

From: [Redacted]
Sent: 2/28/2011 10:38:37 AM
To: 'Clinton, Jeanne ' (jeanne.clinton@cpuc.ca.gov); 'Dan.chia@cpuc.ca.gov'
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(/O=PG&E/OU=Corporate/cn=Recipients/cn=MxWL); Warner, Christopher (Law)
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[Redacted] Klotz, Michael (Law)
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Cc:
Bcc:
Subject: CPUC legislative response -estimates of impact to IOU gas contracts

-----Original Message-----

From: Chia, Dan [mailto:dan.chia@cpuc.ca.gov]
Sent: Monday, February 28, 2011 10:34 AM
To: [Redacted] Barsuglia, Heidi Dejong
Subject: FW: Estimates of impact to IOU gas contracts

What we sent to leg staff.

-----Original Message-----

From: Chia, Dan
Sent: Sunday, February 27, 2011 6:24 PM
To: Freeman, Catherine; Griffith, Christian; Jay.Dickenson@asm.ca.gov; Holtz, Chris; Roberts, Tiffany;
Rocel.Bettencourt@sen.ca.gov; Newton, Mark; Jesse.McGuinn@dof.ca.gov; kathy.madison@dof.ca.gov

Cc: Randolph, Edward F.; ken.DaRosa@dof.ca.gov
Subject: Estimates of impact to IOU gas contracts

Folks:

1) The three gas utilities (PG&E, SDG&E, SoCal Gas) have reported to the CPUC that they have entered into a total of 595 energy efficiency contracts for which payments are expected during the 2011-12 FY. These contracts include those that will improve the energy efficiency of small businesses, industrial customers, local governments, and residents, and those to measure and verify these improvements.

2) The total estimated value of payments expected to be made on these encumbered contracts during the 2011-12 fiscal year is \$91,996,784.

3) Since these funds would be spent for gas-saving programs, there are no other gas funds on hand or authorized to use to pay for these contractual obligations should gas PPP funds not be available. The CPUC could undertake a new proceeding or phase of the 2010-12 EE proceeding to explore this possibility. Such a proceeding could take between 6-18 months depending upon complexity, staff availability, and stakeholder engagement. In the meantime, no other gas funds are available to substitute for gas PPP payment obligations.

4) Although the utilities have not reviewed all contracts, they believe that most of them have provisions to terminate based on several criteria including regulatory constraints and funding availability.

Let me know if you have any questions. PUC staff will be available tomorrow at 11am to discuss this further.

Dan