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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 SOUTHERN CALIFORNIA GAS COMPANY'S
MOTION TO SHIFT FUNDS**

This ruling grants Southern California Gas (SoCalGas) Company's Motion to Shift Energy Savings Assistance (ESA) Program Funds (Motion)¹.

On October 24, 2011, SoCalGas filed the Motion and requested approval to shift: 1) \$16,959,095 from its prior year's [2010] unspent funds to the 2011

¹ This Motion relates to 2009-2011 ESA Program budget. This Motion and the companion motion were 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 and the companion 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.

Weatherization subcategory; 2) \$8,880,000 from its 2011 Gas Appliance subcategory to the 2011 Weatherization subcategory; and 3) \$612,466 from the High Efficiency Forced-Air Furnace (HE FAU) Pilot to the Weatherization subcategory. In a companion motion, also filed on October 24, 2011, SoCalGas asked that its Motion be given expedited treatment with the proposed fund shift approved by November 18, 2011.

As correctly cited by SoCalGas, to shift funds, 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.

According to SoCalGas, as of September 30, 2011, SoCalGas' 2011 gas expenditure already reached 90% (or \$70,600,082) of 2011 approved program level, leaving only 10% of 2011 program budget, comprising of \$7,656,187, for the remaining three months. At this rate, SoCalGas projects that without the proposed fund shift totaling \$26,451,561, there will likely be disruption to program implementation before the year end. Therefore, SoCalGas contends this proposed fund shift is necessary and urges approval of the proposed fund shift "to continue the installation of weatherization measures such as weather stripping and outlet gaskets" as ordered in D.08-11-031.

SoCalGas contends the need for this fund shift stems from a 2008 Commission directive in D.08-11-031, ordering the IOUs to "to continue to install all feasible measures, including weatherstripping and outlet gaskets."² SoCalGas claims that it had not previously sought approval of additional funding to comply with that directive, because "SoCalGas mistakenly believed it had sufficient funding."³

In this Motion, SoCalGas does not explain why this Motion "could not have been brought sooner." Thus, it still remains a question why this Motion or alternatively a petition to modify seeking budget augmentation was not brought before now, with only a month to go till the end of this budget cycle. Moreover, the Motion is tenuous at best as to exactly which budget categories or subcategories the unspent funds are coming from and why moving funds from those budget categories would be the prudent course of action, especially as to

² Motion, at 3.

³ *Ibid.*

its largest request to shift \$16,959,095 from its 2010 unspent funds to the 2011 Weatherization subcategory.

That said, going forward, SoCalGas and all IOUs 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 SoCalGas has minimally shown good cause in support of its Motion.

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

1. Southern California Gas Company is authorized to shift no more than:

- (a) \$16,959,095 from its 2010 unspent funds to the 2011 Weatherization subcategory;
- (b) \$8,880,000 from its 2011 Gas Appliance subcategory to the 2011 Weatherization subcategory; and
- (c) \$612,466 from the High Efficiency Forced-Air Furnace Pilot to the Weatherization subcategory.

2. Southern California Gas 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. Southern California Gas 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. Southern California Gas Company is ordered to correct the caption of its October 24, 2011 motion to shift funds and its companion motion for expedited treatment of that motion, which are being granted in this ruling, and directed to refile them in the docket for proceeding Application (A.) 08-05-022 et al.

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