

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

Order Instituting Rulemaking on the  
Commission's Proposed Policies and Programs  
Governing Low-Income Assistance Programs.

Rulemaking 01-08-027  
(Filed August 23, 2001)

**ASSIGNED COMMISSIONER'S RULING  
INCREASING THE BUDGET FOR PHASE 2  
OF THE LOW-INCOME ENERGY NEEDS ASSESSMENT**

This ruling increases the budget for Phase 2 of the Low-Income Energy Customer Needs Assessment Study to \$1,500,000 and approves a revised schedule for completing the study. In Decision (D.) 03-01-020, dated January 16, 2003, the Commission adopted a funding level, schedule, and Request for Proposal (RFP) for Phase 2 of the Low-Income Needs Assessment Study, and directed the Commission's Energy Division to implement Phase 2.<sup>1</sup> Pursuant to D.03-01-020, Energy Division is hiring a consultant to conduct the study. In D.03-01-020, the Commission delegated authority to the Assigned Commissioner

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<sup>1</sup> This study will address the energy-related needs of the customers of Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company and Southern California Gas Company. In addition, pursuant to Decision (D.) 02-07-033, the Needs Assessment Study will obtain income and household size data specific to Avista Utilities' service territory for the purpose of estimating the number of CARE-eligible households, and as required in D.02-08-051, the Study will include an examination of the economic demographics of Mountain Utilities' service area and an examination of the ethnic demographics in each of the small and multi-jurisdictional utilities' service territories based on recorded census information.

in this proceeding to modify the funding level and schedule for the Low Income Needs Assessment Study.<sup>2</sup>

On April 14, 2003, the Energy Division completed its evaluation of bids received in response to the Phase 2 Request for Proposals (RFP) and selected a winning contractor. The Energy Division's bid evaluation process provided additional opportunity and information for refinement of the Phase 2 project scope, tasks and costs. During this process, it became clear to the Energy Division that in order to satisfy the requirements of the Phase 2 RFP, the scope of the study and work tasks should be modified to increase the sample size.

Energy Division staff pointed out to me that the most important benefit associated with an increase in the overall sample size for the Needs Assessment Study (from 1,000 to 1,500) would be that it allows for over-sampling important subgroups that would otherwise have had fairly small sample sizes using a proportional allocation. Increasing the sample size, in turn, would improve the level of analysis across and within these important subgroups in the Phase 2 study.

Additionally, Energy Division staff informed me that an increased sample size from 1000 to 1500 would not necessarily improve the significance of overall findings for the total sample. However, the increased sample size would produce significant differences in precision for the populations served by San Diego Gas & Electric Company and somewhat significant differences for the populations served by Southern California Edison Company. With the increased sample size, there would be greater confidence in the inferences made based on

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<sup>2</sup> See D.03-01-020, Ordering Paragraph 7.

second order estimates employed to make statements about these utility subgroups in the Phase 2 final report.

Finally, Energy Division staff advised me that there are important benefits to derive from an increased sample size when attempting to report results for specific demographic subgroups within the utility service territories. This will be particularly valuable because each utility targets different demographic subgroups and does so with different outreach techniques. A larger sample size would allow the Phase 2 study to address and make reliable inferences about the characteristics of demographic subgroups within a given utility's service territory that may not otherwise be possible with a smaller sample size. The Phase 2 study will be limited in its ability to report significant results if it fails to include a minimum number of cases (i.e., 50) for each combination of demographic subgroup and utility.

The Energy Division indicated to me that with a funding level of \$1,500,000 (an increase of \$237,000 from the level authorized in D.03-01-020), the contractor for Phase 2 would be able to survey a sample of 1,500, facilitating the increased precision needed for the subgroups. Energy Division points out that increasing the sample size is only a minor expansion in scope, but it will significantly improve the information that will be provided in the Phase 2 report. Along with the request for an increase in the funding for the study, Energy Division also requested a minor adjustment to the timeline for the study to accommodate the delay in the start of the study due to the sampling refinements.

Due to the minor expansion of the scope, work tasks and objectives of the Phase 2 study, it appears that the funding previously authorized in the amount of \$1,262,500 is inadequate for Phase 2 based upon its final design. Increasing the

budget for Phase 2 to \$1,500,000 and approving the revised schedule in Attachment A is in the public interest.

**IT IS RULED** that:

1. A revised budget of \$1,500,000 is adopted for conducting Phase 2 of the Low-Income Needs Assessment Study.

2. The cost of Phase 2 shall be shared as follows:

Pacific Gas and Electric Company	30 percent
Southern California Edison Company	30 percent
San Diego Gas & Electric Company	15 percent
Southern California Gas Company	25 percent

3. Due to the time delay in finalizing the sample size of the Phase 2 study, the timetable for completing Phase 2 must be updated. A new timetable for Phase 2 is attached to this Ruling as Attachment A. Consistent with this new timetable, the Work Plan and Schedule Requirements of the contract (02PS5289) should be modified as needed to reflect the timetable changes.

Dated June 4, 2003, at San Francisco, California.

/s/ CARL WOOD  
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Carl Wood  
Assigned Commissioner

## **ATTACHMENT A**

### **REVISED SCHEDULE FOR PHASE 2 OF THE LOW-INCOME ENERGY CUSTOMER NEEDS ASSESSMENT**

<b>Event</b>	<b>Date</b>
Contract approved and signed by the Commission & consultant (date approximate)	19 weeks after the decision is issued
Department of General Services (DGS) approves contract (date approximate)	22 weeks after the decision is issued
Contract work starts (date approximate, contract and funding have to be approved by the Department of General Services and the Commission before work may begin)	3 business days after DGS approval

**Work Plan and Schedule Requirements****Phase II Tasks**

The following lists the deliverables and estimated target completion dates for Phase II tasks. Note that all dates are tentative.

**Attachment A-2: Timetable of Events****Tentative Dates**

<b>Event</b>	<b>Date</b>
Task 1: Refine the Work Scope	22 weeks after the decision is issued
Task 2: Provide Opportunity for Public Input	Throughout the entire project until the final report is adopted by the Commission.
Task 3: Conduct the Onsite Surveys	43 weeks after the decision is issued
Task 4: Analyze Census Data	30 weeks after the decision is issued
Task 5: Develop Estimates of Potential	47 weeks after the decision is issued
Task 6: Characterize the Eligible Population	47 weeks after the decision is issued
Task 7: Assess the Needs of the Eligible Population	52 weeks after the decision is issued
Task 8: Recommendations for Results	52 weeks after the decision is issued
Task 9: Develop a Method to Track Penetration Over Time	56 weeks after the decision is issued
Task 10: Develop a Phase 2 Report	58 weeks after the decision is issued
Task 11: Provide Technical Support	84 weeks after the decision is issued

**(END ATTACHMENT)**

