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Subject: CPUC Approves Plan to Continue Gas Public Purpose Programs: CPUC Press

Release

FOR IMMEDIATE RELEASE

PRESS

RELEASE Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov Docket #: R.09-11-014

CPUC APPROVES PLAN TO CONTINUE GAS PUBLIC PURPOSE PROGRAMS

SAN FRANCISCO, Oct. 6, 2011 - The California Public Utilities Commission (CPUC) today provided guidance to Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric (SDG&E), and Southern California Gas Company (SoCalGas) regarding priorities and financing for on-going gas Public Purpose Programs (PPP).

Guidance is needed because money previously collected from gas ratepayers is subject to transfer to the State's General Fund under legislation enacting the fiscal year 2011-2012 budget. Senate Bill (SB) 87, which, among other things, authorizes the transfer of up to \$155 million from the Gas Consumption Surcharge Fund to the state's General Fund, was chaptered on June 30, 2011. If the full amount allowed by law is transferred, there will be approximately \$21.6 million of the fiscal year 2011-2012 collections remaining in the Fund.

Today's decision addresses and backstops with other unspent energy efficiency funds the potential funding shortage caused by SB 87. The backstop funding consists of funding left over from the utilities' previous years' gas and electric energy efficiency funds, as well as prior years' Evaluation, Measurement and Verification funds. By the CPUC's calculation, few, if any, gas PPP program cuts will be required. However, if the final calculation reveals that any curtailment of gas PPP programs is required, the CPUC has established which programs have priority, and prescribed the necessary steps the utilities must take to account for those curtailments.

Said Commissioner Mark J. Ferron, "I am taking a very close and comprehensive look at all aspects of our energy efficiency programs in order to assure we are effectively leveraging ratepayer money."

Added Commissioner Timothy Alan Simon, "This decision bridges the funding shortage in gas energy efficiency programs and is a good effort to ensure that the CPUC does what it has been mandated to do to keep strengthening gas and electric energy efficiency programs and the state's overall energy efficiency goals. I view this as not only good energy policy but good environmental policy."

Said Commissioner Catherine J.K. Sandoval, "Providing continuity to valuable and cost-effective gas energy efficiency programs while ensuring stricter accounting of unspent gas and electricity energy efficiency funds makes good business sense and will serve the public interest well."

The proposal voted on is available at http://docs.cpuc.ca.gov/WORD PDF/AGENDA DECISION/144595.pdf.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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