

**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)
ON DECISION APPROVING SOUTHERN CALIFORNIA EDISON COMPANY'S
APPLICATION AND DENYING SOUTHERN CALIFORNIA GAS COMPANY'S
APPLICATION, TO CONTINUE PALM DESERT DEMONSTRATION PARTNERSHIP
PROGRAM**

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**I.
INTRODUCTION**

Pursuant to the California Public Utilities Commission (“CPUC”) Rules of Practice and Procedure, Southern California Gas Company (“SoCalGas”) respectfully submits comments on Administrative Law Judge Gamson’s proposed decision (“PD”)¹ approving Southern California Edison’s (“SCE”) continued role and denying SoCalGas’ continued role in the Palm Desert Demonstration Partnership (“Partnership”). While SoCalGas is certainly supportive of the PD in regards to SCE, SoCalGas is disappointed that the PD denies SoCalGas’ request to continue its role in the Partnership. Accordingly, SoCalGas offers the following comments requesting that the CPUC re-consider its conclusion and authorize SoCalGas’ continued participation in the Partnership.

¹ Mailed 11/10/10.

II.
**SOCALGAS HAS ACHIEVED GREATER ENERGY SAVINGS CONTRARY TO THE
PROPOSED DECISION'S APPARENT JUSTIFICATION DENYING ITS
APPLICATION REQUEST**

Since the first filing SCE made requesting approval of the initial Palm Desert Partnership (for 2007-2008/9), and the subsequent inclusion of SoCalGas therein, the Partnership has been somewhat controversial primarily because of continued confusion concerning the Partnership's purpose and SoCalGas' role. In its filings in this proceeding, SoCalGas has clearly, directly and repeatedly addressed the various points of confusion in order to clarify what SoCalGas continues to believe is a very valuable effort.

The PD states that SoCalGas had achieved minimal savings for the monies spent in 2007-2008² and appears to base its denial of SoCalGas' request to continue its participation in the Partnership on the Energy Division's EM&V review of the Partnership results as of (date of EM&V report). SoCalGas acknowledged the Energy Division's ("ED") findings but noted on the record at the October 31, 2010, pre-hearing conference ("PHC"), that SoCalGas had, in fact, achieved actual savings results during the timeframe covered by ED's review. Due to an admitted error on SoCalGas' part in its data submittal to ED, however, SoCalGas' relevant, actual data was not included in the EM&V review that forms the basis of the PD's conclusion. SoCalGas also noted on the record that the data to support findings of significant energy savings had subsequently been provided to ED.

This situation was discussed on the record with no party disagreeing with SoCalGas' statement of facts.

SoCalGas is not requesting the Commission to simply "trust us" with regard to its actual energy savings attributable to the Partnership. However, since the PHC, ED has published a review of the 2009 "bridge" year results *in which the actual Palm Desert savings data for SoCalGas were included*. Specifically, ED released the subject draft EM&V report on November 12, 2010, which shows, on page 14 of the Appendices, SoCalGas achieved 54,000 net therms saved at a TRC of 0.5. Significantly, these savings include the "missing" 2008 data, as well as the savings achieved in 2009. And while it may be a draft report, SoCalGas suggests that

² PD, Conclusions of Law #2.

this report can still be considered sufficient to illustrate that it has in fact demonstrated savings for its effort, and asks the Commission to take administrative notice of the work of its staff for purposes of its decision in this proceeding.

During the PHC discussion on what to do with SoCalGas' "missing" data, it is puzzling to SoCalGas that ED, which was present, did not note for the benefit of the record and the ALJ's consideration that ED was then reviewing the above referenced 2009 "bridge year" results. While on one hand SoCalGas is pleased to have this data included in the report and the savings results based thereon now available, it is somewhat disturbing for the parties and the ALJ to learn of it only at this juncture. The absence of ED's acknowledgement represented a missed opportunity to have offered an option to the Commission at the time the ALJ asked parties to suggest solutions as to how to best deal with the missing data issue at the PHC.³

Lastly, SoCalGas respectfully continues to submit that it is an error to not consider the additional savings data that SoCalGas reported under the "core" program component associated with Palm Desert activity. This issue is perpetuated in the PD at page 9, where it concludes "that the money spent on marketing the SoCalGas Palm Desert program was really being spent in support of the other SoCalGas programs in the area." As SoCalGas has repeatedly clarified for the benefit of the record, there were no other SoCalGas "programs" in the area—*it was one effort done under "Set to Save" branding*. As requested and approved in its first Application,⁴ SoCalGas consistently implemented the Partnership as one cohesive effort as it has never made, and continues to make, no sense to implement and offer two (or more) separate programs in the same City; and the Partnership was implemented accordingly. There has been no separation of the resources that went into the planning, marketing and implementation of the Partnership for all the offerings being made to Palm Desert residents and businesses, but due to the way the funding was approved, some of the results were required to be reported via the core programs. Again, that was by design. Importantly, the core component of the effort saved 416,524 therms (from the end of 2007 to the end of 2009). These real savings results, known and reported by the Commission's staff should not be ignored due to a SoCalGas error, long since corrected.

³ PHC Transcript, 08/31/10, pages 32-38.

⁴ SoCalGas Application 10-07-006, Page 4.

III.

SOCALGAS URGES THE COMMISSION TO RECONSIDER THE DENIAL OF THE REQUEST AND APPROVE A REDUCED DOLLAR AMOUNT THAT REPRESENTS A COMPROMISE AND ENABLES PALM DESERT CUSTOMERS TO CONTINUE TO RECEIVE BOTH GAS AND ELECTRIC ENERGY EFFICIENCY OFFERINGS WITH THE APPROVAL OF SOCALGAS AND SCE'S APPLICATIONS

SoCalGas believes the above referenced gas savings numbers and the missed opportunity to better inform the record sufficiently warrant reconsideration of the PD's conclusion to deny a continued role in the Partnership for SoCalGas. Further, it simply makes sense to have both energy sources, gas and electricity, available to the customers and constituents of the parties to this Partnership, since substantive savings, at least in the context of a pilot, would be missed as a consequence of doing otherwise. In recognition that, given the current record, it would also make sense to modify SoCalGas' proposal, SoCalGas submits that while its original budget request (\$2.1 million) represents a reduction from an ideal plan, that it could continue to operate its part of the Partnership at a reduced level of 75% of the requested budget, or \$1.575 million.

Additionally, SoCalGas proposes to work with ED to modify the PIP with such a budget reduction, as well as to incorporate the other recommendations that the PD would order SCE to undertake (as noted on page 10 of the PD).

IV.

CONCLUSION

Wherefore, for the above stated reasons, SoCalGas respectfully request the Commission modify the PD as requested by SoCalGas.

Dated this 30th day of November 2010.

Respectfully submitted,

/s/ Steven D. Patrick

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **OPENING COMMENTS OF SOUTHERN CALIFORNIA GAS COMPANY (U-904-G) ON DECISION APPROVING SOUTHERN CALIFORNIA EDISON COMPANY'S APPLICATION AND DENYING SOUTHERN CALIFORNIA GAS COMPANY'S APPLICATION, TO CONTINUE PALM DESERT DEMONSTRATION PARTNERSHIP PROGRAM** 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 30th day of November, 2010.

 /s/ Marivel Munoz
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CALIFORNIA PUBLIC UTILITIES COMMISSION

Service Lists: A.08-07-021,022,023 and 031– Last Changed: November 29, 2010

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