

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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RESOLUTION NO. EC-37

EVALUATION AND COMPLIANCE DIVISION

BRANCH/SECTION: Energy Branch

DATE: May 7, 1986

Copy for:

✓ Orig. and Copy
to Executive Director

R E S O L U T I O N

Director

Numerical File

Alphabetical File

Accounting Officer

SUBJECT:

SOUTHERN CALIFORNIA GAS COMPANY (SoCal) ORDER
AUTHORIZING REVISION TO SPENDING LIMITATIONS FOR THE
COMMUNITY INVOLVEMENT ENERGY PROGRAM (CIEP) AS
APPROVED BY PRIOR COMMISSION ACTION.

By Advice Letter No. 1620, filed March 31, 1986, SoCal requests authority to revise the time frame in which to expend allocated funds for CIEP activities as directed by Commission Decision No. 85-10-053, dated October 17, 1985. The facts are as follows:

1. Commission Decision No. 85-10-053 ordered SoCal to terminate the single family portion of the Weatherization and Financing Credits Program (WFCP) once \$90 million of the 1985-86 authorized funds were expended. The decision also placed an overall limit of \$120 million for WFCP spending for the calendar years 1985 and 1986.
2. The decision also directed SoCal to file for additional funding of the CIEP within 3 months of concluding the WFCP program and that such funding should not exceed \$10 million annually for this low-income direct weatherization activity.
3. An analysis, performed at the time of the decision, revealed that recorded and committed expenditures were already near the \$90 million mark. As a result, single-family weatherization was discontinued as of October 28, 1985.
4. In order to ensure that the \$120 million cap is not exceeded, mobile home and multi-family applications for rebates and financing have not been accepted since March 31, 1986. In addition, all mobile home and multi-family weatherization work must be completed and applications submitted by June 30, 1986.
5. The CIEP (direct weatherization for limited-income customers) will continue at its present rate through June 30, 1986. In order to continue CIEP at its current level of activity, SoCal proposes that the \$10 million annual CIEP funding authorized by Decision No. 85-10-053 be used to continue the program for the remaining six months of 1986.
6. SoCal is also expected to file an application on August 4, 1986, which will address the issue of future funding for WFCP activity which includes CIEP, for the calendar year 1987.

7. Through February 28, 1986, SoCal had reached and weatherized over 68,211 low-income dwelling units, or approximately 8.5% of the estimated 809,000 low-income households within SoCal's territory. Many limited income customers are still in need of basic weatherization measures and building envelope repairs (envelope repairs include replacement of broken glass windows, and repair of outside doors that do not close properly, and damaged outside walls or roofs. An allowance of up to \$200 per premise for such repairs is permitted as part of the weatherization work).
8. The proposed level of funding will provide necessary financing to maintain community-based organizations' weatherization operating budgets. These agencies have progressively hired and trained weatherization workers since 1983 to build up to their present production capacity.
9. Without the \$10 million authorized by Decision No. 85-10-053 being used in the six-month period ending December 31, 1986, this current level of activity for CIEP cannot be maintained. Future funding for CIEP, as well as other WFCP activities, will be addressed in SoCal's August filing.
10. SoCal proposes to accrue the expenditures in the balancing accounts, therefore, this action will not increase any rate or charge, cause the withdrawal of service nor conflict with other schedules or rules.
11. On March 14, 1986, the Commission received a petition to modify Decision No. 85-10-053 from the Self-Contract Providers, the Association of Southern California Energy Programs, and the California/Nevada Community Action Association (Cal/Neva et al).
12. Cal/Neva's position alleges that Decision No. 85-10-053 has underfunded SoCal's low-income conservation programs and requests that the decision be modified to increase the CIEP allocation by \$15 million from \$10 million to \$25 million annually through 1986.
13. The petition requests that SoCal's application for 1987 conservation funding should address the problem of underserved low-income population and requests an appropriate level of funding to rectify this problem. Also addressed is how SoCal should use its upcoming General Rate Case to describe to the Commission how it will continue to address the problem of low-income weatherization.
14. The Staff of the Energy Branch has reviewed SoCal's filing as well as Cal/Neva's petition and is in agreement with SoCal's request to spend the allocated \$10 million on CIEP activity during the six-month period ending December 31, 1986. On the other hand, the staff feels that there is no pressing need to increase the allocation at this point in time. However, that issue should be addressed and examined fully at the time of SoCal's filing of a formal application for future conservation funding now expected on August 4, 1986. Therefore, the petition for modification should be dealt with by a separate order.

15. We find that SoCal's request in Advice Letter 1620 and the Staff's recommendations are both just and reasonable.

THEREFORE:

1. Southern California Gas Company is granted authority under Section 490 of the Public Utilities Code to expend the \$10 million allocation for Community Energy Programs as authorized by Commission Decision No. 85-10-053 within the six-month period ending December 31, 1986.
2. The petition of the Self-Contract Providers, the Associates of Southern California Energy Programs and the California/Nevada Community Action Association will be dealt with by a separate order.
3. The utility shall continue to retain records of all WFCP expenditures and all other reporting requirements as ordered by Decision No. 85-10-053 shall remain in full force and effect.
4. Conformed copies of this resolution shall be provided to the utility, to all petitioners designated as Cal/Neva et al, and to all interested parties who request them.
5. Southern California Gas Company's Advice Letter No. 1620 shall be marked to show that it was approved for filing, effective June 1, 1986, by Commission Resolution No. EC-37. This resolution is effective today.

I certify that this resolution has been approved by the Commission at its regular meeting on May 7, 1986. The following Commissioners approved it.

Howard A. Sarason
 Acting Executive Director

DONALD VIAL
 President
 VICTOR CALVO
 PRISCILLA C. GREW
 FREDERICK R. DUDA
 STANLEY W. HULETT
 Commissioners