

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION E-3494
JUNE 11, 1997**

RESOLUTION

**RESOLUTION E-3494. PACIFIC POWER AND LIGHT COMPANY
REQUESTS AUTHORIZATION TO DISCONTINUE ITS RESIDENTIAL
WEATHERIZATION PROGRAM OFFERED UNDER SCHEDULE D-130.
APPROVED.**

BY ADVICE LETTER 278-E FILED ON DECEMBER 26, 1996.

SUMMARY

1. By Advice Letter 278-E, Pacific Power and Light Company (PP&L) requests authorization to discontinue its residential weatherization program offered under Schedule D-130.
2. No protests were filed.
3. This Resolution approves Advice Letter 278-E as filed.

BACKGROUND

1. On February 5, 1992, PP&L filed Advice Letter 240-E requesting authorization to tariff a residential weatherization program known as the Home Comfort Program. PP&L's request was approved by Resolution E-3261, dated March 31, 1992. This program, established in Schedule D-130, was designed to improve the energy efficiency of eligible residential dwellings by offering customers an advanced home energy audit, the installation of recommended instant energy savings measures, and a Energy Service Charge loan option which enables the customer to pay for the installation of further conservation measures over the life of the measures.
2. On December 22, 1993, PP&L filed Advice Letter 251-E requesting authorization to eliminate certain customer charges associated with the Home Comfort program in order to experiment with and change the program design to capture more cost-effective energy savings opportunities. This advice letter was approved on March 24, 1993 by Resolution E-3315.
3. PP&L filed Advice Letter 265-E, on March 31, 1995, proposing several additional changes to the Home Comfort program. One of the changes was to allow PP&L to offer

customers a choice between the existing Energy Service Charge loan for cost effective energy efficient measures or a cash rebate incentive. These modifications were made effective on May 10, 1995 on its own motion.

4. On December 26, 1996, PP&L filed Advice Letter 278-B requesting authorization to discontinue the Home Comfort Program.

NOTICE

1. Advice Letter 278-E was served on other utilities, government agencies, and to all interested parties who requested such notification, in accordance with the requirements of General Order 96-A.

PROTESTS

1. No protests were received by the Energy Division.

DISCUSSION

1. In 1992, the Home Comfort program was established and PP&L began offering customers an advanced home energy audit, the installation of instant energy savings measures, additional energy savings recommendations, estimated costs resulting from the installation of additional conservation measures, and a loan option to allow for the financing of the conservation measures.

2. In order to attract additional customers, capture more cost-effective energy savings, and reduce some program costs, PP&L made some changes to the Home Comfort program in 1993 and in 1995.

3. PP&L estimates that there are 3,393 residential customers (excluding those low income customers who are eligible for another weatherization program) who are eligible for the Home Comfort program. Of these customers, 3001, or 88%, have taken advantage of the full home energy audit offered through the program. There are 794 customers, or 23%, who have installed additional conservation measures either financed through the Energy Service Charge loan option or by utilizing the cash rebate option of the program.

4. PP&L's field experience indicates that those customers who were interested in weatherization services have received the home audit, accepted the instant energy savings measures included with the audit, and are not interested in the installation of additional conservation measures. This conclusion is supported by the diminishing customer participation levels in the Energy Service Charge loan and the rebate incentive options.

5. PP&L requests authorization to discontinue the Home Comfort program due to high penetration and the administrative cost associated with maintaining a program with minimal customer participation in the residential market.
6. Based on the high penetration rate of the home energy audit, PP&L's field experience with respect to customer interest in the program, minimal customer participation levels in the loan and rebate options, and the administrative costs associated with maintaining the program, the Energy Division believes PP&L's request should be authorized.
7. Even though Schedule D-130 will be cancelled, those customers who elected to install energy efficient measures financed through the Energy Service Charge loan option, will continue to repay the loan under the terms and conditions of the signed Energy Service Contract on file with PP&L.

FINDINGS

1. By Advice Letter 278-E, PP&L requests authorization to discontinue the residential weatherization program offered under Schedule D-130, known as the Home Comfort Program to new customers.
2. No protests to Advice Letter 278-E were received.
3. PP&L should be authorized to discontinue the Home Comfort program to new customers due to the high penetration rate of the home energy audit, PP&L's field experience with respect to customer interest in the program, minimal customer participation levels in the loan and rebate options, and the administrative costs associated with maintaining the program.
4. Even though Schedule D-130 will be cancelled, those customers who elected to install energy efficient measures financed through the Energy Service Charge loan option will continue to repay the loan under the terms and conditions of the signed Energy Service Contract on file with PP&L.

June 11, 1997

THEREFORE, IT IS ORDERED that:

1. Pacific Power and Light Company's Advice Letter 278-E is authorized.
2. Those customers who elected to install energy efficient measures financed through the Energy Service Charge loan option shall continue to repay the loan under the terms and conditions of the signed Energy Service Contract on file with Pacific Power and Light Company.
3. Advice Letter 278-E shall be marked to show that it was approved by Commission Resolution E-3494.
5. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 11, 1997. The following Commissioners approved it:

Wesley Franklin
WESLEY FRANKLIN
Executive Director

P. Gregory Conlon, President
Jessie J. Knight, Jr.
Henry M. Duque
Josiah L. Neeper
Richard A. Bilas
Commissioners