

Decision 00-06-003 June 8, 2000

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Proposed Policies and Programs Governing Energy Efficiency, Low Income Assistance, Renewable Energy and Research Development and Demonstration.

Rulemaking 98-07-037
(Filed July 23, 1998)

INTERIM OPINION

**LOW-INCOME ADVISORY BOARD BUDGET
PROGRAM YEAR 2000**

Summary

The Low-Income Advisory Board (LIAB) advises the Commission on issues related to utility low-income assistance programs.¹ We authorize an annual operating budget of \$309,860 for LIAB's activities in 2000.

Background

On August 26, 1999, LIAB filed its proposed operating budget for program year (PY) 2000. On September 28, 1999, the assigned Administrative Law Judge (ALJ) issued a ruling directing LIAB to file additional information, including an estimate of the unexpended administrative funds from prior authorizations, a narrative explanation of the significant variances from the prior year's operating

¹ LIAB was formerly referred to as the Low-Income Governing Board (LIGB). The name was changed by Decision (D.) 00-02-045.

budget and total estimated program funding for PY2000. LIAB submitted the additional information on October 22, 1999. No parties filed comments.

Action on LIAB's proposed PY2000 budget was deferred pending the outcome of the Commission's determinations regarding the structure and operating procedures of LIAB and the California Board for Energy Efficiency (CBEE). By ruling dated December 13, 1999, the Assigned Commissioner clarified that the continuation of the programs and funding as indicated in D.99-03-056 also applied to LIAB and CBEE. Funding was continued in 2000 on a month-to-month basis, at a monthly pro rata amount of the levels authorized for 1999.

By D.00-02-045, issued on February 17, 2000, the Commission abolished CBEE and retained LIAB with a number of operational clarifications. As described in that decision, LIAB's primary task over the next several years "will be to advise the Commission on mechanisms to standardize program design and delivery."² More specifically:

"The issues addressed by LIGB incorporate energy education, weatherization, and the service needs of California low-income residents. The efforts of the Board may include: tracking and monitoring the expenditure of funds and penetration rates for the [California Alternative Rates For Energy] program, making policy recommendations to the Commission on how to achieve wider contact with low-income groups, making policy recommendations on weatherization programs."

² D.00-02-045, mimeo., p. 17.

The draft decision of ALJ Meg Gottstein in this matter was mailed to the parties in accordance with Public Utilities Code § 311(g) and Rule 77.7 of the Rules of Practice and Procedure. Joint comments were filed by SDG&E and SoCalGas. No reply comments were filed. In response to SDG&E and SoCalGas' comments, we clarify that LIAB may make a supplemental filing to request an increase to the PY2000 budget authorized in this decision for increased activity resulting from Commission order(s).

LIAB Proposed PY2000 Budget

Table 1 (Attachment) presents LIAB's proposed operating budget for PY2000. As indicated in the table, LIAB requests \$369,860 for PY2000 board meetings, technical consultants, travel expenses and per diem reimbursements, among other things. LIAB explains that contingency funding is budgeted to cover teleconferencing equipment and other unexpected expenditures. The total estimated funding for low-income assistance programs in 2000 is approximately \$180 million. Hence, LIAB's request represents approximately 0.2 % of total annual program funding.

LIAB also supplemented its filing to provide a summary of actual expenditures for 1999, compared to authorized levels and a discussion of those differences. In 1999, LIAB was authorized \$940,492 and spent \$525,503 during the first nine months of the year. LIAB projects a carryover of \$360,356 into PY2000, based on actual and expected expenditures during 1999. LIAB explains that its budget for 2000 is substantially lower than authorized or expended funds in 1999 because its budgets for administrative, technical and legal consultants have been greatly reduced.

Discussion

We have carefully reviewed LIAB's submittal and the explanation of differences between the expenditure details. We find that the budget is appropriate given the expected activities and the manner in which LIAB intends to operate in 2000. However, we will remove the \$60,000 budgeted for errors and omissions insurance, until and unless LIAB indicates that it intends to obtain such coverage.

Finally, LIAB requests that a low-income person become a member of its Advisory Committee, and be paid a per diem of \$150 per meeting day for attending a committee meeting of at least four hours in length. LIAB believes that the work of its Advisory Committee would be considerably enhanced if a low-income person participated to provide continuous input to the committee on low-income issues and feedback. In order to attract a low-income person to make such a commitment, and reduce the hardship of that commitment, LIAB believes that a per diem is required.

As discussed in D.00-02-045, we plan to develop forums where low-income customers can directly address the Commission to complement the LIAB forum. (D.00-02-045, *mimeo.*, p. 17-18.) We appreciate LIAB's interest in also obtaining more input from low-income customers in its Advisory Committee meetings. However, we do not find it is reasonable to single out one individual to provide that input as the only paid Advisory Committee member. Instead, LIAB should consider how to make its meetings and those of its Advisory Committee more accessible to the participation low-income customers. We encourage more thought and consideration of this issue by LIAB.

A budget of \$309,860 is approved for LIAB's PY2000 operating expenditures, less amounts already expended since January 1, 2000 under the continuing PY1999 authorization. LIAB shall apply all carryover funding from

previous budget authorizations before allocating additional funds from the public goods charge to operations. Carryover authorizations in excess of today's adopted PY2000 budget for LIAB should be used to fund low-income assistance program activities. As per established procedures, LIAB's PY2000 budget costs shall be split among Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE) and Southern California Gas Company (SoCalGas) in the following manner:

PG&E	30%
SCE	30%
SDG&E	15%
SoCal Gas	25%

These costs should be split between the California Alternatives for Energy (CARE) program (70%) and the Low Income Energy Efficiency (LIEE) program (30%). In addition, these costs should be allocated between dual-fuel utilities' gas and electric programs based on the relative amount of program costs for each of those departments.

Funding for LIAB's activities will continue at today's authorized level until modified by further Commission order. Nothing in this order precludes LIAB from filing a supplemental request for an increase to the PY2000 budget authorized in this decision for unanticipated, increased activity resulting from Commission order(s). Any such filing should include a summary of actual expenditures to date and a narrative description of the need for funding augmentation, by budget category. LIAB is directed to file its proposed PY2001 operating budget in this (or any successor) proceeding no later than September 1, 2000, and to serve copies of this filing on all appearances and the state service list in this proceeding. LIAB should include in its filing an estimate of the unexpended funds from prior authorizations, a narrative explanation of the

significant variances from the prior year's operating budget and total estimated program funding for PY2001. Comments on LIAB's filing must be filed and served 30 days thereafter.

Findings of Fact

1. LIAB's proposed PY2000 operating budget generally reflects the expected activities of LIAB and the manner in which LIAB intends to operate in 2000.
2. LIAB's requested PY2000 operating budget represents approximately 0.2% of total annual program funding.
3. LIAB's proposed budget continues to include \$60,000 for errors and omissions insurance that LIAB has never obtained.
4. LIAB's request to pay a low-income person \$150 per meeting to participate in Advisory Committee meetings would not make meetings more accessible to the public, and would single out one individual for paid participation.

Conclusions of Law

1. Amounts budgeted for errors and omissions insurance should be removed from LIAB's PY2000 budget unless and until LIAB indicates that it intends to obtain such coverage.
2. It is reasonable to fund LIAB's activities in 2000 at a level of \$309,860, less amounts already spent since January 1, 2000 under PY1999 continued funding authorization. LIAB should apply all carryover funding from previous budget authorizations before allocating additional funds from the public goods charge to operations. Carryover authorizations in excess of today's adopted PY2000 budget for LIAB should be used to fund low-income assistance program activities. Today's authorized LIAB budget costs should be split among PG&E, SDGE&, SCE and SoCalGas as described in this decision.

3. Instead of paying one low-income person to participate in Advisory Committee meetings, both LIAB and its Advisory Committee should consider how to make meetings more accessible to low-income customers in general.

4. Funding for LIAB's activities should continue at the levels authorized by this decision unless and until modified by further Commission order. As described in this decision, LIAB may make a supplemental filing to request an increase to the PY2000 budget for additional, unanticipated activities resulting from Commission order(s).

5. LIAB should file its proposed PY2001 operating budget in this (or any successor) proceeding no later than September 1, 2000.

6. In order to finalize LIAB's funding authorization for PY2000 as expeditiously as possible, this order should be effective today.

INTERIM ORDER

IT IS ORDERED that:

1. The Low-Income Advisory Board (LIAB) is authorized a Program Year (PY) 2000 operating budget of \$309,860, as set forth in Table 2. LIAB shall subtract from this amount funds expended since January 1, 2000 under the continuation funding authorized by Assigned Commissioner's ruling dated December 13, 1999. LIAB shall apply all carryover funding from previous budget authorizations before allocating additional funds from the public goods charge to operations. Carryover authorizations in excess of today's adopted PY2000 budget for LIAB shall be used to fund low-income assistance program activities. Today's authorized LIAB budget costs shall be split among Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E),

Southern California Edison Company (SCE) and Southern California Gas Company (SoCalGas) in the following manner:

PG&E	30%
SCE	30%
SDG&E	15%
SoCal Gas	25%

These costs shall be split between the California Alternatives for Energy program (70%) and the Low Income Energy Efficiency program (30%). In addition, these costs shall be allocated between dual-fuel utilities' gas and electric programs based on the relative amount of program costs for each of those departments.

2. Funding for LIAB's activities shall continue at the levels authorized by this decision unless and until subsequent changes are approved by the Commission. LIAB may file a supplemental request for an increase to the PY2000 budget authorized in this decision for unanticipated, increased activity resulting from Commission order(s). Any such filing shall include a summary of actual expenditures to date and a narrative description of the need for funding augmentation, by budget category. It shall be served on the appearances and state service list in this (or any successor) proceeding.

3. LIAB's request to pay a low-income person a per diem to participate in Advisory Committee meetings is denied.

4. LIAB is directed to file its proposed PY2001 operating budget in this (or any successor) proceeding no later than September 1, 2000, and to serve copies of this filing on all appearances and the state service list in this proceeding. LIAB shall include in its filing an estimate of the unexpended funds from prior authorizations, a narrative explanation of the significant variances from the prior

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year's operating budget and total estimated program funding for PY2001.

Comments on LIAB's filing shall be filed and served 30 days thereafter.

This order is effective today.

Dated June 8, 2000, at San Francisco, California.

LORETTA M. LYNCH

President

HENRY M. DUQUE

JOSIAH L. NEEPER

RICHARD A. BILAS

CARL W. WOOD

Commissioners

ATTACHMENT

Table 1 – LIAB Proposed Budget for 2000

Board Members	
Per Diem Reimbursement	\$54,000.00
Travel Expenses	\$71,000.00
Advisory Committee Members	
Travel Expenses	\$32,400.00
Room Rental, Refreshments, Copying Services	\$15,000.00
Errors and Omission Insurance	\$60,000.00
Administrative Consultants	\$28,860.00
Technical Consultants	\$75,000.00
10% Contingency	\$33,600.00
Total	\$369,860.00

Table 2 – LIAB Adopted Budget for 2000

Board Members	
Per Diem Reimbursement	\$54,000.00
Travel Expenses	\$71,000.00
Advisory Committee Members	
Travel Expenses	\$32,400.00
Room Rental, Refreshments, Copying Services	\$15,000.00
Errors and Omission Insurance	\$ 0
Administrative Consultants	\$28,860.00
Technical Consultants	\$75,000.00
10% Contingency	\$33,600.00
Total	\$309,860.00

(END OF ATTACHMENT)