

ORIGINAL

Decision S3 12 010 DEC 7 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of SOUTHERN CALIFORNIA GAS COMPANY	)	Application 83-09-71
for authority to modify its Low	)	(Filed September 26, 1983)
Income Participation Program.	)	
	)	

O P I N I O N

Southern California Gas Company (SoCal) seeks ex parte authorization to modify its Low Income Participation Program (LIPP) to increase payment amounts made to Community Action Agencies (CAA) and Community Based Organizations (CBO) for installation of attic insulation in duplexes and triplexes from the existing \$136 per unit allowed for multifamily unit installations to \$355 per unit presently allowed for installation in single-family residences. SoCal has applied separately for authority to include the expenses associated with the LIPP in its Conservation Cost Adjustment balancing account so no rate increase will result from this application.

SoCal submitted its LIPP to the Commission on March 25, 1982. It stated that the objective of the plan was to achieve parity participation by low and fixed income consumers in the weatherization of their homes. One of the measures proposed for obtaining this objective is the paying of cash credits to CAAs and CBOs who have approved weatherization programs and have installed weatherization measures in low-income structures.

The attic insulation payments for multifamily units were initially developed based on the assumption that the average installation would involve 600 square feet of attic insulation for multifamily units and 1,000 square feet of insulation for single-family units. It has been found, however, that the average square footage for attic insulation in duplexes and triplexes is very close to that of a single-family residence. As a result, some CBOs have found that they are losing money on most attic insulation installations performed in duplexes and triplexes when they are compensated under the multi-family payment schedule. Consequently, according to SoCal, it will be necessary to increase the payment levels of attic insulation in duplexes and triplexes to the single-unit level if duplexes and triplexes are to have attic insulation installed.

In its application SoCal states that it currently has 17 CBOs installing weatherization measures in low-income single-unit and multiunit structures. SoCal estimates that the requested increased allowance for multiunit structures will cost \$36,227 for 165 units during the remainder of 1983 and \$99,426 for 454 units during 1984. SoCal believes that these 619 duplexes and triplexes will not have attic insulation installed in the absence of the requested relief.

The Commission staff's Energy Conservation Branch (ECB) has investigated this matter and in a memo to the administrative law judge dated October 25, 1983 recommended approval of the application. We will accept this memorandum as Exhibit 1 to this proceeding. A copy was sent to SoCal.

In Exhibit 1 ECB described the LIPP as follows:

" . . . This program was designed to achieve maximum participation by low income customers. Under this program, eligible customers can have their homes weatherized free of charge by participating direct weatherization installers. Cash rebates are paid directly to the installers rather than to the customer. This allows customers with low incomes to obtain the benefits of energy conservation measures without any expenditure. The program also includes an additional allowance of up to \$200 per unit for repairs to the building envelope. These repairs are authorized under D.82-02-135 and are limited to repairs which will contribute to energy conservation.

"Installations are performed by Community Action Agencies (CAA) and Community Based Organizations (CBO). SoCalGas has signed contracts with 17 CBOs to install the following cost effective conservation measures in the residences of qualified low income customers.

- "1. Insulation of all accessible attic space.
- "2. Weatherstripping of all doors and windows which lead to unheated or uncooled areas.
- "3. Water heater blankets for all accessible water heaters.
- "4. Low flow showerheads for all accessible shower outlets.
- "5. Caulking or weatherstripping of major cracks which permit energy loss to the building exterior."

Findings of Fact

1. To help obtain increased participation by low-income customers in the SoCal weatherization programs, this Commission authorized the payment of cash credits to CAAs and CBOs who have approved weatherization programs and have installed weatherization measures in low-income structures.

2. The present allowance for attic insulation for single-family units is \$355 per home and for multifamily units is \$136 per unit.

3. The payment levels for attic insulation are based on the assumption that multifamily units average 600 square feet of insulation and single-family residences average 1,000 square feet of insulation.

4. Several CBOs have found that the average square footage for attic insulation in duplexes and triplexes is very close to that of a single-family residence and as a result, they are losing money on most attic insulation installations performed in duplexes and triplexes when compensated under the multiunit payment schedule.

5. It is likely that the CBOs will not install attic insulation in duplexes and triplexes unless the cash credit is increased to the payment level for single units.

6. It is in the public interest to have insulation installed in the attics of duplexes and triplexes under LIPP.

Conclusions of Law

1. SoCal's request for modification of the payment level for attic insulation for duplexes and triplexes is reasonable and should be approved.

2. Duplexes and triplexes should receive the same rebate as that authorized for attic insulation in single-family residences for the LIPP.

3. Because of the immediate need for the more favorable credit allowances, the order should be effective today.

O R D E R

IT IS ORDERED that Southern California Gas Company is authorized to increase the cash credit allowance under its Low Income Participation Program for duplexes and triplexes from \$136 to \$355 per unit.

This order is effective today.

Dated DEC 7 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.  
President

VICTOR CALVO

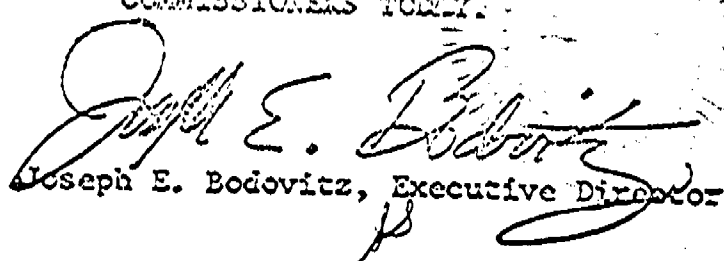
FRISCILLA C. GREW

DONALD VIAL

WILLIAM T. BAGLEY

Commissioners

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

  
Joseph E. Bodovitz, Executive Director