

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

ENERGY DIVISION

RESOLUTION E-4108  
July 26, 2007

**R E S O L U T I O N**

**Resolution E- 4108. Pacific Gas & Electric Company (PG&E) seeks Recovery of 2002 Low Income Energy Efficiency Program Costs from September 19 through December 31, 2002 as recorded in its electric (LIEEMA) Memorandum Account.**

**Request Granted as Modified.**

**By Advice Letter 2974-E Filed on January 25, 2007.**

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**SUMMARY**

This Resolution approves Pacific Gas & Electric Company's (PG&E) request for recovery of its Low Income Energy Efficiency Memorandum Account (LIEEMA) electric costs amounting to \$5,352,881 which represents LIEE measure costs belonging to the recovery period from September 19 through December 31, 2002,<sup>1</sup> plus accrued interest costs of \$540,888 for a total of \$5,893,769. By this resolution we approve PG&E's proposal to recover these costs in the next Annual Electric True-Up via a twelve month amortization of the account balance through the Distribution Revenue Adjustment Mechanism (DRAM).

**BACKGROUND**

PG&E suspended its program year (PY) 2002 LIEE program on July 31, 2002, stating that the program had expended its allotted 2002 funding as of that date. The suspension led to the filing, on August 5, 2002, of an Emergency Motion by the Low-Income Service Provider Alliance (the -Alliance) in Rulemaking 01-08-027 for the continuation of PG&E's weatherization services through the end of

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<sup>1</sup> Resolution G-3340

PY 2002. On August 20, 2002, Commissioner Wood issued an Assigned Commissioner's Ruling (ACR) in Rulemaking (R.) 01-08-027 confirming two previous Commission decisions<sup>2</sup> that ordered PG&E to continue the LIEE program through 2002 "until further Commission order."

On September 3, 2002, PG&E submitted AL 2409-G/2280-E requesting authorization to transfer \$10 million from its non-low income, unspent and uncommitted energy efficiency funds, to fund the continuation of its PY 2002 LIEE program. The Commission denied that request and ordered PG&E to create the LIEEMA gas and electric memorandum accounts and to record in it LIEE expenses incurred from September 19 through December 31, 2002 for future collection.

### **NOTICE**

Notice of this advice letter was made by publication in the Commission's Daily Calendar. Pacific Gas & Electric states that a copy of the Advice Letter was mailed and distributed in accordance with Section III-G of General Order 96-A.

### **PROTESTS**

No protests were filed to this Advice Letter.

### **DISCUSSION**

PG&E filed this Advice Letter on January 25, 2007 and requested recovery of its costs for its LIEE Program incurred from September 19 through December 31, 2002. In its Resolution G-3340, the Commission ordered PG&E to continue its LIEE Program until further notice and to establish a memorandum account to record costs for continuing the LIEE program through the end of PY 2002, subject to reasonableness review and future collection in rates.

On February 14, 2007, the Commission suspended this Advice Letter 2974-E in order to determine the reasonableness of the costs associated with PG&E's LIEE

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<sup>2</sup> D.01-05-033 and D.02-07-033

program in 2002 and its recorded costs in the LIEEMA from September 19 through December 31, 2002.

The Commission's Utility Audit, Finance and Compliance Branch (UAFCB) of the Division of Water and Audits reviewed PG&E's Low Income Energy Efficiency Memorandum Account in response to this Advice Letter. In order to verify current LIEEMA balances, the staff requested payment schedules and updated reconciliations for Program Year 2002 using the original 2004 LIEE accounting reconciliation as reference. Staff identified, reviewed, and traced several invoices to the 2007 payment spreadsheets PG&E had submitted. The total amount of invoices reviewed represented 44% of the net LIEEMA balance as of May 2007. Based on its review and audit, the UAFCB found the program costs incurred from September 19 through December to be reasonable.

### **COMMENTS**

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311 (g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

### **FINDINGS**

1. On July 31, 2002, PG&E suspended its LIEE program for the remaining of PY 2002 because its funding had either been committed or expended.
2. On August 20, 2002, Commissioner Wood issued an Assigned Commissioner Ruling (ACR) in Rulemaking (R.) 01-08-027 confirming the orders in D. 01-05-033 and D.02-07-033 directing PG&E to continue the LIEE program through 2002 until otherwise ordered by the Commission. The Commission further ordered PG&E to establish a memorandum account to record cost for continuation of the LIEE program through the end of the PY 2002, subject to reasonableness review
3. On January 25, 2007, PG&E filed Advice Letter 2974-E seeking recovery of its LIEE related costs from September 19 through December 31, 2002 as recorded in its Low Income Energy Efficiency Memorandum Account (LIEEMA).

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4. On February 14, 2007, the Commission suspended PG&E's Advice Letter for 120 days pending Staff Review.
5. The Utility Audit, Finance and Compliance Branch (UAFCB) of the Division of Water and Audits of the CPUC conducted an audit for the reasonableness of PG&E's LIEEMA and issued its findings. Based on its review of invoices the UAFCB found the costs to be reasonable.

**THEREFORE IT IS ORDERED THAT:**

1. PG&E's Advice Letter 2974-E requesting recovery of its LIEE costs of \$5,352,881 from September 19 through December 31, 2002 plus accrued interest of \$540,888 as recorded in its electric Low Income Energy Efficiency Memorandum Account (LIEEMA) is approved.
2. The LIEEMA recorded costs shall be recovered in the next Annual True-Up via a twelve month amortization of the account balance through the Distribution Revenue Adjustment Mechanism (DRAM).

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 July 26, 2007; the following Commissioners voting favorably thereon:

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Paul Clanon  
Executive Director

MICHAEL R. PEEVEY  
PRESIDENT  
DIAN M. GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
TIMOTHY ALAN SIMON

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PG&E AL 2974-E/SSR

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Commissioners