

May 28, 2013

Ms. Melicia Charles
Supervisor, Customer Generation Programs
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Dear Ms. Charles,

Enclosed is our Final Report on the External Audit of the California Solar Initiative for Program Years 2010 and 2011. Within the attached report we provide our results and offer recommendations for the program's administrators to strengthen internal controls, ensure proper segregation of duties and improve the accuracy of program financial reports. This report summarizes information collected by Macias Consulting Group, Inc. between September 2012 and April 2013.

Sincerely,



Macias Consulting Group, Inc.



California Public
Utilities Commission

**California
Solar Initiative
External Audit**

Program Years
2010 & 2011

May 28, 2013

MACIAS 
CONSULTING GROUP

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Executive Summary

This report presents the results of the external performance audit performed by Macias Consulting Group (MCG) and approved by the California Public Utilities Commission (CPUC). This performance audit reviewed the California Solar Initiative (CSI) program, as administered by the program administrators (PAs): Pacific Gas & Electric (PG&E), Southern California Edison Company (SCE) and the California Center for Sustainable Energy (CCSE) in San Diego Gas & Electric (SDG&E) territory in program years 2010 and 2011. The criteria and findings of our performance audit are summarized below:

1. Administrative Cost and Expenditure Allocation

Criteria: All expenditures allocated to the CSI program should be accurately recorded, properly supported as CSI-related, and categorized correctly as either a labor or direct expense.

Findings: We noted that each of the PAs had expenditures that were not properly supported as CSI-related. For each of the PAs, however, these exceptions were not significant relative to the overall samples we tested.

2. Transparency

Criteria: Each PA's internal financial records of CSI expenditures in program years 2010 and 2011 should agree with those amounts reported to the CPUC within the Semi-Annual Expense Report for the same period. This ensures that the CPUC, as well as other stakeholders who rely on the public data reported to the CPUC, receive accurate information about the CSI program.

Each IOU's General Rate Case¹ (GRC) should exclude all unallowable² CSI expenditures as these expenditures are funded by ratepayers and therefore, do not affect a utility's revenue requirements.

Findings: One of the PA's records of CSI expenditures in program years 2010 and 2011 did not agree with the aggregate expenditures it reported to the CPUC within its Semi-Annual Expense Reports³ for the same period. A lack of oversight between one of the investor-owned utilities (IOU) and its program administrator may have contributed to the incorrect expenditure reporting to the CPUC.

All three IOUs have processes in place to appropriately exclude unallowable CSI expenditures from their GRC calculations. One IOU, with a separate PA, and the CPUC need to clarify which CSI activities performed by the IOU should be considered CSI-related and therefore, excluded from GRC calculations.

¹ A General Rate Case is a state-mandated process that electric and gas companies go through to request funding for distribution and generation costs. In California, regulated utilities like PG&E, SCE and SDG&E are typically required to file a new GRC every three years with the CPUC.

² Some CSI-related employee benefit burdens are authorized for recovery and may be included in the GRC as allowable expenses.

³ The most recent Semi-Annual Expense Report for each of the PAs is included in Appendix B of this report.

3. Information Technology Controls

Criteria: Each of the three PAs uses an online software application, PowerClerk⁴, to aid in the management of its CSI program. To accomplish its purpose, PowerClerk may be accessed by many types of authorized users, including: PA and utility employees, contractors and customers. According to best practices, organizations should implement controls to manage the applications within their information technology systems to ensure the accuracy and integrity of the financial and other data stored by the systems. These controls should ensure that system:

- Access is periodically reviewed and updated based on employee function;
- Access is terminated when employees are no longer assigned to the CSI program; and
- Access is limited to only those functional areas necessary to perform tasks.

Proper segregation of duties must be maintained between users of multiple information technology systems as well. For example, no employee should have the ability to edit data within the PowerClerk system and have the ability to create, edit or approve accounts payable or purchase orders within the financial system.

Findings: All of the PAs properly segregate access to their financial systems and the CSI PowerClerk application. While all of the PAs also have processes in place to control access to PowerClerk, two of the PAs need to continue to improve their access procedures. Additionally, the PAs should clarify the contract language in the agreement between themselves and Clean Power Research, the PowerClerk application software vendor, to better define each parties' role in access management and control.

Background

Overseen by the CPUC, the CSI program provides incentives for solar systems installed on existing residential homes, as well as existing and new commercial, industrial, government, non-profit, and agricultural properties within the service territories of the state's three IOUs: PG&E, SCE and SDG&E. The CPUC was expressly authorized to create the CSI program in 2006 by Senate Bill 1 and did so through a number of regulatory decisions during that same year.

The CSI program has five program components and a budget of \$2.167 billion over ten years with a goal to reach 1,940 megawatts of installed solar capacity by the end of 2016. The general market program is the main incentive program component of the CSI and is administered through three PAs: PG&E, SCE and the California Center for Sustainable Energy (CCSE) in SDG&E territory. In addition to the general market program, the CSI program has four other program components, each with their own program administrator and ten year budgets:

⁴ PowerClerk is a third party on-line application used to manage CSI applications and incentives.

- A research and development (RD&D) program⁵, providing grants to solar technologies that can advance the overall goals of the CSI Program; the RD&D program is administered through the RD&D Program Manager, Itron, and has a budget of \$50 million.
- The Single-family Affordable Solar Homes (SASH) Program, providing solar incentives to single family low income housing; the SASH program is administered through the SASH Program Manager, GRID Alternatives, and has a budget of \$108 million.
- The Multifamily Affordable Solar Housing (MASH) program, providing solar incentives to multifamily low income housing; the MASH program is administered through the same PAs as the general market program: PG&E, SCE, and CCSE, and it has a budget of \$108 million.

The CSI-Thermal Program, providing incentives for solar water heating and other solar thermal technologies to residential and commercial customers of PG&E, SCE, SoCal Gas, and SDG&E.

Objectives and Scope

The purpose of performing this external audit is to determine whether the CSI program is administered and implemented in accordance with established guidelines, parameters, and CPUC directives. More specifically, our objectives are to:

- Determine if the CSI program's administrative costs and expenditures were properly charged against program funds;
- Identify factors, if any, to ensure that ratepayer funds are being prudently managed; and
- Ensure transparency to enable the CPUC to meet its due diligence goals.

The scope of our review encompasses program years 2010 and 2011 as administered within the three IOUs: PG&E, SCE and SDG&E. The PA within SDG&E territory is CCSE. The remaining two IOUs act as their own PAs.

We discussed the results of this external audit with PG&E, SCE, SDG&E and CCSE and provided each company with a copy of the portion of the draft report related to it for review. Each company's management comments and in some cases, MCG's response to those comments, is included within the body of this report.

The performance audit procedures are outlined in Appendix A.

⁵The CSI-Thermal Program, RD&D and the SASH program were excluded from the scope of this performance audit.

Results of Procedures and Recommendations

Pacific Gas & Electric

The following is a summary of results and recommendations based on the procedures⁶ performed at Pacific Gas & Electric (PG&E):

1. Administrative Costs and Expenditure Allocation

We randomly selected and tested a sample of 126 expenditures within the 2010 and 2011 program years from PG&E's record of California Solar Initiative (CSI) expenditures in its financial system. Within each program year, using data analysis software, we stratified the expenditures and randomly selected 63 samples consisting of 21 labor, 21 direct and 21 allocated expenditures. Allocated expenditures are the result of other PG&E resources, outside the CSI program, that are directed to perform work on the CSI program. For example, if an employee within PG&E's Information Technology (IT) Department was directed to spend a certain amount of time on a CSI-related project that employee would allocate that portion of time worked as a CSI expenditure. Depending on the type of resource, allocated expenditures can be direct or labor expenditures.

Finding

Out of the 126 expenditure sample items, one was misallocated to the CSI program in program year 2011. This sample item is an allocated labor expenditure, also referred to by PG&E as a charge-in cost. In this case, the employee incorrectly allocated a portion of his time to the CSI program. This one sample item is not materially significant in comparison to the overall sample.

Recommendation

None

2. Transparency

Comparison of PG&E's Internal Records to the Semi-Annual Expense Report Submitted to the California Public Utilities Commission (CPUC)

To determine if PG&E provided the CPUC with accurate expenditure information for program years 2010 and 2011, we compared PG&E's internal accounting record of CSI expenditures to the expenditure and budgetary tables⁷ within the Semi-Annual Expenditure Report it submitted to the CPUC for program years 2010 and 2011.

Finding

The CSI expenditure information for program years 2010 and 2011 provided by PG&E to the CPUC appears to be accurate. PG&E's record of total CSI expenditures within its financial system agree with the aggregate expenditures it reported within the expenditure and budgetary tables of its Semi-Annual Expense Report for program years 2010 and 2011.

⁶ Our performance audit procedures are detailed within Appendix A.

⁷ These portions of the most recent Semi-Annual Expense Report for each PA are included in Appendix B of this report.

Recommendation

None

Removal of Unallowable CSI Expenditures from PG&E's General Rate Case (GRC)

To determine if PG&E properly excluded its CSI expenditures, we examined the working papers for its 2014 GRC⁸ which considers 2010 and 2011 expenditures. We also reviewed the PG&E regulatory accounting document regarding CSI expenditures within the GRC. Finally, we reviewed the testimony of PG&E management to the CPUC regarding its GRC processes.

Finding

PG&E has a documented and systematic process for removing unallowable CSI expenditures from GRC calculations in place. Our examination found that PG&E removed 2010 and 2011 actual CSI expenditures from its 2014 GRC calculations. PG&E also maintains a regulatory accounting document that requires that unallowable CSI expenditures be removed from GRC calculations.

Recommendation

None

3. Information Technology Controls

To determine if PG&E had proper access controls in place, we examined access to PowerClerk as well as the policies and procedures management had in place to regulate access. To test the accuracy of PG&E's record of user access levels, we randomly sampled ten percent of the PowerClerk users and tested their individual access levels. To ensure proper segregation of duties, we cross-referenced employee access to PowerClerk with employee access to certain portions of PG&E's financial system. Specifically, we determined if any PG&E employee had edit-level access to PowerClerk and the ability to create and approve accounts payable or purchase orders within the financial system. Finally, we reviewed the contract between Clean Power Research, the creator of PowerClerk, and the PAs to better understand access control responsibilities between the company and the PAs.

Findings

Overall, PG&E has strong controls over access to PowerClerk and its financial system. PG&E had 49 PowerClerk accounts active in 2013. Our testing of six PowerClerk user accounts found that the PowerClerk access levels listed by PG&E for each user were accurate. Additionally, none of the users with edit ability in PowerClerk also had the ability to create, edit or approve accounts payable or purchase orders in PG&E's financial system.

According to PG&E's CSI group, while there is a practice to remove the access of employees that leave the company or move within the company out of a CSI-related position, at this time the review of the PowerClerk user list is sporadic. PG&E previously had one CSI group staff member dedicated to PowerClerk access management; however, following that staff member's recent departure, the role remains unfilled. CSI management states that it is currently reviewing its PowerClerk access processes and is working to develop a quarterly access review procedure.

⁸ PG&E filed its 2014 GRC request to the CPUC on November 15, 2012; however, the CPUC had yet to issue a final decision at the time of this report.

Our review of the contract between Clean Power Research and the PAs found that the division of access control responsibilities is not explicitly stated within the contract language. Defining the role of all parties in access management may improve the PAs' ability to develop and maintain strong access controls.

Recommendation

PG&E's CSI management should continue its efforts to review the PowerClerk access process and codify its quarterly PowerClerk access review process and access approval procedures.

The PAs should clarify the contract language in the agreement between themselves and Clean Power Research to better define each parties' role in access management and control.

PG&E Management Comment

PowerClerk Periodic User Access Review

PG&E is in the process of strengthening its controls over PowerClerk user access. Currently, PG&E emails Clean Power Research to request new access or to disable existing access of its employees on an as needed basis. To ensure that PG&E's PowerClerk access requests are completed accurately and timely by Clean Power Research, they will be required to send an email confirmation to PG&E. On a monthly basis, Clean Power Research will send PG&E a list of users that have access to PowerClerk. PG&E will then perform a review of user access to determine that all access is current and appropriate; any updates to such user access will be communicated to PowerClerk as described in the above process.

PowerClerk Contract

PG&E agrees that the roles in access management and controls should be better defined between PG&E and Clean Power Research. Modification to the contract language is not deemed necessary; under current contract terms, requests from Program Administrators that result in costs less than \$5,000 do not require a contract change order. Instead, Program Administrators may use the existing SharePoint request process for work requests that are below the \$5,000 threshold. Program Administrators complete the SharePoint request form and submit it through SharePoint to Clean Power Research. Once Clean Power Research receives the SharePoint request form, Clean Power Research will include the necessary items on their task list. PG&E will submit the SharePoint request form to Clean Power Research to request a complete PG&E user list at the end of each month.

Southern California Edison Company

The following is a summary of results and recommendations based on the procedures⁹ we performed at Southern California Edison Company (SCE):

1. Administrative Costs and Expenditure Allocation

We randomly selected and tested a sample of 124 expenditures within the 2010 and 2011 program years from SCE's record of CSI expenditures in its financial system. Within each program year, using data analysis software, we stratified the expenditures and randomly selected 62 expenditure samples consisting of 31 labor and 31 direct expenditures.

Finding

Out of the 124 expenditure sample items, one was misallocated as a CSI expenditure in program year 2010. This sample item is a direct expenditure of less than \$25.00. This exception is not materially significant in comparison to the overall sample. SCE performed a corrective adjustment to correct this error.

Recommendation

None

2. Transparency

Comparison of SCE's Internal Records to the CPUC Semi-Annual Expense Report

To determine if SCE provided the CPUC with accurate expenditure information for program years 2010 and 2011, we compared SCE's internal accounting record of CSI expenditures to the expenditure and budgetary tables¹⁰ within the Semi-Annual Expense Report submitted to the CPUC for program years 2010 and 2011.

Finding

The CSI expenditure information for program years 2010 and 2011 provided by SCE to the CPUC appears to be accurate. SCE's record of total CSI expenditures within its financial system agree with the aggregate expenditures it reported within the expenditure and budgetary tables of its Semi-Annual Expense Reports for program years 2010 and 2011.

Recommendation

None

Removal of Unallowable CSI Expenditures from SCE's General Rate Case

To determine if SCE properly excluded its 2010 and 2011 program year CSI expenditures, we examined the draft removal of 2010 and 2011 CSI expenditures from the 2015 GRC. The 2015 GRC is still in process and is not final. SCE is scheduled to begin the submittal process for the 2015 GRC

⁹ Our performance audit procedures are detailed within Appendix A.

¹⁰ These portions of the most recent Semi-Annual Expense Report for each PA are included in Appendix B of this report.

in July 2013. To gain assurance based on a completed and public GRC, we also reviewed SCE's 2012 GRC working papers related to the removal of actual 2009 CSI expenditures. We also conducted multiple interviews with SCE's Manager of Revenue Requirements and Forecasting to better understand SCE's GRC process for the removal of CSI expenditures. Finally, we reviewed the testimony of PG&E management to the CPUC regarding its GRC processes.

Finding

SCE has a documented and systematic process for removing unallowable CSI expenditures from its GRC calculations. Our examination found that SCE removed all unallowable 2010 and 2011 actual CSI expenditures from its draft 2015 GRC calculations.

Recommendation

None

3. Information Technology Controls

To determine if SCE had proper access controls in place, we examined access to PowerClerk as well as the policies and procedures management had in place to regulate access. To test the accuracy of the SCE's record of user access levels, we randomly sampled ten percent of the PowerClerk users and tested their individual access levels. To ensure proper segregation of duties, we examined SCE's signatory authority and approval matrices for its financial system. Specifically, we determined if any SCE employee had edit-level access to PowerClerk and the ability to create and approve accounts payable or purchase orders within the financial system. Finally, we reviewed the contract between Clean Power Research, the creator of PowerClerk, and the PAs to better understand access control responsibilities between the company and the PAs.

Findings

SCE has strong controls over access to PowerClerk and its financial system. SCE has an assigned PowerClerk Analyst who maintains a list of PowerClerk users that is reviewed monthly for any necessary edits, additions or deletions. SCE Supervisors must submit written requests to the CSI manager to gain PowerClerk access for an employee. The Analyst then submits these written requests to the CSI Manager for approval. If approved by management, access at the approved level is granted. The same process is followed for removing or changing access. Employees that leave SCE are removed from the PowerClerk access list within one business day. Occasionally, the Analyst also requests a list from Clean Power Research, the company that provides PowerClerk, of system use by username for a period of time and if a user has not used the system for an extended period of time, his or her access may be removed following an inquiry.

SCE also has a well-documented framework dictating which employees can edit and approve which level of purchase orders and accounts payable within its financial system. We found that there were no employees with both edit-level ability in PowerClerk and the ability to create, edit or approve accounts payable or purchase orders.

Although SCE's system of access control to PowerClerk is strong, we found that one of its user accounts was for an entire company rather than an individual. By allowing a company of persons, rather than one person to have a username and access to PowerClerk, SCE is undermining its own IT

controls. This type of high-level generic account does not allow SCE to maintain accountability over usage of PowerClerk.

Our review of the contract between Clean Power Research and the PAs found that the division of access control responsibilities is not explicitly stated within the contract language. Defining the role of all parties in access management may improve the PAs' ability to develop and maintain strong access controls.

Recommendation

SCE should ensure that all of its PowerClerk access accounts are for individuals and not generic users such as an entire company.

The PAs should clarify the contract language in the agreement between themselves and Clean Power Research to better define each parties' role in access management and control.

SCE Management Comment

SCE accepts the recommendation. SCE has requested the host company, with generic access to PowerClerk, delete the generic account and create individual user accounts for SCE's approval. In addition, SCE will work with the other CSI Program Administrators (PAs) and Clean Power Research to amend the contract to provide that all new user accounts, whether requested by the PAs or a third part, must be: (1) available for individual users only and not for an entire company, and (2) reviewed and approved by each of the responsible PAs before individual access is granted.

SCE appreciates the opportunity to continuously improve its administration and operation of our programs and, more importantly, to help achieve the envisioned CSI program goals.

California Center for Sustainable Energy

The following is a summary of results and recommendations based on the procedures¹¹ performed at the California Center for Sustainable Energy (CCSE) and SDG&E:

1. Administrative Costs and Expenditure Allocation

We randomly selected and tested a sample of 124 expenditures within the 2010 and 2011 program years from CCSE’s financial system¹². Within each program year, using data analysis software, we stratified the expenditures and randomly selected 62 expenditure samples consisting of 31 labor and 31 direct expenditures.

Findings

Although all of the 124 sample items were properly allocated to the CSI program and recorded in CCSE internal records as program expenditures, CCSE did not accurately invoice four of the 124 sample items to SDG&E for reimbursement. Together, the dollar amount of these four exceptions is not materially significant in comparison to the overall sample amount.

As shown in Table 1 below, all four of these exceptions were for labor expenditures – three in program year 2010 and one in program year 2011. The three 2010 exceptions were for a total of eight labor hours for which CCSE never invoiced SDG&E. The one exception in 2011 was an overbilling error of \$3,121.73 for which CCSE reimbursed SDG&E during the course of this audit.

Table 1 - CCSE Did Not Properly Invoice SDG&E for Four of the 124 Sample CSI Administrative Expenditures

Year	Expenditure Type	Allocation within CSI Program	Amount ¹³	Note
2010	Labor	MASH M&E	\$512.61	Under Bill
2010	Labor	MASH M&E	\$73.24	Under Bill
2010	Labor	MASH M&E	\$882.40	Under Bill
2011	Labor	MASH Admin	\$3,121.73	Over Bill
TOTAL			\$4,589.98	

Source: Auditor analysis of CCSE financial data and supporting documentation.

According to CCSE program management, the three 2010 labor expenditure exceptions are the result of the CCSE program manager at the time failing to completely prepare the SDG&E invoice and include all labor hours worked. The 2011 exception stems for a disagreement between the CCSE financial system and the CCSE invoice submitted to SDG&E for the same period. For a portion of July 2011 CSI labor, CCSE invoiced SDG&E for 131 labor hours while its financial system recorded only 93 hours, or a difference of 38 labor hours. The difference between the amount of labor billed by CCSE to SDG&E and the amount of labor recorded CCSE financial and time keeping systems is \$3,121.73.

¹¹ Our performance audit procedures are detailed within Appendix A.

¹² CCSE management considers the invoices it has submitted to SDG&E for reimbursement as their official record of CSI program expenditures rather than the records of the CCSE financial system.

¹³ Absolute value of error.

Since 2011, CCSE program management said that it has added additional controls to its invoice preparation process to prevent the errors that occurred in 2010 and 2011. First, in 2011, CCSE implemented an electronic timekeeping system as part of a new financial and accounting system. In 2012, CCSE hired a new Director of Finance, who changed the invoice preparation process to require the accounting department to review the invoice prepared by CCSE program managers prior to submission to SDG&E to ensure that data in the invoice matches data recorded in the CCSE financial and accounting system, and that the financial and accounting systems are updated with any changes made by program managers.

In addition to the four exceptions discussed above, CCSE program management was unable to provide proper supporting documentation, such as receipts or invoices, for five of the 62 direct expenditure sample items. As shown in Table 2 below, four of the five sample items were from 2010 and one was from 2011. The total amount of these five expenditures is not materially significant in comparison to the overall sample.

Table 2 – Five Direct Expenditures for Which CCSE Did Not Have Supporting Documentation

Program Year	Expenditure Type	Allocation within CSI Program	Amount	Description
2010	Direct	GM Admin	\$27.00	Gas
2010	Direct	GM M&O	\$31.65	Reference material for workshop
2010	Direct	GM M&O	\$13.69	Meal at Conference
2010	Direct	MASH Admin	\$3.00	Expenditure at Conference
2011	Direct	GM Admin	\$68.00	Airport Parking
TOTAL			\$143.34	

Source: Auditor analysis of CCSE financial data and supporting documentation.

According to CCSE program management, the CCSE policy has always been to require the submission and retention of original receipts and invoices for program expenditures; however, this policy was not formally documented at the time of our audit. CCSE program management did state that it plans to formally document this policy and related procedures by the second quarter of 2013.

Recommendations

CCSE should continue its efforts to develop corporate operations and accounting policies and procedures. The newly developed accounting manual and internal controls should be reexamined in the next audit to ensure that CCSE has properly documented and implemented appropriate measures to ensure accurate cost reporting and invoice preparation.

CCSE Management Comment

CCSE Management communicated that it intends to follow our recommendations. No additional comment was provided.

2. Transparency

Comparison of CCSE's Internal Records to CPUC Semi-Annual Expense Report

To determine if CCSE provided the CPUC with accurate expenditure information for program years 2010 and 2011, we compared CCSE's internal accounting record of CSI expenditures to the expenditure and budgetary tables¹⁴ within the Semi-Annual Expense Report it submitted to the CPUC for program years 2010 and 2011.

Findings

CCSE's records of CSI expenditures do not agree with the aggregate expenditures it reported to the CPUC within the expenditure table of the Semi-Annual Expense Report for program years 2010 and 2011. As shown in Table 3 below, we found numerous errors in CCSE's reporting of both labor and non-labor expenditures in 2010. CCSE program management said that the errors in reporting its labor expenditures in 2010 resulted from an incorrect formula used in the spreadsheet to calculate the annual labor expenditure which omitted the month of May.

Table 3 – Reporting Errors in CSI Program Labor Expenditures for 2010

General Market Solar Electric Program Category	Revised CCSE Records, April 2013	Original Amount Reported to the CPUC Semi-Annual Expense Report December 2012	Amount (Underreported)
Application Processing Labor	\$757,233	\$694,577	(\$62,656)
Application Management	\$663,199	\$608,968	(\$54,231)
Inspections	\$94,034	\$85,610	(\$8,424)
Project Management Labor (including M&O)	\$1,092,025	\$1,004,346	(\$87,679)
Program Management	\$823,261	\$751,916	(\$71,345)
M&O Support	\$226,307	\$211,334	(\$14,973)
M&E Support	\$42,457	\$41,097	(\$1,360)
Total	\$1,849,258	\$1,698,923	(\$150,335)

Source: Auditor analysis of Semi-Annual Expense Report, CCSE financial data and related supporting documentation.

There were also errors in CCSE's reporting of non-labor program expenditures for 2010. According to CCSE program management, the internal spreadsheet they used to track program expenditures did not capture all cost data in the summary fields and revised data was also not updated to the spreadsheet. As a result, CCSE did not capture all of the 2010 direct program expenditures for the general market program in the spreadsheet used by program management to prepare the 2010 data for

¹⁴ These portions of the most recent Semi-Annual Expense Report for each PA are included in Appendix B of this report.

the Semi-Annual Expense Report. Table 4 below summarizes CCSE’s adjustments to the 2010 data originally reported to the CPUC.

Table 4 – Reporting Errors in CSI Program Direct Expenditures for 2010

Category	Revised CCSE Records, April 2013	Original Amount Reported to the CPUC Semi-Annual Expense Report December 2012	Difference
Application Processing Direct Expenditure	\$10,400.43	\$10,362	(\$38.43)
Program Management <i>(excluding those listed below)</i>	\$70,079.45	\$72,095	\$2,015.55
Program Management - CSI Database	\$61,760.31	\$2,375	(\$59,385.31)
Program Management - IT Support	NA	NA	NA
Program Management - Measurement & Evaluation	\$145,248.87	\$183,366	\$38,117.13
Program Management - Marketing and Outreach	\$245,838.00	\$311,045	\$65,207.00
Subtotal all General Market Program Direct Expenditures¹⁵	\$533,327.06	\$579,244	\$45,916.94

Source: Auditor analysis of the Semi-Annual Expense Report, CCSE financial data and related supporting documentation.

CCSE program management plans to retroactively update its 2010 program year expenditure data when it submits its Semi-Annual Expense report in July 2013. CCSE program management also plans to determine by September 2013 if any adjustments need to be made to the invoices paid by SDG&E for program year 2010. We could not make a comparison between the CCSE expenditures as stated in the expenditure and budgetary tables within the SAER because of CCSE’s revision of its 2010 expenditure data.

CCSE also incorrectly reported to the CPUC the amount of direct expenditures for the MASH program in 2010. According to CCSE program management, they incorrectly entered September’s expenditure for Marketing and Outreach (Training & Education) as a debit of \$89 dollars because CCSE received a post-facto discount on registration fees for staff attendance at the Solar Power International Conference. However, we could not verify this transaction because the CCSE invoice submitted to SDG&E did not contain supporting documentation for this transaction.

As shown in Table 5 below, after CCSE reviewed and revised its MASH direct program expenditures, there remained a \$108 discrepancy between the \$8,090 originally reported by the CCSE and CCSE’s revised program expenditure amount of \$7,982.

¹⁵ Excludes CSI-Thermal Electric.

Table 5 – Reporting Errors in Other CSI Program Components: MASH

Category	Revised CCSE Records April 2013	Original Amount Reported to the CPUC Semi-Annual Expense Report December 2012	Difference
MASH Direct Expenditure	\$7,982	\$8,090	\$108

Source: Auditor analysis of the Semi-Annual Expense Report, CCSE financial data and related supporting documentation.

CCSE management cited several overall reasons for their errors in reporting program expenditure data to the CPUC. The spreadsheet used in 2010 and 2011 by CCSE program managers to track CSI expenditure data in order to produce SDG&E invoices and develop the Semi-Annual Expense Reports for the CPUC was not reconciled to CCSE accounting records. According to the Program Manager, staff used the spreadsheet rather than the financial and accounting system because the system did not have the capability to categorize the expenses at the level of detail necessary to manage the program. In 2011, CCSE implemented new financial and accounting systems that support CCSE's CSI regulatory reporting and invoicing needs. In 2012, the Director of Finance also implemented new accounting procedures that require the accounting department to review invoices prepared by CCSE program managers prior to submission to SDG&E.

Another challenge cited by CCSE staff is the cumbersome nature of the CPUC report template. For example, the reporting template requires the PA to enter the same data in multiple places as well as re-enter data from prior years, which staff contend increases the risk of reporting errors.

Recommendations

CCSE should:

Conduct a review of 2010 CSI program expenditures, to include the following:

- Documenting all discrepancies identified between its internal records of these program expenditures and those reported to the CPUC for the period;
- Resubmitting a retroactively revised Semi-Annual Expense Report to the CPUC for 2010 CSI program expenditures with support for all corrective actions taken; and
- Ensuring that the invoices it submitted to SDG&E for 2010 program expenditures were accurate and making any necessary corrections.

To ensure the accuracy of the retroactively revised 2010 CSI program expenditure data, SDG&E should review CCSE's documentation of its revisions and consider, if warranted, a detailed audit of CCSE's recording, invoicing and reporting of 2010 CSI program expenditures.

CCSE should document and provide SDG&E with a copy of its Semi-Annual Expense Report preparation procedures, including the controls used to ensure the report's accuracy. CCSE should submit copies of all future Semi-Annual Expense Reports to SDG&E for review as a step in its Semi-Annual Expense Reports preparation process.

CCSE Management Comment

The statement that “the organization faced reporting challenges in 2010 and 2011 because the spreadsheet used by program managers to track CSI expenditure data was not reconciled to the CCSE accounting records” was incorrectly attributed to CCSE’s Director of Finance.

MCG Response to CCSE Management Comment

During two meetings, including the Exit Conference, our staff noted the Finance Director made this and a highly similar statement. We believe this attribution to be accurate. However, to help address this comment from CCSE, we revised the sentence in question to exclude any attribution.

CCSE Management Comment, continued

In addition, management does not believe it to be accurate to say that, “A spreadsheet was needed to track program expenditures, CCSE program management said, because the CCSE financial and accounting system at the time was not configured to track program expenditures at the level of detail requested by the CPUC for regulatory reporting and prepare invoices for SDG&E.” The CCSE financial and accounting system did not need to be configured to prepare invoices for SDG&E. The 2011 changes to CCSE’s financial and accounting systems were made to gather data consistently with the regulatory reporting format only, not the invoices.

MCG Response to CCSE Management Comment

While it is clear that SDG&E invoicing was not the main purpose for replacing the financial and accounting systems in 2011, during multiple interviews with the Director of Finance and a Program Manager, we documented that the new system’s capabilities did improve CCSE’s ability to manage not only its CSI reporting but also its invoicing by tracking CSI expenses at a more detailed level. We changed the language within this paragraph to more clearly convey our meaning.

CCSE Management Comment, continued

To further clarify, two different types of reporting are required: customer invoicing and regulatory reporting (in the form of the SAER). Relative to customer invoicing, spreadsheets were, and still are, used to submit invoices as a convenient mechanism for summarizing detailed cost data. In 2010 and 2011, there was not an operational process in place for reconciling the project accounting records to invoices prior to submission of the invoices. That process control was put in place at the beginning of 2012. Relative to regulatory reporting, the accounting system was not configured to summarize expenses in the same groupings as required for regulatory reporting until the beginning of 2011, increasing the susceptibility of 2010 reporting to errors. The statement that, “Another challenge cited by CCSE program managers is the format of the report template spreadsheet provided by CPUC” presumably refers to a CCSE staff member’s observation (since it was not stated by the program manager, who has a wider breadth of program knowledge).

MCG Response to CCSE Management Comment

We changed this sentence to attribute the statement to a staff member.

CCSE Management Comment, continued

CCSE program personnel have determined that during 2010, spreadsheet formula errors went undetected in at least two spreadsheets, resulting in the \$150,335 CSI Program Labor expense understatement (Table 3) and the \$59,385.31 CSI Database expense understatement (Table 4). Similar errors are not expected to have recurred beginning in 2011, based on CCSE's revised data procedures.

CCSE agrees that a comprehensive review of 2010 costs would serve to accurately identify any remaining errors in the SAER. CCSE will commit to performing this review by the submittal date of the July 2013 SAER.

Based on our understanding of CSI program terms, CCSE is not aware of any requirement for SDG&E to review the accuracy of the SAERs, and we believe that the system and process controls implemented at the beginning of 2011 have improved the accuracy of SAER reporting.

SDG&E's Financial System is Not Capturing the CSI Expenditure Detail Necessary for Regulatory Reporting Oversight

SDG&E's contract with CCSE for CSI program administration allocates responsibility to CCSE for "performing regulatory reporting functions for the Program directly to the CPUC while providing SDG&E copies of all reports." The contract further states that SDG&E is responsible for "establishing and maintaining adequate internal controls over financial reporting including controls applicable to invoice approval, customer confidentiality and reporting requirements." SDG&E's contract with CCSE also requires monthly and year-to-date reporting of program expenditures to SDG&E and CCSE submits this information to SDG&E as part of its quarterly invoices for payment.

Findings

As part of its fiduciary duty to reimburse CCSE for its CSI program expenditures, SDG&E program management reviews CCSE invoices to ensure the expenditures are CSI-related and properly supported. However, SDG&E program management said it is not responsible for regulatory reporting to the CPUC under its contract with CCSE. As a result, SDG&E did not configure its financial systems to track program expenditure data with the level of detail necessary for a proper reconciliation of data reported by CCSE to the CPUC. SDG&E must perform additional analysis, outside of its financial system, to review CCSE-reported data.

Recommendations

To help ensure the accuracy of CSI program expenditures reported to the CPUC within CCSE's Semi-Annual Expense Report, SDG&E program management should reconcile its account of CSI expenditures with those reported to the CPUC by CCSE.

SDG&E should investigate the feasibility of re-configuring its financial system to track CSI expenditures at the same level of detail required for regulatory reporting.

SDG&E Management Comment

SDG&E contests the finding that "SDG&E program management said it is not responsible for regulatory reporting to the CPUC under its contract with CCSE." SDG&E is fully aware of the

responsibility of regulatory reporting to the CPUC and has provided support to many regulatory reports over the years.

SDG&E has been and continues to be an active participant in the Semi-Annual Expense Report, and provides accounting data to CCSE in order to help in the completion of the Semi-Annual Expense Report. SDG&E also reviews the Semi-Annual Expense Report once it is submitted to the CPUC for accuracy. However, SDG&E emphasizes that since the Program Administrator responsibilities are designated to CCSE, it is CCSE's responsibility to ensure accuracy of any regulatory related document. Moreover, since SDG&E is not given a chance to review additional data in the Semi-Annual Expense Report, SDG&E is not able to make comments until after the report has been submitted to the CPUC. SDG&E is also concerned that this finding and subsequent recommendations contradict prior CPUC rulings where it has been determined that that SDG&E is not a program administrator, and should not be duplicating the efforts by CCSE¹⁶. However, SDG&E will continue to work with CCSE to help ensure that reports provided to the CPUC are accurate and timely.

Additionally, the auditors determined that "...SDG&E did not configure its financial systems to track program expenditure data with the level of detail necessary for a proper reconciliation of data reported by CCSE to the CPUC", which refers to SDG&E's SAP accounting system and the number of internal orders that are assigned to each CPUC program. This finding assumes that because SDG&E has only one internal order set up for all CSI administrative charges, which include: (1) CCSE's administrative forecasts and reconciliations; (2) CCSE's marketing and outreach forecasts and reconciliations; and (3) any measurement and evaluation charges, that SDG&E lacks financial control and does not have the ability to easily access past charges to verify reporting. Instead, the SDG&E's program manager utilizes other methods of tracking these charges like Excel spreadsheets, instead of SAP. SDG&E contends that these existing methods for tracking CSI-related charges are entirely sufficient. Furthermore, making any changes at this phase of the CSI program would involve recording an unreasonable amount of journal entries, which is administratively burdensome and could make accounting for these charges even more troublesome.

MCG Response to SDG&E Management Comment

During multiple interviews, within our Exit Conference and during reviews of draft report language, SDG&E program management communicated their understanding that regulatory reporting to the CPUC was not SDG&E's responsibility as it pertains to CCSE's management of the CSI program. While SDG&E program management does provide regulatory reporting support to CCSE, it is our understanding that they do not consider reviewing the Semi-Annual Expense Report for accuracy to be their responsibility. Given the accuracy issues we discovered within prior year reports that CCSE has provided the CPUC, we examined ways for CCSE to improve the accuracy of its future Semi-Annual Expense Reports. We do realize that as long as CCSE does not provide SDG&E a copy of the Semi-Annual Expense Report prior to its submission to the CPUC, SDG&E program management cannot properly review it for accuracy. For this reason, we recommend within this report that CCSE begin to include this step in its Semi-Annual Expense Report preparation process.

We understand management's concern with contradicting prior CPUC Decisions. However, it is our understanding that while the chief concern of the section of Decision 04-12-045¹⁷ referenced within SDG&E Management's comment was to discourage duplicative efforts between an IOU and its PA,

¹⁶ D.04-12-045, (http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/42455.PDF) Section 3.7, pages 16 – 19.

¹⁷ D.04-12-045, Section 3.7

those efforts considered to be duplicative within this decision centered on activities that unreasonably delayed payments of incentives to qualified projects or to the PA for administrative services rendered, not necessarily for an activity like ensuring the accuracy of a required financial report to the CPUC. In fact, within the same section of the Decision, the CPUC states that the,

“...contractual arrangement...places SDG&E in the role of overseeing a contract with a third-party deliverer of administrative services for [the program]. In that role, we expect SDG&E to exercise prudent oversight to ensure that [the PA] performs administrative services effectively and consistent with program guidelines.”¹⁸

We did not include any of the assumptions management lists in the final paragraph of its comments within our report. We simply state the fact that SDG&E did not configure its financial systems to track program expenditure data with the level of detail necessary for a proper reconciliation of data reported by CCSE to the CPUC. We are aware of the spreadsheet that the program manager uses to track CSI expenses. While the spreadsheet is sufficient for the existing tracking of CSI expenses, it is our understanding that additional analysis would be required to reconcile the spreadsheet record to the Semi-Annual Expense Report if SDG&E were to begin reviewing it prior to its submission to the CPUC as we recommend. For this reason, it would be more efficient to explore using the accounting system that is already in place to its full capabilities as is a best practice within the other IOUs. Finally, we agree that at this point in the program’s lifespan, making such a change to SDG&E’s SAP architecture could prove to be a time consuming task, especially if it is implemented retroactively rather than going forward. This is why our recommendation is to, “investigate the feasibility,” of such a reconfiguration rather than to simply do it.

Removal of Unallowable CSI Expenditures from SDG&E’s General Rate Case

SDG&E’s 2016 GRC will consider 2010 and 2011 actual expenditures in its calculations. However, work on the 2016 GRC will not begin until the fall of 2013. In the absence of an affected GRC, we reviewed SDG&E’s GRC procedures and prior testimony by management to the CPUC and found that SDG&E’s previous GRC processes included steps to remove non-allowable CSI expenditures from GRC calculations.

Findings

SDG&E program management has said that it is not charging the time that one staff member spends on reviewing and processing of CCSE’s invoices and other oversight activities related to the CSI program. SDG&E program management estimated the amount of time SDG&E has spent on oversight of CCSE’s program administration equals about one FTE annually.¹⁹ SDG&E program management said his time, regardless of activity, is billed to general distribution program activities. SDG&E also performs some CSI program administration related activities. For example, while SDG&E provides generation data to CCSE to process incentive payments, SDG&E does not charge CCSE for this service although CCSE pays other data providers for the same service. As a result, the expenditure of this activity is also not captured within the CSI balancing account.

SDG&E program management cited an oral agreement with CCSE that SDG&E would not use the limited CSI program administration funds for its oversight activities because CCSE is the designated

¹⁸ D.04-12-045, section 3.7, pages 18 – 19.

¹⁹ We did not do a time study to verify the amount of time spent by SDG&E on its CSI-related oversight and administration activities.

program administrator. CCSE program management verified that there was an agreement but that neither SDG&E nor CCSE could provide supporting documentation related to this agreement.

We did not estimate the total amount spent by SDG&E in CSI-related activities such as program development, administration and contract oversight activities. SDG&E program management said the CPUC has not issued the PAs guidance on which activities should be included under the CSI program. SDG&E program management said, to their knowledge, SDG&E has not charged any of its CSI-related work to the program since inception, and some of these expenditures could have been included in the GRC calculations.

Recommendations

The CPUC should define which CSI-related activities that SDG&E should charge to the CSI program.

For chargeable expenditures, SDG&E should track time spent by program management on those activities and ensure these expenditures are not included in the GRC.

SDG&E Management Comment

SDG&E would first like to clarify the following finding, that “SDG&E program management cited an oral agreement with CCSE that SDG&E would not use the limited CSI program administration funds for its oversight activities because CCSE is the designated program administrator.” This oral agreement is in reference to the cost treatment provided by the CPUC in D.04-12-045. Specifically, D.04-12-045 states:

“...SDG&E seeks utility administration, but at a minimum, requests recovery of utility costs for incremental activities such as interconnection safety, contract management, and responsibility for program administrator expenses.” To which the CPUC asserts that “...SDG&E’s oversight should not entail unreasonable duplication of effort...” and that “We [CPUC] reject SDG&E’s argument that the utility should receive additional funds to provide SDREO with interconnection and other utility expertise.”²⁰

This directive, which clearly requires SDG&E to not charge the CSI program for its CSI-related activities identified in the audit findings is key to understanding how SDG&E has managed both the SGIP and CSI programs since 2001, and therefore, should be described in the final audit report.

Should the CPUC decide to revisit its approach to program administration in SDG&E’s service territory, SDG&E requests that the CPUC clarify which activities should be expensed to CSI going forward. SDG&E also requests that the CPUC identify how SDG&E should track these charges going forward.

MCG Response to SDG&E Management Comment

We defer to the CPUC for comment.

²⁰ D.04-12-045, Section 3.7, pages 18 – 19.

3. Information Technology Controls

Access to Power Clerk is Not Periodically Monitored to Ensure there is Only Authorized and Appropriate Access

To determine if CCSE had proper access controls established, we reviewed access to PowerClerk as well as the policies and procedures management had in place to regulate access. To test the accuracy of the CCSE's record of user access levels, we randomly sampled ten percent of the PowerClerk users and tested their individual access levels. To ensure proper segregation of duties, we cross-referenced employee access to PowerClerk with employee access certain portions of PG&E's financial system. Specifically, we determined if any CCSE employee had edit-level access to PowerClerk and the ability to create and approve accounts payable or purchase orders within the financial system. Finally, we reviewed the contract between Clean Power Research, the creator of PowerClerk, and the PAs to better understand access control responsibilities between the company and the PAs.

Findings

CCSE does not periodically monitor its users' access level to PowerClerk. CCSE program management said it had not been asked by Clean Power Research, manager of Power Clerk, to do so. Further, CCSE's Director of Operations said CCSE has not assigned responsibility for this function to any CCSE staff. CCSE contracts for IT support for its network and hardware, but responsibility for the applications resides with the program managers. In 2010 and 2011, CCSE did not have IT policies and procedures related to application management. The Director of Operations said that CCSE is in the process of documenting its IT policies and procedures and plans to complete the task this summer, as well as hire an individual to provide help desk services to CCSE staff.

CCSE program management said that it does not terminate employee access to Power Clerk when an employee stops working on the CSI program and moves to a different program. CCSE only terminates an employee's Power Clerk access when the employee leaves CCSE employment.

CCSE assigns the same level of access to all employees working on the CSI program, regardless of the functions performed by the employee in the program. Best practices state that access to an application should be limited to only those areas necessary to perform the employee's tasks. According to a report from Clean Power Research, CCSE has 29 active Power Clerk accounts. Twenty-eight of these 29 accounts are assigned the Program Administrator role, which has edit abilities. The one account assigned the Application Participant role, which is read-only, is an intern account. Further, four of the 29 accounts are generic accounts that are not assigned to one specific individual. To safeguard and monitor access to applications, the use of generic accounts is not considered a best practice.

While CCSE has not fully implemented the identified best practices for application management of Power Clerk, we found that no CCSE employee has access to both Power Clerk and the CCSE financial system, a key control to prevent fraudulent entries and payments.

Our review of the contract between Clean Power Research and the PAs found that the division of access control responsibilities is not explicitly stated within the contract language. Defining the role of all parties in access management may improve the PAs' ability to develop and maintain strong access controls.

Recommendations

CCSE should:

- Develop internal IT policies and procedures for application management that include periodic review of application access.
- Eliminate the use of generic Power Clerk accounts and assign access levels based on employee responsibilities.

Additionally, the PAs should clarify the contract language in the agreement between themselves and Clean Power Research to better define each parties' role in access management and control.

CCSE Management Comment

To date, CSI program management has overseen PowerClerk access. Full time CSI employees who work(ed) directly on the CSI General Market Program have had full access to PowerClerk. Those who work(ed) solely on the CSI Thermal portion of the program have not received a PowerClerk account and login. Access to PowerClerk has been removed for all employees upon termination of employment but accounts for former CSI team members have remained open for those who periodically perform CSI project management functions and duties as assigned. As a result, management believes that 28 of the 29 PowerClerk accounts assigned to current and former CSI employees were properly given full access of the PowerClerk database, since their jobs necessitated it.

CCSE management believes that the generic accounts serve identified purposes. One of the four generic accounts created was assigned the Application Participant role, which only has read access to PowerClerk to give certain staff the ability to run custom reports for purposes of marketing and outreach. Read only access to PowerClerk does not allow the user of this account to edit, change or alter any application data for residential, non-residential or MASH projects. Further, the remaining three generic accounts were specifically created when the CSI program moved to an online only application submittal. This became a necessity because as projects were submitted in either the Reservation Request Review (RRR), Proof of Project Milestone (PPM) or Incentive Claim Review (ICR) stage, a generic assignee name was needed to help CCSE project managers identify what stage of the process the project was in and helped in queuing projects for review. Further, this change applies to all CSI program administrators: PG&E, SCE and CCSE.

CCSE Does Not Have Proper Segregation of Duties for Management of its Financial Application

Findings

Proper internal controls should ensure a proper segregation of duties between the IT administration of financial applications and the business-line users of the application. This control is to ensure that a business line leader who approves transactions does not also have the ability to create transactions or implement application changes, which could result in fraudulent transactions or threaten the integrity of the data stored within the application. The person assigned to administer an application typically has expertise in IT policies and procedures. A person given the rights to change or alter the application is given "administrator rights." A person with administrator rights can enter and change data within the application that could go undetected by other application users.

The CCSE Director of Finance, head of the accounting department, has administrator rights to the financial application in addition to her management duties for finance and accounting. The Director of Operations said that the Director of Finance is the only person within the organization with the IT expertise to perform the application management functions required. To segregate her duties, the Director of Finance said she works directly with the financial system vendor to update the application and make changes as needed, rather than perform them herself. In addition, she has assigned a member of her staff to approve transactions.

According to the Director of Operations, CCSE does not have the in-house IT expertise, other than the Director of Finance, to administer the financial and related applications. The current CCSE IT vendor only supports the CCSE network, email, and hardware. They do not provide any software application management.

Recommendations

CCSE should develop internal IT policies and procedures including documentation of the segregation of duties for application management.

CCSE Management Comment

The organization's finance and accounting team consists of five individuals, including the finance director. Application management responsibilities are segregated from other duties. The director reviews and approves the organization's financial reporting and oversees the accounting application controls but does not enter or post transactions. Monthly, all significant general ledger accounts are reconciled monthly by the financial reporting manager and costs of every project recorded in the project accounting system are reconciled to the general ledger and to invoices by the contract accounting manager. Annually, the accounting records and financial statements are independently audited.

As it relates to CCSE's accounting software, management disagrees with the statement that, "A person with administrator rights can enter and change data within the application that could go undetected by other application users." As part of CCSE's software's application controls, different roles can be assigned, each of which can be associated with specified access to specific system functionality. As a system control, all transaction records include a reference to the unique user login used to post those transactions. In addition, there is a record of any change made to a data file (directly on the server) by any user (including the administrator) in the Activity Log of the accounting application.

MCG Response

While the Finance Director may not enter or post transactions to maintain segregation of duties, with administrator rights to the accounting application, she is able to enter or post transactions. The Finance Director, or any other one employee within CCSE, should not have administrator level access to multiple financial-related systems, manage timesheet retrieval from an outside vendor, develop and enforce all financial internal control system processes, be responsible for all application system controls and be the main point of contact with outside IT system vendors without some additional level of review by another individual outside of the finance and accounting chain of command within CCSE.

As we mentioned during our Exit Conference with CCSE, this additional level of review could be as simple as utilizing the Activity Log that, as CCSE management noted in its comments above, is already a part of the software application controls. The Activity Log is only useful as a control if it is being reviewed periodically by someone outside of the finance and accounting chain of command. For example, on a bi-weekly basis CCSE could have an employee outside of the finance and accounting team review those logs and initiate an investigation, by someone who is also outside of the finance and accounting chain of command, of any transaction that:

- 1. Occurs outside of pre-defined and authorized roles;*
- 2. Is processed at odd times of day, on odd days of the week; or*
- 3. Is conducted at a volume considered to be unreasonable based on prior user usage.*

This process alone may help strengthen the internal controls over CCSE's financial information systems and could decrease the risk of fraud to the company and its employees as well as protect the Finance Director and other CCSE employees from any undue allegations of fraud. This is a best practice often employed by companies that do not have large information technology infrastructure but desire to maintain strong internal controls.

Other Issues

During the conduct of this performance audit, we noted other issues that should be addressed.

Issue 1: The CPUC maintains an internal tracking spreadsheet for certain shared costs among the PAs, such as a large contract for all the PAs with one vendor to implement an IT project. In conducting this audit, we attempted to compare the way that the PAs' were allocating these shared costs within the CSI program budget with the way the CPUC accounted for them on its internal tracking spreadsheet. During this work, it became clear that the CPUC had not communicated to the PAs that it would like these costs allocated a certain way. While there do not appear to be major discrepancies between the CPUC and PAs allocation of these shared costs, if the CPUC requires that certain shared costs expenditures be accounted for a certain way, it may want to provide this information to the PAs.

Appendix A – Performance Audit Procedures

We conducted this audit in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This work was conducted between September 2012 and April 2013.

Our procedures are as follows and the results of our procedures are detailed the remaining sections of the report dedicated to each program administrator:

1. Conduct a review of program administrator's accounting system used to manage the CSI program to ensure financial data that is being recorded is being accurately reported.
 - Identify primary point of contact for network and application management.
 - Conduct interviews and obtain documentation to assess the system controls
 - Identify any control weaknesses that could affect the accuracy, integrity, and completeness of the CSI program expenditure information.
 - Obtain a database of program expenditures for program years 2010 and 2011. At a minimum the database should have the following fields:
 - Expenditure date
 - Account coding
 - Expenditure type/category
 - Amount
 - Expenditure description
 - Payee
 - Conduct analysis of the database and reconcile the database expenditure information to the report information submitted to the CPUC.
 - Review how incentive payments are calculated and determine the total incentive payments reported to the CPUC reconcile to the program administrator's financial record.
2. For each IOU, analyze documentation that was submitted to support the general rate case (GRC) to ensure that unallowable CSI expenditures were properly excluded.
3. Evaluate the program administrator's business processes.
 - Obtain all CPUC CSI Directives, Guidelines and Parameters
 - Obtain from each program administrator, documentation of their processes used to manage the CSI program, including incentive structures. This includes:
 - Organizational charts
 - Policies and procedures
 - Program or desktop manuals
 - Business process workflows.
 - Interview relevant program administrator management and staff on their processes used to manage the CSI program. This will include an analysis of the program administrator's internal controls used to prevent fraud, waste and abuse as well as segregation of CSI costs from non-CSI activities.

- Review the program expenditures from the database and determine if they are properly documented per program rules. Identify and address any anomalies with the program administrator management.
 - Identify any gaps in controls and discuss opportunities for improvement with the program administrator management.
4. Perform tests of the program administrator's program expenditures to ensure they were recorded accurately and that the program expenditures were attributable and allowable under the CSI program directives.
- Stratify the population of transactions by dollar amount with the audit software.
 - Randomly select up to 35 transactions by category for testing.
 - Develop data collection instrument to capture the results of the testing.
 - Obtain the source documentation for each sample transaction selected for testing.
 - For sample transaction expenditures, compare the data to source documentation and program rules to determine the relevancy of the expenditure to CSI and to ensure that it is adequately supported.
5. Determine how each program administrator ensures the adequacy and reliability of financial and program reports.
- Identify the appropriate personnel who manage the financial and program reports.
 - Conduct interviews to:
 - Determine controls and processes used to ensure the adequacy and reliability of the financial and program reports.
 - Identify other reports that could provide added benefit to program management and administration.
 - Determine how program management assesses progress towards accomplishing the program goals and objectives.
 - Identify if other performance measures are captured, tracked and reported and determine how these other performance measures are used.

Appendix B – California Solar Initiative Semi-Annual Expense Reports

CSI Program Administrator: Pacific Gas and Electric Company

Reporting Date: January 31, 2013

Reporting Data Thru: December 2012

Table 1. Budget

Table 1. Total Ten Year Budget

Category	CSI General Market Program (inc. CSI-Thermal electric)	SASH	MASH	SWHPP	RD&D	Sub-Total, CSI Electric	CSI-Thermal(gas only)	Total CSI (Gas + Electric)
Total 10 Year Budget for PA								
Total Admin (inc. admin, M&O, M&E and any Unallocated)	\$ 63,868,270	\$ 7,101,687	\$ 5,681,350	\$ -	\$ 3,277,500	\$ 79,928,807	\$ 17,550,000	\$ 97,478,807
Administration	\$ 41,453,820	\$ 4,734,458	\$ 2,840,675		\$ 2,622,000	\$ 51,650,953	\$ 5,850,000	\$ 57,500,953
Unallocated Admin Budget	\$ 3,015,300					\$ 3,015,300	\$ 0	\$ 3,015,300
M&O	\$ 7,731,250	\$ 1,893,783	\$ 1,893,783			\$ 11,518,816	\$ 9,750,000	\$ 21,268,816
M&E	\$ 11,667,900	\$ 473,446	\$ 946,892		\$ 655,500	\$ 13,743,737	\$ 1,950,000	\$ 15,693,737
Incentives	\$ 877,792,970	\$ 40,242,893	\$ 41,663,230	\$ -	\$ 18,572,500	\$ 978,271,593	\$ 79,950,000	\$ 1,058,221,593
Other Budget Category	\$ -	\$ -	\$ -			\$ -		\$ 0
Total Budget	\$ 941,661,240	\$ 47,344,580	\$ 47,344,580	\$ -	\$ 21,850,000	\$ 1,058,200,400	\$ 97,500,000	\$ 1,155,700,400

Table 1a. 2007 Budget

Category	CSI General Market Program (inc. CSI-Thermal, electric)	SASH	MASH	SWHPP	RD&D	Sub-Total, CSI Electric	CSI-Thermal(gas only)	Total CSI (Gas + Electric)
Administrative Budget								
Total Budget	\$ 4,143,382	\$ 473,446	\$ 284,067	\$ -	\$ 262,200	\$ 5,165,095	\$ -	\$ 5,165,095
Expenditures	\$ 3,400,955	\$ -	\$ -	\$ -	\$ -	\$ 3,400,955	\$ -	\$ 3,400,955
Balance	\$ 744,427	\$ 473,446	\$ 284,067	\$ -	\$ 262,200	\$ 1,764,140	\$ -	\$ 1,764,140
Marketing and Outreach (M&O) Budget								
Total Budget	\$ 500,000	\$ 189,378	\$ 189,378	\$ -	\$ -	\$ 878,757	\$ -	\$ 878,757
Expenditures	\$ 257,389	\$ -	\$ -	\$ -	\$ -	\$ 257,389	\$ -	\$ 257,389
Balance	\$ 242,611	\$ 189,378	\$ 189,378	\$ -	\$ -	\$ 621,368	\$ -	\$ 621,368
M&E Budget								
Total Budget	\$ 1,166,790	\$ 47,345	\$ 94,689	\$ -	\$ 65,550	\$ 1,374,374	\$ -	\$ 1,374,374
Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance	\$ 1,166,790	\$ 47,345	\$ 94,689	\$ -	\$ 65,550	\$ 1,374,374	\$ -	\$ 1,374,374
Incentives/Grants Budget								
Total Budget	\$ 87,779,297	\$ 4,024,289	\$ 4,166,323	\$ -	\$ 1,857,250	\$ 97,827,159	\$ -	\$ 97,827,159
Expenditures	\$ 18,246,066	\$ -	\$ -	\$ -	\$ -	\$ 18,246,066	\$ -	\$ 18,246,066
Balance	\$ 69,533,231	\$ 4,024,289	\$ 4,166,323	\$ -	\$ 1,857,250	\$ 79,581,093	\$ -	\$ 79,581,093
Credits and/or debits								
Credits and/or debits	\$ (78,390)	\$ -	\$ -	\$ -	\$ -	\$ (78,390)	\$ -	\$ (78,390)
2007 Totals								
Total Budget	\$ 93,591,469	\$ 4,734,458	\$ 4,734,458	\$ -	\$ 2,185,000	\$ 105,245,385	\$ -	\$ 105,245,385
Total Expenditures	\$ 21,904,410	\$ -	\$ -	\$ -	\$ -	\$ 21,904,410	\$ -	\$ 21,904,410
Total Credits	\$ (78,390)	\$ -	\$ -	\$ -	\$ -	\$ (78,390)	\$ -	\$ (78,390)
Total Balance	\$ 71,608,669	\$ 4,734,458	\$ 4,734,458	\$ -	\$ 2,185,000	\$ 83,262,585	\$ -	\$ 83,262,585
% of Total Budget Spent	2.32%	0.00%	0.00%	0.00%	0.00%	2.06%	0.00%	1.89%

CSI Program Administrator: Pacific Gas and Electric Company

Reporting Date: January 31, 2013

Reporting Data Thru: December 2012

Table 1. Budget

Table 1b. 2008 Budget

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)
Administrative Budget								
Total Budget	\$ 4,889,809	\$ 946,892	\$ 568,135	\$ -	\$ 524,400	\$ 6,929,236	\$ -	\$ 6,929,236
Expenditures	\$ 5,969,607	\$ -	\$ 16,851	\$ -	\$ 3,527	\$ 5,989,985	\$ -	\$ 5,989,985
Balance	\$ (1,079,798)	\$ 946,892	\$ 551,284	\$ -	\$ 520,873	\$ 939,250	\$ -	\$ 939,250
Marketing and Outreach (M&O) Budget								
Total Budget	\$ 770,000	\$ 378,757	\$ 378,757	\$ -	\$ -	\$ 1,527,513	\$ -	\$ 1,527,513
Expenditures	\$ 761,802	\$ -	\$ -	\$ -	\$ -	\$ 761,802	\$ -	\$ 761,802
Balance	\$ 8,198	\$ 378,757	\$ 378,757	\$ -	\$ -	\$ 765,711	\$ -	\$ 765,711
M&E Budget								
Total Budget	\$ 2,333,580	\$ 94,689	\$ 189,378	\$ -	\$ 131,100	\$ 2,748,747	\$ -	\$ 2,748,747
Expenditures	\$ 966	\$ -	\$ -	\$ -	\$ -	\$ 966	\$ -	\$ 966
Balance	\$ 2,332,614	\$ 94,689	\$ 189,378	\$ -	\$ 131,100	\$ 2,747,781	\$ -	\$ 2,747,781
Incentives/Grants Budget								
Total Budget	\$ 157,312,528	\$ 8,048,579	\$ 8,332,646	\$ -	\$ 3,714,500	\$ 177,408,253	\$ -	\$ 177,408,253
Expenditures	\$ 76,059,060	\$ -	\$ -	\$ -	\$ -	\$ 76,059,060	\$ -	\$ 76,059,060
Balance	\$ 81,253,468	\$ 8,048,579	\$ 8,332,646	\$ -	\$ 3,714,500	\$ 101,349,193	\$ -	\$ 101,349,193
Credits and/or debits								
Credits and/or debits	\$ (340,673)	\$ -	\$ -	\$ -	\$ -	\$ (340,673)	\$ -	\$ (340,673)
2008 Totals								
Total Budget	\$ 165,305,917	\$ 9,468,916	\$ 9,468,916	\$ -	\$ 4,370,000	\$ 188,613,749	\$ -	\$ 188,613,749
Total Expenditures	\$ 82,791,436	\$ -	\$ 16,851	\$ -	\$ 3,527	\$ 82,811,814	\$ -	\$ 82,811,814
Total Credits	\$ (340,673)	\$ -	\$ -	\$ -	\$ -	\$ (340,673)	\$ -	\$ (340,673)
Total Balance	\$ 82,173,808	\$ 9,468,916	\$ 9,452,065	\$ -	\$ 4,366,473	\$ 105,461,262	\$ -	\$ 105,461,262
% of Total Budget Spent	11.07%	0.00%	0.04%	0.00%	0.02%	9.86%	0.00%	7.17%

Table 1c. 2009 Budget

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)
Administrative Budget								
Total Budget	\$ 3,065,584	\$ 1,420,337	\$ 835,352	\$ -	\$ 783,073	\$ 6,104,345	\$ -	\$ 6,104,345
Expenditures	\$ 6,206,369	\$ 446,548	\$ 202,844	\$ -	\$ 425,191	\$ 7,280,952	\$ -	\$ 7,280,952
Balance	\$ (3,140,785)	\$ 973,789	\$ 632,507	\$ -	\$ 357,882	\$ (1,176,607)	\$ -	\$ (1,176,607)
Marketing and Outreach (M&O) Budget								
Total Budget	\$ 600,000	\$ 568,135	\$ 568,135	\$ -	\$ -	\$ 1,736,270	\$ -	\$ 1,736,270
Expenditures	\$ 309,651	\$ -	\$ -	\$ -	\$ -	\$ 309,651	\$ -	\$ 309,651
Balance	\$ 290,349	\$ 568,135	\$ 568,135	\$ -	\$ -	\$ 1,426,619	\$ -	\$ 1,426,619
M&E Budget								
Total Budget	\$ 3,499,404	\$ 142,034	\$ 284,067	\$ -	\$ 196,650	\$ 4,122,155	\$ -	\$ 4,122,155
Expenditures	\$ 224,965	\$ -	\$ -	\$ -	\$ -	\$ 224,965	\$ -	\$ 224,965
Balance	\$ 3,274,438	\$ 142,034	\$ 284,067	\$ -	\$ 196,650	\$ 3,897,190	\$ -	\$ 3,897,190
Incentives/Grants Budget								
Total Budget	\$ 169,032,765	\$ 12,072,868	\$ 12,498,969	\$ -	\$ 5,571,750	\$ 199,176,352	\$ -	\$ 199,176,352
Expenditures	\$ 95,821,548	\$ 288,849	\$ -	\$ -	\$ -	\$ 96,110,397	\$ -	\$ 96,110,397
Balance	\$ 73,211,217	\$ 11,784,019	\$ 12,498,969	\$ -	\$ 5,571,750	\$ 103,065,955	\$ -	\$ 103,065,955
Credits and/or debits								
Credits and/or debits	\$ (563,296)	\$ -	\$ (15,561)	\$ -	\$ (179,837)	\$ (758,694)	\$ -	\$ (758,694)
2009 Totals								
Total Budget	\$ 176,197,752	\$ 14,203,374	\$ 14,186,523	\$ -	\$ 6,551,473	\$ 211,139,122	\$ -	\$ 211,139,122
Total Expenditures	\$ 102,562,533	\$ 735,397	\$ 202,844	\$ -	\$ 425,191	\$ 103,925,965	\$ -	\$ 103,925,965
Total Credits	\$ (563,296)	\$ -	\$ (15,561)	\$ -	\$ (179,837)	\$ (758,694)	\$ -	\$ (758,694)
Total Balance	\$ 73,071,924	\$ 13,467,977	\$ 13,968,118	\$ -	\$ 5,946,445	\$ 106,454,464	\$ -	\$ 106,454,464
% of Total Budget Spent	21.91%	1.55%	0.43%	0.00%	1.14%	19.61%	0.00%	17.95%

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 Table 1. Budget

Table 1d. 2010

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)
Administrative Budget								
Total Budget	\$ 1,004,597	\$ 1,447,235	\$ 916,575	\$ -	\$ 620,082	\$ 3,988,489	\$ 731,250	\$ 4,719,739
Expenditures	\$ 5,615,996	\$ 11,503	\$ 275,839	\$ -	\$ 2,069,984	\$ 7,973,321	\$ 646,740	\$ 8,620,061
Balance	\$ (4,611,399)	\$ 1,435,733	\$ 640,736	\$ -	\$ (1,449,902)	\$ (3,984,832)	\$ 84,510	\$ (3,900,322)
Marketing and Outreach (M&O) Budget								
Total Budget	\$ 890,000	\$ 757,513	\$ 757,513	\$ -	\$ -	\$ 2,405,027	\$ 1,218,750	\$ 3,623,777
Expenditures	\$ 745,754	\$ -	\$ -	\$ -	\$ -	\$ 745,754	\$ 75,353	\$ 821,108
Balance	\$ 144,246	\$ 757,513	\$ 757,513	\$ -	\$ -	\$ 1,659,272	\$ 1,143,397	\$ 2,802,669
M&E Budget								
Total Budget	\$ 4,441,228	\$ 189,378	\$ 378,757	\$ -	\$ 262,200	\$ 5,271,563	\$ 243,750	\$ 5,515,313
Expenditures	\$ 1,545,952	\$ -	\$ -	\$ -	\$ -	\$ 1,545,952	\$ 2,543	\$ 1,548,496
Balance	\$ 2,895,276	\$ 189,378	\$ 378,757	\$ -	\$ 262,200	\$ 3,725,611	\$ 241,207	\$ 3,966,818
Incentives/Grants Budget								
Total Budget	\$ 160,990,514	\$ 15,808,308	\$ 16,665,292	\$ -	\$ 7,429,000	\$ 200,893,115	\$ 9,993,750	\$ 210,886,865
Expenditures	\$ 89,575,354	\$ 2,468,989	\$ 3,503,560	\$ -	\$ -	\$ 95,547,903	\$ 119,709	\$ 95,667,612
Balance	\$ 71,415,161	\$ 13,339,319	\$ 13,161,732	\$ -	\$ 7,429,000	\$ 105,345,212	\$ 9,874,041	\$ 115,219,253
Credits and/or debits								
Credits and/or debits	\$ (335,631)	\$ -	\$ -	\$ -	\$ (2,454,756)	\$ (2,790,388)	\$ -	\$ (2,790,388)
2010 Totals								
Total Budget	\$ 167,326,340	\$ 18,202,435	\$ 18,718,137	\$ -	\$ 8,311,282	\$ 212,558,193	\$ 12,187,500	\$ 224,745,693
Total Expenditures	\$ 97,483,057	\$ 2,480,492	\$ 3,779,399	\$ -	\$ 2,069,984	\$ 105,812,930	\$ 844,345	\$ 106,657,276
Total Credits	\$ (335,631)	\$ -	\$ -	\$ -	\$ (2,454,756)	\$ (2,790,388)	\$ -	\$ (2,790,388)
Total Balance	\$ 69,507,652	\$ 15,721,943	\$ 14,938,738	\$ -	\$ 3,786,542	\$ 103,954,875	\$ 11,343,155	\$ 115,298,030
% of Total Budget Spent	32.22%	6.79%	8.41%	0.00%	-0.62%	29.34%	0.87%	26.94%

Table 1e. 2011

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)
Administrative Budget								
Total Budget	\$ (466,017)	\$ 1,909,178	\$ 924,804	\$ -	\$ (1,187,702)	\$ 1,180,263	\$ 815,760	\$ 1,996,023
Expenditures	\$ 5,865,961	\$ 1,499,218	\$ 353,390	\$ -	\$ 26,955	\$ 7,745,523	\$ 858,128	\$ 8,603,651
Balance	\$ (6,331,978)	\$ 409,961	\$ 571,414	\$ -	\$ (1,214,657)	\$ (6,565,260)	\$ (42,368)	\$ (6,607,628)
Marketing and Outreach (M&O) Budget								
Total Budget	\$ 1,156,250	\$ 946,892	\$ 946,892	\$ -	\$ -	\$ 600,000	\$ 2,362,147	\$ 2,962,147
Expenditures	\$ 606,941	\$ -	\$ 6,020	\$ -	\$ -	\$ 612,962	\$ 238,794	\$ 851,756
Balance	\$ 549,309	\$ 946,892	\$ 940,871	\$ -	\$ -	\$ 2,437,071	\$ 2,123,352	\$ 4,560,424
M&E Budget								
Total Budget	\$ 4,062,066	\$ 236,723	\$ 473,446	\$ -	\$ 327,750	\$ 5,099,985	\$ 243,750	\$ 5,343,735
Expenditures	\$ 1,182,265	\$ -	\$ 242,970	\$ -	\$ -	\$ 1,425,234	\$ -	\$ 1,425,234
Balance	\$ 2,879,802	\$ 236,723	\$ 230,476	\$ -	\$ 327,750	\$ 3,674,751	\$ 243,750	\$ 3,918,501
Incentives/Grants Budget								
Total Budget	\$ 159,194,458	\$ 17,363,608	\$ 17,328,055	\$ -	\$ 9,286,250	\$ 203,172,371	\$ 19,867,791	\$ 223,040,162
Expenditures	\$ 92,439,870	\$ 7,294,598	\$ 9,940,835	\$ -	\$ 9,098,051	\$ 118,773,354	\$ 1,732,156	\$ 120,505,510
Balance	\$ 66,754,588	\$ 10,069,010	\$ 7,387,220	\$ -	\$ 188,199	\$ 84,399,017	\$ 18,135,635	\$ 102,534,652
Credits and/or debits								
Credits and/or debits	\$ (843,473)	\$ -	\$ (37,272)	\$ -	\$ (2,208,050)	\$ (3,088,795)	\$ -	\$ (3,088,795)
2011 Totals								
Total Budget	\$ 106,390,507	\$ 19,509,509	\$ 18,726,305	\$ -	\$ 8,426,298	\$ 153,052,619	\$ 23,530,655	\$ 176,583,274
Total Expenditures	\$ 100,095,037	\$ 8,793,816	\$ 10,543,215	\$ -	\$ 9,125,006	\$ 128,557,074	\$ 2,829,078	\$ 131,386,152
Total Credits	\$ (843,473)	\$ -	\$ (37,272)	\$ -	\$ (2,208,050)	\$ (3,088,795)	\$ -	\$ (3,088,795)
Total Balance	\$ 5,451,997	\$ 10,715,693	\$ 8,145,818	\$ -	\$ (2,906,759)	\$ 21,406,750	\$ 20,701,577	\$ 42,108,327
% of Total Budget Spent	42.76%	25.37%	30.60%	0.00%	31.03%	41.20%	3.77%	38.04%

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Table 1. Budget

Table 1e. 2012

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)
Administrative Budget								
Total Budget	\$ (2,186,596)	\$ 883,407	\$ 855,482	\$ -	\$ (952,457)	\$ (1,400,165)	\$ 688,882.45	\$ (711,283)
Expenditures	\$ 5,147,625	\$ 1,263,236	\$ 276,782	\$ -	\$ 18,174,862	\$ 24,862,505	\$ 541,476	\$ 25,403,981
Balance	\$ (7,334,221)	\$ (379,829)	\$ 578,700	\$ -	\$ (19,127,319)	\$ (26,262,670)	\$ 147,406	\$ (26,115,264)
Marketing and Outreach (M&O) Budget								
Total Budget	\$ 875,000	\$ 1,136,270	\$ 1,130,250	\$ -	\$ -	\$ 3,141,519	\$ 3,342,102	\$ 6,483,622
Expenditures	\$ 1,285,338	\$ -	\$ 4,220	\$ -	\$ -	\$ 1,289,559	\$ 2,300,308	\$ 3,589,866
Balance	\$ (410,338)	\$ 1,136,270	\$ 1,126,029	\$ -	\$ -	\$ 1,851,961	\$ 1,041,795	\$ 2,893,756
M&E Budget								
Total Budget	\$ 4,046,592	\$ 284,067	\$ 325,165	\$ -	\$ 393,300	\$ 5,049,124	\$ 243,750	\$ 5,292,874
Expenditures	\$ 1,063,799	\$ -	\$ -	\$ -	\$ -	\$ 1,063,799	\$ -	\$ 1,063,799
Balance	\$ 2,982,793	\$ 284,067	\$ 325,165	\$ -	\$ 393,300	\$ 3,985,325	\$ 243,750	\$ 4,229,075
Incentives/Grants Budget								
Total Budget	\$ 154,533,885	\$ 14,093,299	\$ 11,553,543	\$ -	\$ 2,045,449	\$ 182,226,176	\$ 28,129,385	\$ 210,355,561
Expenditures	\$ 104,222,218	\$ 14,848,699	\$ 11,655,049	\$ -	\$ -	\$ 130,725,966	\$ 2,958,113	\$ 133,684,079
Balance	\$ 50,311,667	\$ (755,400)	\$ (101,506)	\$ -	\$ 2,045,449	\$ 51,500,210	\$ 25,171,272	\$ 76,671,482
Credits and/or debits								
Credits and/or debits	\$ (249,442)	\$ -	\$ (7,052)	\$ -	\$ (9,769,685)	\$ (10,026,179)	\$ -	\$ (10,026,179)
2012 Totals								
Total Budget	\$ 157,268,880	\$ 16,397,043	\$ 13,864,440	\$ -	\$ 1,486,292	\$ 189,016,655	\$ 32,404,120	\$ 221,420,775
Total Expenditures	\$ 111,718,981	\$ 16,111,935	\$ 11,936,051	\$ -	\$ 18,174,862.14	\$ 157,941,829	\$ 5,799,897	\$ 163,741,726
Total Credits	\$ (249,442)	\$ -	\$ (7,052)	\$ -	\$ (9,769,685)	\$ (10,026,179)	\$ -	\$ (10,026,179)
Total Balance	\$ 45,300,457	\$ 285,108	\$ 1,921,337	\$ -	\$ (26,458,255)	\$ 21,048,647	\$ 26,604,223	\$ 47,652,870
% of Total Budget Spent	54.60%	59.40%	55.80%	0.00%	69.50%	55.18%	9.72%	51.34%

Table 1f. Total To Date (2007-2012)

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)
Administrative Budget								
Total Budget	\$ 24,872,292	\$ 2,840,675	\$ 1,704,405	\$ -	\$ 1,573,200	\$ 30,990,572	\$ 2,193,750	\$ 33,184,322
Expenditures	\$ 32,206,513	\$ 3,220,504	\$ 1,125,705	\$ -	\$ 20,700,519	\$ 57,253,242	\$ 2,046,344	\$ 59,299,586
Balance	\$ (7,334,221)	\$ (379,829)	\$ 578,700	\$ -	\$ (19,127,319)	\$ (26,262,670)	\$ 147,406	\$ (26,115,264)
Marketing and Outreach (M&O) Budget								
Total Budget	\$ 4,791,250	\$ 1,136,270	\$ 1,136,270	\$ -	\$ -	\$ 7,063,790	\$ 3,656,250	\$ 10,720,040
Expenditures	\$ 3,966,877	\$ -	\$ 10,241	\$ -	\$ -	\$ 3,977,117	\$ 2,614,455	\$ 6,591,573
Balance	\$ 824,373	\$ 1,136,270	\$ 1,126,029	\$ -	\$ -	\$ 3,086,673	\$ 1,041,795	\$ 4,128,467
M&E Budget								
Total Budget	\$ 7,000,740	\$ 284,067	\$ 568,135	\$ -	\$ 393,300	\$ 8,246,242	\$ 246,293	\$ 8,492,536
Expenditures	\$ 4,017,947	\$ -	\$ 242,970	\$ -	\$ -	\$ 4,260,917	\$ 2,543	\$ 4,263,460
Balance	\$ 2,982,793	\$ 284,067	\$ 325,165	\$ -	\$ 393,300	\$ 3,985,325	\$ 243,750	\$ 4,229,075
Incentives/Grants Budget								
Total Budget	\$ 526,675,782	\$ 24,145,736	\$ 24,997,938	\$ -	\$ 11,143,500	\$ 586,962,956	\$ 29,981,250	\$ 616,944,206
Expenditures	\$ 476,364,115	\$ 24,901,136	\$ 25,099,444	\$ -	\$ 9,098,051	\$ 535,462,746	\$ 4,809,978	\$ 540,272,724
Balance	\$ 50,311,667	\$ (755,400)	\$ (101,506)	\$ -	\$ 2,045,449	\$ 51,500,210	\$ 25,171,272	\$ 76,671,482
Credits and/or debits								
Credits and/or debits	\$ (2,410,907)	\$ -	\$ (59,884)	\$ -	\$ (14,612,328)	\$ (17,083,119)	\$ -	\$ (17,083,119)
2007-2012 Totals								
Total Budget	\$ 563,340,064	\$ 28,406,748	\$ 28,406,748	\$ -	\$ 13,110,000	\$ 633,263,560	\$ 36,077,543	\$ 669,341,103
Total Expenditures	\$ 516,555,453	\$ 28,121,640	\$ 26,478,359	\$ -	\$ 29,798,570	\$ 600,954,022	\$ 9,473,320	\$ 610,427,343
Total Credits	\$ (2,410,907)	\$ -	\$ (59,884)	\$ -	\$ (14,612,328)	\$ (17,083,119)	\$ -	\$ (17,083,119)
Total Balance	\$ 44,373,705	\$ 285,108	\$ 1,868,504	\$ -	\$ (31,300,898)	\$ 15,226,419	\$ 26,604,223	\$ 41,830,642
% of Total Budget Spent	54.86%	59.40%	55.93%	0.00%	136.38%	56.79%	9.72%	52.82%

Table 1d. Reflects the cumulative budgets and expenditures from 2007 through June 2011. Tables 1a. - 1e. reflects the cumulative budgets to date versus the annual expenditures. The M&O budget and the credit and/or debit line items reflect the annual amounts only.

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Table 2. Expenditures

Table 2. Expenditures		2007	2008	2009	2010	2011	2012	Total
Labor Expenses								
General Market Solar Electric Program (not including CSI-Thermal Electric component)								
Application Processing Labor		\$ 2,590,574.74	\$ 3,397,810.91	\$ 3,534,079.81	\$ 2,796,598.43	\$ 3,068,831.90	\$ 3,257,484.35	\$ 18,645,380.14
	Application Management	\$ 2,349,977.70	\$ 2,354,980.26	\$ 2,069,983.84	\$ 1,972,731.54	\$ 1,787,679.18	\$ 1,879,010.68	\$ 12,414,363.20
	Inspections	\$ 240,597.04	\$ 1,042,830.65	\$ 1,464,095.97	\$ 823,866.89	\$ 1,281,152.72	\$ 1,378,473.67	\$ 6,231,016.94
Program Management Labor (Including M&O)		\$ 107,084.23	\$ 1,358,654.66	\$ 1,313,890.58	\$ 1,751,966.05	\$ 1,746,822.61	\$ 941,075.13	\$ 7,219,493.26
	Program Management	\$ 87,923.38	\$ 1,244,870.42	\$ 1,144,494.84	\$ 1,661,974.70	\$ 1,487,789.50	\$ 720,333.21	\$ 6,347,386.05
	M&O Support	\$ 19,160.85	\$ 112,817.88	\$ 104,853.05	\$ 22,724.80	\$ 205,922.45	\$ 188,113.80	\$ 653,592.83
	M&E Support	\$ -	\$ 966.36	\$ 64,542.69	\$ 67,266.55	\$ 53,110.66	\$ 32,628.12	\$ 218,514.38
<i>Subtotal General Market Program (without CSI-Thermal electric</i>		\$ 2,697,658.97	\$ 4,756,465.57	\$ 4,847,970.39	\$ 4,548,564.48	\$ 4,815,654.51	\$ 4,198,559.48	\$ 25,864,873.40
CSI-Thermal Electric-Displacing Program								
Application Processing Labor		\$ -	\$ -	\$ -	\$ 15,973.09	\$ 27,342.35	\$ 24,006.31	\$ 67,321.75
	Application Management	\$ -	\$ -	\$ -	\$ 6,459.59	\$ 17,373.32	\$ 12,583.42	\$ 36,416.33
	Inspections	\$ -	\$ -	\$ -	\$ 9,513.50	\$ 9,969.03	\$ 11,422.89	\$ 30,905.42
Program Management Labor (Including M&O)		\$ -	\$ -	\$ -	\$ 75,767.54	\$ 83,105.76	\$ 143,548.24	\$ 302,421.54
	Program Management	\$ -	\$ -	\$ -	\$ 65,632.80	\$ 56,668.12	\$ 75,553.03	\$ 197,853.95
	M&O Support	\$ -	\$ -	\$ -	\$ 10,134.74	\$ 26,437.64	\$ 67,995.21	\$ 104,567.59
	M&E Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Subtotal CSI-Thermal Electric-Displacing Program</i>		\$ -	\$ -	\$ -	\$ 91,740.63	\$ 110,448.11	\$ 167,554.55	\$ 369,743.29
<i>Subtotal CSI General Market (PV + CSI Thermal Electric cor</i>		\$ 2,697,658.97	\$ 4,756,465.57	\$ 4,847,970.39	\$ 4,640,305.11	\$ 4,926,102.62	\$ 4,366,114.03	\$ 26,234,616.69
Other CSI Program Components								
SWHPP Labor		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RD&D Labor		\$ -	\$ 3,527.25	\$ 10,276.22	\$ 20,550.93	\$ 26,955.40	\$ 30,733.66	\$ 92,043.46
MASH Labor		\$ -	\$ 16,428.12	\$ 187,190.48	\$ 184,591.88	\$ 157,341.61	\$ 210,195.27	\$ 755,747.36
SASH Labor		\$ -	\$ -	\$ 446,548.12	\$ 11,505.27	\$ 2,726.22	\$ 6,839.44	\$ 467,619.05
<i>Subtotal Other CSI Program Components Labor Expenses -</i>		\$ -	\$ 19,955.37	\$ 644,014.82	\$ 216,648.08	\$ 187,023.23	\$ 247,768.37	\$ 1,315,409.87
<i>Subtotal CSI General Market + Thermal Electric + Other Com</i>		\$ 2,697,658.97	\$ 4,776,420.94	\$ 5,491,985.21	\$ 4,856,953.19	\$ 5,113,125.85	\$ 4,613,882.40	\$ 27,550,026.56
CSI-Thermal Natural Gas-Displacing Program								
Application Processing Labor		\$ -	\$ -	\$ -	\$ 39,383.17	\$ 155,034.86	\$ 85,935.98	\$ 280,354.01
	Application Management	\$ -	\$ -	\$ -	\$ 37,182.17	\$ 122,149.25	\$ 47,866.11	\$ 207,197.53
	Inspections	\$ -	\$ -	\$ -	\$ 2,201.00	\$ 32,885.61	\$ 38,069.87	\$ 73,156.48
Program Management Labor (Including M&O)		\$ -	\$ -	\$ -	\$ 258,850.61	\$ 515,879.95	\$ 428,881.95	\$ 1,203,612.51
	Program Management	\$ -	\$ -	\$ -	\$ 215,855.97	\$ 361,705.09	\$ 246,385.63	\$ 823,946.69
	M&O Support	\$ -	\$ -	\$ -	\$ 40,451.32	\$ 154,174.86	\$ 182,496.32	\$ 377,122.50
	M&E Support	\$ -	\$ -	\$ -	\$ 2,543.32	\$ -	\$ -	\$ 2,543.32
<i>CSI-Thermal Program (Gas Only) Labor Expenses</i>		\$ -	\$ -	\$ -	\$ 298,233.78	\$ 670,914.81	\$ 514,817.93	\$ 1,483,966.52

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Table 2. Expenditures

Direct Expenses									
General Market Solar Electric Program (not including CSI-Thermal Electric component)									
Application Processing Direct Expense	\$ 127,129.91	\$ 40,533.14	\$ 18,425.58	\$ 13,551.28	\$ 18,280.71	\$ 22,279.87	\$ 240,200.49		
Program Management (all other not listed below)	\$ 83,688.34	\$ 188,597.54	\$ 219,450.62	\$ 37,103.40	\$ 80,190.97	\$ 296,389.43	\$ 905,420.30		
Program Management - CSI Database	\$ 421,821.51	\$ 568,362.63	\$ 1,101,158.43	\$ 933,798.03	\$ 911,553.24	\$ 558,027.27	\$ 4,494,721.11		
Program Management - IT Support	\$ 89,817.58	\$ 529,432.73	\$ 188,759.36	\$ 57,750.26	\$ 151,814.85	\$ 147,177.72	\$ 1,164,752.50		
Program Management - Measurement & Evaluation	\$ -	\$ -	\$ 160,422.53	\$ 1,478,685.65	\$ 1,129,154.03	\$ 1,031,170.77	\$ 3,799,432.98		
Program Management - Marketing and Outreach	\$ 238,228.18	\$ 648,984.57	\$ 204,798.04	\$ 706,891.08	\$ 353,310.24	\$ 496,177.04	\$ 2,648,389.15		
Subtotal all General Market Program Direct Expenses (excluding	\$ 960,685.52	\$ 1,975,910.61	\$ 1,893,014.56	\$ 3,227,779.70	\$ 2,644,304.04	\$ 2,551,222.10	\$ 13,252,916.53		
CSI-Thermal Electric-Displacing Program									
Application Processing Direct Expense	\$ -	\$ -	\$ -	\$ 151.25	\$ (48.91)	\$ -	\$ 102.34		
Program Management (all other not listed below)	\$ -	\$ -	\$ -	\$ 7,211.00	\$ 26,309.17	\$ 13,725.84	\$ 47,246.01		
Program Management - CSI Database	\$ -	\$ -	\$ -	\$ 26,252.05	\$ 37,229.01	\$ 32,609.79	\$ 96,090.85		
Program Management - IT Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38.47	\$ 38.47		
Program Management - Measurement & Evaluation	\$ -	\$ -	\$ -	\$ (0.00)	\$ -	\$ -	\$ (0.00)		
Program Management - Marketing and Outreach	\$ -	\$ -	\$ -	\$ 6,003.86	\$ 21,271.00	\$ 533,052.26	\$ 560,327.12		
Subtotal all CSI-Thermal Electric Direct Expenses	\$ -	\$ -	\$ -	\$ 39,618.16	\$ 84,760.27	\$ 579,426.36	\$ 703,804.79		
Subtotal CSI General Market (PV + CSI Thermal Electric	\$ 960,685.52	\$ 1,975,910.61	\$ 1,893,014.56	\$ 3,267,397.86	\$ 2,729,064.31	\$ 3,130,648.46	\$ 13,956,721.32		
Other CSI Program Components									
SWHPP Direct Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
RD&D Direct Expense	\$ -	\$ -	\$ 414,914.76	\$ 2,049,432.69	\$ 9,098,051.04	\$ 18,144,128.48	\$ 29,706,526.97		
MASH Direct Expense	\$ -	\$ 422.63	\$ 15,653.86	\$ 91,246.67	\$ 445,037.95	\$ 70,806.89	\$ 623,168.00		
SASH Direct Expense	\$ -	\$ -	\$ -	\$ (2.75)	\$ 1,496,491.34	\$ 1,256,396.37	\$ 2,752,884.96		
Subtotal Other CSI Program Components Direct Expenses -	\$ -	\$ 422.63	\$ 430,568.62	\$ 2,140,676.61	\$ 11,039,580.33	\$ 19,471,331.74	\$ 33,082,579.93		
Subtotal CSI General Market + Thermal Electric + Other Com	\$ 960,685.52	\$ 1,976,333.24	\$ 2,323,583.18	\$ 5,408,074.47	\$ 13,768,644.64	\$ 22,601,980.20	\$ 47,039,301.25		
CSI-Thermal Program (Natural Gas only)									
Application Processing Direct Expense	\$ -	\$ -	\$ -	\$ -	\$ 2,286.05	\$ -	\$ 2,286.05		
Program Management (all other not listed below)	\$ -	\$ -	\$ -	\$ 50,635.56	\$ 103,495.82	\$ 71,354.36	\$ 225,485.74		
Program Management - CSI Database	\$ -	\$ -	\$ -	\$ 105,008.23	\$ 149,157.54	\$ 132,585.33	\$ 386,751.10		
Program Management - IT Support	\$ -	\$ -	\$ -	\$ 235,857.04	\$ 86,448.22	\$ 5,214.79	\$ 327,520.05		
Program Management - Measurement & Evaluation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Program Management - Marketing and Outreach	\$ -	\$ -	\$ -	\$ 34,901.82	\$ 84,619.51	\$ 2,117,811.41	\$ 2,237,332.74		
Subtotal all CSI-Thermal Program Direct Expenses	\$ -	\$ -	\$ -	\$ 426,402.65	\$ 426,007.14	\$ 2,326,965.89	\$ 3,179,375.68		
Incentives Paid									
General Market Solar Program									
EPBB	\$ 18,246,066.18	\$ 71,002,309.00	\$ 65,919,231.00	\$ 44,899,067.00	\$ 22,888,709.31	\$ 14,759,645.97	\$ 237,715,028.46		
PBI	\$ -	\$ 5,056,750.64	\$ 29,902,316.69	\$ 44,632,801.57	\$ 69,515,020.18	\$ 89,356,671.50	\$ 238,463,560.58		
OSE	\$ -	\$ -	\$ -	\$ -	\$ 1,703.30	\$ 20,858.93	\$ 22,562.23		
CSI-Thermal (Electric)	\$ -	\$ -	\$ -	\$ 43,485.00	\$ 34,437.00	\$ 85,042.00	\$ 162,964.00		
Subtotal General Market Solar Program Incentives	\$ 18,246,066.18	\$ 76,059,059.64	\$ 95,821,547.69	\$ 89,575,353.57	\$ 92,439,869.79	\$ 104,222,218.40	\$ 476,364,115.27		
Other CSI Program Components									
MASH Track 1	\$ -	\$ -	\$ -	\$ 3,503,560.00	\$ 5,597,490.00	\$ 9,938,967.00	\$ 19,040,017.00		
MASH Track 2	\$ -	\$ -	\$ -	\$ -	\$ 4,343,345.00	\$ 1,716,082.00	\$ 6,059,427.00		
SASH	\$ -	\$ -	\$ 288,849.21	\$ 2,468,989.16	\$ 7,294,598.40	\$ 14,848,699.03	\$ 24,901,135.80		
SWHPP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
CSI-Thermal (Gas)	\$ -	\$ -	\$ -	\$ 119,709.00	\$ 1,732,156.00	\$ 2,958,113.00	\$ 4,809,978.00		
Subtotal Other CSI Program Components Incentives -	\$ -	\$ -	\$ 288,849.21	\$ 5,972,549.16	\$ 17,235,433.40	\$ 26,503,748.03	\$ 50,000,579.80		
Subtotal Other CSI Program Components Incentives - Gas +	\$ -	\$ -	\$ 288,849.21	\$ 6,092,258.16	\$ 18,967,589.40	\$ 29,461,861.03	\$ 54,810,557.80		

CSI Program Administrator: Pacific Gas and Electric Company
 Reporting Date: January 31, 2013 Reporting Data Thru: December 2012

Table 2. Expenditures

Debits								
General Market Solar Program								
CSI - Program Management	\$ -	\$ -	\$ (567,418.03)	\$ (969.08)	\$ (832,954.38)	\$ (168,567.17)	\$ (1,569,908.66)	
CSI - Marketing, Education and Outreach	\$ -	\$ (61,894.12)	\$ (26,797.52)	\$ -	\$ -	\$ -	\$ (88,691.64)	
CSI - RD&D-Program Manager	\$ -	\$ -	\$ (179,836.61)	\$ (2,454,756.39)	\$ (2,208,050.30)	\$ (9,769,684.76)	\$ (14,612,328.06)	
LISP - MASH Program Management	\$ -	\$ -	\$ (15,560.68)	\$ -	\$ (37,271.91)	\$ (7,051.72)	\$ (59,884.31)	
CSI - Forfeited Application Fees	\$ (78,390.00)	\$ (278,779.35)	\$ (335,910.16)	\$ (437,383.03)	\$ (17,206.00)	\$ (329,123.16)	\$ (1,476,791.70)	
Subtotal General Market Solar Program Other	\$ (78,390.00)	\$ (340,673.47)	\$ (1,125,523.00)	\$ (2,893,108.50)	\$ (3,095,482.59)	\$ (10,274,426.81)	\$ (17,807,604.37)	
Other CSI Program Componentets								
Virtual Net Metering	\$ -	\$ -	\$ 366,829.33	\$ 102,720.75	\$ 6,687.25	\$ 248,248.05	\$ 724,485.38	
Subtotal Other CSI Program Components Other	\$ -	\$ -	\$ 366,829.33	\$ 102,720.75	\$ 6,687.25	\$ 248,248.05	\$ 724,485.38	
Total Program Expenses	\$ 21,826,020.67	\$ 82,471,140.35	\$ 103,167,271.62	\$ 103,866,888.07	\$ 128,297,356.29	\$ 153,715,547.09	\$ 593,344,224.09	

Other Notes:

All Expenses: This workbook should include expenses or credits charged to the CSI Balancing account. It should be comprehensive and not omit any category of "credits or debits" to the account.

Labor Expenses: This category includes all labor costs required for operating, maintaining and improving the program in the Program Administrator's service territory. Labor expenses should be fully loaded, and should not include expenses covered in the u

For Labor for the General Market Solar Program, there are two subcategories: Application processing and Program Management.

1. **Application processing:** the labor involved in processing CSI applications and providing rebates; all labor expenses directly related to the processing of CSI applications and rebates.
2. **Program management:** the labor involved in program design and program facilitation. Other general program management expenses are to be included in this category, such as labor dedicated to the CSI Working Group meetings, all labor related to M&O,

Direct Expenses: This category includes all expenses associated with the administration of the CSI program and not covered in the General Rate Case.

Table 1. Budget

Table 1. Total Ten Year Budget

Category	CSI General Market Program (inc. CSI-Thermal electric)	SASH	MASH	SWHPP	RD&D	Sub-Total, CSI Electric	CSI-Thermal(gas only)	Total CSI (Gas + Electric)	SCE Footnote Reference
Total 10 Year Budget for PA									
Total Admin (inc. admin, M&O, M&E and any Unallocated)	\$ 66,966,600	\$ 7,475,460	\$ 47,842,944		\$ 23,000,000	\$ 80,698,428	\$ -	\$ 80,698,428	See Note 4
Administration	43,635,600	4,983,640	2,990,184		2,760,000	54,369,424	\$0	\$54,369,424	See Note 1
Unallocated Admin Budget	3,174,000					3,174,000		\$3,174,000	See Note 2
M&O	7,875,000	1,993,456	1,993,456			11,861,912	\$0	\$11,861,912	
M&E	12,282,000	498,364	996,728		690,000	14,467,092	\$0	\$14,467,092	
Incentives	867,992,600	42,360,940	43,856,032	\$ -	\$ 19,550,000	973,759,572	\$0	\$973,759,572	See Note 7
Other Budget Category	-	-	-	\$ -	-	-	\$0	\$0	
Total Budget	\$ 934,959,200	\$ 49,836,400	\$ 49,836,400	\$ -	\$ 23,000,000	\$ 1,057,632,000	\$0	\$1,057,632,000	

Table 1a. 2007 Budget

Category	CSI General Market Program (inc. CSI-Thermal electric)	SASH	MASH	SWHPP	RD&D	Sub-Total, CSI Electric	CSI-Thermal(gas only)	Total CSI (Gas + Electric)	
Administrative Budget									
Total Budget	\$ 4,363,560	\$ 498,364	\$ 299,018	\$ -	\$ 276,000	\$ 5,436,942	\$0	\$5,436,942	
Expenditures	\$ 2,474,436	\$ -	\$ -	\$ -	\$ -	\$ 2,474,436		\$2,474,436	
Balance	\$ 1,889,124	\$ 498,364	\$ 299,018	\$ -	\$ 276,000	\$ 2,962,506	\$0	\$2,962,506	
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 500,000	\$ 199,346	\$ -	\$ -	\$ -	\$ 699,346	\$0	\$699,346	
Expenditures	\$ 239,056	\$ -	\$ -	\$ -	\$ -	\$ 239,056		\$239,056	
Balance	\$ 260,944	\$ 199,346	\$ -	\$ -	\$ -	\$ 460,290	\$0	\$460,290	
M&E Budget									
Total Budget	\$ 1,228,200	\$ 49,836	\$ 99,673	\$ -	\$ 69,000	\$ 1,446,709	\$0	\$1,446,709	
Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$0	
Balance	\$ 1,228,200	\$ 49,836	\$ 99,673	\$ -	\$ 69,000	\$ 1,446,709	\$0	\$1,446,709	
Incentives/ Budget									
Total Budget	\$ 86,799,260	\$ 4,236,094	\$ 4,485,276	\$ -	\$ 1,955,000	\$ 97,475,630	\$0	\$97,475,630	
Expenditures	\$ 5,058,528	\$ -	\$ -	\$ -	\$ -	\$ 5,058,528		\$5,058,528	
Balance	\$ 81,740,732	\$ 4,236,094	\$ 4,485,276	\$ -	\$ 1,955,000	\$ 92,417,102	\$0	\$92,417,102	
Credits and/or debits									
Credits and/or debits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$0	
2007 Totals									
Total Budget	\$ 92,891,020	\$ 4,983,640	\$ 4,883,967	\$ -	\$ 2,300,000	\$ 105,058,627	\$0	\$105,058,627	
Total Expenditures	\$ 7,772,020	\$ -	\$ -	\$ -	\$ -	\$ 7,772,020		\$7,772,020	
Total Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$0	
Total Balance	\$ 85,119,000	\$ 4,983,640	\$ 4,883,967	\$ -	\$ 2,300,000	\$ 97,286,607	\$ -	\$97,286,607	
% of Total Budget Spent	0.83%	0.00%	0.00%	0.00%	0.00%	0.73%			

Table 1. Budget

Table 1b. 2008 Budget

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)	SCE Footnote Reference
Administrative Budget									
Total Budget	\$ 6,252,684	\$ 996,728	\$ 598,037	\$ -	\$ 552,000	\$ 8,399,449	\$ -	\$8,399,449	
Expenditures	\$ 5,978,210	\$ -	\$ 7,940	\$ -	\$ -	\$ 5,986,150	\$ -	\$5,986,150	
Balance	\$ 274,474	\$ 996,728	\$ 590,097	\$ -	\$ 552,000	\$ 2,413,298	\$0	\$2,413,298	
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 515,000	\$ 398,691	\$ -	\$ -	\$ -	\$ 1,159,635	\$ -	\$1,159,635	
Expenditures	\$ 183,476	\$ -	\$ -	\$ -	\$ -	\$ 183,476	\$ -	\$183,476	
Balance	\$ 331,524	\$ 398,691	\$ -	\$ -	\$ -	\$ 976,159	\$ -	\$976,159	
M&E Budget									
Total Budget	\$ 2,456,400	\$ 99,673	\$ 199,346	\$ -	\$ 138,000	\$ 2,893,418	\$ -	\$2,893,418	
Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0	
Balance	\$ 2,456,400	\$ 99,673	\$ 199,346	\$ -	\$ 138,000	\$ 2,893,418	\$ -	\$2,893,418	
Incentives/ Budget									
Total Budget	\$ 168,539,992	\$ 8,472,188	\$ 8,970,552	\$ -	\$ 3,910,000	\$ 189,892,732	\$ -	\$189,892,732	
Expenditures	\$ 31,520,527	\$ -	\$ -	\$ -	\$ -	\$ 31,520,527	\$0	\$31,520,527	
Balance	\$ 137,019,465	\$ 8,472,188	\$ 8,970,552	\$ -	\$ 3,910,000	\$ 158,372,205	\$ -	\$158,372,205	
Credits and/or debits									
Credits and/or debits	\$ 12,751,647	\$ -	\$ -	\$ -	\$ -	\$ 12,751,647	\$ -	\$12,751,647	
2008 Totals									
Total Budget	\$ 177,764,076	\$ 9,967,280	\$ 9,767,934	\$ -	\$ 4,600,000	\$ 202,099,290	\$ -	\$202,099,290	
Total Expenditures	\$ 37,682,214	\$ -	\$ 7,940	\$ -	\$ -	\$ 37,690,154	\$ -	\$37,690,154	
Total Credits	\$ 12,751,647	\$ -	\$ -	\$ -	\$ -	\$ 12,751,647	\$ -	\$12,751,647	
Total Balance	\$ 127,330,215	\$ 9,967,280	\$ 9,759,994	\$ -	\$ 4,600,000	\$ 151,657,490	\$ -	\$151,657,490	
% of Total Budget Spent	4.03%	0.00%	0.02%	0.00%	0.00%	3.56%			

Table 1c. 2009 Budget

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)	SCE Footnote Reference
Administrative Budget									
Total Budget	\$ 4,638,034	\$ 1,495,092	\$ 889,115	\$ -	\$ 828,000	\$ 7,850,241	\$ -	\$7,850,241	
Expenditures	\$ 7,610,255	\$ 1,440,380	\$ 191,647	\$ -	\$ -	\$ 9,242,281	\$ -	\$9,242,281	
Balance	\$ (2,972,221)	\$ 54,712	\$ 697,468	\$ -	\$ 828,000	\$ (1,392,041)	\$ -	-\$1,392,041	
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 592,750	\$ 598,037	\$ -	\$ -	\$ -	\$ 1,675,505	\$ -	\$1,675,505	
Expenditures	\$ 517,899	\$ -	\$ 14,670	\$ -	\$ -	\$ 532,569	\$ -	\$532,569	
Balance	\$ 74,851	\$ 598,037	\$ (14,670)	\$ -	\$ -	\$ 1,142,936	\$ -	\$1,142,936	
M&E Budget									
Total Budget	\$ 3,684,600	\$ 149,509	\$ 299,018	\$ -	\$ 207,000	\$ 4,340,128	\$ -	\$4,340,128	
Expenditures	\$ 923,054	\$ -	\$ -	\$ -	\$ -	\$ 923,054	\$ -	\$923,054	
Balance	\$ 2,761,546	\$ 149,509	\$ 299,018	\$ -	\$ 207,000	\$ 3,417,074	\$ -	\$3,417,074	
Incentives/ Budget									
Total Budget	\$ 223,818,725	\$ 12,708,282	\$ 13,455,828	\$ -	\$ 5,865,000	\$ 255,847,835	\$ -	\$255,847,835	
Expenditures	\$ 52,819,010	\$ 33,523	\$ 208,339	\$ -	\$ 146,936	\$ 53,207,808	\$ -	\$53,207,808	
Balance	\$ 170,999,715	\$ 12,674,759	\$ 13,247,489	\$ -	\$ 5,718,064	\$ 202,640,027	\$ -	\$202,640,027	
Credits and/or debits									
Credits and/or debits	\$ 7,493,473	\$ -	\$ -	\$ -	\$ -	\$ 7,493,473	\$ -	\$7,493,473	
2009 Totals									
Total Budget	\$ 232,734,108	\$ 14,950,920	\$ 14,643,962	\$ -	\$ 6,900,000	\$ 269,228,990	\$ -	\$269,228,990	
Total Expenditures	\$ 61,870,217	\$ 1,473,903	\$ 414,657	\$ -	\$ 146,936	\$ 63,905,712	\$ -	\$63,905,712	
Total Credits	\$ 7,493,473	\$ -	\$ -	\$ -	\$ -	\$ 7,493,473	\$ -	\$7,493,473	
Total Balance	\$ 163,370,418	\$ 13,477,017	\$ 14,229,305	\$ -	\$ 6,753,064	\$ 197,829,805	\$ -	\$197,829,805	
% of Total Budget Spent	6.62%	2.96%	0.83%	0.00%	0.64%	6.04%			

Table 1. Budget

Table 1d. 2010 Budget

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)	SCE Footnote Reference
Administrative Budget									
Total Budget	\$ 1,391,339	\$ 553,076	\$ 996,486	\$ -	\$ 1,104,000	\$ 4,044,902	\$ -	\$ 4,044,902	
Expenditures	\$ 7,937,567	\$ 1,176,484	\$ 154,106	\$ -	\$ 361,414	\$ 9,629,572	\$ -	\$ 9,629,572	
Balance	\$ (6,546,228)	\$ (623,408)	\$ 842,380	\$ -	\$ 742,586	\$ (5,584,670)	\$ -	\$ (5,584,670)	
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 500,000	\$ 797,382	\$ (14,670)	\$ -	\$ -	\$ 1,842,281	\$ -	\$ 1,842,281	
Expenditures	\$ 426,279	\$ -	\$ -	\$ -	\$ -	\$ 426,279	\$ -	\$ 426,279	
Balance	\$ 73,721	\$ 797,382	\$ (14,670)	\$ -	\$ -	\$ 1,416,002	\$ -	\$ 1,416,002	
M&E Budget									
Total Budget	\$ 3,989,746	\$ 199,346	\$ 398,691	\$ -	\$ 276,000	\$ 4,863,783	\$ -	\$ 4,863,783	
Expenditures	\$ 2,602,701	\$ -	\$ -	\$ -	\$ -	\$ 2,602,701	\$ -	\$ 2,602,701	
Balance	\$ 1,387,045	\$ 199,346	\$ 398,691	\$ -	\$ 276,000	\$ 2,261,082	\$ -	\$ 2,261,082	
Incentives/Budget									
Total Budget	\$ 257,798,975	\$ 16,910,853	\$ 17,732,765	\$ -	\$ 7,673,064	\$ 300,115,657	\$ -	\$ 300,115,657	
Expenditures	\$ 80,259,404	\$ 945,724	\$ 2,353,456	\$ -	\$ 1,644,248	\$ 85,202,832	\$ -	\$ 85,202,832	
Balance	\$ 177,539,571	\$ 15,965,129	\$ 15,379,309	\$ -	\$ 6,028,816	\$ 214,912,825	\$ -	\$ 214,912,825	
Credits and/or debits									
Credits and/or debits	\$ (862,790)	\$ (1,001,762)	\$ -	\$ -	\$ -	\$ (1,864,552)	\$ -	\$ (1,864,552)	
2010 Totals									
Total Budget	\$ 263,680,060	\$ 18,460,657	\$ 19,113,272	\$ -	\$ 9,200,000	\$ 310,453,989	\$ -	\$ 310,453,989	
Total Expenditures	\$ 91,225,951	\$ 2,122,208	\$ 2,507,562	\$ -	\$ 2,005,663	\$ 97,861,383	\$ -	\$ 97,861,383	
Total Credits	\$ (862,790)	\$ (1,001,762)	\$ -	\$ -	\$ -	\$ (1,864,552)	\$ -	\$ (1,864,552)	
Total Balance	\$ 171,591,320	\$ 15,336,687	\$ 16,605,710	\$ -	\$ 7,194,337	\$ 210,728,054	\$ -	\$ 210,728,054	
% of Total Budget Spent	9.76%	4.26%	5.03%	0.00%	8.72%	9.25%			

Table 1e. 2011 Budget

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)	SCE Footnote Reference
Administrative Budget									
Total Budget	\$ (2,182,668)	\$ (125,044)	\$ 1,141,399	\$ -	\$ 1,018,586	\$ (147,727)	\$ -	\$ (147,727)	
Expenditures	\$ 7,060,139	\$ 1,139,699	\$ 277,488	\$ -	\$ 749,284	\$ 9,226,611	\$ -	\$ 9,226,611	
Balance	\$ (9,242,807)	\$ (1,264,743)	\$ 863,910	\$ -	\$ 269,301	\$ (9,374,339)	\$ -	\$ (9,374,339)	
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 500,000	\$ 996,728	\$ (14,670)	\$ -	\$ -	\$ 2,115,348	\$ -	\$ 2,115,348	
Expenditures	\$ 696,357	\$ -	\$ -	\$ -	\$ -	\$ 696,357	\$ -	\$ 696,357	See Note 6
Balance	\$ (196,357)	\$ 996,728	\$ (14,670)	\$ -	\$ -	\$ 1,418,991	\$ -	\$ 1,418,991	
M&E Budget									
Total Budget	\$ 2,615,245	\$ 249,182	\$ 498,364	\$ -	\$ 345,000	\$ 3,707,791	\$ -	\$ 3,707,791	
Expenditures	\$ 1,560,713	\$ -	\$ -	\$ -	\$ -	\$ 1,560,713	\$ -	\$ 1,560,713	
Balance	\$ 1,054,532	\$ 249,182	\$ 498,364	\$ -	\$ 345,000	\$ 2,147,078	\$ -	\$ 2,147,078	
Incentives/Budget									
Total Budget	\$ 264,338,831	\$ 20,201,223	\$ 19,864,585	\$ -	\$ 7,983,816	\$ 312,388,455	\$ -	\$ 312,388,455	
Expenditures	\$ 94,814,020	\$ 5,811,631	\$ 8,449,091	\$ -	\$ 1,658,161	\$ 110,732,903	\$ -	\$ 110,732,903	
Balance	\$ 169,524,811	\$ 14,389,592	\$ 11,415,494	\$ -	\$ 6,325,655	\$ 201,655,552	\$ -	\$ 201,655,552	
Credits and/or debits									
Credits and/or debits	\$ (467,722)	\$ -	\$ -	\$ -	\$ -	\$ (467,722)	\$ -	\$ (467,722)	
2011 Totals									
Total Budget	\$ 265,271,408	\$ 21,322,089	\$ 21,489,677	\$ -	\$ 11,500,000	\$ 319,583,175	\$ -	\$ 319,583,175	
Total Expenditures	\$ 104,131,229	\$ 6,951,330	\$ 8,726,579	\$ -	\$ 2,407,446	\$ 122,216,585	\$ -	\$ 122,216,585	
Total Credits	\$ (467,722)	\$ -	\$ -	\$ -	\$ -	\$ (467,722)	\$ -	\$ (467,722)	
Total Balance	\$ 160,672,457	\$ 14,370,759	\$ 12,763,098	\$ -	\$ 9,092,554	\$ 196,898,868	\$ -	\$ 196,898,868	
% of Total Budget Spent	11.14%	13.95%	17.51%	0.00%	10.47%	11.56%			

Table 1. Budget

Table 1f. Total Budget To Date (2007-2011)

Category	CSI General Market Program	SASH	MASH	SWHPP	RD&D	Total	CSI-Thermal(gas only)	Total CSI (Gas + Electric)	SCE Footnote Reference
Administrative Budget									
Total Budget	\$ 21,817,800	\$ 2,491,820	\$ 1,495,092	\$ -	\$ 1,380,000	\$ 27,184,712	\$ -	\$27,184,712	
Expenditures	\$ 31,060,607	\$ 3,756,563	\$ 631,182	\$ -	\$ 1,110,699	\$ 36,559,051		\$36,559,051	
Balance	\$ (9,242,807)	\$ (1,264,743)	\$ 863,910	\$ -	\$ 269,301	\$ (9,374,339)	\$0	-\$9,374,339	
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 2,607,750	\$ 996,728	\$ -	\$ -	\$ -	\$ 3,604,478	\$ -	\$3,604,478	
Expenditures	\$ 2,063,067	\$ -	\$ 14,670	\$ -	\$ -	\$ 2,077,737		\$2,077,737	
Balance	\$ 544,683	\$ 996,728	\$ (14,670)	\$ -	\$ -	\$ 1,526,741	\$0	\$1,526,741	
M&E Budget									
Total Budget	\$ 6,141,000	\$ 249,182	\$ 498,364	\$ -	\$ 345,000	\$ 7,233,546	\$ -	\$7,233,546	
Expenditures	\$ 5,086,468	\$ -	\$ -	\$ -	\$ -	\$ 5,086,468		\$5,086,468	
Balance	\$ 1,054,532	\$ 249,182	\$ 498,364	\$ -	\$ 345,000	\$ 2,147,078	\$0	\$2,147,078	
Incentives/Budget									
Total Budget	\$ 433,996,300	\$ 21,180,470	\$ 22,426,380	\$ -	\$ 9,775,000	\$ 487,378,150	\$ -	\$487,378,150	
Expenditures	\$ 264,471,489	\$ 6,790,878	\$ 11,010,886	\$ -	\$ 3,449,345	\$ 285,722,598		\$285,722,598	
Balance	\$ 169,524,811	\$ 14,389,592	\$ 11,415,494	\$ -	\$ 6,325,655	\$ 201,655,552	\$0	\$201,655,552	
Credits and/or debits									
Credits and/or debits	\$ 18,914,609	\$ (1,001,762)	\$ -	\$ -	\$ -	\$ 17,912,846		\$17,912,846	
2007-2011 Totals									
Total Budget	\$ 464,562,850	\$ 24,918,200	\$ 24,419,836	\$ -	\$ 11,500,000	\$ 525,400,886	\$0	\$525,400,886	
Total Expenditures	\$ 302,681,631	\$ 10,547,441	\$ 11,656,738	\$ -	\$ 4,560,044	\$ 329,445,854		\$329,445,854	
Total Credits	\$ 18,914,609	\$ (1,001,762)	\$ -	\$ -	\$ -	\$ 17,912,846		\$17,912,846	
Total Balance	\$ 142,966,611	\$ 15,372,521	\$ 12,763,098	\$ -	\$ 6,939,956	\$ 178,042,185	\$ -	\$178,042,185	
% of Total Budget Spent	32.37%	21.16%	23.39%	0.00%	19.83%	31.15%			

SCE Notes:

Note 1 = The Commission, in D.09-03-034, established an Advice Letter process to allow the IOUs [SCE, PG&E, and SDG&E] to request cost recovery for expenses related to the administrative tasks required by D.07-11-045 in support of the SASH Program. The Commission further clarified that the any funds needed by the IOUs to support SASH shall come from the general market CSI administrative budget. **(Table 1 - cell C8)**

Note 2 =The Unallocated Administrative budget is potentially available for future use, especially if additional CSI components increase during the program lifecycle. **(Table 1 - cell B9)**

Note 3: Per Advice Letter #2469-E, CPUC M&E expenses in the amount of \$ 1,211,747 has been paid outside of the CSI Budget through Dec 31, 2011. SCE anticipates CSI and MASH M&E expenses will be charged to the CSI budget once authorized by the CUPC. **(Table 2 - row 49)**

Note 4: RD&D Budget Allocation per Decision R.06-03-004

Administration	\$ 2,760,000
Measurement and Evaluation	\$ 690,000
Total Activities within RD&D Stages*	\$ 19,550,000
Total	<u>\$ 23,000,000</u> (Table 1 - cell F7-F14)

*SCE is reporting this category under "Incentives" per the Energy Division's direction

Note 5: RD&D expenses in the amount of \$ 1,215,127.68 were accrued to the wrong expense category at 2010 year end. Corrected numbers are reflected on this report. **(Table 2 cell H46, I46, H63 and I63)**

Note 6: SCE inadvertently paid \$152,845 in marketing expenses in December 2011; vendor will refund check in 2012. Services will be rendered in 2012.

Total as shown in 2011 M&O Expenditures (Table 1e)	\$ 696,357	(Table 1 - cell B137)
Less amount paid in error	\$ (152,845)	
Total 2011 M&O Expenditures (after correction)	<u>\$ 543,512</u>	

Note 7: Per Decision 11-12-019 dated December 1, 2011, SCE's budget was increased by \$64,000,000 for the CSI mainstream incentive program. **(Table 1 - cell B12)**

CSI Program Administrator: Southern California Edison
 Rep Reporting Date: January 2012 Reporting Data Thru: December 2011

Table 2. Expenditures

Table 2. Expenditures		2007	2008	2009	2010	2011	Total	PA Comments
Labor Expenses								
General Market Solar Program (including CSI-Thermal Electric)								
Application Processing Labor		\$ 1,282,646	\$ 2,392,457	\$ 2,892,338	\$ 4,500,389	\$ 2,202,010	\$ 13,269,840	
	Application Management	\$ 1,247,652	\$ 2,103,817	\$ 2,385,220	\$ 3,835,310	\$ 1,519,473	\$ 11,091,472	
	Inspections	\$ 34,994	\$ 288,640	\$ 507,118	\$ 665,079	\$ 682,537	\$ 2,178,368	
Program Management Labor (Including M&O)		\$ 804,015	\$ 2,468,209	\$ 3,392,914	\$ 2,609,893	\$ 2,112,527	\$ 11,387,558	
	Program Management	\$ 793,665	\$ 2,457,463	\$ 3,349,931	\$ 2,483,273	\$ 1,993,709	\$ 11,078,041	
	M&O Support	\$ 10,350	\$ 10,746	\$ 42,983	\$ 44,819	\$ 46,668	\$ 155,565	
	M&E Support	\$ -	\$ -	\$ -	\$ 81,801	\$ 72,151	\$ 153,952	
<i>Subtotal General Market Solar Program Labor Expenses</i>		\$ 2,086,661	\$ 4,860,666	\$ 6,285,252	\$ 7,110,282	\$ 4,314,538	\$ 24,657,398	
CSI-Thermal Electric-Displacing Program								
Application Processing Labor		\$ -	\$ -	\$ -	\$ 19,135	\$ 33,373	\$ 52,508	
	Application Management				\$ 9,004	\$ 33,373	\$ 42,377	
	Inspections				\$ 10,131	\$ -	\$ 10,131	
Program Management Labor (Including M&O)		\$ -	\$ -	\$ -	\$ 36,016	\$ 109,547	\$ 145,563	
	Program Management				\$ 36,016	\$ 109,547	\$ 145,563	
	M&O Support				\$ -	\$ -	\$ -	
	M&E Support				\$ -	\$ -	\$ -	
<i>Subtotal CSI-Thermal Electric-Displacing Program</i>		\$ -	\$ -	\$ -	\$ 55,151	\$ 142,921	\$ 198,072	
<i>Subtotal CSI General Market (PV + CSI Thermal Electric component)</i>					\$ 55,151	\$ 142,921	\$ 198,072	
Other CSI Program Components								
SWHPP Labor		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
RD&D Labor		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
MASH Labor		\$ -	\$ 7,520	\$ 152,968	\$ 138,192	\$ 219,156	\$ 517,835	
SASH Labor		\$ -	\$ -	\$ 15,806	\$ 31,462	\$ 38,283	\$ 85,551	
CSI-Thermal Labor (Electric-only)					\$ 24,617	\$ -	\$ 24,617	
<i>Subtotal Other CSI Program Components Labor Expenses - Electric</i>		\$ -	\$ 7,520	\$ 168,774	\$ 194,271	\$ 257,439	\$ 628,004	
<i>Subtotal Other CSI Program Components Labor Expenses - Gas + Electric</i>		\$ -	\$ 7,520	\$ 168,774	\$ 194,271	\$ 257,439	\$ 628,004	
CSI-Thermal Natural Gas-Displacing Program								
Application Processing Labor		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Application Management				\$ -	\$ -	\$ -	
	Inspections				\$ -	\$ -	\$ -	
Program Management Labor (Including M&O)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Program Management				\$ -	\$ -	\$ -	
	M&O Support				\$ -	\$ -	\$ -	
	M&E Support				\$ -	\$ -	\$ -	
<i>CSI-Thermal Program (Gas Only) Labor Expenses</i>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

CSI Program Administrator: Southern California Edison
 Rep: Reporting Date: January 2012 Reporting Data Thru: December 2011

Table 2. Expenditures

Table 2. Expenditures	2007	2008	2009	2010	2011	Total	PA Comments
Direct Expenses							
General Market Solar Program (including CSI-Thermal Electric)							
Application Processing Direct Expense	\$ 79,196	\$ 199,888	\$ 230,631	\$ 138,138	\$ 100,164	\$ 748,016	
Program Management (all other not listed below)	\$ 125,996	\$ 289,097	\$ 557,974	\$ 98,051	\$ 1,327,677	\$ 2,398,795	See Note 5 on Table 1
Program Management - CSI Database	\$ 182,582	\$ 640,555	\$ 538,096	\$ 119,173	\$ -	\$ 1,480,406	
Program Management - IT Support	\$ -	\$ -	\$ 29,138	\$ 43,695	\$ 269,027	\$ 341,861	
Program Management - Measurement & Evaluation	\$ -	\$ -	\$ 923,054	\$ 2,602,701	\$ 1,560,713	\$ 5,086,468	See Note 3 on Table 1
Program Management - Marketing and Outreach	\$ 239,057	\$ 183,476	\$ 517,896	\$ 421,779	\$ 659,687	\$ 2,021,895	
Subtotal all General Market Program Direct Expenses	\$ 626,831	\$ 1,313,016	\$ 2,796,789	\$ 3,423,537	\$ 3,917,268	\$ 12,077,442	
CSI-Thermal Electric-Displacing Program							
Application Processing Direct Expense				\$ 5,527	\$ 15,925	\$ 21,452	
Program Management (all other not listed below)				\$ 9,004	\$ 38,676	\$ 47,680	
Program Management - CSI Database				\$ 13,657	\$ 27,083	\$ 40,740	
Program Management - IT Support				\$ -	\$ -	\$ -	
Program Management - Measurement & Evaluation				\$ -	\$ -	\$ -	
Program Management - Marketing and Outreach	\$ -	\$ -	\$ -	\$ 4,500	\$ 36,670	\$ 41,170	
Subtotal all CSI-Thermal Electric Direct Expenses	\$ -	\$ -	\$ -	\$ 32,688	\$ 118,354	\$ 151,042	
Subtotal CSI General Market (PV + CSI Thermal Electric component)				\$ 32,688	\$ 118,354	\$ 151,042	
Other CSI Program Components							
SWHPP Direct Expense				\$ -	\$ -	\$ -	
RD&D Direct Expense			\$ 146,936	\$ 2,005,663	\$ 2,407,446	\$ 4,560,044	See Note 5 on Table 1
MASH Direct Expense		\$ 420	\$ 53,350	\$ 15,914	\$ 58,333	\$ 128,017	
SASH Direct Expense			\$ 1,424,573	\$ 1,145,022	\$ 1,101,416	\$ 3,671,012	
CSI-Thermal Direct Expenses (Electric-only)				\$ 15,518	\$ -	\$ 15,518	
CSI-Thermal Direct Expenses (Gas-only)	\$ -			\$ -	\$ -	\$ -	
Subtotal Other CSI Program Components Direct Expenses - Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal Other CSI Program Components Direct Expenses - Electric + Gas	\$ -	\$ 420	\$ 1,624,859	\$ 3,182,117	\$ 3,567,195	\$ 8,374,590	
CSI-Thermal Natural Gas-Displacing Program							
Application Processing Direct Expense							
Program Management (all other not listed below)							
Program Management - CSI Database							
Program Management - IT Support							
Program Management - Measurement & Evaluation							
Program Management - Marketing and Outreach							
Subtotal all CSI-Thermal Program Direct Expenses							
Incentives Paid							
General Market Solar Program							
EPBB	\$ 5,058,528	\$ 23,423,564	\$ 27,850,412	\$ 43,888,755	\$ 44,794,651	\$ 145,015,910	
PBI	\$ -	\$ 8,096,963	\$ 24,968,598	\$ 36,368,920	\$ 50,011,839	\$ 119,446,319	
CSI-Thermal (Electric)				\$ 1,729	\$ 7,530	\$ 9,259	
Subtotal General Market Solar Program Incentives	\$ 5,058,528	\$ 31,520,527	\$ 52,819,010	\$ 80,259,404	\$ 94,814,020	\$ 264,471,488	
Other CSI Program Components							
MASH Track 1	\$ -	\$ -	\$ 208,339	\$ 2,353,456	\$ 8,449,091	\$ 11,010,886	
MASH Track 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SASH	\$ -	\$ -	\$ 33,523	\$ 945,724	\$ 5,811,631	\$ 6,790,878	
SWHPP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
CSI-Thermal (Gas)				\$ -	\$ -	\$ -	
Subtotal Other CSI Program Components Incentives - Electric Only	\$ -	\$ -	\$ 241,862	\$ 3,299,180	\$ 14,260,722	\$ 17,801,764	
Subtotal Other CSI Program Components Incentives - Gas + Electric	\$ -	\$ -	\$ 241,862	\$ 3,299,180	\$ 14,260,722	\$ 17,801,764	

CSI Program Administrator: Southern California Edison
 Repx Reporting Date: January 2012 Reporting Data Thru: December 2011

Table 2. Expenditures

Table 2. Expenditures	2007	2008	2009	2010	2011	Total	PA Comments
Other Credits or Debits							
General Market Solar Program							
Application fee refunds accidentally coded as incentive payments		\$ 459,509	\$ 379,695	\$ -	\$ -	\$ 839,204	
SGIP incentive payments - Transitional Accounts	\$ -	\$ 12,292,138	\$ 7,748,105	\$ -	\$ -	\$ 20,040,243	
Correction of App fee refunds accidentally miscoded as Incentive			\$ (634,328)	\$ (252,975)		\$ (887,303)	
Co-Funding Agreement Credits CSI SEPA 2008 Tradeshow Exhibit		\$ (11,996)		\$ -	\$ -	\$ (11,996)	
CSI Wall Calendar			\$ (30,832)	\$ -	\$ -	\$ (30,832)	
SASH - Grid Alternatives (PG&E)	\$ -			\$ (810,685)		\$ (810,685)	
SASH - Grid Alternatives (SDG&E)				\$ (191,077)		\$ (191,077)	
Meter Marketing Assessment KEMA - (PG&E)				\$ (132,737)		\$ (132,737)	
Meter Marketing Assessment KEMA - (CCSE)				\$ (31,286)		\$ (31,286)	
Forfeited Application Fees				\$ (445,792)	\$ (467,722)	\$ (913,513)	
Other CSI Program Components							
Virtual Net Metering	\$ -	\$ -		\$ 304,754	\$ 824,128	\$ 1,128,882	
	\$ -	\$ -					
Total Program Expenses	\$ 7,772,020	\$ 50,441,800	\$ 71,399,185	\$ 95,996,832	\$ 121,748,863	\$ 347,358,700	

Other Notes:

All Expenses: This workbook should include expenses or credits charged to the CSI Balancing account. It should be comprehensive and not omit any category of "credits or debits" to the account.

Labor Expenses: This category includes all labor costs required for operating, maintaining and improving the program in the Program Administrator's service territory. **Labor expenses should be fully loaded, and should not include expenses covered in the u**

For Labor for the General Market Solar Program, there are two subcategories: Application processing and Program Management.

1. **Application processing:** the labor involved in processing CSI applications and providing rebates; all labor expenses directly related to the processing of CSI applications and rebates.

2. **Program management:** the labor involved in program design and program facilitation. Other general program management expenses are to be included in this category, such as labor dedicated to the CSI Working Group meetings, all labor related to M&O,

Direct Expenses: This category includes all expenses associated with the administration of the CSI program and not covered in the General Rate Case.

CSI Program Administrator: CCSE

Reporting Date: January 2013

Reporting Data Thru: December 2012

Table 1. Budget

Table 1a. 2012 Year Budget

Category	CSI General Market Program (inc. CSI Thermal, electric)	SASH	MASH	SWHPP	RD&D	Sub Total, CSI Electric	% Total Budget	CSI Thermal (gas only)	Total CSI (Gas + Electric)
Total 2012 Year Budget for PA									
Total Admin (inc. admin, M&O, M&E and any)	\$ 18,875,130	\$ 1,673,853	\$ 1,339,082	\$ 1,794,903	\$ 770,440	\$ 23,742,708		\$ 4,500,000	\$ 28,322,708
Administration	\$ 9,770,580	\$ 1,115,902	\$ 669,541	\$ 1,171,283	\$ 615,940	\$ 13,343,246		\$ 1,900,000	\$ 15,243,246
Unallocated Admin	\$ 710,700					\$ 710,700			\$ 710,700
M&O	\$ 5,643,750	\$ 446,361	\$ 446,361	\$ 158,300		\$ 6,694,772		\$ 2,180,000	\$ 8,874,772
M&E	\$ 2,750,100	\$ 111,590	\$ 223,180	\$ 465,320	\$ 154,500	\$ 3,704,691		\$ 500,000	\$ 4,204,691
Incentives	\$ 180,024,430	\$ 9,485,167	\$ 9,819,938	\$ 795,827	\$ 4,379,560	\$ 204,504,922		\$ 18,000,000	\$ 222,504,922
Other Budget Category	\$	\$	\$	\$	\$	\$		\$ 2,500,000	\$ 2,500,000
Total Budget	\$ 198,899,560	\$ 14,159,020	\$ 14,159,020	\$ 2,690,730	\$ 5,160,000	\$ 228,958,330		\$ 25,080,000	\$ 254,038,330

Table 1a. 2007 Budget

Category	CSI General Market Program (inc. CSI Thermal, electric)	SASH	MASH	SWHPP	RD&D	Sub Total, CSI Electric	% Total Budget	CSI Thermal (gas only)	Total CSI (Gas + Electric)
Administrative Budget									
Total Budget	\$ 977,058	\$ 111,590	\$ 66,954	\$ 234,257	\$ 61,594	\$ 1,451,453	11%	\$ 0	\$ 1,451,453
Expenditures	\$ 906,416	\$	\$	\$ 237,169	\$	\$ 1,143,585	9%	\$ 0	\$ 1,143,585
Balance	\$ 70,642	\$ 111,590	\$ 66,954	\$ (2,912)	\$ 61,594	\$ 307,868	2%	\$ 0	\$ 307,868
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 564,375	\$	\$ 44,636	\$ 31,660	\$	\$ 640,671	10%	\$ 0	\$ 640,671
Expenditures	\$ 411,942	\$	\$	\$ 16,776	\$	\$ 428,718	6%	\$ 0	\$ 428,718
Balance	\$ 152,433	\$	\$ 44,636	\$ 14,884	\$	\$ 211,953	3%	\$ 0	\$ 211,953
M&E Budget									
Total Budget	\$ 275,010	\$ 11,159	\$ 22,318	\$ 93,064	\$ 15,450	\$ 417,001	11%	\$ 0	\$ 417,001
Expenditures	\$	\$	\$	\$	\$	\$	0%	\$ 0	\$ 0
Balance	\$ 275,010	\$ 11,159	\$ 22,318	\$ 93,064	\$ 15,450	\$ 417,001	11%	\$ 0	\$ 417,001
Incentives/Grants Budget									
Total Budget	\$ 18,002,443	\$ 948,517	\$ 981,994	\$ 159,165	\$ 437,956	\$ 20,530,075	10%	\$ 0	\$ 20,530,075
Expenditures	\$ 3,118,627	\$	\$	\$ 7,236	\$	\$ 3,125,863	2%	\$ 0	\$ 3,125,863
Balance	\$ 14,883,816	\$ 948,517	\$ 981,994	\$ 151,929	\$ 437,956	\$ 17,404,212	9%	\$ 0	\$ 17,404,212
Credits and/or debits									
SGIP & CSI App Fee F	\$ (119,918)	\$	\$	\$	\$	\$ (119,918)		\$ 0	\$ (119,918)
2007 Totals									
Total Budget	\$ 19,818,886	\$ 1,071,266	\$ 1,115,902	\$ 518,146	\$ 515,000	\$ 23,039,200	10%	\$ 0	\$ 23,039,200
Total Expenditures	\$ 4,436,984	\$	\$	\$ 261,181	\$	\$ 4,698,165	2%	\$ 0	\$ 4,698,165
Total Credits	\$ (119,918)	\$	\$	\$	\$	\$ (119,918)		\$ 0	\$ (119,918)
Total Balance	\$ 15,261,984	\$ 1,071,266	\$ 1,115,902	\$ 256,965	\$ 515,000	\$ 18,221,117	8%	\$	\$ 18,221,117
% of Total Budget Spent	2.17%	0.00%	0.00%	10.08%	0.00%	2.00%	2.05%	0.00%	1.80%

CSI Program Administrator: CCSE

Reporting Date: January 2013

Reporting Data Thru: December 2012

Table 1. Budget

Table 1b. 2008 Budget

Category	CSI*General*Market*Program	SASH	MASH	SWHPP	RD&D	Total	% of Total Budget	CSI*F*Fermal*(gas*only)	Total CSI*(Gas*Electric)
Administrative Budget									
Total Budget	\$ 1,047,700	\$ 223,180	\$ 133,908	\$ 231,344	\$ 123,188	\$ 1,759,321	13%	\$	\$1,759,321
Expenditures	\$ 1,077,287			\$ 327,357		\$ 1,404,644	11%	\$0	\$1,404,644
Balance	\$ (29,586)	\$ 223,180	\$ 133,908	\$ (96,013)	\$ 123,188	\$ 354,678	3%	\$0	\$354,678
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 716,808		\$ 89,272	\$ 46,544	\$	\$ 852,624	13%	\$0	\$852,624
Expenditures	\$ 531,044			\$ 91,107	\$	\$ 622,151	9%	\$0	\$622,151
Balance	\$ 185,764		\$ 89,272	\$ (44,563)	\$	\$ 230,473	3%	\$	\$230,473
M&E Budget									
Total Budget	\$ 550,020	\$ 22,318	\$ 44,636	\$ 186,128	\$ 30,900	\$ 834,002	23%	\$0	\$834,002
Expenditures	\$			\$ 165,885	\$	\$ 165,885	4%	\$0	\$165,885
Balance	\$ 550,020	\$ 22,318	\$ 44,636	\$ 20,243	\$ 30,900	\$ 668,117	18%	\$	\$668,117
Incentives/Grants Budget									
Total Budget	\$ 32,886,259	\$ 1,897,033	\$ 1,963,988	\$ 311,095	\$ 875,912	\$ 37,934,287	19%	\$0	\$37,934,287
Expenditures	\$ 9,344,002			\$ 147,773		\$ 9,491,775	5%	\$0	\$9,491,775
Balance	\$ 23,542,258	\$ 1,897,033	\$ 1,963,988	\$ 163,322	\$ 875,912	\$ 28,442,512	14%	\$	\$28,442,512
Credits and/or debits									
SGIP & CSI App Fee F	\$ (34,000)					\$ *	*****	*****	\$34,000
2008 Totals									
Total Budget	\$ 35,200,788	\$ 2,142,532	\$ 2,231,804	\$ 775,111	\$ 1,030,000	\$ 41,380,234	18%	\$0	\$41,380,234
Total Expenditures	\$ 10,952,332			\$ 732,122		\$ 11,684,454	5%	\$0	\$11,684,454
Total Credits	\$ (34,000)					\$ (34,000)	0%	\$0	\$34,000
Total Balance	\$ 24,214,456	\$ 2,142,532	\$ 2,231,804	\$ 42,989	\$ 1,030,000	\$ 29,729,780	13%	\$	\$29,729,780
% of Total Budget Spent	5.51%	0.00%	0.00%	28.26%	0.00%	5.10%	7.16%	0.00%	4.60%

Table 1c. 2009 Budget

Category	CSI*General*Market*Program	SASH	MASH	SWHPP	RD&D	Total	% of Total Budget	CSI*F*Fermal*(gas*only)	Total CSI*(Gas*Electric)
Administrative Budget									
Total Budget	\$ 947,472	\$ 334,771	\$ 200,862	\$ 138,244	\$ 184,782	\$ 1,806,131	14%	\$0	\$1,806,131
Expenditures	\$ 1,231,317	\$ 105,151	\$ 111,393	\$ 416,973		\$ 1,864,833	14%	\$0	\$1,864,833
Balance	\$ (283,845)	\$ 229,620	\$ 89,470	\$ (278,729)	\$ 184,782	\$ (58,703)	0%	\$	\$58,703
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 750,139		\$ 133,908	\$ (12,903)	\$	\$ 871,144	13%	\$0	\$871,144
Expenditures	\$ 486,896		\$ 17,470	\$ 53,958		\$ 558,324	8%	\$0	\$558,324
Balance	\$ 263,243		\$ 116,438	\$ (66,861)	\$	\$ 312,820	5%	\$	\$312,820
M&E Budget									
Total Budget	\$ 825,030	\$ 33,477	\$ 66,954	\$ 113,307	\$ 46,350	\$ 1,085,118	29%	\$0	\$1,085,118
Expenditures	\$ 165,052			\$ 155,636		\$ 320,688	9%	\$0	\$320,688
Balance	\$ 659,978	\$ 33,477	\$ 66,954	\$ (42,329)	\$ 46,350	\$ 764,431	21%	\$	\$764,431
Incentives/Grants Budget									
Total Budget	\$ 41,544,701	\$ 2,845,550	\$ 2,945,981	\$ 322,487	\$ 1,313,868	\$ 48,972,587	24%	\$0	\$48,972,587
Expenditures	\$ 20,592,066	\$ 122,492	\$ 144,867	\$ 32,901		\$ 20,892,325	10%	\$0	\$20,892,325
Balance	\$ 20,952,635	\$ 2,723,058	\$ 2,945,981	\$ 177,620	\$ 1,280,967	\$ 28,080,262	14%	\$	\$28,080,262
Credits and/or debits									
Application Fee For F	\$ (15,796)					\$ (15,796)			\$15,796
2009 Totals									
Total Budget	\$ 44,067,341	\$ 3,213,798	\$ 3,347,706	\$ 561,135	\$ 1,545,000	\$ 52,734,980	23%	\$0	\$52,734,980
Total Expenditures	\$ 22,475,330	\$ 227,643	\$ 128,863	\$ 771,434	\$ 32,901	\$ 23,636,170	10%	\$0	\$23,636,170
Total Credits	\$ (15,796)					\$ (15,796)	0%	\$0	\$15,796
Total Balance	\$ 21,576,215	\$ 2,986,155	\$ 3,218,844	\$ (210,299)	\$ 1,512,099	\$ 29,114,605	13%	\$0	\$29,114,605
% of Total Budget Spent	11.29%	2.04%	1.15%	29.78%	0.64%	10.32%	17.48%	0.00%	9.30%

CSI Program Administrator: CCSE

Reporting Date: January 2013

Reporting Data Thru: December 2012

Table 1. Budget

Table 1.d. 2010

Category	CSI+General+Market Program	SASH	MASH	SWHPP	RD&D	Total	% of total Budget	CSI+Thermal (gas only)	Total CSI (Gas+Electric)
Administrative Budget									
Total Budget	\$ 693,213	\$ 341,210	\$ 156,424	\$ (44,473)	\$ 246,376	\$ 1,392,750	10%	\$237,500	\$1,630,250
Expenditures	\$ 1,577,341	\$	\$ 153,080	\$ 137,375	\$	\$ 1,867,795	14%	\$ 184,060.06	\$2,051,855
Balance	\$ (884,128)	\$ 341,210	\$ 3,344	\$ (181,847)	\$ 246,376	\$ (475,045)	4%	\$53,440	\$421,605
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 827,618	\$	\$ 161,074	\$ (35,201)	\$	\$ 953,491	14%	\$272,500	\$1,225,991
Expenditures	\$ 592,967	\$	\$ 23,201	\$ 1,187	\$	\$ 617,355	9%	\$ 17,646.91	\$635,002
Balance	\$ 234,651	\$	\$ 137,873	\$ (36,388)	\$	\$ 336,136	5%	\$254,853	\$590,989
M&E Budget									
Total Budget	\$ 934,988	\$ 44,636	\$ 89,272	\$ 50,735	\$ 61,800	\$ 1,181,432	32%	\$62,500	\$1,243,932
Expenditures	\$ 224,463	\$	\$	\$ 26,887	\$	\$ 251,350	7%	0	\$251,350
Balance	\$ 710,525	\$ 44,636	\$ 89,272	\$ 23,848	\$ 61,800	\$ 930,081	25%	\$62,500	\$992,581
Incentives/Grants Budget									
Total Budget	\$ 38,955,078	\$ 3,671,575	\$ 3,927,975	\$ 336,786	\$ 1,718,923	\$ 48,610,337	24%	\$2,250,000	\$50,860,337
Expenditures	\$ 24,190,930	\$ 511,522	\$ 524,184	\$ 239,280	\$ 177,011	\$ 25,642,927	13%	\$6,593	\$25,649,520
Balance	\$ 14,764,148	\$ 3,160,053	\$ 3,403,791	\$ 97,506	\$ 1,541,912	\$ 22,967,410	11%	\$2,243,407	\$25,210,817
Credits and/or debits									
App Fee Forfeitures	\$ (139,637)					\$ (139,637)			\$ (139,637)
2010 Totals									
Total Budget	\$ 41,410,897	\$ 4,057,421	\$ 4,334,746	\$ 307,847	\$ 2,027,099	\$ 52,138,009	23%	\$3,135,000	\$55,273,009
Total Expenditures	\$ 26,585,700	\$ 511,522	\$ 700,465	\$ 404,729	\$ 177,011	\$ 28,379,427	12%	\$ 208,299.97	\$28,587,727
Total Credits	\$ (139,637)	\$	\$	\$	\$	\$ (139,637)	0%	0	\$ (139,637)
Total Balance	\$ 14,685,560	\$ 3,545,899	\$ 3,634,281	\$ (96,882)	\$ 1,850,088	\$ 23,898,220	10%	\$ 2,926,700	\$26,824,920
% of Total Budget Spent	13.44%	4.58%	6.28%	15.62%	3.44%	12.46%	29.87%	0.83%	11.31%

Table 1.e. 2011

Category	CSI+General+Market Program	SASH	MASH	SWHPP	RD&D	Total	% of total Budget	CSI+Thermal (gas only)	Total CSI (Gas+Electric)
Administrative Budget									
Total Budget	\$ 4,978,220	\$ 187,698	\$ 70,298	\$ 52,410	\$ 307,970	\$ 5,596,596	42%	\$237,500	\$5,834,096
Expenditures	\$ 1,833,714	\$ 418,691	\$ 153,027	\$ 890	\$ 39,590	\$ 2,445,912	18%	\$332,744	\$2,778,656
Balance	\$ 3,144,507	\$ (230,993)	\$ (82,729)	\$ 51,519	\$ 268,380	\$ 3,150,684	24%	\$95,244	\$3,055,440
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 799,026	\$	\$ 182,509	\$ (4,728)	\$	\$ 976,807	15%	\$272,500	\$1,249,307
Expenditures	\$ 161,797	\$	\$ 15,639	\$	\$	\$ 177,436	3%	\$93,231	\$270,668
Balance	\$ 637,229	\$	\$ 166,870	\$ (4,728)	\$	\$ 799,371	12%	\$179,269	\$978,639
M&E Budget									
Total Budget	\$ 985,535	\$	\$ 111,590	\$ 116,912	\$ 77,250	\$ 1,291,287	35%	\$62,500	\$1,353,787
Expenditures	\$ 349,507	\$	\$ 2,424	\$ 33,713	\$	\$ 385,643	10%	\$2,422	\$388,065
Balance	\$ 636,028	\$	\$ 109,166	\$ 83,200	\$ 77,250	\$ 905,644	24%	\$60,078	\$965,722
Incentives/Grants Budget									
Total Budget	\$ 32,766,591	\$ 1,465,000	\$ 4,385,785	\$ 256,671	\$ 1,979,868	\$ 40,853,915	20%	\$2,250,000	\$43,103,915
Expenditures	\$ 22,839,329	\$ 1,904,815	\$ 6,166,725	\$	\$ 636,453	\$ 31,547,321	15%	\$595,640	\$32,142,961
Balance	\$ 9,927,262	\$ (439,815)	\$ (1,780,940)	\$ 256,671	\$ 1,343,416	\$ 9,306,594	5%	\$1,654,360	\$10,960,954
Credits and/or debits									
Credits and/or debit	\$ 212,597					\$ 212,597			\$ 212,597
2011 Totals									
Total Budget	\$ 39,529,373	\$ 1,652,698	\$ 4,750,183	\$ 421,264	\$ 2,365,088	\$ 48,718,605	21%	\$ 2,822,500	\$ 51,541,105
Total Expenditures	\$ 25,184,347	\$ 2,323,506	\$ 6,337,815	\$ 34,603	\$ 676,042	\$ 34,556,313	15%	\$ 1,024,038	\$ 35,580,350
Total Credits	\$ 212,597	\$	\$	\$	\$	\$ 212,597	0%	\$	\$ 212,597
Total Balance	\$ 14,557,623	\$ (670,808)	\$ (1,587,633)	\$ 386,661	\$ 1,689,046	\$ 13,949,696	6%	\$ 1,798,462	\$ 16,173,352
% of Total Budget Spent	12.55%	20.82%	56.80%	1.34%	13.13%	15.00%	44.97%	4.08%	14.01%

CSI Program Administrator: CCSE

Reporting Date: January 2013

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Table 1. Budget

Table 1.e. 2012

Category	CSI-General/Market Program	SASH	MASH	SWHPP	RD&D	Total	% of total Budget	CSI-Termal (gas only)	Total CSI (Gas+Electric)
Administrative Budget									
Total Budget	\$ 3,144,507	\$ 1,150,011	\$ 252,042		\$ 730,850	\$ 5,277,409	40%	\$237,500	\$5,514,909
Expenditures	\$ 1,233,785	\$ 262,638	\$ 146,453		\$ 37,068	\$ 1,679,943	13%	\$292,209	\$1,972,152
Balance	\$ 1,910,722	\$ 887,373	\$ 105,589		\$ 693,782	\$ 3,597,466	27%	\$54,709	\$3,542,757
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 1,201,604		\$ 390,051			\$ 1,591,655	24%	\$272,500	\$1,864,155
Expenditures	\$ 240,274		\$ 10,790			\$ 251,064	4%	\$265,155	\$516,219
Balance	\$ 961,330		\$ 379,261			\$ 1,340,590	20%	\$7,345	\$1,347,935
M&E Budget									
Total Budget	\$ 911,038		\$ 220,757			\$ 1,131,795	31%	\$62,500	\$1,194,295
Expenditures	\$ 68,054		\$ 1,633			\$ 69,687	2%	\$293	\$69,979
Balance	\$ 842,984		\$ 219,124			\$ 1,062,108	29%	\$62,207	\$1,124,316
Incentives/Grants Budget									
Total Budget	\$ 99,939,477	\$ 6,946,339	\$ 3,129,029		\$ 3,533,196	\$ 113,548,040	56%	\$2,250,000	\$115,798,040
Expenditures	\$ 23,100,438	\$ 2,241,377	\$ 2,401,816		\$ 780,899	\$ 28,524,530	14%	\$1,289,332	\$29,813,862
Balance	\$ 76,839,039	\$ 4,704,962	\$ 727,213		\$ 2,752,297	\$ 85,023,510	42%	\$960,668	\$85,984,178
Credits and/or debits									
Credits and/or debit	\$ 439,884					\$ 439,884	0%		\$439,884
2012 Totals									
Total Budget	\$ 105,196,626	\$ 8,096,350	\$ 3,991,877		\$ 4,264,046	\$ 121,548,899	53%	\$ 2,822,500	\$ 124,371,399
Total Expenditures	\$ 24,642,551	\$ 2,504,015	\$ 2,560,692		\$ 817,967	\$ 30,525,224	13%	\$ 1,846,989	\$ 32,372,213
Total Credits and/or debits	\$ 439,884					\$ 439,884	0%		\$ 439,884
Total Balance	\$ 80,993,959	\$ 5,592,336	\$ 1,431,186		\$ 3,446,079	\$ 90,583,791	40%	\$ 975,511	\$ 92,439,070
% of Total Budget Spent	12.17%	22.44%	22.95%	0.00%	15.88%	13.14%	44.97%	7.36%	17.66%

Table 1.e. Total #o-Date (2007-2012)

Category	CSI-General/Market Program	SASH	MASH	SWHPP	RD&D	Total	% of total Budget	CSI-Termal (gas only)	Total CSI (Gas+Electric)
Administrative Budget									
Total Budget	\$ 9,770,580	\$ 1,115,902	\$ 669,541	\$ 1,171,283	\$ 770,440	\$ 13,343,246	100%	\$ 1,900,000	\$15,243,246
Expenditures	\$ 7,859,858	\$ 786,480	\$ 563,952	\$ 1,119,764	\$ 76,658	\$ 10,406,712	78%	\$ 809,013	\$11,215,725
Balance	\$ 1,910,722	\$ 329,422	\$ 105,589	\$ 51,519	\$ 693,782	\$ 2,936,534	22%	\$ 1,090,987	\$4,027,521
Marketing and Outreach (M&O) Budget									
Total Budget	\$ 5,643,750	\$ 446,361	\$ 446,361	\$ 158,300		\$ 6,694,772	100%	\$ 2,180,000	\$8,874,772
Expenditures	\$ 2,424,920		\$ 67,100	\$ 163,028		\$ 2,655,049	40%	\$ 376,033	\$3,031,082
Balance	\$ 3,218,830	\$ 446,361	\$ 379,261	\$ (4,728)		\$ 4,039,723	60%	\$ 1,803,967	\$5,843,689
M&E Budget									
Total Budget	\$ 2,750,100	\$ 111,590	\$ 223,180	\$ 465,320		\$ 3,704,691	100%	\$ 500,000	\$4,204,691
Expenditures	\$ 807,076		\$ 4,056	\$ 382,121		\$ 1,193,252	32%	\$ 2,715	\$1,195,967
Balance	\$ 1,943,024	\$ 111,590	\$ 219,124	\$ 83,200		\$ 2,511,438	68%	\$ 497,285	\$3,008,723
Incentives/Grants Budget									
Total Budget	\$ 180,024,430	\$ 9,485,167	\$ 9,819,938	\$ 795,827	\$ 4,379,560	\$ 204,504,922	100%	\$ 20,500,000	\$225,004,922
Expenditures	\$ 103,185,391	\$ 4,780,205	\$ 9,092,725	\$ 539,156	\$ 1,627,263	\$ 119,224,740	58%	\$ 1,891,565	\$121,116,305
Balance	\$ 76,839,039	\$ 4,704,962	\$ 727,213	\$ 256,671	\$ 2,752,297	\$ 85,280,182	42%	\$ 18,608,435	\$103,888,617
Credits and/or debits									
Credits and/or debit	\$ 343,130					\$ 343,130	0%		\$343,130
2007-2012 Totals									
Total Budget	\$ 198,899,560	\$ 11,159,020	\$ 11,159,020	\$ 2,590,730	\$ 5,150,000	\$ 228,958,330	100%	\$ 25,080,000	\$254,038,330
Total Expenditures	\$ 114,277,245	\$ 5,566,685	\$ 9,727,834	\$ 2,204,069	\$ 1,703,921	\$ 133,479,754	58%	\$ 3,079,326	\$136,559,080
Total Credits and/or debits	\$ 343,130					\$ 343,130	0%		\$343,130
Total Balance	\$ 84,965,445	\$ 5,592,336	\$ 1,431,186	\$ 386,661	\$ 3,446,079	\$ 95,135,446	42%	\$ 22,000,674	\$117,136,120
% of Total Budget Spent	57.45%	49.89%	87.17%	85.08%	33.09%	58.30%	44.97%	12.28%	53.76%

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Table 2. Expenditures		2007	2008	2009	2010	2011	2012	Total
Labor Expenses								
General Market Gas/Electric Program (not including CSI Thermal Electric component)								
Application Processing Labor		\$ 536,684	\$ 726,596	\$ 644,662	\$ 694,977	\$ 490,365	\$ 668,976	\$ 3,669,829
	Application Management	\$ 536,684	\$ 726,596	\$ 619,012	\$ 608,968	\$ 362,914	\$ 410,899	\$ 3,265,072
	Inspections			\$ 25,650	\$ 85,610	\$ 127,421	\$ 153,077	\$ 391,757
Program Management Labor (Including M&O)		\$ 343,265	\$ 428,140	\$ 691,292	\$ 804,346	\$ 1,070,023	\$ 652,202	\$ 4,207,365
	Program Management	\$ 169,816	\$ 210,778	\$ 438,204	\$ 751,916	\$ 978,314	\$ 511,684	\$ 3,060,711
	M&O Support	\$ 173,449	\$ 226,362	\$ 190,188	\$ 211,334	\$ 75,801	\$ 108,895	\$ 986,027
	M&E Support			\$ 62,901	\$ 41,097	\$ 24,909	\$ 31,720	\$ 160,627
<i>Subtotal General Market Program (without CSI Thermal Electric component) *</i>		\$ 879,949	\$ 1,154,736	\$ 1,335,954	\$ 1,500,323	\$ 1,560,388	\$ 1,271,278	\$ 7,864,194
CSI Thermal Electric Displacing Program								
Application Processing Labor					\$ 1,790	\$ 13,969	\$ 7,050	\$ 22,809
	Application Management				\$ 1,790	\$ 13,969	\$ 7,050	\$ 22,809
	Inspections				\$ 8,693	\$ 959	\$ 2,441	\$ 12,093
Program Management Labor (Including M&O)					\$ 26,023	\$ 54,345	\$ 54,708	\$ 135,075
	Program Management				\$ 26,023	\$ 54,345	\$ 54,708	\$ 135,075
	M&O Support					\$ 16,149	\$ 17,315	\$ 33,464
	M&E Support					\$	\$	\$
<i>Subtotal CSI Thermal Electric Displacing Program *</i>					\$ 28,506	\$ 85,421	\$ 87,524	\$ 203,442
<i>Subtotal CSI General Market (PA + CSI Thermal Electric component)</i>		\$ 879,949	\$ 1,154,736	\$ 1,335,954	\$ 1,500,323	\$ 1,560,388	\$ 1,271,278	\$ 7,864,194
Other CSI Program Components								
SWHPP Labor		\$ 201,306	\$ 321,492	\$ 384,602	\$ 116,725	\$ 890	\$	\$ 1,025,015
RD&D Labor						\$ 39,590	\$ 37,068	\$ 76,658
MASH Labor				\$ 120,470	\$ 168,191	\$ 163,800	\$ 152,533	\$ 604,993
SASH Labor				\$ 105,151		\$ 418,691	\$ 262,638	\$ 786,480
<i>Subtotal Other CSI Program Components Labor Expenses * Electric *</i>		\$ 201,306	\$ 321,492	\$ 504,223	\$ 284,916	\$ 622,971	\$ 452,239	\$ 2,149,245
<i>Subtotal CSI General Market + Thermal Electric + Other Components</i>		\$ 1,081,255	\$ 1,476,228	\$ 1,840,177	\$ 1,785,239	\$ 2,183,359	\$ 1,723,517	\$ 10,013,439
CSI Thermal Natural Gas Displacing Program *								
Application Processing Labor					\$ 7,161	\$ 36,921	\$ 19,609	\$ 63,692
	Application Management				\$ 7,161	\$ 36,921	\$ 19,609	\$ 63,692
	Inspections				\$ 34,771	\$ 1,721	\$ 2,926	\$ 39,419
Program Management Labor (Including M&O)					\$ 104,091	\$ 198,797	\$ 223,974	\$ 526,862
	Program Management				\$ 104,091	\$ 198,797	\$ 223,974	\$ 526,862
	M&O Support				\$ 58,612	\$ 52,307	\$ 52,307	\$ 110,919
	M&E Support					\$	\$ 293	\$ 293
<i>CSI Thermal Program (Gas-Only) Labor Expenses *</i>					\$ 146,024	\$ 288,745	\$ 276,107	\$ 641,271

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Direct Expenses*														
General Market Solar Electric Program (not including CSI Thermal Electric component)														
Application Processing Direct Expense	\$	11,195	\$	4,875	\$	8,143	\$	10,362	\$	7,603	\$	5,797	\$	47,975
Program Management (all other not listed below)	\$	70,640	\$	59,380	\$	98,748	\$	72,095	\$	187,302	\$	13,638	\$	501,803
Program Management CSI Database	\$	118,082	\$	75,658	\$	41,561	\$	2,375	\$	46,308	\$	48,128	\$	332,111
Program Management IT Support									\$	19,376	\$	14,730	\$	34,106
Program Management Measurement & Evaluation				\$	102,151	\$	183,366	\$	323,992	\$	36,333	\$	645,843	
Program Management Marketing and Outreach	\$	238,493	\$	304,683	\$	296,708	\$	311,045	\$	63,985	\$	60,854	\$	1,275,768
Subtotal all General Market Program Direct Expenses (excluding CSI Thermal Electric)*	\$	469,409	\$	444,596	\$	547,300	\$	579,244	\$	649,565	\$	167,946	\$	2,837,606
CSI Thermal Electric Displacing Program														
Application Processing Direct Expense	\$		\$		\$		\$	901	\$	193	\$		\$	1,095
Program Management (all other not listed below)	\$		\$		\$		\$	1,450	\$	19,377	\$	1,432	\$	22,259
Program Management CSI Database	\$		\$		\$		\$	7,158	\$	15,635	\$	10,200	\$	32,993
Program Management IT Support	\$		\$		\$		\$		\$		\$		\$	
Program Management Measurement & Evaluation	\$		\$		\$		\$		\$	605	\$		\$	605
Program Management Marketing and Outreach	\$		\$		\$		\$		\$		\$		\$	
Subtotal all CSI Thermal Electric Direct Expenses *	\$		\$		\$		\$	9,509	\$	25,802	\$	11,632	\$	129,660
Subtotal CSI General Market (PV+ CSI Thermal Electric component)	\$	469,409	\$	444,596	\$	547,300	\$	659,753	\$	675,367	\$	179,578	\$	3,024,216
Other CSI Program Components														
SWHPP Direct Expense	\$	52,640	\$	262,856	\$	241,966	\$	48,724	\$	33,713	\$		\$	639,899
RD&D Direct Expense				\$	32,901	\$	177,011	\$	636,453	\$	780,899	\$		1,627,263
MASH Direct Expense				\$	8,393	\$	8,090	\$	7,291	\$	6,342	\$		30,117
SASH Direct Expense														
Subtotal Other CSI Program Components Direct Expenses* Electric	\$	52,640	\$	262,856	\$	241,966	\$	48,724	\$	33,713	\$		\$	2,297,279
Subtotal CSI General Market (PV+ Thermal Electric* Other Components)	\$	491,049	\$	707,452	\$	830,570	\$	808,477	\$	709,080	\$	14,642	\$	5,321,496
CSI Thermal Natural Gas Displacing Program														
Application Processing Direct Expense	\$		\$		\$		\$	3,605	\$	10	\$		\$	3,615
Program Management (all other not listed below)	\$		\$		\$		\$	5,799	\$	43,715	\$	4,899	\$	54,414
Program Management CSI Database	\$		\$		\$		\$	28,632	\$	51,579	\$	40,800	\$	121,011
Program Management IT Support	\$		\$		\$		\$		\$		\$		\$	
Program Management Measurement & Evaluation	\$		\$		\$		\$		\$	2,422	\$		\$	2,422
Program Management Marketing and Outreach	\$		\$		\$		\$		\$		\$		\$	
Subtotal all CSI Thermal Program Direct Expenses*	\$		\$		\$		\$	36,036	\$	57,726	\$	45,701	\$	163,872
Incentives Paid *														
General Market Solar Program														
EPBB	\$	3,019,506	\$	7,767,463	\$	13,501,963	\$	14,512,030	\$	7,632,117	\$	4,307,682	\$	50,740,762
PBI	\$	99,120	\$	1,576,538	\$	7,090,103	\$	9,658,757	\$	15,182,546	\$	18,763,129	\$	52,370,229
CSI Thermal (Electric)							\$	20,143	\$	24,666	\$	29,992	\$	74,401
Subtotal General Market Solar Program Incentives	\$	3,118,626	\$	9,344,001	\$	20,592,066	\$	24,190,930	\$	22,839,725	\$	23,100,673	\$	103,185,392
Other CSI Program Components														
MASH Track 1	\$		\$		\$		\$	524,184	\$	5,347,761	\$	2,401,816	\$	8,273,761
MASH Track 2	\$		\$		\$		\$		\$	818,964	\$		\$	818,964
SASH	\$		\$		\$	122,492	\$	511,522	\$	1,904,815	\$	2,241,377	\$	4,780,205
SWHPP	\$	7,236	\$	147,773	\$	144,867	\$	239,280	\$		\$		\$	539,156
CSI Thermal (Gas)							\$	6,593	\$	595,640	\$	1,289,332	\$	1,891,565
Subtotal Other CSI Program Components Incentives Electric Only	\$	7,236	\$	147,773	\$	144,867	\$	530,377	\$	6,953,716	\$	3,691,148	\$	14,483,605
Subtotal Other CSI Program Components Incentives Gas + Electric	\$	7,236	\$	147,773	\$	144,867	\$	536,970	\$	7,549,362	\$	3,717,140	\$	16,303,651

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Other Credits or Debits*														
General Market Solar Program														
Self Generation Incentive Program Forfeitures	\$	(117,829)	\$	(18,616)				\$	(136,445)					
CSI Applicatoin Fee Forfeitures	\$	(2,089)	\$	(15,384)	\$	(15,796)	\$	(139,637)	\$	(55,000)	\$	(12,500)	\$	(240,406)
CSIT Application Fee Forfeitures	\$		\$					\$				\$		
	\$		\$					\$				\$		
Total Credits or Debits*	\$	(119,918)	\$	(34,000)	\$	(15,796)	\$	(139,637)	\$	(55,000)	\$	(12,500)	\$	(240,406)
Other CSI Program Components														
Virtual Net Metering	\$		\$				\$	267,597	\$	452,384	\$	719,981		
	\$		\$									\$		
Total Program Expenses	\$	4,578,248	\$	1,660,454	\$	38,628,376	\$	28,448,089	\$	35,798,948	\$	32,818,087	\$	38,982,322

Other Notes:

All Expenses: This workbook should include expenses or credits charged to the CSI Balancing account. It should be comprehensive and not omit any category of "credits or debits" to the account.

Labor Expenses: This category includes all labor costs required for operating, maintaining and improving the program in the Program Administrator's service territory. ~~Labor expenses should be fully loaded, and should not include expenses covered in the~~

For Labor for the General Market Solar Program, there are two subcategories: Application processing and Program Management.

- Application processing:** the labor involved in processing CSI applications and providing rebates; all labor expenses directly related to the processing of CSI applications and rebates.
- Program management:** the labor involved in program design and program facilitation. Other general program management expenses are to be included in this category, such as labor dedicated to the CSI Working Group meetings, all labor

Direct Expenses: This category includes all expenses associated with the administration of the CSI program and not covered in the General Rate Case.