraph 11 contains the same reviewing requirement.

Because of such language, PG&E's letter expresses concern over whether, without a further Commission order, there is legal authority for PG&E to continue collecting the rates, maintaining the accounts, and continuing programs under such funding.

PG&E's letter also reminds us of a separate problem. The Commission staff requested PG&E to remove expense estimates and other issues connected with Community Services programs and the Stockton Training Support Program from PG&E's general rate increase application and to include these programs in the ZIP and RCS applications. (The programs support both ZIP and RCS.) PG&E complied with the staff request. Thus, when we issue a decision in the general rate increase application now pending, the rates will not be set to cover these two programs.

PG&E asks that we at least authorize it to accumulate in the CFA expense rate and the RCS balancing accounts expenditures for these two programs, beginning in 1984. (Immediate new funding is not requested.) This procedure is reasonable.

Findings of Fact

1. Under D.92653, a review of PG&E's CFA expense rate balancing accounts, and associated programs, was to have been completed by the end of 1983.
2. This review will not be completed until early in 1984.
3. It is in the public interest to continue collection of gas and electric CFA expense rates at currently authorized (1983) levels, pending review in this proceeding, and to continue all current programs funded under such collections.
4. Following a staff recommendation, PG&E removed estimated costs of continuing the Community Services program and the Stockton Training Center program from its current general rate relief request and included the programs and their costs in this proceeding. These programs support both ZIP and RCS. It is in the public interest to continue these programs, pending review in this proceeding.

Conclusions of Law

1. The language in D.92653 which requires annual review of the CFA accounts and expenditures, does not also terminate the accounts, or the collection of expenses rates thereunder, by operation of law at the end of 1983.
2. To assure the continued collection of such accounts and all programs financed by gas and electric CFA expense rates, we should issue this interim order directing PG&E to continue maintaining the accounts, collecting the rates, and continuing the programs.
3. Costs associated with the Community Services program and the Stockton Training Center program should be apportioned between ZIP and RCS, and accumulated in the CFA expense rate balancing accounts, as of January 1, 1984.

4. To avoid any additional uncertainty as the end of the year approaches, the order in this decision should be effective immediately.

INTERIM ORDER

IT IS ORDERED that:

1. Pending further order, Pacific Gas and Electric Company (PG&E) shall continue to maintain its CFA expense rate balancing accounts, to collect CFA expense rates and RCS rates at currently authorized levels, and to fund and operate all programs financed by those rates.

2. Pending further order, PG&E shall continue to fund and operate the Community Service programs and the Stockton Training Center program at present levels. Beginning January 1, 1984, costs of the programs shall be apportioned between ZIP and RCS and accumulated in the CFA expense rate balancing account and the RCS balancing accounts.

3. Other issues in this proceeding are reserved for future determination.

This order is effective today.

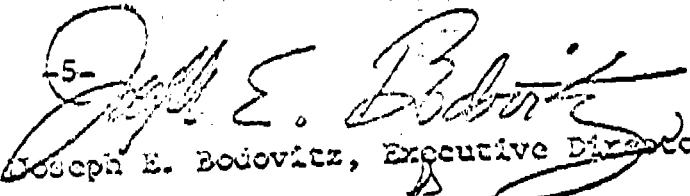
Dated NOV 22 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
PRISCILLA C. CREW  
WILLIAM T. BAGLEY  
Commissioners

Commissioner Donald Vial, being necessarily absent, did not participate.

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

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Joseph E. Bodovitz, Executive Director