

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Application of Southern California Edison  
Company (U338E) for Approval of its 2009-2011  
Energy Efficiency Program Plans And Associated  
Public Goods Charge (PGC) And Procurement  
Funding Requests.

And Related Matters.

Application 08-07-021  
(Filed July 21, 2008)

Application 08-07-022  
Application 08-07-023  
Application 08-07-031

**REPLY COMMENTS OF SOUTHERN CALIFORNIA GAS COMPANY (U-904-G) AND  
SOUTHERN CALIFORNIA EDISON COMPANY (U-338-E) ON DECISION  
APPROVING PETITION FOR MODIFICATION OF DECISION 09-09-047, WITH  
MODIFICATIONS**

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**SOUTHERN CALIFORNIA GAS COMPANY and  
SOUTHERN CALIFORNIA EDISON**

June 21, 2010

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MODIFICATIONS**

Pursuant to Rule 14.3 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure, Southern California Gas Company and Southern California Edison Company (collectively referred to “Joint Utilities”) respectfully reply to the comments of The Utility Reform Network (“TURN”) on the proposed decision (“PD”) approving the Petition for Modification (“PFM”) of Decision (“D.”) 09-09-047, with Modifications. TURN was the only party to submit opening comments on the PD. The Joint Utilities recommend the Commission reject TURN’s assertions, for the reasons described below, and adopt the PD with the minor modification(s) proposed by the Joint Utilities in their opening comments.

In its opening comments, TURN asserts the following:

1. Any continuation of the Palm Desert Demonstration Partnership (Partnership) will waste ratepayer money, and thus should be discontinued.
2. Utilities should be allowed to submit a Palm Desert Demonstration Partnership application only if they pay related costs should an application not be filed or be rejected.

**I.**  
**THE CONTINUATION OF FUNDING FOR THE DEMONSTRATION PARTNERSHIP  
IS WARRANTED AND TURN'S ISSUES ARE MORE APPROPRIATELY ADDRESSED  
AS PART OF THE PROCEEDING ON THE UTILITIES' APPLICATIONS**

The PD grants funding, for a limited period and at a reduced budget level, to allow consideration of an application regarding the future of the Partnership. The Joint Utilities strongly concur with the PD. TURN's rationale for denying funding is without merit and is based on the flawed conclusions in the "Palm Desert Program Implementation Assessment" (Study).<sup>1</sup> TURN refers to a statement that the program "will not yield the hoped-for program design innovations."<sup>2</sup> The Joint Utilities contend that many of the conclusions of the Study are unfounded. The Study downplays numerous innovative initiatives resulting from the Partnerships; most notably, the Partnership's efforts that resulted in AB811. This landmark legislation is arguably one of the most innovative and important tools created in recent years to further energy efficiency in California and across the Nation.

The Joint Utilities assert that the Study fails to recognize many of the benefits or efforts of the Partnership, therefore its conclusions should be given the appropriate weight. The purpose of the Application process is to provide all parties the ability to air their views, opinions, and concerns regarding the issues proposed in the Application. The Commission should afford all parties the opportunity to participate in this debate and not foreclose that opportunity by drawing conclusions in this Decision.

**II.**  
**TURN'S PROPOSAL THAT THE JOINT UTILITIES SHOULD BEAR SOME OF THE  
COSTS OF AN APPLICATION SHOULD BE REJECTED**

TURN's proposal to hold a Utility financially liable represents a significant energy efficiency policy issue. An Application by the Joint Utilities on the Palm Desert Demonstration Program is not the appropriate venue for this issue to be addressed. Furthermore, as the PD correctly recognizes, the Joint Utilities need adequate time to assess whether the Partnership should continue. The threat of a financial penalty if an application is not filed would not lead to an objective consideration by the Joint Utilities. Finally, any application, if filed, will be subject

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<sup>1</sup> Issued June 2, 2010.

<sup>2</sup> TURN comments at page 3.

to the Commission's Rules of Practice and Procedures, which do not impose costs based on the success or loss of the applicant or interveners.

### **III. CONCLUSION**

The Joint Utilities support the PD with minor modifications and urge the Commission to address the PD at its June 24, 2010 Business Meeting to ensure that the Partnership can continue without disruption.

Dated this 21<sup>st</sup> day of June 2010.

Respectfully submitted,

*/s/ Steven D. Patrick*

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*Submitted on behalf of:*

**SOUTHERN CALIFORNIA EDISON**

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing **REPLY COMMENTS OF SOUTHERN CALIFORNIA GAS COMPANY (U-904-G) AND SOUTHERN CALIFORNIA EDISON COMPANY (U-338-E) ON DECISION APPROVING PETITION FOR MODIFICATION OF DECISION 09-09-047, WITH MODIFICATIONS** on all parties of record in **A.08-07-021, A.08-07-022, A.08-07-023 and A.08-07-031** by electronic mail and by U.S. mail to those parties who have not provided an electronic address to the Commission.

Copies were also sent via Federal Express to Administrative Law Judge David Gamson and Commissioner Dian Grueneich.

Dated at Los Angeles, California, this 21<sup>st</sup> day of June, 2010.

*/s/ Marivel Munoz*  
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Marivel Munoz

**CALIFORNIA PUBLIC UTILITIES COMMISSION**  
**Service Lists: A.08-07-021,022,023 and 031– Last Changed: June 15, 2010**

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