

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION G-2865  
MAY 10, 1989

R E S O L U T I O N

RESOLUTION G-2865, SOUTHERN CALIFORNIA GAS COMPANY (SOCAL) AUTHORIZATION TO (1) SPECIFY THE INCREASE IN 1989 WEATHERIZATION EXPENSE REQUIREMENT, (2) INDICATE THE NUMBER OF ADDITIONAL UNITS WHICH CAN BE WEATHERIZED, AND (3) REVISE THE DETAILED BREAKDOWN OF EXPENSE CATEGORIES INCLUDED IN DECISION NO. 88-10-055.

BY ADVICE LETTER 1850, FILED FEBRUARY 8, 1989.

SUMMARY

1. By Advice Letter 1850 filed February 8, 1989, Southern California Gas Company (SoCal) requests Commission approval to adjust its 1988 and 1989 weatherization expenses as follows: (1) specify the increase in the 1989 weatherization expense requirement due to carry-over funds resulting from money budgeted for 1988 for Efficient Energy Utilization and Affordable Housing Programs which were later rejected, (2) indicate the number of additional units which can be weatherized with the carry-over funds, and (3) revise the detailed breakdown of expense categories included in Appendix A to Decision No. (D.) 88-10-055 to retain the total CCA Program expense level of \$56.6 million for 1988 and 1989.

2. This Resolution grants the request.

BACKGROUND

1. By D. 88-10-055, in Application 87-10-021, dated October 26, 1988, the Commission ordered SoCal to file an advice letter to adjust its Conservation Cost Adjustment (CCA) component of its rates to reflect the total program expense level of \$56.6 million in 1988 and 1989.

2. During the proceeding in Application 87-10-021, a Stipulation and an Agreement (attached to the decision as Appendix A) were reached and signed by three agreeing parties, SoCal, the Commission's Division of Ratepayer Advocates (DRA) and the Insulation Contractors Association. The decision rejected the Stipulation because the major program changes which it proposed were more appropriately to be reviewed in SoCal's upcoming Test Year 1990 general rate case proceeding. However, certain modifications proposed in Finding of Fact 4 would result in a weatherization program which was acceptable. The changes were to be included in the advice filing.

### DISCUSSION

1. SoCal's 1989 weatherization expense requirement increased by \$3,109,690 as a result of the transfer of \$1,651,690 from 1988 Affordable Housing Program expenses and \$1,458,000 from 1988 Affordable Housing Program expenses. This transfer of carry-over funds results in a 1989 CCA Program expense level of \$23,910,496.

2. As a result of the transfer of \$3,109,690 in 1988 carry-over funds, coupled with the transfer of \$9,693,270 in 1989 expenses, SoCal has established a goal of Ground Work measures only weatherization for an additional 32,500 units. The term Ground Work refers to caulking, weatherstripping, duct wrap, low flow showerhead and water heater blanket measures. This goal includes building envelope repairs, when necessary, and is in addition to SoCal's original weatherization goal for 1989 of 10,000 units. The total 1989 weatherization goal is 42,500 units.

3. In accordance with the Stipulation and Agreement, the reduction in SoCal's annual CCA revenue requirements authorized by D. 88-10-055 shall be allocated among customer classes and placed into effect concurrently with other rate adjustments ordered by the Commission in SoCal's Annual Cost Allocation Proceeding (ACAP). Such a procedure will avoid multiple rate changes and will allow the Commission to consider all rate design issues in SoCal's ACAP.

4. In accordance with D. 88-10-055, this filing is to be effective on and after November 25, 1988.

5. The Commission Advisory and Compliance Division (CACD) has reviewed this filing and believes it complies with D. 88-10-055.

6. This filing will not increase any rate or charge, cause the withdrawal of service, nor conflict with any schedules or rules.

7. Public notification has been made by supplying copies of this filing to other utilities and parties requesting notification of advice filings.

#### PROTESTS

1. On February 22, 1989, a protest was filed by the California-Nevada Community Action Association (Cal-Neva), The East Los Angeles Community Union (TELACU), and the Association of Southern California Energy Programs (ASCEP), collectively referred to as "the agencies" serving low-income people in SoCal's service area. The protest concerned two areas: (1) increased Weatherization Financing and Credits Program (WFCP) costs of \$189,000 and (2) increased Community Involvement Energy Programs (CIEP) administrative costs of \$932,000. The agencies were particularly concerned that SoCal is able to increase administrative expenses when payments to agencies for services to low-income people are reduced from 1988 to 1989, and when the agencies have not received an adjustment for inflation in the five years that the program has been in existence.

2. Since the protest was filed, the agencies have discussed this issue with representatives of SoCal and have worked out an amicable resolution to the matter. The CACD has been informed by the agencies that they no longer wish to protest the advice letter since a solution to the concerns of the agencies is being negotiated in good faith.

#### FINDINGS

1. SoCal's request to adjust its 1988 and 1989 weatherization requirements to retain the total CCA Program expense level of \$56.6 million for 1988 and 1989, as shown in a table attached to Advice Letter 1850, is in compliance with D. 88-10-055.

2. The filing will not increase or decrease any rate or charge, cause the withdrawal of service, nor conflict with other schedules or rules.

May 10, 1989.

THEREFORE, IT IS ORDERED that,

1. Southern California Gas Company is authorized to adjust its rates to reflect the total program expense level of \$56.6 million in 1988 and 1989, as discussed above.
2. This filing is to become effective for service on and after November 25, 1988.
3. Advice Letter 1850 shall be marked to show that it was approved by Commission Resolution G-2865.
3. This Resolution is effective today.

I certify that Resolution G-2865 was adopted by the Public Utilities Commission at its regular meeting of May 10, 1989. The following Commissioners approved it:

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners



Executive Director