Decision 12-06-030 June 21, 2012

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.	Application 11-05-017 (Filed May 16, 2011)
And Related Matters.	Application 11-05-018 Application 11-05-019 Application 11-05-020

DECISION ADOPTING EXTENSION OF BRIDGE FUNDING MONTH-TO-MONTH STARTING JULY 1, 2012 FOR LARGE INVESTOR-OWNED UTILITIES' ENERGY SAVINGS ASSISTANCE AND CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAMS

1. Summary

This decision authorizes the large Investor-owned Utilities, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, (collectively Investor-owned Utilities or Utilities) to expend the average monthly authorized 2011 level of funds for each month, as augmented in this decision, starting July 1, 2012, to continue their Energy Savings Assistance (formerly known as the Low-Income Energy Efficiency Program) and California Alternate Rates for Energy Programs.

2. Background

On May 15, 2011, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas), (collectively Utilities) filed their 2012-2014 their Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budget Applications, 11-05-017, 11-05-018, 11-05-019, and 11-05-020. Because the four Applications are related, the proceedings were consolidated (Consolidated Proceeding).

Following the initial filings, proceeding consolidation, multiple prehearing conferences and workshops, the Commission determined it was necessary to issue a bridge funding decision in the Consolidated Proceeding so that ESA and CARE Programs could continue to operate from January 1-June 30, 2012 while the Commission continues the review of some of the more complex issues in the Consolidated Proceeding.

On November 10, 2011, the Commission issued Decision (D.) 11-11-010 and approved bridge funding for the ESA and CARE Programs to cover January 1-June 30, 2012.

On May, 4, 2012, a proposed decision in the Consolidated Proceeding on the Utilities' 2012-2014 for ESA and CARE Programs (Proposed Decision) was mailed for the June 7, 2012 Commission meeting. The Proposed Decision provides program direction and funding starting July 1, 2012.

3. Discussion

3.1. Extension of Bridge Period and Funding

We find that a short, month-to-month extension of bridge funding beyond June 30, 2012 is necessary and in the public interest to ensure that no hiatus occurs after the authorized bridge funding for the Utilities' ESA and CARE

Programs expires on June 30, 2012, pursuant to D.11-11-010. These programs are expected to continue beyond June 30, 2012.

The month-to-month extension of bridge funding and the additional time beyond June 30, 2012 are necessary and in the public interest to provide a smooth and thoughtful transition of these programs while the Proposed Decision is being considered by the Commission.

Furthermore, the continued bridge funding will ensure continuity for existing contractual agreements, minimize disruption to retained skilled workers, completion of existing projects, and uninterrupted delivery of benefits of the Utilities' ESA and CARE Programs to businesses and residents of California.

In the past, the Commission has adopted similar bridge funding for ESA and CARE Programs to prevent service disruptions. Similarly, to achieve continuity and to ensure a smooth transition to the 2012-2014 ESA and CARE Programs, we must adopt this decision to extend the current bridge period and funding before June 30, 2012.

3.2. Bridge Funding Period Extension

We realize the Utilities are anxious and concerned that another bridge funding period will further compromise and jeopardize their ability to maximize program capacity to meet the Commission's annual goals. However, we find that this short extension of the bridge period, for possibly a month or so, is necessary and in the public interest. Therefore, after the current bridge funding period expires under D.11-11-010, we authorize a month-to-month extension of bridge funding period to start July 1, 2012 and which will end when we adopt a decision in this Consolidated Proceeding upon review of the Proposed Decision.

3.3. Bridge Funding Extension

For the extended month-to-month bridge funding period, starting July 1, 2012, the average monthly budgets below (which are based on each utility's authorized budgets for 2011 and further augmented based on each Investor-owned Utility's forecast of increased expenditures/activity for 2012), shall be used for the existing programs. Consistent therewith, the Utilities should use this authorized bridge funding level for these programs, starting July 1, 2012 to when the Commission adopts a decision in this Consolidated Proceeding upon review of the Proposed Decision, as illustrated below in Section 3.4 of this decision.

3.4. Adopted July 2012 Bridge Funding Budgets & Goals

In Table 1 below, we authorize the bridge funding budgets for the Utilities to continue the ESA and CARE Programs without interruption, starting July 1, 2012. The authorized bridge funding levels reflect the augmented monthly average of budgets generally consistent with each of the Utilities' authorized 2011 program budgets for the ESA and CARE Programs:

Table 1
Monthly Bridge Funding Budgets beginning July 1, 2012
Budget Summary

Utility	ESA	CARE	Total
PG&E	$13,065,753	$40,769,036	$53,834,789
SCE	$5,284,488	$18,073,750	$23,358,238
*SoCalGas	*$11,375,107	$11,874,137	*$18,395,493
*SDG&E	*$2,208,018	$4,422,038	* $6,116,005

***SoCalGas' and SDG&E's bridge funding budgets are augmented based upon their comments.**

Table 2 below illustrates the 2011 level of average monthly homes treated goals for the Utilities' ESA Programs under D.08-11-031. To maintain current pace and momentum, the Utilities are directed to make every effort to reach and

exceed the below 2011 level of average monthly homes treated goals for the Utilities' ESA Programs, during the bridge period starting July 1, 2012:

Table 2
Monthly Bridge Period ESA Program Homes Treated Goals beginning July 1, 2012

Utility	Average Monthly Homes Treated Goals
PG&E	10,416
SCE	6,954
SoCalGas	12,156
SDG&E	1,699
Total	**31,225**

Consistent with D.11-11-010, this decision approves the bridge funding of $66,000 per month for SCE to continue its current Cool Center activities. SCE is authorized to continue to administer the cooling centers as a separate program in their Advice Letters.

3.5. Bridge Period Activities

Due to timing as well as the limited purpose of this bridge funding decision, we make no changes to any programmatic issues and budget items. This simplification will create the least amount of disruption to the Utilities' ESA and CARE Programs during the transition from the 2009-2011 cycle to the 2012-2014 cycle and will allow more efficient use of Energy Division's limited staff resources. Consistent therewith, during the bridge period authorized in this decision, the Utilities are authorized only to continue their program activities that the Commission had previously authorized for program cycle 2009-2011.

3.6. Advice Letters

Each utility is directed to file a Tier 1 Advice Letter within 10 days of the effective date of this decision. The Advice Letters must show the allocation of the authorized monthly budgets for both the ESA and CARE Programs and a memorandum account showing the difference between the revenue requirement

adopted in this decision and that requested in the applications beginning July 1, 2012, discussed in Section 3.7 of this decision. Consistent with Tier 1 procedures under General Order 96-B, the Advice Letters shall be effective on the date filed, subject to Energy Division determining that they are in compliance with this directive. The memorandum account need not reflect the difference in the CARE subsidy costs.

3.7. Revenue Requirements

Consistent with D.11-11-010, this decision does not change the overall revenue requirements for the Utilities' ESA and CARE Programs adopted in the 2009-2011 program cycle. The Utilities shall continue to use their CARE and ESA Bridge funding levels as authorized in the D.11-11-010 and incorporated in their annual Public Purpose Program (PPP) Surcharge filings for rates effective January 1, 2012. Any under- or over-collection that results from authorized program spending level increases or decreases as a result of any decision in this proceeding, will be addressed in each of the utility's gas PPP Surcharge, electric PPP mechanisms, and/or currently authorized ratemaking procedures, or as soon as practicable following the issuance of a final decision is this Consolidated Proceeding.

It is reasonable to anticipate that the final decision in this Consolidated Proceeding may authorize different revenue requirements than what we adopt today. In order to allow for the possibility of adjustment to the revenue requirements at a later date, we direct the Utilities to track in a memorandum account the difference between the revenue requirements adopted in this decision (*see* Section 3.7 of this decision) and that requested in the applications beginning July 1, 2012. We aspire and anticipate that a final decision on the revenue requirements will be made before July 31, 2012.

4. Shortening Public Review Period on Proposed Decision

The need for additional bridge funding came to light only a few days ago. The time is of the essence. Commission's Rules of Practice and Procedure, Rule 14.6, allows for the Commission to waive or shorten the period for public review and comment on a proposed decision in the case of "[r]equests for relief based on extraordinary conditions in which time is of the essence" or "for a decision where the Commission determines, on the motion of a party or on its own motion, that public necessity requires reduction or waiver of the 30-day period for public review and comment."[1] Rule 14.6(c) specifically provides that the Commission may reduce or waive the period for public review and comment on draft resolutions and proposed decisions:

> … (9) for a decision in a proceeding in which no hearings were conducted where the Commission determines, on the motion of a party or on its own motion, that public necessity requires reduction or waiver of the 30-day period for public review and comment. For purposes of this subsection, "public necessity" refers to circumstances in which the public interest in the Commission adopting a decision before expiration of the 30-day review and comment period clearly outweighs the public interest in having the full 30-day period for review and comment….

We find that the public necessity requires shortening of the 30-day period for public review of this proposed bridge funding decision because failure to do so will result in the halting of two critical low-income programs, ESA and CARE. These are undoubtedly important programs that should not be halted or otherwise disrupted. These are extraordinary circumstances, and the

[1] Rule 14.6(a)(6) and (b)(c).

Commission must act to ensure there is no possibility of program stoppage. We therefore shorten the public review period for this proposed decision as follows to allow the Commission to timely vote and authorize a bridge funding decision.

The Utilities should review and file comments to inform the Commission if the anticipated budget needs for the two programs during the bridge period cannot be met with the proposed budgets in this Proposed Decision, so necessary augmentations can be considered during the review of this Proposed Decision.

5. Comments on Proposed Decision

The proposed decision of Administrative Law Judge (ALJ) Kim in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code, with directions for shortened public review and comment period. Under the shortened public review and comment period, comments were due June 14, 2012 and reply comments were due June 18, 2012, in order for this proposed decision to be considered on the June 21, 2012 Commission meeting.

Timely comments were received from The East Los Angeles Community Union (TELACU), the Association of California Community and Energy Services (ACCES), and the Maravilla Foundation (collectively TELACU et al.), SoCalGas and SDG&E (Collectively Joint Utilities), PG&E, SCE, Energy Efficiency Council (EEC), and La Cooperativa. Reply comments were received from PG&E, SCE, the Joint Utilities, and TELACU et al.

The comments generally support a need for additional funding during the bridge period than that set forth in the proposed decision mailed on June 1, 2012. The Utilities filed comments on the proposed decision, SoCalGas and SDG&E request additional funding than the amounts set forth in the proposed decision and have provided justifications for those requested augmentations relating to their projected activities and program needs. The comments from non-utilities

support the additional and augmented funding requested. The authorized budgets for each of the utility during the bridge period are therefore augmented to allow for adequate funding to seamlessly carry out the ESA and CARE Programs during the bridge period. While there are unavoidable disruption and lost momentum to the programs due to the bridge periods, the additional funding should allow the Utilities to maintain as much momentum as possible.

The comments also seek minor requests for clarifications and proposed corrections of typographic errors. They are reasonable and are made throughout the decision.

EEC's request to set homes treated goal seems reasonable and the decision reflects that modification.

Finally, the Utilities are at odds with one another on the ideal length of bridge period to minimize disruption to the programs. SCE contends while bridge periods are not ideal and inherently disruptive, SCE supports the proposed decision and recommends that month-to-month bridge period is the best option at this juncture. SoCalGas snd SDG&E suggest that in addition to the month-to-month bridge funding, the Commission should add additional three months of transitional bridge funding to follow after the adoption of a final decision in this Consolidated Proceeding so to allow for the Utilities to smoothly transition the programs to the next cycle. Finally, PG&E suggests instead of month-to-month, the Commission should simply adopt another six-month bridge period and funding to anticipate the possibility of and to minimize costs and administrative disruptions associated with multiple and successive transitions from bridge period to bridge period.

While it is unfortunate that this bridge period has become necessary, we currently do not anticipate need for a six-month bridge period. As such, PG&E's

request seems unnecessary. As for SoCalGas' request for an additional three months of transitional period/funding after adoption of a final decision in this Consolidated Proceeding, the parties should raise the need and attendant transition period in the context of the public review and comments to the final decision in the Consolidated Proceeding.

Thus, on balance, we agree with SCE and find that while bridge is a "sub-optimal approach to delivering program service", month-to-month bridge period and funding is the best option and we adopt it here. We all share in the commitment to timely resolving "all remaining issues related to 2012-2014 low-income programs and that a final decision be issued so that the utilities can begin moving forward to implement the new programs as soon as practicable."

6. Assignment of Proceeding

This proceeding is categorized as ratesetting. The assigned Commissioner is Timothy Alan Simon and the assigned ALJ is Kimberly H. Kim.

Findings of Fact

1. On May, 4, 2012, the Proposed Decision in this Consolidated Proceeding was mailed for the June 7, 2012 Commission meeting.

2. The Proposed Decision provides program direction and funding for ESA and CARE Programs starting July 1, 2012.

3. With the significance and complexities of the issues presented and addressed in the Proposed Decision, we find it necessary to allow adequate time for thoughtful deliberation and therefore project the potential vote on the Proposed Decision to take place on or before the July 12, 2012 meeting, instead of the June 7, 2012 meeting.

4. This new projected date for adoption of a decision in the Consolidated Proceeding requires us to extend the originally established bridge period and funding beyond June 30, 2012.

5. In the past, the Commission has adopted similar bridge funding for ESA and CARE Programs to prevent service disruptions.

6. If a bridge funding decision is not adopted by or before July 1, 2012, ESA and CARE Programs could come to a halt, starting July 1, 2012.

7. Due to timing as well as the limited purpose of this bridge funding decision, we make no changes to any programmatic issues and budget items.

8. Consistent with D.11-11-010, this decision does not change the overall revenue requirements for the Utilities' ESA and CARE Programs adopted in the 2009-2011 program cycle.

9. The need for this additional bridge funding extension came to light only a few days ago.

10. The time is of the essence.

11. Commission's Rules of Practice and Procedure, Rule 14.6, allows for the Commission to waive or shorten the period for public review and comment on a proposed decision in the case of "[r]equests for relief based on extraordinary conditions in which time is of the essence" or "for a decision where the Commission determines, on the motion of a party or on its own motion, that public necessity requires reduction or waiver of the 30-day period for public review and comment."

12. Rule 14.6(c) specifically provides that the Commission may reduce or waive the period for public review and comment on draft resolutions and proposed decisions:

> … (9) for a decision in a proceeding in which no hearings were conducted where the Commission determines, on the motion of a party or on its own motion, that public necessity requires reduction or waiver of the 30-day period for public review and comment. For purposes of this subsection, "public necessity" refers to circumstances in which the public interest in the Commission adopting a decision before expiration of the 30-day review and comment period clearly outweighs the public interest in having the full 30-day period for review and comment….

13. The final decision on the Consolidated Proceeding, approving the 2012-2014 ESA and CARE Programs and Budgets, is projected to be adopted by or before July 2012.

14. During the bridge period authorized in this decision, the Utilities are authorized only to continue their program activities that the Commission had previously authorized, for program cycle 2009-2011.

Conclusions of Law

1. With the current timing of the potential vote on the Consolidated Proceeding potentially being in July 2012, it is necessary to extend the originally established bridge period in the Consolidated Proceeding and related funding beyond June 30, 2012, as set in D.11-11-010.

2. Approval of a month-to-month extension of bridge period and funding is necessary and in the public interest to provide a smooth transition for ESA and CARE Programs without interruption, to maintain contractual agreements, retain skilled workers, complete existing projects, and continue to bring the benefits of those programs to businesses and residents of California.

3. It is necessary and in the public interest to authorize this month-to-month bridge funding, starting July 1, 2012, to ensure that no hiatus occurs after the

authorized bridge funding for Utilities' ESA and CARE Programs expires on June 30, 2012.

4. This additional month-to-month bridge funding and the additional time beyond June 30, 2012 are necessary and in the public interest to provide a smooth and thoughtful transition of these programs while the proposed decision in the Consolidated Proceeding is reviewed and voted on.

5. This additional month-to-month bridge funding will ensure continuity for existing contractual agreements, minimize disruption to retained skilled workers, completion of existing projects, and uninterrupted delivery of benefits of the Utilities' ESA and CARE Programs to businesses and residents of California.

6. The public necessity requires shortening of the 30-day period for public review of this proposed bridge funding decision because failure to do so will result in the halting of two critical low-income programs, ESA and CARE.

7. ESA and CARE Programs are undoubtedly important programs that should not be halted or otherwise disrupted, even for a short time.

8. These are extraordinary circumstances, and the Commission must act to ensure there is no possibility of program stoppage.

9. The Commission should shorten the public review period for this proposed decision to allow the Commission to timely vote and authorize a bridge funding decision.

10. For the extended bridge funding period, starting July 1, 2012 to when the Commission adopts a decision in this Consolidated Proceeding upon review of the Proposed Decision, the average monthly budgets based on each utility's authorized budgets for 2011 should be used for the existing programs.

11. To avoid confusion and disruptions to the Utilities' ESA and CARE Programs, this decision to extend the bridge period and funding should be issued by or before June 30, 2012.

12. The bridge funding of the Utilities' ESA and CARE Programs is not equivalent to approval of the 2012-2014 ESA and CARE Programs themselves and should not be construed as a guarantee of continued funding in the Utilities' 2012-2014 ESA and CARE Programs or as a decision on the merits of any aspect of the ESA and CARE Programs for 2012-2014 budget cycle.

13. For this extended bridge funding period starting on July 1, 2012, each utility's average monthly budgets based on the authorized budgets for 2011, as augmented in this decision, should be used to continue existing ESA and CARE Programs at the current levels.

14. For this extended bridge funding period starting on July 1, 2012, each utility's average monthly homes treated goals for 2011 should be used to as the Utilities' goals to continue existing ESA Programs at the current levels toward reaching and exceeding their 2011 level of average monthly homes treated goals.

15. It is reasonable and in the public interest to allow the Utilities to limit bridge period activity to only those activities previously authorized by the Commission for 2009-2011.

O R D E R

IT IS ORDERED that:

1. Starting July 1, 2012 until the Commission adopts a decision in this Consolidated Proceeding Applications 11-05-017, 11-05-018, 11-05-019, and 11-05-020 regarding 2012-2014 program and budget proposals, a month-to-month extension of bridge funding is authorized for the large

Investor-owned Utilities, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) (Utilities) as illustrated in the below table 1 for the Utilities' Energy Savings Assistance (ESA) and California for Alternate Rates for Energy (CARE) programs.

Table 1
Monthly Bridge Funding Budgets beginning July 1, 2012
Budget Summary

Utility	ESA	CARE	Total
PG&E	$13,065,753	$40,769,036	$53,834,789
SCE	$5,284,488	$18,073,750	$23,358,238
*SoCalGas	*$11,375,107	$11,874,137	*$18,395,493
*SDG&E	*$2,208,018	$4,422,038	* $6,116,005

***SoCalGas' and SDG&E's bridge funding budgets are augmented based upon their comments.**

2. Starting July 1, 2012 until the Commission adopts a decision in this Consolidated Proceeding Applications 11-05-017, 11-05-018, 11-05-019, and 11-05-020 regarding 2012-2014 program and budget proposals, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) are directed to make every effort to reach and exceed the below 2011 level of average monthly homes treated goals for the Utilities' Energy Savings Assistance (ESA) Programs:

Table 2
Monthly Bridge Period ESA Program Homes Treated Goals beginning July 1, 2012

Utility	Average Monthly Homes Treated Goals
PG&E	10,416
SCE	6,954
SoCalGas	12,156
SDG&E	1,699
Total	**31,225**

3. Starting July 1, 2012 until the Commission adopts a decision in this Consolidated Proceeding Applications 11-05-017, 11-05-018, 11-05-019, and 11-05-020 regarding 2012-2014 program and budget proposals, a month-to-month extension of bridge funding is authorized for Southern California Edison Company (SCE) at level of $66,000 per month to continue its current Cool Center activities during the bridge period.

4. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company each shall file a Tier 1 Advice Letter within 10 days of the effective date of this decision. The Advice Letter must include the allocation of the authorized average monthly budgets for both the Energy Savings Assistance and California for Alternate Rates for Energy Programs, including the CHANGES pilot and any cooling center budgets (if not already reflected).

5. Any differences between authorized bridge funding currently in rates and authorized bridge funding levels authorized herein (and trued-up with the authorized funding adopted by the Commission in the utilities' application), will be incorporated in rates effective January 1, 2013 in connection with the utilities' annual Public Purpose Program Surcharge Rate filing.

6. The bridge funding period begins July 1, 2012, regardless of whether the Advice Letters have been determined to be in compliance. The bridge funding period ends when the Commission adopts a decision in this Consolidated Proceeding upon review of the Proposed Decision.

7. During the bridge funding period, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company shall track in a memo account the difference

between the revenue requirement adopted in this decision and that requested in the applications.

8. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company shall continue to use the California for Alternate Rates for Energy Balancing Account for California for Alternate Rates for Energy subsidy costs incurred during the bridge fund period.

9. During the bridge period authorized in this decision, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company are authorized only to continue their program activities that the Commission had previously authorized for program cycle 2009-2011.

10. Applications 11-05-017, 11-05-018, 11-05-019 and 11-05-020 remain open.

This order is effective today.

Dated June 21, 2012, at San Francisco, California.

MICHAEL R. PEEVEY
President
TIMOTHY ALAN SIMON
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
MARK J. FERRON
Commissioners