

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

05-30-12  
04:59 PM

Application of Southern California Edison Company (U 338-E) for Approval of its 2012-2014 California Alternate Rates for Energy and Energy Savings Assistance Programs and Budgets.

Application 11-05-017  
(Filed May 16, 2011)

Application of Southern California Gas Company (U904G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014.

Application 11-05-018  
(Filed May 16, 2011)

Application of Pacific Gas and Electric Company for Approval of the 2012-2014 Energy Savings Assistance and California Alternate Rates for Energy Programs and Budget (U39M).

Application 11-05-019  
(Filed May 16, 2011)

Application of San Diego Gas & Electric Company (U902M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014.

Application 11-05-020  
(Filed May 16, 2011)

**REPLY COMMENTS OF SOUTHERN CALIFORNIA GAS COMPANY (U904G)**

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May 30, 2012

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**REPLY COMMENTS OF SOUTHERN CALIFORNIA GAS COMPANY (U904G)**

**I. INTRODUCTION**

Pursuant to Rule 14.3 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, Southern California Gas Company (“SoCalGas) hereby files these Reply Comments to the Opening Comments filed in response to Administrative Law Judge Kimberly Kim’s *Proposed Decision On Large Investor-Owned Utilities’ 2012-2014 Energy Savings Assistance (ESA) (Formerly Referred To As Low Income Energy Efficiency Or LIEE) And California Alternate Rates For Energy (CARE) Applications* (“Proposed Decision”), issued on May 4, 2012.

**II. DISCUSSION**

**A. SoCalGas Agrees with the Proposed Decision’s MF Strategies.**

To improve upon ESA program outreach and services to customers residing in MF dwellings, the Proposed Decision directs the utilities to immediately roll out nine MF Segment Strategies, including additional approved measure offerings to MF households. SoCalGas agrees with the Proposed Decision’s efforts to improve upon ESA program service to MF dwellers and believes these strategies

strike a fair balance between facilitating efforts to improve enrollment efforts and augment program offerings to MF dwellers, and ensuring that ratepayers are not unduly burdened by additional costs to better serve the MF segment. For these reasons, the Commission should reject MF proposals made by California Housing Partnership Corporation (“CHPC”), National Housing Law Project (“NHLP”), and The Natural Resources Defense Council (“NRDC”) that would drastically modify key aspects of the ESA program.

For example, in opening comments CHPC, NHLP, and NRDC again suggest that the Commission ignore previous decisions, policy, and the law and require the utilities to provide heating and water heating services in MF dwellings. This request should be rejected because, as the Proposed Decision rightly found, repairs or replacements of furnaces or hot water systems in tenant dwellings are the responsibility of landlords under state law, and thus utility ratepayers should not fund these measures. In addition, the Proposed Decision rejects inclusion of these measures noting, “With the current budget realities, we cannot justify increasing the ESA Program’s no-cost measure offerings to include such costly replacements of working central systems in tenant-occupied multifamily buildings....”<sup>1</sup> In response, CHPC, NHLP, and NRDC argue that utility ratepayers need only pay a portion of the costs to repair and replace furnaces and hot water heaters, and not all costs. This argument should be rejected for multiple reasons. First, the Commission policy and precedent on the matter is clear: utility ratepayers should not fund the repair and replacement of furnaces and hot water heaters. Second, the utilities already administer similar programs, such as EUC, EE and MIDI, which provide energy efficiency incentives and funding to landlords. As such, CHPC, NHLP, and NRDC’s proposal is unnecessary and duplicative.

Moreover, the Commission should reject CHPC and NHLP’s proposal to exclude housing subsidies as an income source from the Commission’s definition of income for purposes of ESA program enrollment. CHPC and NHLP fails to establish that such a modification to the ESA program enrollment process will help to better serve customers residing in MF housing. In addition, this proposal contravenes the Public Utilities Code and past Commission decisions which state that housing subsidies are a source of income in determining customer eligibility for the ESA program.

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<sup>1</sup> Proposed Decision at 130.

**B. Clarification of SoCalGas' Opening Comments Regarding Post Enrollment Verification ("PEV") and Pre-Certification for the ESA Program.**

In Opening Comments, SoCalGas points out an error in the Proposed Decision regarding a PEV process for customers who are categorically enrolled in the ESA Program similar to that proposed for CARE. SoCalGas would like to clarify that the prequalification proposal is currently an existing method of qualifying customers for the ESA Program and is required when a customer is unable to categorically enroll in the program or does not qualify for the program under the existing targeted self-certification process. SoCalGas' proposal simply suggests that because there is no PEV process for the ESA program, categorical eligibility would need to be eliminated for the ESA Program in order to implement the Commission's desire to enroll only those households that meet the eligibility guidelines for the program.

**C. A CARE Penetration Goal Is No Longer Needed.**

SoCalGas agrees with the Proposed Decision's de-emphasis of the 90% CARE penetration target created in D.08-11-031.<sup>2</sup> The CARE penetration target is no longer needed, because as the Proposed Decision found, the utilities have made significant strides to increase CARE program participation. Even though SoCalGas has achieved a CARE penetration rate of 90%, it will continue to strive to enroll all willing and eligible customers into the CARE program. In addition, SoCalGas believes that the removal of the CARE penetration target will also facilitate the utilities' efforts to better focus on delivering the CARE program to only those customers for whom it was designed.

**D. The 1-Person Program Income Limits Should Be Implemented on June 1.**

Contrary to TURN's assertions, the ESA and CARE program income limits for 1-person households should not be phased-in. SoCalGas opposes this suggestion because the utilities have already expended time and funds to revise and prepare program documents and customer information. For example, SoCalGas has updated its CARE program applications effective June 1, 2012 as mandated. In addition, SoCalGas has already updated its website to reflect the changes to the income limits for single person households. As such, although laudable, TURN's proposal is not timely and would result in unnecessary waste.

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<sup>2</sup> *But see* TURN Opening Comments at 10; DRA Opening Comments at 6; Center For Accessible Technology Opening Comments at 5.

**E. SoCalGas Will Strive to Increase Leveraging and Data Sharing Opportunities with CSD.**

Parties, including SoCalGas, support the Proposed Decision's direction that the utilities should begin immediate coordination with the Energy Division to convene and begin discussions with CSD and the utilities to facilitate leveraging opportunities and to develop and implement an effective leveraging plan between the ESA Program and CSD. Although there were issues in the past that impeded utility leveraging and data sharing with CSD, SoCalGas will endeavor to resolve any such issues during the upcoming utility meetings with CSD and the Energy Division.

**III. CONCLUSION**

SoCalGas appreciates this opportunity to provide Reply Comments to the Proposed Decision and requests that the Commission adopt the recommendations mentioned herein.

Respectfully submitted,

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