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Decision November 22, 1983

OBIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND

ELECTRIC COMPANY for authority to
decrease its electric and increase
its gas rates and charges effective
January 1, 1983, in accordance with
the Conservation Financing Adjustment )
(CFA) authorized in Applications Nos. )
59537 and 60701, for operation of a
Zero-Interest Program (ZIP) of
Conservation Financing.

Application 82-09-17 (Filed September 14, 1982; amended November 19, 1982)

(Electric and Gas)

Application of PACIFIC GAS AND ELECTRIC COMPANY to increase rates for electric and gas service for the costs of the Residential Conservation Service (RCS) Program authorized in Application No. 60700.

Application 82-09-18 (Filed September 14, 1982; amended November 19, 1982)

(Electric and Gas)

## OPINION

Decision (D.) 83-04-015 dated April 6, 1983 ordered Pacific Gas and Electric Company (PG&E) to continue to offer its Zero Interest Program (ZIP), including a direct weatherization component, as authorized in D.92653 and D.93891 and modified by D.91978, D.93497, D.82-03-048, and D.82-11-019.

D.83-04-015 ordered the following change in PG&E ceiling insulation ZIP.

"PG&E shall revise its financing limits for installed R-19 ceiling insulation, to limit financing to 48 cents per square foot for cellulose insulation, and 52 cents per square foot for other insulation materials installed in units with attics, beam ceilings, or flat roofs." (Ordering Paragraph 1.h., mimeo., p. 32.)

On September 6, 1983 Fiber Products Corporation, TAG, Inc, SAVCO, Cell-U-Fill, Uni-Temp, National Fiber Fill, Western Communities Industries, Thermo Guard Insulation Co., Weathercheck Wood Fiber Products, and Fibercel Corporation (applicants), a group of insulation manufacturers/contractors, petitioned to modify D.83-04-015 to provide the same financing limits for all R-19 ceiling insulation materials.

The petition alleges that the order setting one financing limitation for cellulose insulation and another for all other insulation materials (1) was arbitrary and unsupported by any substantive evidence on the record, (2) creates a qualitative discrimination which may establish in the mind of the consumer that cellulose is inferior to other insulation materials, (3) damages the reputations of the applicants and the products they manufacture and may unjustifiably contribute to diminished sales while contributing to business and employment hardships, (4) may contribute unnecessarily to increased program costs, and (5) is discriminatory, unjust and capricious.

Petitioner' allegations are without substance or merit. The record is clear and complete. Four days of hearing were held in December 1982. In addition to PG&E and the Commission staff, there were 11 participants including the Insulation Contractors Association. In addition to the staff witness, PG&E presented the testimony and evidence of five witnesses and six interested party witnesses. Statements were made by five interested parties and seven parties filed briefs. Petitioners had the opportunity to participate and declined to do so. The application should be denied.

While denying the petition we would advise petitioners that PG&E's current application (A.83-08-65) for its 1984 ZIP/RCS funding is the proceeding in which to pursue the relief sought. Petitioners may, if they desire, renew and raise the issues set forth in their petition in A.83-08-65.

## Findings of Fact

- 1. D-83-04-015 dated April 6, 1983 ordered PG&E to continue to offer its ZIP.
- 2. D.83-04-015 set a financing limit for installed R-19 ceiling insulation of 48 cents per square foot for cellulose insulation and 52 cents per square foot for all other insulation materials.
- 3. In determining the financing limits set in D.83-04-015 the Commission considered the testimony of 12 witnesses and statements of 5 interested parties.
  - 4. The record in this proceeding is complete.
- 5. The relief requested should be pursued in PG&E's current ZIP/RCS application.

A-82-09-17, 82-09-18 ALJ/jn

## Conclusion of Law

The petition for modification of D.83-04-015 should be denied.

## ORDER

IT IS ORDERED that the petition for modification of D.83-04-015 is denied.

This order becomes effective 30 days from today.

Dated NOV 2 2 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.

Procident
VICTOR CALVO
PRISCILLA C. GREW
WILLIAM T. BAGLEY
Commissioners

Commissioner Donald Viol, boing necessarily absent, did not participate.

I CERTIFY THAT THIS DECISION WAS APPROVED BY THE LABOVE COMMISSIONERS TOWNS.

Coseph E. Bodovicz, Executive

Decision 83 11 068 NOV 2 2 1983

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Application of PACIFIC GAS AND ELECTRIC COMPANY for authority to decrease its electric and increase its gas rates and charges effective January 1, 1983, in accordance with the Conservation Financing Adjustment (CFA) authorized in Applications Nos. 59537 and 60701, for operation of a Zero-Interest Program (ZIP) of Conservation Financing.

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