

**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

**OPENING 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
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June 14, 2010

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**I.
INTRODUCTION**

Pursuant to Rule 14.3 of the California Public Utilities Commission's ("CPUC") Rules of Practice and Procedure, Southern California Gas Company ("SoCalGas") and Southern California Edison Company ("SCE") (collectively referred to as the "Joint Utilities"), respectfully submit comments on Administrative Law Judge Gamson's Proposed Decision ("PD") approving the Petition for Modification ("PFM") of Decision ("D.") 09-09-047, with Modifications. The Joint Utilities appreciate the CPUC's timely response to the PFM which will enable the utilities to continue the Palm Desert Demonstration Partnership ("Partnership") under "bridge" funding. The Joint Utilities, however, request certain changes be made to the PD, as discussed in these comments.

II.
REDUCED FUNDING LEVELS ARE ADEQUATE

The PD grants the Petition for Modification of D.09-09-047 to continue the Partnership for a limited period at a reduced budget level, in order to allow consideration of the yet-to-be-filed Applications regarding the future of the Partnership.¹ The Joint Utilities are pleased that the PD authorizes “bridge” funding of the Partnership to allow continuity of this important partnership. While the reduced funding level of 50% may limit some intended activities, the Joint Utilities strongly support the continuation of the Partnership and believe that benefits will still be realized working within the bounds in the PD.

III.
PD SHOULD BE MODIFIED TO CLARIFY REFERENCES TO EM&V STUDIES

The PD discusses and summarizes the issues that led to the need for the Joint Utilities to file the PFM; primarily the delay in receiving the final EM&V study on the Partnership, such that it delayed the ability to file Applications.² The Joint Utilities provide clarification on several points stated in the PD regarding the EM&V studies.

First, there are in fact two EM&V studies examining the Partnership: the first is an Impact Evaluation that covers only a portion of measures under the SCE program, and the second is a much larger, broader study that covers both SCE and SoCalGas. It is important to note that the first study was very narrow in its scope, and while relevant, was wholly insufficient to justify the filing of an Application. The other referenced EM&V study is more comprehensive—it was originally envisioned as being a “process evaluation,” but it is actually a hybrid study entitled “Program Implementation Assessment” (“Study”). The fact that it evolved into a broader assessment can be a topic for review in the upcoming Applications, but to help avoid further confusion, the Joint Utilities suggest changing the reference to the actual title used for the Study.

¹ Joint Utilities intend to file their respective Applications prior to the July 16, 2010 cut-off date in the PD.

² PFM, Section II.A., page 2 (<http://docs.cpuc.ca.gov/efile/PM/116834.pdf>).

Second, the Joint Utilities acknowledge that a draft version of the Study was received in December 2009 (“Draft Study”), but the draft study contained a number of errors and issues, which the Joint Utilities identified and provided in comments. Consequently, based upon prior CPUC guidance regarding its expectations for follow-up Applications³ and the requisite correction of identified errors and resolution of identified issues, the Joint Utilities believed it was warranted and justified to wait until the final Study was issued in order to properly incorporate it into their Applications.

The Joint Utilities are now in receipt of the final Study (issued June 2, 2010), but unfortunately it still contains many errors and presents significant policy implications, the relevance of which should be dealt with in the upcoming Applications, not this PFM. Accordingly, the Joint Utilities suggest deleting Finding of Fact (“FOF”) 5 as it seems to be based on estimates made by TURN in their comments on the PFM, and/or conclusions from the Study—as this item is related to the EM&V study results that will be further discussed during the Application process. As noted in the PD at page 9, the Joint Utilities acknowledge “The fact that we (“CPUC”) are granting the Petition, with modifications, does not indicate any judgment on the merits of the Partnership, nor does it prejudge the evaluation of the Partnership.”

IV. PROPOSED CHANGES TO FINAL DECISION

The Joint Utilities recommend striking Finding of Fact five:

~~5. Per capita costs of the Partnership are higher than for other local government partnership programs.~~

V. CONCLUSION

In conclusion, the Joint Utilities are pleased that the Proposed Decision authorizes “bridge” funding of the Partnership, and we commend the CPUC for extending the Partnership while considering the merits of the Joint Utilities’ Applications.

³ Ibid.

Dated this 14th day of June 2010.

Respectfully submitted,

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CALIFORNIA PUBLIC UTILITIES COMMISSION
Service Lists: A.08-07-021,022,023 and 031– Last Changed: June 10, 2010

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