

From: Blattner, William  
Sent: 12/21/2011 9:38:07 AM  
To: 'Kaneshiro, Bruce' (bruce.kaneshiro@cpuc.ca.gov)  
Cc: Baker, Simon (simon.baker@cpuc.ca.gov); Dietz, Sidney (/O=PG&E/OU=Corporate/cn=Recipients/cn=SBD4); Michael.Hoover@sce.com (Michael.Hoover@sce.com); Liang-Uejio, Scarlett (scarlett.liang-uejio@cpuc.ca.gov)  
Bcc:  
Subject: RE: DR program continuity

Bruce –

The decision authorizing our current three-year programs and budgets is D.09-08-027. This decision was amended by: D.09-10-006, D.10-03-023, D. 10-12-033 (which was modified by D.11-04-003), and D.10-12-047.

It would be great to have authority to operate the programs as directed by the Commission in these decisions, and in our related advice letters. It would also be helpful if the ACR stated that the new decision (whether it is the ALJ decision or the alternate) will be effective for the three-year period beginning January 1, 2012.

I hope this helps. Please let me know if there is anything else you need.

Billy

**From:** Kaneshiro, Bruce [mailto:bruce.kaneshiro@cpuc.ca.gov]  
**Sent:** Tuesday, December 20, 2011 2:34 PM  
**To:** Blattner, William  
**Cc:** Baker, Simon; Liang-Uejio, Scarlett; Dietz, Sidney; Michael.Hoover@sce.com  
**Subject:** RE: DR program continuity

Hi Billy- Thanks for this email.

In looking over the text below, I have one comment: regarding the first point, the text seems to be overly broad: "current demand response decisions".

I'm thinking that the ruling would refer to the decision that adopted the existing '09-'11 portfolio (D.09-08-027) and two subsequent decisions that modified it (I don't have the specific decision reference numbers but they were issued in Dec. 2010 in response to Petitions to Modify filed by SCE and PG&E.)

Bruce

**From:** Blattner, William [<mailto:WBlattner@semprautilities.com>]  
**Sent:** Monday, December 19, 2011 12:36 PM  
**To:** Kaneshiro, Bruce  
**Cc:** Baker, Simon; Liang-Uejio, Scarlett; Dietz, Sidney; 'Michael.Hoover@sce.com'  
**Subject:** DR program continuity

Bruce,

Per my voicemail message to you earlier today, below is language drafted by the utilities that can be used in a ruling to avoid disrupting DR programs, as the Commission sees fit. Such a ruling could then be affirmed by the Commission in its final decision on A1103001.

1. Pursuant to the current demand response decisions, the utilities are authorized to operate their demand response programs in 2012 pending issuance of a final Commission decision in A.11-03-001.
2. The utilities are directed to continue to record all expenses in the accounts where such expenses are currently recorded as authorized in prior Commission Demand Response decisions.
3. In order to ensure continuity in demand response programs, the utilities should anticipate that the final Commission decision in A.11-03-001 will authorize revenue requirements effective January 1, 2012 and thus allow recorded costs to be recovered for the period beginning January 1, 2012, provided that such costs are reasonably incurred consistent with the demand response program decisions and schedules. Any review of the reasonableness of such costs shall be premised on the IOUs' compliance with the Commission decisions and rules currently in place.

I have spoken to Scarlet and Simon about this, and left a message for Damon letting him know that we are working with you and your staff. If you have any questions, concerns or insights we should be aware of, please let me know.

Happy holidays!

Billy

**Billy Blattner**

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