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Decision No. 90715 AUG 28 1979**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
 own motion into the establishing)
 by regulation or order necessary)
 or desirable requirements to)
 implement the HOME INSULATION)
 ASSISTANCE & FINANCING PROVISIONS)
 of newly enacted Public Utilities)
 Code Sections 2781 through 2788,)
 inclusive, as they apply to)
 electrical corporations and gas)
 corporations under the jurisdiction)
 of the Commission.)

Case No. 10032
 (Filed January 13, 1976
 amended February 15, 1977)

ORDER AMENDING DECISION NO. 90308

By letter dated August 3, 1979 (Appendix A) the Southern California Gas Company (SoCal) requests amendment of Ordering Paragraphs Nos. 9 and 12 of Decision No. 90308, issued on May 22, 1979 in Case No. 10032 to allow it to comply with the State Business and Professions Code, Section 7157 b.

By Commission letter dated August 10, 1979 (Appendix B) the staff advised SoCal to notify all parties of record in Case No. 10032 of its proposed modifications pursuant to Public Utilities Code Section 1708.

Section 7157b of the Business and Professions Code limits SoCal, a licensed contractor, to a cash rebate with a value of \$5 or less as an inducement to its customers to insulate their homes. To comply with the law and the intent of Decision No. 90308, SoCal proposes to adapt its previously proposed \$50 cash Rebate Program in the following manner:

1. SoCal will provide a \$50 cash rebate to all customers of other insulation contractors and the do-it-yourself customers who install R-19 insulation in compliance with the provisions of the order.

2. SoCal will discount the price of R-19 insulation purchased directly from SoCal by \$50 indicating on the contract that the discount is authorized by the California Public Utilities Commission. This entry on the contract will help to avoid confusion and duplicate requests for the incentive. \$50 price discounts will be given only to those customers who purchase insulation in compliance with the provisions of the order.

On August 14, 1979 SoCal notified all parties of record of its proposal. No protests have been received.

We find that the revision proposed by SoCal in its letter of August 3, 1979 is reasonable and should be adopted. Contracts for purchase of insulation from SoCal should reflect the information set forth in paragraph 3 of Appendix B attached hereto.

We conclude that Ordering Paragraphs 9 and 12 of Decision 90308 should be modified so that SoCal can comply with Section 7157b of the Business and Professions Code.

It is hereby ordered that Ordering Paragraphs Nos. 9 and 12 of Decision No. 90308 are amended as follows:

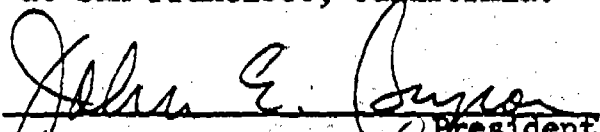
9. Southern California Gas Company is authorized to provide \$50 in cash, price discounts, or coupons to any gas customer who has insulated his/her attic to the R-19 thermal resistance level after April 20, 1977 provided the dwelling was constructed with a building permit issued prior to February 22, 1975.
12. All respondent utilities are hereby directed to file quarterly reports detailing the number of retrofit insulation jobs completed, the method used to advise customers of the availability of incentives, the number of incentives by type installed, the number of cash incentives; price discounts; coupons or certificate credits given, and the program expenses incurred for the quarter and cumulative to date for the program. These quarterly reports shall be filed within thirty days after the close of each calendar quarter and shall include a narrative of any significant problems experienced or complaints received. These reports shall be directed to the Energy Conservation Branch. The


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next quarterly report shall be filed on or before
October 30, 1979 for the calendar quarter ending
September 30, 1979.

The effective date of this order is the date hereof.

Dated AUG 28 1979, at San Francisco, California.



President




Commissioners

Commissioner Claire T. Dodrick, being
necessarily absent, did not participate
in the disposition of this proceeding.

RECD
PUBLIC UTILITIES COMM.
STATE OF CALIF.

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SOUTHERN CALIFORNIA GAS COMPANY



810 SOUTH FLOWER STREET - LOS ANGELES, CALIFORNIA

JONEL C. HILL
Vice President

Mailing Address BOX 3249 TERMINAL ANNEX, LOS ANGELES, CALIFORNIA 90051

August 3, 1979

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UTILITIES
DIVISION

Mr. Joseph E. Bodovitz
Executive Director
Public Utilities Commission
of the State of California
350 McAllister Street
San Francisco, California 94102

Dear Mr. Bodovitz:

Southern California Gas Company (SoCal) has encountered some difficulty complying with the State Business and Professions Code Section 7157b in implementing its \$50 Cash Rebate Program. This section of the code limits SoCal, a licensed contractor, from giving a cash rebate having a value of more than \$5 as an inducement to sale to its customers.

To comply with the law and the intent of Decision No. 90308, SoCal proposes to adapt the \$50 Cash Rebate Program in the following manner:

1. SoCal will provide a \$50 cash rebate to all customers of other insulation contractors and the do-it-yourself customers who install R-19 insulation in compliance with the provisions of the order.
2. SoCal will discount the price of R-19 insulation purchased directly from SoCal by \$50 indicating on the contract that the discount is authorized by the California Public Utilities Commission. This entry will help to avoid confusion and duplicate requests for the incentive. \$50 price discounts will be given only to those customers who purchase insulation in compliance with the provisions of the order.

While we believe that this change effectively complies with the intent of Decision No. 90308, as well as meeting the requirements of the Business and Professions Code, we respectfully request that the ordering paragraphs 9 and 12, page 24, Decision No. 90308, Case No. 10032, be amended as follows:

9. Southern California Gas Company is authorized to provide \$50 in cash, (PRICE DISCOUNTS, OR COUPONS) to any customer who has insulated his/her attic to the R-19 thermal resistance level after April 20, 1977 provided the dwelling was constructed with a building permit issued prior to February 22, 1975.

SOUTHERN CALIFORNIA GAS COMPANY

Mr. Joseph E. Bodovitz
Public Utilities Commission

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August 3, 1979

12. All respondent utilities are hereby directed to file quarterly reports detailing the number of retrofit insulation jobs completed, the method used to advise customers of the availability of incentives, the number of cash incentives, (PRICE DISCOUNTS, COUPONS) or certificate credits given, and the program expenses incurred for the quarter and cumulative to date for the program. These quarterly reports shall be filed within thirty days after the close of each calendar quarter and shall include a narrative of any significant problems experienced or complaints received. These reports shall be filed on or before July 30, 1979 for the calendar quarter ending June 30, 1979.

We expect to introduce the program to insulation industry representatives on August 10, 1979, with the first public announcements on August 20, 1979. We have discussed this matter with Mr. Amaroli of the Staff Conservation Team and he agrees with our position on this matter. To help us expedite this matter your immediate attention to the proposed changes will be appreciated.

Very truly yours,

Jonel C. Hill

WFS:ela

cc: Mr. George Amaroli



APPENDIX B
ADDRESS ALL COMMUNICATIONS
TO THE COMMISSION
CALIFORNIA STATE BUILDING
SAN FRANCISCO, CALIFORNIA 94102
TELEPHONE: (415) 557-2527

Public Utilities Commission

STATE OF CALIFORNIA

FILE NO. C-10032

August 10, 1979

Mr. Jonel C. Hill
Vice President
Southern California Gas Co.
P. O. Box 3249, Terminal Annex
Los Angeles, CA 90051

Dear Mr. Hill:

We have received your August 3, 1979 letter which proposes to adapt the \$50 Cash Rebate Program authorized in Decision No. 90308 for prompt program implementation.

Before your proposal is presented to the Commission for modification of the ordering paragraphs of the decision, you should notify all parties of record in Case 10032 of the proposed modifications pursuant to Public Utilities Code Section 1708, so that they may have opportunity to comment on the proposal. We believe that a copy of your August 3rd letter will suffice as notification.

With respect to insulation purchased directly from SoCal, your contracts should note that the discount is authorized by the California Public Utilities Commission for a limited time only and will expire on . This date should coincide with the two year test period authorized in Decision No. 90308.

Sincerely yours,

George Amaroli
GEORGE AMAROLI, Chief
Energy Conservation Branch

James Rood

JAMES ROOD
Senior Counsel

cc: Kenneth M. Stern
Deputy Attorney General
Contractor's State License Board
Sacramento
Joseph E. Bodovitz