

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION *

RESOLUTION E-3601

JUNE 3, 1999

RESOLUTION

RESOLUTION E-3601. PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, SAN DIEGO GAS & ELECTRIC COMPANY, AND SOUTHERN CALIFORNIA GAS COMPANY REQUEST APPROVAL TO IMPLEMENT A NEEDS ASSESSMENT AND A CALIFORNIA ALTERNATIVE RATES OUTREACH PILOT. THE LOW INCOME GOVERNING BOARD (LIGB) REQUESTS APPROVAL FOR ITS 1999 BUDGET AND FOR AUTHORITY TO IMPLEMENT A NEEDS ASSESSMENT AND A CALIFORNIA ALTERNATIVE RATES OUTREACH PILOT. CONDITIONALLY APPROVED.

UTILITY REQUESTS BY ADVICE LETTERS 2140-G/1854-E, 1370-E, 1156-E/1141-G, AND 2792, RESPECTIVELY, FILED ON MARCH 12, 1999. LIGB'S REQUEST BY A COMPLIANCE FILING, DATED FEBRUARY 26, 1999.

SUMMARY

1. On February 26, 1999, the Low Income Governing Board (LIGB or Board) submitted a compliance filing requesting authority for its 1999 budget and to implement a needs assessment study and a California Alternate Rates For Energy (CARE) outreach pilot program. The LIGB's compliance filing was submitted in compliance with Resolution E-3583, dated December 17, 1998.
2. On March 12, 1999, Pacific Gas And Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCal Gas) filed Advice Letters 2140-G/1854-E, 1370-E, 1156-E/1141-G, and 2792 (Advice Letters), respectively. These Advice Letters request approval to implement a needs assessment study and a CARE outreach pilot. The Advice Letters were filed in compliance with the Assigned Commissioner's Ruling, dated March 8, 1999, in Rulemaking (R.) 98-07-037.¹

¹ On July 23, 1998, the Commission opened its Order Instituting Rulemaking on the Commission's Proposed Policies and Programs Governing Energy Efficiency, Low Income Assistance, Renewable Energy and Research Development and Demonstration.

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3. On March 18, 1999, the Office of Ratepayer Advocates (ORA), SDG&E and SoCal Gas each filed comments and/or protests to LIGB's submittal. Comments/protests include concerns that the submittal is deficient pursuant to General Order (G.O.) 96-A and E-3583; that the expenditures requested for LIGB's consultants, the study and the pilot program are not justified; that these requested expenditures are unreasonable; that flexibility be built into the LIGB budget in the event all of the issues that impact LIGB's budget are not resolved by the time of the Resolution addressing LIGB's submittal; and that the LIGB's proposals for the study and outreach pilot are problematic.
4. On April 1, ORA filed comments generally in support of the Advice Letters. ORA recommends the selection of the needs assessment consultants using the state procurement process through the Energy Division. ORA points out that low-income programs do not have a sunset-date and therefore the needs assessment study and any outreach pilot should not be rushed at the expense of effectiveness, accuracy or completeness.
5. On April 1, 1999, the Community Enhancement Services and the Community Resource Project, Inc. (collectively referred to as Community Services) filed a protest to the Advice Letters. On April 6, 1999, the Associated Community Action Program, City of Oakland Department of Health and Human Services, Contra Costa County Community Services Department, Economic and Social Opportunities, Inc., City of Berkeley Community Action Agency, Spectrum Community Services, Inc., Community Action Agency of San Mateo County, Inc. (collectively referred to as Community Agencies) filed a protest to the Advice Letters. The community organizations that filed protests on both April 1st and April 6th shall be collectively referred to as Community Organizations. On April 1, 1999, the LIGB also filed a protest to the Advice Letters. The Community Organizations and the LIGB request the Commission adopt the LIGB's proposal for the CARE outreach pilot program and needs assessment and express concerns with the Joint Utilities' proposals for the same.
6. This Resolution conditionally approves Advice Letters 2140-G/1854-E, 1370-E, 1156-E/1141-G, and 2792, with respect to an outreach pilot program and conditionally approves LIGB's budget. This resolution denies LIGB's request to conduct a needs assessment study and an outreach pilot. A subsequent resolution will address the utilities' request to conduct a needs assessment study.

BACKGROUND

1. Pursuant to Decisions (D.) 95-12-063 (as modified by 96-01-009) and 96-03-022, the Low-Income Working Group prepared a report on its recommendations or positions on the possible impacts that electric industry restructuring would have on current utility

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sponsored low-income programs. Most of the group determined that assessing the need for these programs requires at least three steps: identify the current program objectives; review program purpose of meetings objectives; and assess the need for future funding, based on how the remaining needs may change over time. They recommend that the Commission provide for a comprehensive needs assessment for each program element. The report provides general guidance upon how the group recommended a needs analysis be done. However, the group indicated it did not have the time or resources to design and begin the implementation of a rigorous needs analysis.

2. In R. 94-12-001, the Commission is considering changes to the current income-based criteria for the Low Income Ratepayer Assistance Program (now the CARE program) and the Universal Lifeline Telephone Service.
3. In D. 97-02-014, the Commission indicated its desire for the LIGB to design and undertake a needs assessment as part of its program development and evaluation functions. The Commission stated its intent to consider the schedule and scope of such an effort during the transition to independent administration of low-income programs.
4. On October 15, 1998, the LIGB submitted its budget for 1999. Included in this filing was a proposal to set aside \$2 million for the LIGB to conduct a needs assessment study and \$4 million for the LIGB to conduct pilot programs. E-3583, dated December 17, 1998, indicated that the LIGB's request was insufficient, and that if the Board submitted a more thorough and complete needs assessment proposal in a supplementary filing by February 26, 1999, the Commission would reconsider the Board's request. E-3585, dated December 17, 1999, indicated that any funds necessary for a needs assessment shall be an increase to the CARE costs and shall be split between dual-fuel utilities' gas and electric departments, proportionally based on the respective gas and electric CARE budgets. E-3586, dated January 20, 1999, indicated that customers may benefit from new outreach pilot programs and indicated that the LIGB may include, in its February 26, 1999 filing, a complete and thorough proposal for an outreach pilot program.
5. On March 8, 1999, an Assigned Commissioner's Ruling (ACR), ordered PG&E, SCE, SoCal Gas and SDG&E to file advice letters, no later than March 12, 1999, seeking approval to implement a needs assessment study and any CARE outreach pilot program.² This ruling also ordered the Energy Division to convene a workshop on April 12 and 13, 1999 to allow interested parties, the LIGB and the California Board for Energy Efficiency (CBEE) to provide input to the Commission regarding the structure and operating procedures for these two boards.

² The March 8, 1999 ruling addresses outstanding administrative issues for the two public purpose Boards and addresses outstanding tasks with respect to low-income assistance programs.

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6. D.99-03-056 extended the period in which utilities will continue to administer low-income assistance programs to December 31, 2001. This decision requires the utilities to work in consultation with the LIGB to develop program plans and budgets.

7. On March 26, 1999, an ACR established the procedures and schedule for planning for the program year (PY) 2000 and PY 2001 for California public purpose programs. This ACR recognizes the ambitious schedule for 1999 already established to address issues that arose during the PY 1999 low-income program planning process. The ACR directs the LIGB to hold off on resubmitting PY 2000 policy issues and instead revisit those during the PY 2001 planning process.

8. In its compliance filing, dated February 26, 1999, the LIGB proposes a revised 1999 operating budget for the Board, as well as planned dates and preliminary agendas for the Board's meetings in 1999. The LIGB indicates that in completing the proposed budget, below, it assumed that administrative and technical support will be available after June 30, 1999, and that this assistance will cost the same irrespective of whether this assistance is provided through its current consultants or Commission staff.

Board Members			
Per Diem	\$54,000		
Travel Expenses	70,875		
Board Member Total		\$124,875	
Errors and Omission Insurance		60,000	
Advisory Committee			
Travel Expenses	18,000		
Advisory Committee Member Total		18,000	
Total Board Expenses Excluding Consultants			\$202,875
Legal Consultants		\$60,000	
Administrative Consultants ³			
Board Meeting Support and Expenses	200,215		
Advisory Committee Support and Expenses	61,133		
Report Preparation	150,067		
Administrative Record Upkeep	24,457		
Website Management	29,212		
Administrative Consultant Total		465,084	
Technical Consultants ⁴			

³ LIGB estimates that 3,535 administrative support hours of labor will be provided in 1999. In addition, the Board requests \$157,740 be set aside: \$81,630 for expenses, \$23,528 for administrative consultant travel; \$37,888 for subcontractors; and \$14,304 for a mark-up on expenses.

⁴ Not including \$77,000 proposed for a needs assessment study.

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Labor, Travel and Expenses ⁵	520,000		
Technical Consultant Total		520,000	
Total Consultant Support for Board			\$1,045,084
Total Board and Consultant Support			\$1,247,959

9. For 1999, the LIGB is planning to conduct 30 meetings, half in northern California and half in southern California. The LIGB included an attachment with preliminary dates and agendas for each of these meetings. The Board assumes the advisory committee will meet 10 times and will meet in both northern and southern California. The LIGB included a process for planning for PY 2000. The LIGB notes the Commission has directed the Board to increase the opportunity for public input.

10. In its February 26, 1999 compliance filing, the LIGB submitted a needs assessment study proposal. LIGB is concerned that any needs assessment be conducted in an unbiased, impartial, and credible manner. The LIGB requests authority to issue and manage the contract. If that is not possible, the LIGB requests the utilities issue the contract, but that the management be under the purview of the Board. LIGB proposes a third option where the Commission is the contracting entity and the LIGB manages the study.

11. The Board proposes that the needs assessment study be completed in phases. LIGB proposes that samples be drawn from utility service areas, upon which the study will be conducted. In its filing, the LIGB notes, on page 5, the choice of the sample size is of concern both at the utility and at state levels. For the first phase, the LIGB suggests there should be a collaborative planning and final design of the study, which will lead to the development of a request for proposal for a general contractor to conduct the study. Per LIGB's proposal, Phase 2 would be the data gathering and analysis phase. Phase 3 would be the synthesis and assessment phase where results are discussed and possible program change recommendations are developed by the LIGB. The LIGB made many assumptions in designing its study with regards to the sample size, the sampling process, research questions and research methodology. For example, per LIGB's proposal, LIGB indicates most of the samples will not provide for statistical significance.

12. The LIGB proposes that a Needs Assessment Subcommittee (NAS), a subcommittee to the LIGB, be created. The LIGB indicates the NAS should be chaired by a LIGB member and comprised of a Commission staff member, two public members (designated by the LIGB), one representative designated by the utilities and as ex-officio

⁵ Based on 1998 labor, travel and expenses expenditures for the technical consultants, Energy Division developed allocation factors to apply to the 1999 budget, thereby estimating a breakdown between those expense categories. Energy Division estimates \$46,533 would be for travel and expenses and \$473,467 for labor.

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members, the contractor and representatives from each utility. The purpose of LIGB's proposed NAS would be to:

- a) Fulfill tasks assigned by the LIGB;
- b) Propose management plans;
- c) Be responsible for preparing the RFP;
- d) Allocate work among the team of utilities, consultants, university faculty, etc.;
- e) Provide monthly progress reports to the LIGB and the Commission;
- f) Publish results and provide them to the public; and
- g) Review results and submit them with preliminary recommendations to the LIGB.

13. The LIGB proposes that Phase 1 of the study be started immediately and be completed by August 15, 1999, at which time Phase 2 would begin. The LIGB estimates that Phase 2 would be completed and Phase 3 would begin January 31, 2001. The LIGB estimates that Phase 3 would be complete by April 15, 2001.

14. The LIGB proposes the following needs assessment budget:

Needs Assessment Study		
Phase 1 - LIGB Technical Consultant	\$77,000	
Phase 2 and 3 - Independent Consultant	888,600	
Total Needs Assessment Study		\$965,600

15. The LIGB also submitted a CARE outreach proposal and budget, comprised of two parts: 1) an outreach pilot program and 2) the utilization of the Electric Education Call Center:

CARE Outreach:		
Outreach Pilot	\$967,000	
Call Center	125,000	
Total CARE Outreach		\$1,092,000

16. The LIGB states that the outreach pilot should encourage creativity in approach, competition in the bidding process and coordination with existing complementary

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programs, and should result in an increase in rolls in each service territory equal to 5% of the estimated eligible but currently unenrolled population. The LIGB states that the utilities should be expected to maintain or enhance their existing enrollment levels, but that re-enrollments may be counted toward the participation goal. The LIGB proposes that the outreach pilot last one year from its inception. The LIGB proposes that the outreach pilot allow multiple awards within the same geographic area or target to the same customer segment. The LIGB believes this will spur innovation and desire to achieve effective service delivery and allow for greater comparison of methods and results. The LIGB proposes that the utilities contract with community-based organizations (CBOs), or other institutions with a presence in the communities, for enrollment services. The LIGB estimates that the outreach pilot should not cost more than \$25 to enroll each new CARE enrollee, for a total outreach pilot cost of \$1,916,800 for approximately 78,000 new enrollees over a one year period (\$967,000 for approximately 39,000 new enrollees in 1999, beginning June 1, 1999) and that benefits for these new enrollees should not exceed \$7,007,797 per year for approximately 78,000 new enrollees (\$3,503,899 for approximately 39,000 new enrollees in 1999, beginning June 1, 1999). LIGB's proposal includes tracking and reporting requirements to be completed by both the implementers and the utilities.

17. The LIGB recommends that the Commission set aside \$125,000 for the Electric Education Call Center, which would provide information by telephone and in writing to low-income customers, as additional CARE outreach.

18. On March 12, 1999, PG&E, Edison, SoCal Gas and SDG&E (Joint Utilities) submitted a joint proposal for the implementation of a needs assessment study and for a CARE outreach pilot program.

19. The Joint Utilities acknowledge that prior to the LIGB's February 26, 1999 submittal to the Commission, they actively participated and provided comments to the LIGB on the Board's draft proposal for the needs assessment study. The Joint Utilities state that many revisions in the LIGB's proposal were incorporated based on the utilities' input. However, the Joint Utilities believe that additional changes are warranted that will further the Commission's goals for the low-income programs. The Joint Utilities believe their own proposals will expand upon and enhance the proposals submitted by the Board.

20. The Joint Utilities strongly recommend that the needs assessment study be produced by the Commission, by staff at its direction, on behalf of the ratepayers, and not be delegated to the LIGB. The Joint Utilities point out that the part-time nature of the LIGB members might make it extremely difficult to manage a study of the magnitude envisioned. The Joint Utilities assert that Commission staff, supported by members of the Board and interested parties, could quickly and consistently respond to issues and make decisions as required.

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21. The Joint Utilities request the Commission adopt its needs assessment study proposal, which differs from the LIGB's proposed approach as follows:
- a) The Joint Utilities would jointly sponsor the RFP to select the independent contractor that would conduct Phase 1 of the study and would jointly issue the independent consulting agreements;
 - b) A needs assessment oversight committee (Supervisory Committee) would be formed and chaired by an Energy Division representative, no later than May 21, 1999, and would be comprised of 10 additional voting members:
 - i) two LIGB members;
 - ii) one ORA member;
 - iii) one member from each of the Joint Utilities; and
 - iv) three members from agencies representing low-income customers.

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- c) The study would be undertaken in two phases. Phase 1 would include developing a report summarizing known information, preparing and issuing a RFP for Phase 2, and recommending the consultant to complete Phase 2. Phase 2 would include the in-depth needs assessment study and analysis. The Joint Utilities indicate that the Commission may want to consider adding a third (or more) phase(s) to further refine and update Phase 2 and/or investigate under-served populations identified by the study;
- d) That the principal parties, such as the Commission and the LIGB, would be involved in the study; and
- e) The Joint Utilities propose a budget of \$223,200 for Phase 1 of the study. This amount includes the independent contractor's professional fees and business and travel expenses, and the Supervisory Committee meeting costs. The Joint Utilities propose that Supervisory Committee meeting expenses be limited to refreshments and working luncheon costs, that meetings will be held at the Commission's offices or an alternative space free of rental fees, and that the Commission will provide administrative support for these meetings.
- f) The Joint Utilities propose that they file another advice letter describing Phase 2 and requesting Phase 2 funding (and any subsequent phases). The Joint Utilities point out that the scope of subsequent phases is dependent on the outcome of the previous phases.

22. The Joint Utilities propose that the Supervisory Committee not be a subcommittee to the LIGB. Instead, the Supervisory Committee would serve as an independent committee of the Commission and have overall responsibility for the management of the study including:

- a) Serving as an independent committee of the Energy Division, the Assigned Commissioner (AC), and/or the Administrative Law Judge (ALJ);
- b) Fulfilling tasks assigned by the chairperson of the committee;
- c) Developing project management plans;
- d) Supervising the development of an RFP;
- e) Screening and recommending the Phase 1 contractor;

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- f) Supervising the work of the Joint Utilities, the contractor, and any others involved;
- g) Providing monthly progress reports to the LIGB and the Commission;
- h) Publishing results and making publications readily available to the LIGB, the Commission and the public; and
- i) Reviewing the results and submitting preliminary recommendations to the LIGB, the AC and/or ALJ.

23. The Joint Utilities propose that the minimum qualifications for serving on the Supervisory Committee include:

- a) Demonstrated experience in managing or supervising major market research projects; or
- b) Demonstrated experience in the delivery of low-income programs; or
- c) Educational background in economics, statistics, marketing, engineering, or business administration.

24. With a member from each utility being represented on the Supervisory Committee, the Joint Utilities claim their concerns about unintended or unexpected consequences such as contractor negligence, utility liability, and breach of contract would be mitigated.

25. The Joint Utilities request the Commission to direct that the Supervisory Committee be formed within 30 days of approval of the Joint Utilities needs assessment proposal.

26. The Joint Utilities claim that the February 9, 1999 LIGB draft concept paper on outreach did not include a specific outreach plan. The Joint Utilities claim that the LIGB's public workshops held on February 22nd and 23rd, to solicit input into the Board's outreach plans were only minimally attended, and discussion did not focus on any specific outreach proposals. The Joint Utilities noted that the LIGB, at its February 24th meeting, did not solicit oral comments on its draft outreach plan because the Board's agenda was full and the availability of a quorum was a concern. Therefore, the Joint Utilities claim they did not have an opportunity to provide comments on the Board's plan.

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27. The Joint Utilities point out that:

- a) CARE outreach through CBOs is not new and the Joint Utilities believe there is little value in designing a pilot using methods that are in place and have already been tested;
- b) The LIGB proposal presupposes that a specific level of increased participation will result before the test is even made;
- c) The LIGB's proposal ignores the impact that the change to self-certification for PG&E's and SoCal Gas' customers will have on increasing CARE participation; and
- d) The LIGB's proposal would put CBOs in certain utility service territories in direct competition with each other. The Joint Utilities assert that there has been strong resistance from these agencies to cross their territorial boundaries within which they operate.

28. The Joint Utilities request the Commission adopt its outreach pilot proposal, which is different from the LIGB's proposed approach. The Joint Utilities claim:

- a) There is a more open process for soliciting proposals for non-traditional methods and does not intend to limit solicitations exclusively to CBOs or other community agencies. The Joint Utilities claim professional research firms or consultants would also be able to submit proposals;
- b) There are no presumptions made on the outcome and no set enrollment goals;
- c) Results of the Joint Utilities' pilot proposal would be used to establish a standardized, statewide process for conducting outreach to the "hard-to-reach" program eligible; and
- d) The Joint Utilities' proposal is open to accepting test programs for expanded outreach to the group living facilities and agricultural employee housing, which was not addressed in the LIGB proposal.

29. The Joint Utilities propose to jointly sponsor and issue the outreach pilot RFP. The Joint Utilities request that development of the details for the specific RFP components would be done after Commission approval of the Joint Utilities' proposal. The Joint Utilities claim that their proposal includes processes to allow public input regarding the outreach pilot methods to be tested, the contractor selections, and any

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statewide augmented utility outreach plans that will result from the study. The Joint Utilities claim they expect that the bidding process would allow one or more CBOs and/or other entities to jointly develop and submit bids covering one or more target areas.

30. The Joint Utilities identified the following objectives for its proposal:

- a) Increase CARE participation, especially among under-served population subsegments;
- b) Identify and/or propose cost-efficient methods;
- c) Test new and/or innovative implementation strategies;
- d) Measure and/or evaluate the success of non-traditional proposals; and
- e) Identify and/or fund potential partners or joint outreach efforts.

31. The Joint Utilities assert the outreach pilot must be conducted on a statistically significant sample of eligible ratepayers not already on the program, so that results are applicable statewide and at each service territory level.

32. The Joint Utilities' proposed plan would limit proposals to those that:

- a) Are not directly duplicative of, or undermine, the traditional CARE outreach methods;
- b) Do not create commitments or liabilities beyond the contract period;
- c) Are proposed by a non-utility party and are implemented by a non-utility party; and
- d) Do not cost more than \$50,000 per proposal.

33. The Joint Utilities propose that they complete the initial plan selections, subject to LIGB affirmation prior to becoming effective and that the total cost of the outreach pilot will not exceed \$593,520 (with funding levels for each utility as proposed in their respective October 1, 1998 advice letters).

34. The Joint Utilities claim that they will not cut back on any of their current outreach activities, and will expand those as opportunities arise. The Joint Utilities propose that any funds not used for the pilot be reallocated to the 1999 CARE program.

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35. Sempra, on behalf of SDG&E and SoCal Gas, indicated that its proposals for the needs assessment and CARE outreach would have a minimal impact on ratepayers.

36. On March 15, 1999, the Energy Division requested additional information from the LIGB, due March 31, 1999, with regards to its budget for administrative support, technical support, travel reimbursements and the Electric Education Call Center. The Energy Division requested detailed back-up workpapers showing, for each of the consultants, how each item was calculated and showing the number of hours required to produce each product and the expenses related to each product. The Energy Division also requested a breakdown of travel expenses, showing the amount of travel expense for each estimated meeting and a list of benefits that would be provided by the Electric Education Call Center.

NOTICE

1. LIGB's compliance filing was served on the service list for R.98-07-037.
2. Advice Letters 2140-G/1854-E, 1370-E, 1156-E/1141-G, and 2792 were served on other utilities, government agencies, and to all interested parties who requested such notification, in accordance with the requirements of General Order 96-A. Public notice of these filings has been made by publication in the Commission's calendar.

PROTESTS AND COMMENTS

1. On March 18, 1999, Sempra, on behalf of SDG&E and SoCal Gas (Joint Protestants), filed a protest to the LIGB's February 26, 1999 compliance filing. Joint Protestants point out that LIGB's filing is deficient pursuant to G.O. 96-A and E-3583. The Joint Protestants believe the amounts LIGB budgeted for its administrative and technical consultants are excessive and/or unsubstantiated. The Joint Protestants assert that the LIGB's proposal for a needs assessment study appears to draw conclusions about the results of the initial research on which other phases are based. The Joint Protestants claim the LIGB's outreach pilot program limits participation to entities that provide services to low-income clients and that this method of outreach has already been tested and has been in place for several years. The Joint Protestants point out that the Electric Education Call Center (EECC) provides valuable services. However, the Joint Protestants request that the Commission assure itself that the funds budgeted by the LIGB for this purpose provide services to low-income customers.
2. The Joint Utilities agree that additional information should be obtained to permit a better understanding of how to effectively inform eligible customers about the CARE program. The Joint Utilities believe that this can only be accomplished by testing and evaluating outreach methods that differ from the methods currently utilized. The Joint

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Utilities point out the outreach pilot proposed by the Board presumes that expanded outreach through low-income organizations is the most effective method of reaching CARE-eligible customers. The Joint Utilities claim that the Board's proposed outreach pilot will increase participation in the CARE program by approximately 5% of the current eligible population not currently receiving CARE benefits.

3. The Joint Utilities oppose a fee-per-applicant methodology and instead propose that bidders tailor their proposals to specific target markets for an all-inclusive fee. The Joint Utilities claim that the simple fee-per-applicant payment structure may discourage some bidders from trying to reach the more difficult-to-reach low-income market segments, such as rural customers or those with little or no access to transportation.

4. On March 18, 1999, ORA filed a protest to LIGB's February 26th filing. ORA claims LIGB's budget lacks supporting detail and urges the Commission hold the LIGB to the same standards as the utilities for spending ratepayer funds. ORA recommends the Commission approve some flexibility into the Board's budget to accommodate planning, process and scheduling issues being addressed in R.98-07-037. ORA requests that firewalls be established between budget areas given the uncertainty surrounding certain budget categories. ORA requests that the CARE outreach pilot expense and the needs assessment study costs not be considered as part of the Board's budget. ORA claims that the impact of LIGB's budget request on ratepayers includes more than just this year's expenses. ORA points out that previous years' expenses are being amortized and that those impacts need to be added to this year's budget. ORA indicates that 30% of this year's Board estimated costs are allocated to the Low Income Energy Efficiency (LIEE) program, thereby reducing funds available to that program. ORA requests the Commission review LIGB's budget in the greater context of the advisory role it serves, and review the LIGB's budget with that of other advisory boards, such as the Universal Lifeline Telephone Service Marketing Board (ULTS MB). ORA also questions the appropriateness of certain tasks the LIGB has indicated in its budget. ORA requests the Commission determine whether the tasks and work products of LIGB's technical consultants fall within the original scope of work the consultant was hired for. ORA asserts it is inappropriate to continue to augment the original contract. ORA requests the LIGB, as an advisory committee, be limited to one meeting per month, with two meetings per month for the Board's Advisory Committee. ORA points out a plethora of information has been provided, to the LIGB, by the Advisory Committee. ORA recommends the LIGB coordinate with the ULTS-MB and the Commission's Telecommunications Division to research the feasibility of utilizing the EECC 800 number. ORA recommends the Commission not approve this budget item absent a feasibility study and report. ORA recommends that the LIGB seek opportunities for synergistic collaboration with the ULTS-MB in future discussions of outreach pilots. ORA point out that it would save money to sign up low-income customers for both CARE and ULTS at the same time. ORA is concerned about the ability to gather data on

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the effects of LIGB's outreach pilot proposal versus any effects from self-certification or other changes effective June 1, 1999. Therefore, ORA recommends the implementation of any outreach proposal be delayed for at least a year.

5. On March 29, 1999, the LIGB submitted a response to ORA's comments to LIGB's proposals and budget. LIGB alleges ORA is seeking to maintain the status quo in low-income program administration and policy development, contrary to LIGB's claim that the mandate of Assembly Bill (AB) 1890 (stats. 1996, Ch. 854) is to increase outreach and penetration, deregulate markets, increase competition and public participation by underrepresented groups. LIGB claims ORA's proposal to establish firewalls in LIGB's budget will impede budget flexibility, flexibility that LIGB claims is needed because the past has shown how unpredictable the course of events can be with regards to these programs. LIGB claims that its operating budget for this year is only approximately 0.5 % of the program funds. This estimate includes the impact of carryovers from former years' budgets and the impacts of the amortization of 1997 and 1998 Board operating expenses. LIGB estimates that its outreach proposal will have approximately a 0.6% impact and its needs assessment proposal will have approximately a 0.5% impact. LIGB believes it is incorrect to compare LIGB's budget to that of the ULTS MB because that Board's functions are limited to accounting and marketing functions through approved channels. LIGB claims the Commission has assigned LIGB the tasks of:

- a) Reviewing the workings of all existing low-income programs;
- b) Making broad and specific policy and program recommendations;
- c) Monitoring and commenting on proceedings involving shareholder incentives;
- d) Recommending means to standardize utility reporting guidelines;
- e) Commenting on Utility filings;
- f) Commenting in ongoing Rulemaking proceedings;
- g) Commenting on utility efforts to standardize measures;
- h) Increasing public participation in the review process;
- i) Increasing coordination with federal programs;
- j) Commenting on proposed legislation; and

k) Participating in Commission workshops.

6. LIGB believes the services provided by its consultants fall within the scope of work which is necessary and allowable. LIGB believes its role includes review of program implementation whether by independent or utility administrators. LIGB claims the Commission "issued a directive that parties, including the LIGB, should participate in Phase 2."

7. LIGB claims the EECC will end its electric restructuring functions at the end of May 1999. LIGB alleges the EECC currently provides information in seven languages. The LIGB sees continued funding of the EECC, at a reduced level, as a tool for referring consumers to CBOs or other agencies for face-to-face assistance with filling out forms, document review, needs assessment, and establishing eligibility for programs. LIGB points out the EECC staff are already in place and trained on basic questions concerning CARE. LIGB proposes that the LIGB expenses for the EECC would be a portion of the labor and management costs based on the percentage of calls received concerning CARE compared to calls received for other participating programs. LIGB proposes that the minimum charge to the CARE program would be approximately \$10,000 per month. Contacts or "hits" on the interactive voice response unit, incoming calls, faxback requests and the AT&T language line would be based on actual usage.

8. On April 1, 1999, ORA filed comments generally in support of the Advice Letters. ORA believes the Joint Utilities' proposals are more inclusive of input from various stakeholders than LIGB's. ORA alleges that the LIGB and its consultants have often expressed interest in expanding program offerings and budgets beyond current levels. ORA points out that because of this, the LIGB is not an impartial participant. ORA believes a more objective participant than LIGB is needed to oversee the needs assessment study to ensure true impartiality. ORA recommends the selection of the needs assessment consultants using the state procurement process through the Energy Division. ORA points out there is not a sunset date set for the low-income programs, and, therefore, the study should be well thought out and not rushed. ORA believes that the foundation work should be thorough and correct to ensure an effective, complete, and accurate needs assessment is developed. ORA alleges that more information is needed on how to effectively reach those who are program eligible, and this needs to be accomplished by testing and evaluating outreach methods different than those traditionally used by the utilities. ORA believes the utilities may have information on areas in their service areas in which penetration is less than expected. ORA supports the Joint Utilities' proposal to competitively-bid the outreach pilot. ORA recommends the outreach pilot be delayed until June 1, 2000 to allow the impacts of the outreach pilot to be isolated from any impacts of the switch to self-certification or any other changes that are implemented on June 1, 1999.

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9. On April 1, 1999, the LIGB submitted comments on the Advice Letters and a response to utility comments on the LIGB filing and comments by ORA. The LIGB believes that the setting of performance goals is a necessary component of any programmatic plan and that this is missing from the Joint Utilities' outreach pilot proposal. LIGB is concerned that under the utilities' outreach pilot, the utilities will jointly evaluate bidders without any outside input before delivering these choices to the LIGB for affirmation. LIGB proposes that an outreach pilot subcommittee be established. This subcommittee would have responsibility to develop the RFP, submit it for comment, and review the bids. The LIGB requests the Commission clarify that the outreach pilot funds be in addition to those traditionally proposed and used by the utilities. LIGB asserts that increased participation due to the outreach pilot can be easily isolated from any arising from the change to self-certification, by merely tracking the number of enrollments through the CBO process that receive the \$25 fee.

10. The LIGB asserts that there are many areas of general agreement between the LIGB and the Joint Utilities' regarding the needs assessment study proposals. LIGB asserts it is as credible and impartial as the Commission. The LIGB continues to recommend that the study be under the overall direction of the LIGB. The LIGB alleges the large size of the Joint Utilities' proposed supervisory committee will only give an illusion of balanced stakeholder representation. The LIGB points out that the time requirements for any subcommittee during Phase 1 will be substantial and it is unrealistic to expect that five uncompensated members of the public will be able to attend all of the meetings and meet their own work schedules. LIGB points out that consistent attendance will be difficult for LIGB and any public members. The LIGB recommends that financial support be given to any LIGB and public members who are appointed to the supervisory committee. The LIGB requests the Commission order the utilities to cooperate with the supervisory committee under any governance structure. LIGB requests the chair be elected by the supervisory committee. The LIGB requests the Commission authorize it to designate public member organizations to the committee. LIGB cautions that separate contractors for Phase 1 and 2 will require two RFPs, two bid solicitation and evaluation processes, and a hiatus in the work as the study transitions from one contractor to the next. The LIGB is concerned that the Joint Utilities' proposal for two separate contractors would delay the results of the study and requests the Commission authorize funding for both Phase 1 and 2, amortizing this funding through 2001. The LIGB asserts that the utilities have not provided a better model for cost estimation. LIGB suggests that if supplemental funding is needed for Phase 2, then additional funding could be requested at that time. With funding already approved for Phase 2, LIGB proposes that the detailed proposal for Phase 2 could be made available for a 30-day comment period. Under LIGB's revision to the Joint Utilities' proposal, LIGB asserts that the process to begin Phase 2 could be reduced from 385 days to 240 days, as follows:

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<i>LIGB Recommendation</i>		<i>Joint Utilities' Recommendation</i>	
+0	Study Authorized	+0	Study Authorized
+15	Committee Formed	+30	Committee Formed
+30	Work Plan Issued	+45	Work Plan Issued
+60	RFP Issued for Phase 1 and 2	+60	RFP Issued for Phase 1
+120	Proposals Analyzed, Bidder Selected	+120	Proposals Analyzed, Bidder Selected
+130	Independent Contractor Begins Work	+130	Independent Contractor Begins Work
+180	Contractor Submits Phase 1 Report & Phase 2 Plan	+180	Contractor Submits Phase 1 Report & RFP for Phase 2
		+185	Committee incorporates LIGB comments on final report and RFP
+190	Committee incorporates LIGB comments on final report and RFP		
+200	LIGB ratifies and submits final report and plan for 30 day comment period	+200	Committee issues final report and RFP
		+205	Utilities file AL for Phase 2
		+225	Advice Letter Protest Period
+240	Assigned Commissioner authorizes Phase 2 Study Plan with amendments from comments, Phase 2 Work Begins	+245	Draft Resolution Issued for Comment
		+275	Resolution Issued Approving Phase 2
		+315	RFP released by Joint Utilities
		+355	Phase 2 proposals Reviewed
		+385	Phase 2 Work Begins

11. LIGB asserts that an assessment of energy burden was recommended by the Low Income Working Group for any needs assessment study. LIGB asserts this information is necessary to examine the assistance that low-income households need in managing their bills. LIGB claims helping low-income households manage their energy bills is an objective of the Commission for the CARE and LIEE programs. The LIGB supports using Phase 1 to refine and perhaps add to the objectives that have been proposed and suggests that the Joint Utilities' governance structure would be problematic in achieving a fair and open discussion. LIGB agrees that one or two page descriptions of research studies are not sufficient to provide the level of detail needed to develop a comprehensive study plan. The LIGB suggests that the Commission specify what shouldn't be addressed in the needs assessment study rather than trying to identify the areas that should be addressed. The LIGB asserts that a key point of designing the study is to develop new data, rather than simply taking information from existing sources, on relevant research questions focusing on contacting low-income households directly.

12. In its comments on the Joint Utilities' Advice Letters, the LIGB included, in its Appendix C, cost allocations and rate impacts that would result from the implementation of its budget, a needs assessment study, and an outreach pilot. LIGB estimates annual bill impacts of 1 cent for electric customers and 1-2 cents for gas customers for the

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impact of the incremental Board's operating budget (net from the 1998 carryover). LIGB estimates annual bill impacts of 2-5 cents for electric customers and 4-7 cents for gas customers for the impact of the combined needs assessment and outreach pilot.

13. On April 1 and 6, 1999, the Community Organizations filed protests on the Advice Letters. The Community Organizations claim that it is proven that CBOs are effective and innovative in reaching CARE eligible customers. The Community Organizations support LIGB's goal of 5% increased enrollment at \$25 per customer and funding request of \$967,000 to conduct LIGB's outreach proposal. The Community Organizations disagree that self-certification will increase participation, citing that some of the utilities have had self-certification for some time and still have low participation rates. The Community Organizations assert that the Joint Utilities' proposal for the outreach pilot does not address enrollment of the households that are identified by their pilot. The Community Organizations request that any entity selected must be responsible for both outreach and enrollment functions. The Community Organizations believe that the research firms and consultants that might be hired by the Joint Utilities do not have experience in the areas of outreach and enrollment. The Community Organizations point out their ability to provide synergies with other low-income assistance programs and the existing networks of service providers. The Community Organizations assert that the Joint Utilities' claim regarding CBOs territorial boundaries is unfounded and that many CBOs and Community Action Agencies are forming cooperatives and partnerships across the states to serve low-income customers. The Community Organizations claim that LIGB's proposed completion date of January 31, 2001 for the needs assessment study will permit implementation of recommended changes to CARE and LIEE at the end of PY 2000, when utility administration ends. The Community Organizations allege that the additional approvals required for the Joint Utilities' proposal will unnecessarily delay the study results. The Community Organizations assert the Joint Utilities and the Commission's Energy Division are not perceived as representing low-income ratepayers. The Community Organizations allege that the Joint Utilities' focus is the transmission and distribution of energy, and Energy Division must serve all ratepayers. The Community Organizations claims the Commission created the LIGB to specifically focus on the needs of low-income customers. Therefore, the Community Organizations support LIGB's proposal for an oversight subcommittee to oversee the needs assessment. The Community Organizations claim the Joint Utilities' proposed required experience for public members on the subcommittee is unnecessary. The Community Organizations claim that the contractor hired to complete the project will have the relevant education and experience to manage and supervise major market studies and deliver low-income services. The Community Organizations point out that the needs of all stakeholders, especially ratepayers, must be taken into account, but point out the work being undertaken is to improve services to the poor.

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14. On April 9, Sempra, on behalf of SDG&E and SoCal Gas, responded to the protests of the Community Agencies. Sempra points out that the Community Agencies, in their protest, claim to be effective and innovative in reaching CARE eligible customers but Sempra alleges the Community Agencies did not offer information in their protest on the results of their efforts. Sempra alleges the LIGB outreach pilot does not offer any new approaches for conducting outreach while the Joint Utilities' proposal would allow for a multitude of outreach ideas and innovations to be submitted. Sempra points to ORA's protest wherein ORA questioned what assurances will ratepayers have that CBOs are not signing up customers who would have signed up anyway. Sempra alleges that the LIGB have not provided justification for the \$25 fee per CARE enrollee or why it is reasonable. Sempra asserts that the Joint Utilities are recommending an open process that will evaluate the quality of proposals submitted by any party in meeting the Study's objectives. Any entity, including CBOs or any entity that serves low-income customers may submit any proposal(s). Sempra points out that the Joint Utilities' proposal for a needs assessment study will ensure the study will be done in a manner that will provide meaningful results. Sempra points out that LIGB's proposed schedule to conduct the needs assessment includes a January 2001 completion date, a date that would not permit incorporation of study results in planning for PY 2001 and that the LIGB schedule may compromise the thoroughness and integrity of the study. Sempra disagrees with the Community Agencies' assessment that the competency of the Joint Utilities is the transmission and distribution of energy. Sempra points out that the Joint Utilities would ensure that utility employees appointed to the Supervisory Committee would be employees who have either extensive experience in administering and implementing the Commission's low-income assistance programs or who have experience in conducting or managing the Commission directed or program-related research studies. Sempra points out that because Energy Division staff must represent the interest of all ratepayers, both low-income participants and those customers who provide the subsidy and therefore, it is in the best position to balance the needs of all utility ratepayers. Sempra alleges that the Joint Utilities' proposed minimum qualifications for members of the Supervisory Committee will ensure that the committee will understand the issues, be able to make informed decision regarding the quality of the proposals submitted and will be able to address the majority of issues that may arise. Sempra strongly opposes the LIGB's and the Community Agencies' recommendation that the contractor be responsible for supervising its own work.

15. On April 13, 1999, PG&E submitted a response to the Community Agencies' protest. PG&E asserts that there have been a number of pilots testing the effectiveness of outreach and enrollment through organizations such as CBOs. Each has demonstrated the value of using these organizations. PG&E asserts there is little need to again conduct this type of pilot. PG&E alleges it encourages CBO participation in the Joint Utilities' proposed outreach pilot which encourages new and innovative approaches. PG&E points out that LIGB's proposal is a shift from researching inventive enrollment approaches to

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an enrollment contest. PG&E points out that if LIGB's proposal is adopted, it is unlikely that a bid lower or higher than \$25 will be received, hence defeating the Commission's intent for competitive bidding. PG&E points out that another difficulty with the LIGB proposal would be to identify the incremental 5 percent increase in enrollment, as many of the CBOs already actively enroll CARE participants. PG&E points out that switching to self-certification may not be the only change adopted this year that could effect penetration rates. The Commission is currently considering changing the definition of income and there are to be other application design changes. PG&E encourages that these events be isolated from any outreach pilot to allow for correct measurement of the effectiveness of the outreach pilot. PG&E agrees that the Commission could approve funding for both Phases of the needs assessment at this time, reducing the possibility of additional Commission approvals. PG&E asserts it will ensure that representatives selected to serve on the Supervisory Committee would have extensive experience in administering and implementing the Commission's low-income assistance programs. PG&E believes that minimum qualifications for serving on the Supervisory Committee are necessary to enable the study to be completed in a timely manner.

16. On April 13, 1999, Sempra, on behalf of SDG&E and SoCal Gas, responded to the comments of the LIGB, dated April 1, 1999 and Comments of the Community Resource Project, Inc. and the Community Enhancement Services (collectively referred to as Community Services), also dated April 1, 1999. Sempra points out the Joint Utilities' proposal for the outreach pilot does not favor any particular type of outreach approach over another. Sempra indicated it did not intend that utilities would solely evaluate bidders without any outside input. Sempra agrees that members, other than utilities, selected for the needs assessment Supervisory Committee should be reimbursed for travel, meals, etc., consistent with the Board's current Board reimbursement rules. Sempra alleges that a thirty-day comment period at the end of Phase 1 of the needs assessment may not provide adequate time for all parties to comment and for the Commission to resolve any disagreements. Sempra believes the Commission has not endorsed "estimating and explaining the determinants of the energy burden of low-income households" as an objective for a needs assessment study. Sempra disagrees that one utility can or will adequately represent the interest of the other three, especially with respect to contractual issues. Sempra points out the contracts represent liability for which the utilities seek to minimize. Sempra refers the Commission to its response to the Community Agencies, dated April 9, 1999. Sempra believes that response addresses the issues raised by the Community Services.

DISCUSSION

1. A common theme in some of the comments is that the Commission established the LIGB to focus specifically on low-income customers. As an advisory board to the Commission on low-income programs, the LIGB is charged with receiving broad public

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input on low-income issues, and should weigh all aspects of such into its recommendations. LIGB's mandate is to be a consensus-building forum to provide unbiased advice and LIGB is to consider the interests of all stakeholders, including ratepayers, while ensuring proposed low-income programs are consistent with Commission policy.

2. D.97-09-117 states "the Commission has sole authority over the regulated utilities involved in the programs." (slip opinion, p.33) D.99-03-056 states that "there is a continuing need for advice on improving and standardizing the CARE and LIEE programs. We believe it necessary to retain the CBEE and LIGB in order to ensure we will receive expert advice on all of the programmatic matters within their scope." (slip opinion, p.19) Additionally, in D. 99-03-056, the Commission invites LIGB to be active participants in Phase II of R.98-07-037, with the caveat that their primary responsibility is to advise the Commission on program plans and implementation. (slip opinion, p.23) LIGB has requested utilities to provide monthly reports on the utilities' implementation activities, presumably to monitor implementation activities of the utilities and included provisions in their budget to review and monitor the utilities' implementation activities. ORA questions whether the LIGB should be involved in the implementation of 1999 CARE and LIEE programs. The Commission has not indicated that the LIGB should be directing utility implementation, once the implementation plans are approved. Monitoring implementation activities is within the scope of LIGB's responsibilities. The ability of LIGB to monitor is dependent on the availability of resources. LIGB will need to prioritize its workload to determine if resources are available. LIGB does not have jurisdiction over the utilities. Therefore, the use of proper controls, with respect to monitoring activities, is appropriate. LIGB should submit to the Energy Division any monitoring proposals and requests for information from the utilities. The Energy Division will review the requests and determine the appropriate methodology to apply to monitoring proposals and requests for information.

3. In its compliance filing, the LIGB included Attachment A, Low Income Governing Board 1999 Meeting Dates and Preliminary Agendas and Attachment B, Synopsis of LIGB Programmatic and Administrative Requirements in Recent Commission Decisions as of February 24, 1999. D.99-03-056, and the ACR, dated March 26, 1999, released after LIGB's filing, set a new schedule and determined a new scope of work for the LIGB. The LIGB should modify both Attachment A and B of its February 26, 1999 compliance filing, accordingly, and serve the revised documents, as an informational filing, on the Energy Division and the service list in R.98-07-037, within 30 days of this order.

4. The LIGB states, in its compliance filing:

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- a) To facilitate more comprehensive and balanced public input, the Board proposes a more intensive public input effort, including more accessible meetings of the Board, its Technical Advisory Committee, and issue-specific workshops so that the working public can attend. The Board also proposes to solicit community-based organizations and agencies to host meetings of the Board or its agents as a means of increasing the relevance for and attendance by their constituents.

5. However, the LIGB did not include any workshops in its list of scheduled meetings. The Board will need to effectively advertise any workshops to the general public. The LIGB did not present any plans to do so. The LIGB should include, in its informational compliance filing, any plans for workshops, and plans to advertise such to the general public. The Board may also wish to hold evening or weekend meetings. If the LIGB determines that evening or weekend meetings are appropriate, then it should include those plans in its informational filing as well.

6. The LIGB states that the Commission "...issued a directive that parties, including the LIGB, should participate in Phase 2. LIGB may participate in Phase 2, if it elects to do so, if participation in Phase 2 will not impact the LIGB's ability to provide the Commission advice on program and implementation plans. The Assigned Commissioner, in the ACR, dated March 26, 1999, took notice of the ambitious schedule already ahead. Included in the schedule are issues remaining from the PY 1999 process, such as the needs assessment study and outreach pilot, the standardization of reporting and administrative costs, and the process for the implementation of competitive bidding, all of which require substantial public input. The ACR cautioned that the filings required by that ruling and Resolutions E-3583, E-3585 and E-3586 take highest priority.

7. It is important to budget correctly for Board expenditures both from the standpoint of not underestimating and thereby incurring a request for additional funds or overestimating and thereby having a large carryover of funds. A large carryover of funds means that Board expenses are not matched to the revenues of ratepayers that funded them.

8. ORA challenges whether or not the Board's technical consultants are working within the scope of work for which the consultant was hired for. ORA asserts it is inappropriate to continue to augment the original contract. The determination of whether or not the Board's technical consultants are working within the scope of work for which the consultant was hired for is outside the scope of this budget review process. The proper forum for addressing this issue is in the annual audit performed by the Energy Division.

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9. On March 31, 1999, the LIGB submitted to the Energy Division its assumptions in developing its administrative and technical consultant's costs, a description of how the Board's travel reimbursement costs were calculated, and potential benefits that may result from use of the call center. However, the LIGB did not, as the Energy Division requested, provide detailed back-up worksheets showing, for each of the consultants, how each item was calculated, showing the number of hours required to produce each product and the expenses related to each product, a breakdown of travel expenses, showing the amount of travel expense for each estimated meeting, or a list of benefits that would be provided by the Electric Education Call Center.

10. The Commission finds that several of the tasks identified in the LIGB's budget do not pertain directly to tasks identified in D. 99-03-056, the ACR, dated March 26, 1999, or Resolutions E-3583, E-3585 or E-3586. The Commission recognizes that the decision and the ACR were issued after LIGB's submittal, and that LIGB's filing was not reworked for the schedule and planning process adopted by the decision and ACR. Consequently, certain tasks identified in LIGB's proposed budget are no longer reasonable undertakings and amounts budgeted for such should be removed to the extent possible, based on the information available in LIGB's filing, comments and response to Energy Division's request for information.

11. Based on information contained in LIGB's March 31, 1999 response to Energy Division's request, it appears that 1,952 hours pertain to tasks of the technical consultant that should not be performed (2,812 hours in total, less 860 hours for conducting a needs assessment study, which is addressed separately below). 576 hours pertain to tasks no longer needed between January 1 and June 30, 1999 (1,436 hours in total, less 860 hours for conducting a needs assessment study, which is addressed separately below) and 1,376 hours pertain to tasks no longer needed between July 1 and December 31, 1999. Such tasks include directing implementation, planning for PY 2000, finalizing implementation of the outreach pilot program, incorporating changes into PY 2000, and needs assessment study oversight. The LIGB estimates that \$89.28 per hour is the average billing rate for the technical consultant, including expenses. Accordingly, the Commission is reducing LIGB's budget by \$51,425 (576 hrs * \$89.28) for its technical consultant for the period January 1 through June 30, 1999 and \$122,849 (1,376 hrs * \$89.28) for technical tasks for the period July 1 through December 31, 1999. Any consulting work for the LIGB should be conducted pursuant to D. 99-03-056 and the ACR, dated March 26, 1999.

12. It is assumed that with the reduction in the work required of the Board's technical consultants, that some amount of corresponding work will not be needed from the Board's administrative consultants. The extent of this reduction can not be readily determined. A portion of the amount budgeted is attributable to the preparation, distribution and/or filing of documents that are no longer necessary. Therefore, it is reasonable to expect that the administrative consultants should charge less than half of the

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budgeted amount for January 1 through June 30, 1999. CBEE, to date, has incurred less than \$100,000 for comparable administrative services. For the second half of 1999, LIGB should be limited to spending \$100,000 for its administrative services.⁶

13. D.97-02-014 (slip opinion, p. 63) indicated the Board would rely on a technical advisory committee for advice and recommendations regarding program plans and program design issues. D.97-09-117 the Commission recognized that the use of Board subcommittees may be the most efficient approach to accomplish Board tasks and extended per diem provisions of D.97-04-044 to improve attendance at subcommittee meetings that are noticed in accordance with the requirements of Bagley-Keene Open Meeting Act. D.97-09-117 extended these provisions until December 31, 1998. With the current contracting authority for the Board's consultants expiring on June 30, 1999, the Board may want to consider requesting reinstatement of this provision to enable Board members to conduct more business and the Board may want to consider relying more heavily on its technical advisory committee.

14. ORA recommends the Commission order a feasibility study and report before authorizing low-income assistance funds spent on the Electric Education Call Center. The Call Center is already in place and trained on basic questions concerning CARE. It is reasonable to explore whether utilizing the Call Center will create cost effective synergies. Therefore, it is appropriate to approve LIGB's budget request for \$125,000 to utilize the Electric Education Call Center in 1999. This budget approval should expire on December 31, 1999. The EECC is intended to assist customers inquiring about the CARE program. Therefore, it is appropriate for the Commission to allocate EECC funding solely to the CARE program.

15. ORA recommends the LIGB seek opportunities for synergistic collaboration with the ULTS MB in future discussions of outreach pilots. ORA acknowledges it would probably be cost-effective to sign-up low-income customers for both the CARE and ULTS programs at the same time. ORA's recommendation has merit and the LIGB should explore such collaboration in future outreach recommendations.

16. Low-income assistance programs are currently funded at approximately \$188 million. The Board's proposed budget, even without the modifications indicated above, represents a very small percentage of these funds. With a reduction in the amount budgeted for LIGB's technical consultants, the caveat that administration services should come in under budget and the expectation that this funding allowance will not be fully expended, and unused amounts will be available for PY 2000, it is reasonable to adopt the LIGB's proposed budget, with these modifications. In this Resolution, the Commission

⁶ The amounts budgeted for July 1, 1999 through December 31, 1999 for the technical and administrative consultants may not be needed if funded elsewhere.

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does not address ORA's question on the scope of the work of LIGB's current technical consultant.

17. The Commission in authorizing low-income programs must weigh many different factors including, but not limited to, the impacts on ratepayers. For instance, the cost-effectiveness of various outreach methodologies should be measured. The Commission is interested in ensuring that outreach methodologies for the long-term result in increased enrollment, including hard-to-reach segments, and yet are reasonably priced.

18. Based on information provided by the utilities and the LIGB, it is estimated that a CARE outreach pilot will have a minimal impact on rates.

19. The LIGB states that the outreach pilot should encourage creativity in approach, competition in the bidding process, and coordination with existing complementary programs. The Commission has indicated its preference for competitive-bidding of these programs. There have been a number of pilots testing the effectiveness of outreach and enrollment through organizations such as CBOs. Each has demonstrated the value of using these organizations. If LIGB's outreach pilot proposal is adopted, it appears unlikely that a bid lower or higher than \$25 will be received. The payment of a \$25 preset payment for new enrollees does not appear to encourage creativity in approach or competition in the bidding process. It may also result in the inefficiency of paying a \$25 fee for the enrollment of CARE participants who would be actively enrolled under current CBO programs.

20. There may be some merit to LIGB's pilot proposal on a limited basis. ORA questions what assurances will ratepayers have that CBOs are not signing up customers who would have signed up anyway. There are additional concerns regarding the efficiency of paying a \$25 fee for the enrollment of CARE participants who would be actively enrolled under current CBO programs. CBOs, and other organizations who provide services to low-income customers, may submit proposals, similar to LIGB's proposal, to the utilities. Any such proposals should address the above concerns.

21. LIGB requests the Commission, in adopting its proposed outreach pilot, should require an increase in rolls in each service territory equal to 5% of the estimated eligible but currently unenrolled population. Current penetration rates range from 30-50% of the estimated eligible population. Assuming the estimated eligible population is approximate, it appears from the current penetration rates that increased enrollment is a reasonable goal of any outreach pilot program. However, it is unwise to adopt a set goal before the outreach pilot is conducted. The outreach pilot and the needs assessment study should provide the Commission with information to determine appropriate specific goals for the future, if any. It is reasonable, at this time, to expect that penetration may increase as a result of this pilot, without setting a specific numerical goal.

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22. The Community Organizations request that any entity selected be responsible for both outreach and enrollment functions. This request appears reasonable and should be adopted.

23. The Board suggests that the impact of switching to self-certification can be isolated from increases in CARE participation due to the outreach pilot, simply by tracking the number of new enrollees accomplished under the Board's outreach pilot. However, up-front verification may have an impact on the number of new enrollees under LIGB's proposal. In other words, the switch to self-certification may result in increased participation through LIGB's proposed outreach plan. Additionally, there may be improvements to enrollment forms beginning on June 1, 1999 and there may be additional changes that impact enrollment rates resulting from R. 94-12-001. If the impacts from the outreach pilot are to be effectively measured to enable the Commission to determine the appropriateness of continuing any of these methodologies, the actual implementation of the outreach pilot should be delayed until June 1, 2000. The outreach pilot should continue for a one year time period to enable the assessment of any seasonal impacts. For example, many households in California move during the summer months, which may impact enrollment rates.

24. The Joint Utilities propose funding the outreach pilot based on funding levels proposed for pilot programs in their October 1, 1998 advice letters. LIGB proposes funding for the outreach pilot at \$967,147. Differences in the two proposed funding levels are as follows:

Joint Utilities Proposal		LIGB Proposal	
SDG&E	\$66,520	SDG&E	\$61,365
SCG	150,000	SCG	261,486
Edison	157,000	Edison	276,520,
PG&E	220,000	PG&E	367,767
Total	\$593,520	Total	\$967,147

25. Implementation of the outreach pilot will be delayed until June 1, 2000. Consequently, the 1999 funding of the outreach pilot will not be needed, and utility funds set aside for pilot programs should revert to CARE funds. It is reasonable to fund the outreach pilot in 2000 at a level approximate to that requested by the LIGB, \$950,000. Funding for the outreach pilot in 2000 should be an increase to the PY 2000 CARE program. The outreach pilot funding should be split between the utilities based on the allocation formula adopted in E-3585. For dual-fuel utilities, funding for the outreach pilot should be allocated between gas and electric departments, proportionately based on the respective gas and electric CARE budgets.

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26. The LIGB requests the Commission clarify that the outreach pilot funds be in addition to those traditionally proposed and used by the utilities. The Joint Utilities indicated in the Advice Letters that they will not cut back on any of their current outreach activities, and will expand those as opportunities arise.

27. Concerns have been expressed that public participation appears to be limited in the initial outreach bid selection process proposed by the utilities. It is reasonable that all proposals be submitted to a representative of the LIGB and a representative of the ORA before the utilities conduct their initial screening. When the utilities present proposals to the LIGB for affirmation, they should be prepared to cite why certain proposals were not brought to the LIGB for affirmation.

28. With the above modifications, it is reasonable to authorize the Joint Utilities' proposal for an outreach pilot.

29. The Commission has expressed its intent for the conduction of a needs assessment study. Due to contracting issues, the Commission needs to reevaluate the conduction of a needs assessment study. The Energy Division will distribute a Proposed Resolution, for a public comment period, addressing the utilities' request to conduct a needs assessment study.

30. The LIGB proposes to oversee a needs assessment study. The LIGB itself points out that the time requirements for managing such a study will be substantial and it is unrealistic to expect that uncompensated members of the public will be able to attend all of the meetings and meet their own work schedules. Acknowledging that it is likely that the manager of the needs assessment study will have substantial demands placed on it, it would be unwise to authorize LIGB to conduct the needs assessment study. The LIGB should not be authorized to undertake a needs assessment study.

31. LIGB's proposal indicates \$77,000 of the Joint Utilities proposed \$223,200 funding for Phase 1 would be utilized by LIGB's consultants to collect background information, support the LIGB and its proposed needs assessment subcommittee and prepare planning support documents and a report. LIGB indicates, in its March 29, 1999 response to ORA's comments, that this work would be completed in the period January 1 through June 30, 1999. Should LIGB's technical consultant desire to be considered to complete part of the needs assessment study, they should submit a bid, barring prohibition by conflict of interest rules. Therefore, LIGB's proposed budget for its technical consultant should be reduced by an additional \$77,000 for the period January 1 through June 31, 1999.

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32. It is reasonable to conditionally approve the utility advice letters with the above Modifications.

COMMENTS ON THE PROPOSED RESOLUTION

1. The proposed resolution of the Energy Division in this matter was mailed to the parties in accordance with PU Code Section 311(g). Comments were filed by LIGB, the Insulation Contactors Association (ICA), Sempra on behalf of the Joint Utilities, and PG&E, on May 14, 1999.

2. LIGB is concerned that the resolution denies the LIGB due process. LIGB and ICA are concerned the proposed resolution inappropriately restricts the responsibilities of the LIGB. We note that LIGB is not a party. Instead, LIGB is advisory to the Commission. The Commission has heard LIGB's advice. The Commission may consider but is not required to follow LIGB's advice. This Resolution does not, as ICA or LIGB allege, curtail LIGB's current roles and responsibilities, which are defined in D.99-03-056 and the March 26, 1999 ACR. Commission resolutions merely implement prior Commission orders and rulings. This Resolution reiterates the roles and responsibilities defined for the LIGB in recent Commission orders and rulings. In the event of any conflicts between the Board's Charter and Bylaws and Commission orders, Commission orders take precedence. Prior Commission orders can be superceded by subsequent orders. This is, in fact, how the Commission makes policy changes. For example, D.99-03-056 is a policy shift to the roles and responsibilities of the Boards.

3. ICA implies that a purpose of the Commission's recent workshop on the structure and operating procedures of LIGB and the California Board for Energy Efficiency (CBEE) is to recommend changes to the Boards' roles and responsibilities.⁷ A primary purpose of the workshop is to recommend changes to the Boards' charters and bylaws that would conform same to the roles and responsibilities set forth in D.99-03-056 and the ACR, dated March 26, 1999. Another function is to provide recommendations to the Commission for amending the Boards' charter and bylaws that would improve and/or clarify Board structure and operating procedures.

4. ICA alleges that LIGB's budget for administrative costs is unreasonable. ICA states:

"Comparison of the Administrative Budget of the LIGB and CBEE shows that the LIGB Administrative budget [sic] is not reasonable. ...

⁷ This workshop, ordered by an ACR, dated March 8, 1999 and D.99-03-056, was held on April 12 and 13, 1999. The Energy Division report for this workshop is scheduled to be submitted to the Commission on June 11, 1999.

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The administrative support of the CBEE is significantly better, even though many more documents are routinely provided and considered. Yet the LIGB expenditures are about three times as great. The LIGB budgeted and mostly spent \$232,000 for administrative support in the first six months of 1999. The CBEE budgeted and mostly spent \$72,000 for the same period under a different contract system, so the numbers are not simply comparable. Still, it seems demonstrated that the CBEE got better support for less money. So review of the LIGB administrative budget and the procedures it supports is appropriate when a formal budget is submitted.”

5. D.98-02-040, p. 11, requires the Boards to jointly submit to the Commission proposed budgets and an explanation of differences between them. Although the Commission has strayed from this practice, it is still appropriate to consider comparisons. LIGB should ensure that it is receiving efficient and cost effective administrative assistance and that its work products reflect the costs to produce them. Otherwise, the Board should not approve invoices submitted to it for approval. It is appropriate to cap LIGB’s spending for administrative assistance to \$100,000, based on CBEE’s expenditures to date for this year for similar services.

6. The public (including LIGB’s consultants) has been on notice since December 1998, when the proposed decision on Administration of Energy Efficiency and Low-Income Assistance Programs was distributed for public comment, that the Commission was considering scaling back the responsibilities of the Board. In December 1998, Energy Division also recommended LIGB scale back or suspend work on certain projects in response to the proposed decision.

7. D.99-03-056, dated March 25, 1999 and the ACR, dated March 26, 1999, reduced LIGB’s roles and responsibilities. Henceforth, LIGB and its consultants are on notice that any work performed, that is not authorized and requested by the Commission, is at risk for payment.

8. Sempra indicated several typographical errors and proposed some clarifying language. These changes have been incorporated.

9. The remainder of the comments support the resolution or merely reargue the points raised in earlier filings and do not require separate discussion.

FINDINGS

1. On February 26, 1999, the LIGB submitted a compliance-filing requesting approval for its 1999 budget, a needs assessment study and a outreach pilot program.

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2. On March 12, 1999, PG&E, SCE, SDG&E, and SoCal Gas filed Advice Letters 2140-G/1854-E, 1370-E, 1156-E/1141-G, and 2792, respectively, requesting approval for a needs assessment study and a outreach pilot program.
3. As an advisory board to the Commission on low-income programs, the LIGB is charged with receiving broad public input on low-income issues, and should weigh all aspects of such into its recommendations.
4. The LIGB should consider effects on ratepayers, as well as possible improvements to the low-income programs.
5. The LIGB's primary responsibility is to advise the Commission on program plans and implementation. LIGB's mandate is to be a consensus-building forum to provide unbiased advice and LIGB is to consider the interests of all stakeholders, including ratepayers, while ensuring proposed low-income are consistent with Commission policy.
6. LIGB does not have jurisdiction over the utilities.
7. LIGB should not be directing utility implementation of the low-income programs.
8. The use of proper controls, with respect to monitoring implementation activities, is appropriate.
9. LIGB should submit to the Energy Division any monitoring proposals and requests for information from the utilities.
10. The Energy Division should review the requests and determine the appropriate methodology to apply to monitoring proposals and requests for information.
11. The LIGB should modify both Attachment A and B of its February 26, 1999 compliance filing and serve the revised documents on the Energy Division and the service list in R.98-07-037, within 30 days of this order.
12. The LIGB should include, in its informational compliance filing, any plans for workshops and plans to advertise such to the general public.
13. The informational filing should be due 30 days after the date of this order and should be served on the Energy Division and the service list in R.98-07-037.

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14. Several of the tasks identified in the LIGB's proposed budget do not pertain directly to tasks identified in D. 99-03-056, the ACR, dated March 26, 1999, or Resolutions E-3583, E-3585 or E-3586 and amounts budgeted for such should be removed.
15. 1,952 hours or \$174,274 pertains to tasks of the technical consultant that should not be performed due to recent Commission orders.
16. \$77,000 pertains to tasks of the technical consultant that should not be performed related to Phase 1 of the needs assessment study.
17. The Commission should reduce the budget for LIGB's technical consultant, in total, by \$223,514.
18. \$51,425 (576 hours * \$89.28) and \$77,000, for a total of \$128,441, pertains to tasks for the period January 1 through June 30, 1999.
19. \$122,849 (1,376 hours * \$89.28) pertains to tasks for the period July 1 through December 31, 1999.
20. The LIGB did not, as the Energy Division requested, provide detailed workpapers showing, for each of the consultants, how each item was calculated, the number of hours required to produce each product and the expenses related to each product, and a breakdown of travel expenses, showing the amount of travel expense for each estimated meeting.
21. With the reduction in the work required of the Board's technical consultants, some amount of corresponding work will not be needed from the Board's administrative consultants.
22. It is reasonable to expect that the administrative consultants should charge less than the amount estimated in LIGB's proposed budget.
23. It is reasonable that LIGB should be limited to \$100,000 for administrative costs for the period July 1 through December 31, 1999.
24. In the future, the Board may want to consider requesting reinstatement of the provision to receive a per diem for Board member attendance at Board subcommittee meetings and the Board may want to rely more heavily on its technical advisory committee.

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25. With a reduction in the amount budgeted for LIGB's technical consultants of \$251,274, the caveat that administration services should come in under budget, and the expectation that this funding allowance will not be fully expended and unused amounts will be available for PY 2000, it is reasonable to adopt the LIGB's proposed budget, with these modifications.
26. In this Resolution, the Commission does not address ORA's question on the scope of the work of LIGB's current technical consultant.
27. Any consulting work for the LIGB should be conducted pursuant to D. 99-03-056 and the ACR, dated March 26, 1999.
28. It is appropriate to approve LIGB's budget request for \$125,000 to utilize the Electric Education Call Center in 1999. This budget approval should expire on December 31, 1999.
29. The funding for the EECC should be an increase to the 1999 CARE program and dual-fuel utilities should allocate these costs between gas and electric departments in proportion to their respective gas and electric CARE programs.
30. LIGB should explore opportunities for synergistic collaboration with the ULTS MB in future discussions on outreach pilots.
31. The Commission is interested in ensuring that outreach methodologies for the long-term result in increased enrollment, including hard-to-reach segments, and yet are reasonably priced.
32. It is estimated that a CARE outreach pilot will have a minimal impact on rates.
33. The payment of a \$25 preset payment for new enrollees does not appear to encourage creativity in approach or competition in the bidding process.
34. Current penetration rates range from 30-50% of the estimated eligible population.
35. It appears from the current penetration rates that increased enrollment is a reasonable goal of any outreach pilot and program.
36. It is unreasonable to adopt a set goal before the outreach pilot is conducted.
37. The outreach pilot and the needs assessment study should provide the Commission with information to determine appropriate specific goals for the future.

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38. It is reasonable, at this time, to expect that penetration should increase as a result of this pilot, without setting a specific numerical goal.
39. It is reasonable that any entity selected for the outreach pilot should be responsible for both outreach and enrollment functions.
40. The switch to self-certification may result in increased participation.
41. Participation rates may be effected beginning June 1, 1999 due to improvements in enrollment forms and changes resulting from R. 94-12-001.
42. The actual implementation of the outreach pilot should be delayed until June 1, 2000 to allow any impacts from the outreach pilot to be effectively measured.
43. The outreach pilot should continue for a one-year time period to enable the assessment of any seasonal impacts.
44. It is reasonable that the outreach pilot funds be in addition to those traditionally proposed and used by the utilities.
45. The Commission has expressed its intent for the conduction of a needs assessment study.
46. The Commission has before it several proposals to accomplish such a study.
47. LIGB should not be authorized to conduct a needs assessment study.
48. Contracting issues prevent the Commission from addressing the utilities' request to conduct a needs assessment study, at this time.
49. The utilities' request to conduct a needs assessment study should be addressed in a subsequent resolution.
50. The comments on and protests to the Advice Letters filed by the LIGB; the Community Enhancement Services and the Community Resource Project, Inc.; and the Associated Community Action Program, City of Oakland Department of Health and Human Services, Contra Costa County Community Services Department, Economic and Social Opportunities, Inc., City of Berkeley Community Action Agency, Spectrum Community Services, Inc., Community Action Agency of San Mateo County, Inc. should be granted to the extent as set forth above. The remaining protests should be denied.

THEREFORE, IT IS ORDERED that:

1. The Low Income Governing Board's (LIGB or Board) budget, as requested in its February 26, 1999 supplemental filing is approved with the following modifications:

- a) LIGB's technical consultant shall not conduct part of the Phase 1 needs assessment study, unless it submits a bid and is subsequently awarded a contract for such work, barring a conflict of interest that would prevent LIGB's technical consultant from participating in the needs assessment study;
- b) LIGB's budget shall be reduced by \$128,441 for the work products of the technical consultant that are no longer needed for the period January 1 through June 30, 1999;
- c) LIGB's budget shall be reduced by \$122,849 for technical work products that are no longer needed for the period July 1 through December 31, 1999;
- d) Administrative support for the LIGB from January 1 through June 30, 1999 shall be funded at less than \$232,542. A portion of this amount is attributable to the preparation, distribution and/or filing of documents that are no longer necessary and the above amount shall be reduced by an amount correspondingly;
- e) Administrative support for the LIGB from July 1 through December 31, 1999 shall be funded at no more than \$100,000;
- f) Any consulting work for the LIGB should be conducted pursuant to D. 99-03-056 and the March 26, 1999 Assigned Commissioner's Ruling.
- g) LIGB shall explore opportunities for synergistic collaboration with the ULTS MB when planning future outreach pilots;
- h) Any unused amounts will be available for the Board's budget in program year 2000;
- i) LIGB's total budget for 1999 for Board expenses and consultant fees shall be less than \$940,492, as portrayed in Attachment A;

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- j) LIGB's budget request for \$125,000 to utilize the Electric Education Call Center in 1999 is approved, as a component of the CARE program. This budget approval shall expire on December 31, 1999;
- k) The LIGB's request to conduct a needs assessment and outreach pilot is denied; and
- l) LIGB's request to establish a subcommittee to oversee a needs assessment study is denied.

2. The LIGB should modify both Attachments A and B, of its February 26, 1999 compliance filing, to conform those attachments with Decision 99-03-056, and the Assigned Commissioner's Ruling, dated March 26, 1999, and serve the revised documents on the Energy Division and the service list in R.98-07-037, within 30 days of this order. The LIGB should include, in its informational compliance filing, any plans for workshops and plans to advertise such to the general public.

3. D.99-03-056, dated March 25, 1999 and the ACR, dated March 26, 1999, reduced LIGB's roles and responsibilities. LIGB and its consultants are on notice that any work performed, that is not authorized and requested by the Commission, is at risk for payment.

4. With respect to implementation monitoring activities, LIGB shall not request information from the utilities itself. LIGB shall submit to the Energy Division any implementation monitoring proposals and requests for implementation information from the utilities. The Energy Division shall review the requests and determine the appropriate methodology to apply to LIGB monitoring proposals and requests for information from the utilities.

5. Pacific Gas And Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCal Gas) (Utilities) Advice Letters 2140-G/1854-E, 1370-E, 1156-E/1141-G, and 2792 (Advice Letters), respectively are conditionally approved with the following modifications:

- a) Any entity selected to conduct a portion of the outreach pilot must be responsible for both outreach and enrollment functions;
- b) The independent contractors for the outreach pilot shall begin work June 1, 2000. The outreach pilot shall continue for a one year time period to enable the assessment of any seasonal impacts;

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SDG&E 1156-E/1141-G/EDISON 1370-E/DLW★

- c) The outreach pilot funding should be split between the utilities based on the allocation formula adopted in E-3585;
- d) For dual-fuel utilities, funding for the outreach pilot should be allocated between gas and electric departments, proportionately based on the respective gas and electric total CARE budgets;
- e) Outreach pilot funds shall be in addition to those traditionally proposed and used by the utilities;
- f) A copy of all outreach pilot proposals shall be forwarded to a representative of the LIGB and a representative of the Office of Ratepayer Advocates, within 5 days of receipt by the utilities;
- g) When the utilities present proposals to the LIGB for affirmation, they shall be prepared to cite why certain proposals were not brought to the LIGB for affirmation;
- h) The 1999 funding of the outreach pilot will not be needed, and utility funds set aside for pilot programs shall revert to the 1999 CARE program funds;
- i) Funding for the outreach pilot in program year 2000 shall be \$950,000 and shall be an increase to the PY 2000 CARE program costs;

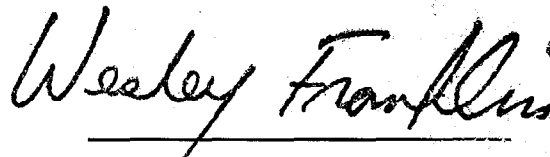
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6. CARE is needs based and is uncapped. EECC funding shall be allocated to the 1999 CARE program. Funding for dual-fuel utilities shall be allocated between gas and electric departments in proportion to their respective gas and electric CARE budgets.

7. The comments on and protests to the Advice Letters filed by the LIGB; the Community Enhancement Services and the Community Resource Project, Inc.; and the Associated Community Action Program, City of Oakland Department of Health and Human Services, Contra Costa County Community Services Department, Economic and Social Opportunities, Inc., City of Berkeley Community Action Agency, Spectrum Community Services, Inc., Community Action Agency of San Mateo County, Inc. are granted to the extent as set forth above. The remaining protests are denied.

This Resolution is effective today.

I certify that the foregoing Resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the state of California held on June 3, 1999, the following Commissioners voting favorably thereon:



WESLEY M. FRANKLIN
Executive Director

RICHARD A. BILAS
President

HENRY M. DUQUE

JOSIAH L. NEEPER

LORETTA M. LYNCH

TAL C. FINNEY

Commissioners

Attachment A
 1999 Budget for the Low Income Governing Board

Board Members			
Per Diem	\$54,000		
Travel Expenses	70,875		
Board Member Total		\$124,875	
Errors and Omission Insurance		60,000	
Advisory Committee			
Travel Expenses	18,000		
Advisory Committee Member Total		18,000	
Total Board Expenses Excluding Consultants			\$202,875
Legal Consultants		\$60,000	
Administrative Consultants			
January 1 through June 30, 1999	232,542		
July 1 through December 31, 1999	100,000		
Administrative Consultant Total		332,542	
Technical Consultants			
January 1 through June 30, 1999	250,000		
July 1 through December 31, 1999	95,075		
Technical Consultant Total		345,075	
Total Consultant Support for Board			\$737,617
Total Board and Consultant Support (1)			\$940,492

Note:

(1) LIGB's budget shall be funded at less than \$940,492, by an amount attributable to the preparation, distribution and/or filing of documents that are no longer necessary.