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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of the 2009-11 Low Income Energy Efficiency and California Alternate Rates for Energy Programs and Budget (U39M).

Application 08-05-022
(Filed May 15, 2008)

And Related Matters.

Application 08-05-024
Application 08-05-025
Application 08-05-026

**ADMINISTRATIVE LAW JUDGE'S RULING
GRANTING PACIFIC GAS AND ELECTRIC COMPANY'S
MOTION TO SHIFT FUNDS**

This ruling grants Pacific Gas and Electric (PG&E) Company's Motion Requesting Certain Funds be Shifted for Calendar Year 2011 from Electric to Gas Commodity (Motion).¹

On October 24, 2011, PG&E filed the Motion and requested approval to transfer up to \$2 million of the unspent electric funding from its electric Public

¹ This Motion relates to 2009-2011 Energy Savings Assistance (ESA) Program budget. This Motion was improperly captioned and therefore filed in proceeding file for Consolidated Proceeding Application (A.) 11-05-017 et al., which relates to 2012-2014 ESA Program budget cycle. This Motion should be corrected and refiled in the docket for proceeding A.08-05-022 et al., which relates to 2009-2011 ESA Program budget cycle.

Purpose Programs Low Income Balancing Account (PPPLIBA) to the gas PPPLIBA to promote the efficient and effective implementation of the Energy Savings Assistance Program (ESA Program, formerly known as the Low Income Energy Efficiency (LIEE) Program).

To shift funds between electric and gas programs, the investor-owned utilities (IOUs) must comply with the fund shifting provisions set forth in Ordering Paragraph (OP) 85 of Decision (D.) 08-11-031 as modified by OP 4 of D.10-10-008, which requires the IOUs to:

...secure prior written approval of the fund shift from the Administrative Law Judge...by filing a motion pursuant to Article 11 of the Commission's Rules of Practice and Procedure. Upon showing of good cause, the Administrative Law Judge may issue a ruling approving the requested fund shift. IOUs, in the motion, must show good cause by setting forth the following:

- i. The reason(s) why such fund shifting is necessary;
- ii. The reason(s) why such motion could not have been brought sooner; and
- iii. Justification supporting why the proposed shifting of funds would promote efficient, cost-effective and effective implementation of the LIEE program.

In compliance with D.10-10-008, PG&E filed this Motion. According to PG&E, as of September 30, 2011, its actual electric and gas expense allocation based upon the types of measures installed thus far this year is 55% electric and 45% gas. PG&E therefore projects that if its ESA Program expense allocation continues with this current trend through the end of 2011, PG&E will over expend and exceed its 2011 gas budget by approximately \$2 million.

PG&E explains that because it is impossible to know in advance whether gas measures, electric measures, or measures impacting both expenditures will be encountered when a low-income contractor enters a home, they can project budget needs based on the past trends but they require some added budget flexibility. Therefore, PG&E seeks permission to transfer up to \$2 million from the electric PPPLIBA to the gas PPPLIBA, as needed, and proposes to report in its 2011 monthly and annual reports to the Energy Division all transfers.

PG&E explains that this Motion was not brought sooner because the need for this Motion initially surfaced after its review and analysis of the August 2011 monthly status reports. Upon internal review and deliberation thereafter, there became increased uncertainties about whether or not the gas funding was sufficient to cover gas measures for the remainder of the year given the unpredictability associated with variations in home composition.

PG&E contends this shifting of fund, if approved, will promote efficient, cost-effective implementation because it will allow PG&E to be more flexible and treat homes without risk of exceeding the gas budget during the remainder of the year. Otherwise, if PG&E experiences insufficient gas funds as year comes to an end, PG&E will need to consider selectively locating homes where gas measures are not as predominant. By this proposed shifting of funds, PG&E will avert such scenario and ensure that the installations can progress with the most efficient schedule possible without disruption.

As with all IOUs, PG&E must continue to carefully monitor and manage these budgets and promptly bring funding issues to my attention or the Commission's attention without waiting till the last minute and requesting expedited treatment.

Based on the record and the Motion, I find that PG&E has shown good cause in support of its Motion.

Good cause shown **IT IS RULED** that:

1. Pacific Gas and Electric Company is authorized to shift up to \$2 million from the electric Public Purpose Programs Low Income Balancing Account to the gas Public Purpose Programs Low Income Balancing Account, as needed;
2. Pacific Gas and Electric Company is ordered to report in its 2011 monthly and annual reports to the Energy Division all transfers made pursuant to the fund shift authorized in this ruling. This report must show a breakdown of each category and subcategory of budget items to and from which the fund shift is being made pursuant to this ruling;
3. Pacific Gas and Electric Company and all large investor-owned utilities are ordered to provide, in all future motions for shifting of funds, a clear and itemized breakdown of each category and subcategory of budget items to and from which the fund shift is being sought, explaining why such fund shifting to and from categories or subcategories would not cause other potential negative programmatic impacts and implications;
4. Pacific Gas and Electric Company is ordered to correct the caption of its October 24, 2011 motion to shift funds, which is being granted in this ruling, and directed to refile it in the docket for proceeding Application (A.) 08-05-022 et al; and

A.08-05-022 et al KK2/gd2

5. This ruling shall be served on service list of A.08-05-022 et al. and
A.11-05-017 et al.

Dated November 21, 2011, at San Francisco, California.

 /s/ KIMBERLY H. KIM
Kimberly H. Kim
Administrative Law Judge