

**RETURN TO ENERGY BRANCH
ROOM 3102**

E-2

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**EVALUATION & COMPLIANCE DIVISION
Energy Branch**

**RESOLUTION E-3033
May 13, 1987.**

R E S O L U T I O N

**ORDER AUTHORIZING PACIFIC POWER & LIGHT COMPANY (PP&L)
TO MODIFY SCHEDULE NO. DC-7 ENTITLED RESIDENTIAL
SERVICE EXPERIMENTAL CLEAN AIR/WOOD HEAT MONTHLY CREDIT
OPTIONAL FOR QUALIFYING CUSTOMERS.**

By Advice Letter No. 200-E, filed March 31, 1987, Pacific Power and Light Company (PP&L) requests authority to modify Schedule No. DC-7 entitled Residential Service Experimental Clean Air/Wood Heat Monthly Credit (Winter Saver Program) to state that wall insulation is a recommended measure, but not required as part of this program. In addition, PP&L proposes to carryover its unspent energy conservation funds from years 1984 to 1986 (\$354,075) to maximize low-income weatherization goals in 1987 and 1988.

BACKGROUND

1. By Resolution E-3007 of September 4, 1986, the Residential Service Experimental Clean Air/Wood Heat Monthly Credit (Winter Saver Program) was established to provide a reduced cost-of electric-space heating rate for customers who have the capability of utilizing wood as well as electricity for space heating. The intent of the rate is to determine how much of the electric load lost to wood-heat in recent years can be regained with a competitive rate.
2. Tied to the Winter Saver Program are audit and weatherization components. To qualify for the program, a customer must have a home energy audit completed before they may participate in the program for the second year. They must have their home weatherized before they may participate in the third year.
3. Participating customers are billed from rate Schedule DC-7, which offers electricity at 50% of the present residential rates under Schedule D. This reduced rate is only applicable to electricity consumed during the heating season in excess of that consumed during a Base Period (the preceding heating season is used for qualification).

4. For the first year of the program, Schedule DC-7 applies to electric service provided for residential purposes in single family dwellings or in multiple dwellings in which single-family units receive service directly from the utility through separate meters, who can utilize wood and electricity as primary sources of space heat and have maintained continuous residency during the immediately preceding 12 months.

5. Second year eligibility exists for residences built prior to January 1, 1978. This additionally requires completion of a Company sponsored inventory of home weatherization status.

6. Third year eligibility requires achievement of Specified Weatherization Levels.

7. Eligibility is restricted to customers with installed woodstoves or stove-like fireplace inserts, and to customers who employ fireplaces as their sole source of space heat. This schedule is not applicable to customers with installed oil or propane-fueled space or water heating appliances.

8. PP&L proposes to use remaining unspent conservation funds from the years 1984 through 1986 to cover costs for the Winter Saver Low-Income Program, the Low-Income Senior Weatherization Projects and the Residential Energy Audit Program, during calendar years 1987 and 1988.

DISCUSSION

1. PP&L proposes to introduce a special weatherization program specifically designed to qualify low-income Winter Saver participants for the third year of the program. PP&L proposes to spend \$162,418 each in the years 1987 and 1988 to weatherize these homes. As part of this program and in order to maximize its weatherization goals, PP&L proposes to change the wording of Schedule No. DC-7 to state that the presence of wall insulation is recommended, but not mandatory.

2. The purpose of the Winter Saver Low-Income Program is to qualify as many low-income homes for the third year of the Winter Saver rate as possible and, at the same time, significantly reduce the heating bills for these customers.

3. The recently completed and successful Alturas Low-Income Senior Project spent an average of \$1,550 per home to add glass storm windows, ceiling and floor insulation (some homes require all the measures, others require only one measure). At this cost the Low-Income Winter Saver Program will qualify 210 low-income homes for the third year of the program.

4. Currently, wall insulation is required in the program. Assuming an average cost for insulating walls at \$600 and an additional average cost of repainting at \$400, the Low-Income Winter Saver Program will cost \$2,550 per home, for all measures, and will qualify only 127 homes.

5. Some cities in PP&L's service area, such as Alturas and Cedarville in Modoc County do not have a weatherization contractor is qualified to install wall insulation.

6. No other weatherization program exists for the affected ratepayers.

7. Therefore, in the interest of doing the best job for the most low-income homes, easing the burden of weatherization costs for other customers, and rather than disqualifying an entire county from the program, PP&L suggests that wall insulation be considered a recommended measure, not a required measure.

8. Funding for this program would be provided by carrying over previously unspent conservation funds.

9. The Consumer Affairs Branch of the Public Affairs Division has reviewed this advice letter and has no objection to PP&L's proposal.

10. The Energy Branch of the Evaluation and Compliance Division has reviewed this advice letter and concluded that PP&L has complied with Commission direction regarding the implementation of this program, including the required filing of its first semi-annual report on the Winter Saver Program.

11. The Commission staff has received no protests to this advice letter.

12. This filing will not increase any rate or charge, cause the withdrawal of service nor conflict with any rule or schedule.

13. Public notification of this filing has been made by supplying copies of the filing to other utilities, governmental agencies, and to all interested parties who requested such notification.

FINDINGS

1. Pacific Power & Light Company's Winter Saver Program is an experimental project designed to both minimize environmental pollution from wood burning for space heat and to conserve electric usage for space heat by providing a

program for efficient weatherization of residential customer's homes.

2. Modification of Schedule DC-7 to change the requirements for wall insulation from "required" to "recommended" will allow an additional 83 residential low-income customers to acquire weatherization and continue participation in the program.

3. The application of unspent conservation funds from previous budgets of 1984 through 1986 for the proposed project will lessen the low-income participants weatherization cost burden.

4. This filing will not increase any rate or charge, cause the withdrawal of service, nor conflict with other schedules or rules.

THEREFORE:

1. Pacific Power and Light Company is authorized to modify Schedule DC-7 to allow wall insulation to be changed from a mandatory requirement to a recommended requirement.

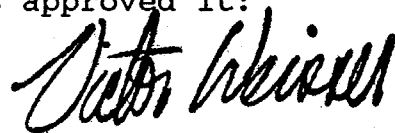
2. Pacific Power and Light Company is directed to continue to report to the Chief of the Energy Branch of the Evaluation and Compliance Division its experience during this period of program availability with semi-annual reports, which will analyze the program's effects on energy use and on weatherization activity.

3. Conservation funds budgeted in previous years for the project shall be carried forward and applied to the Winter Saver Program Low-Income Grants, Low-Income Senior Projects and the Residential Energy Audit Program during calendar years 1987 and 1988.

4. Advice Letter No. 200-E and the accompanying tariff sheets shall be marked to show that they were approved for filing by Commission Resolution E-3033. This Resolution is effective today.

I certify that this Resolution was adopted by the California Public Utilities Commission at its regular meeting on May 13, 1987. The following Commissioners approved it:

STANLEY W. HULETT
President
DONALD VIAL
JOHN B. OHANIAN
Commissioners



Executive Director

Commissioner Frederick R. Duda being necessarily absent, did not participate.

Commissioner G. Mitchell Wilk being necessarily absent, did not participate.