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Decision 96-06-014 June 6, 1996

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 Southern California Edison Company )  
 (U 338-B) for Authority to Implement )  
 a Residential Low-Interest Financing )  
 Pilot Program for 1994, to Finance )  
 and Coordinate Installation of )  
 Certain Demand Side Management )  
 Technologies and Equipment. )

**ORIGINAL**

Application 94-03-042  
(Filed March 14, 1994)

O P I N I O N

By Decision (D.) 94-06-048 and D.95-06-059, we authorized Southern California Edison Company (Edison) to offer low-interest loans to customers who reside in the Coachella Valley or the community of Leisure World in Laguna Hills. This program, entitled the Home Energy Loan Program (or "HELP"), ran for a twelve-month pilot period, ending November 30, 1995. Funding for HELP was provided from funds remaining in a Ratepayer Trust established for a previous residential loan program and from carryover demand-side management (DSM) funds. Pursuant to Commission directive, Edison submitted a report presenting the results of the pilot program. In that report, Edison indicated that it would not seek to continue the pilot. At the completion of the pilot program, there was \$4.7 million in funds remaining. Without further Commission action, these funds would be refunded to ratepayers.

On April 19, 1996, Edison filed a Petition for Modification of D.94-06-048 and D.95-06-059 (Petition) to dissolve the Ratepayer Trust and authorize the transfer of remaining funds in the Ratepayer Trust to Edison's DSM balancing account. Edison requests that these funds be used in the Refrigerator Recycling program. The Division of Ratepayer Advocates (DRA) and Toward Utility Rate Normalization (TURN) filed responses to Edison's

Petition. Both DRA and TURN argue that it is procedurally improper for Edison to request an alternate use of remaining Ratepayer Trust funds via a Petition For Modification.

We find it reasonable to give Edison the opportunity to propose using remaining Trust funds to the benefit of ratepayers via other DSM activities, rather than refunding those funds. Therefore, we will authorize the transfer of funds remaining in the Ratepayer Trust, as of the end of the month following today's decision, to Edison's DSM balancing account. However, we will not evaluate the merits of Edison's proposed use of these funds in today's decision. We agree with TURN and DRA that this request should be considered in conjunction with Edison's overall 1996 DSM program plans, and with appropriate documentation. Edison will need to modify its pending Advice Letter filings to make its case that the proposed use of carryover funding from the Ratepayer Trust is reasonable.<sup>1</sup> As TURN suggests, Edison should clearly describe how it plans to spend the \$4.7 million of DSM funds that would be freed up under its proposal. This will give those parties interested in Edison's 1996 DSM program planning the appropriate forum for further comment.

Finding of Fact

Authorizing the transfer of Ratepayer Trust funds to Edison's DSM balancing account preserves the option of utilizing these funds to the benefit of ratepayers via other DSM activities.

<sup>1</sup> In March, 1996, Edison filed Advice Letters 1153-E and 1153-E-A (Proposed Treatment of Unspent DSM Funds From 1995) and Advice Letter 1156-E (1996 DSM Program Plans and Incentive Targets). These Advice Letters have been protested and are currently under review by the Commission Advisory and Compliance Division.

Conclusion of Law

Edison's proposed use of remaining Ratepayer Trust funds should be evaluated in the context of its overall 1996 DSM program plans.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company (Edison) is authorized to dissolve the Ratepayer Trust and transfer the funds remaining in the Trust, as of the end of the month following today's decision, to Edison's demand-side management (DSM) balancing account.

2. Final disposition of these Ratepayer Trust funds will be considered in conjunction with Edison's 1996 DSM program plans. Edison shall augment its pending Advice Letter filings to reflect its proposal for use of these funds.

3. As Home Energy Loan Program participants continue to make payments on their loans over the next several years, Edison will return funds received to ratepayers on an annual basis. These funds will be returned through an adjustment to the Electric Revenue Adjustment Mechanism balancing account, less any bank fees, tax liabilities, or bad debt write-off expenses.

This order is effective today.

Dated June 6, 1996, at San Francisco, California.

P. GREGORY CONLON  
President  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners

Commissioner Daniel Wm. Fessler,  
being necessarily absent, did not  
participate.