

**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE STATE OF CALIFORNIA**

Southern California Gas Company (U-904-G)  
for Approval of Energy & Water Efficiency  
Partnership and Budget for Years 2007  
Through 2008.

Application 07-01-\_\_\_\_\_

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U-904-G)**

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January 16, 2007

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**I.  
INTRODUCTION**

Southern California Gas Company (“SoCalGas”) pursuant to Ordering Paragraph 1 of the Assigned Commissioner’s Ruling on Process Related to the Consideration of Embedded Energy Savings Related to Water Efficiency (“ACR”) respectfully submits this Application for approval of its proposed pilot program addressing embedded energy savings resulting from the conservation of water in California.<sup>1</sup>

As discussed below and in greater detail in testimony served today, this Application seeks California Public Utilities Commission (“Commission” or “CPUC”) authority to: 1) implement the proposed energy efficiency/water pilot partnership program; 2) have full funding flexibility within the pilot program in order to meet unexpected program implementation challenges that arise from such pilot efforts; 3) fund the pilot with pre-1998 demand-side management and pre-2006 low-income funds; and, 4) expend up to \$25,000 prior to Commission authorization of this Application on start-up activities to ensure timely implementation of the pilot on July 1, 2007 or as expeditiously as possible after Commission approval.

Additionally, SoCalGas seeks clarification on whether pilot funds may be utilized for post-implementation activities including completion of committed, but not installed, customer projects upon the cessation of the one-year pilot and if energy savings achieved

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<sup>1</sup> ACR issued in Rulemaking 06-04-010, dated October 16, 2006.

by the pilot can be counted towards the Commission's current energy efficiency (EE) goals adopted in Decision 04-09-060.

## **II. BACKGROUND**

On October 16, 2006 the Commission issued the ACR directing each of the utilities to file an application for a one-year, jointly-funded pilot partnership program with one large water provider and to work together to develop a common program and funding approach. The ACR also indicated that applications should include proposals for counting the embedded energy savings for the purposes of understanding program benefits, rather than to affect shareholder rewards or penalties.

Moreover, the Commission in Decision ("D.") 06-12-038 at page 17 directed the utilities to propose programs that offer benefits to low income customers:

"This order directs all four applicant utilities each to file a specific program proposal for water conservation efforts. Each proposal shall identify specific ways to implement such energy efficiency water conservation programs for low income customers, whether and how they might dovetail with other non-LIEE programs, which agencies they will work with, and a budget."

## **III. OVERVIEW OF TESTIMONY**

This Application is supported by the testimony of Mark Gaines, Director of Customer Programs. Mr. Gaines' testimony describes SoCalGas' proposed energy efficiency/water pilot partnership established with the Metropolitan Water District. Mr. Gaines' testimony also: 1) discusses the need for funding flexibility within the program pilot and beyond the funding period; 2) demonstrates pilot savings potential and expected costs; 3) identifies funding requirements and funding sources; 4) describes the necessity to expend funds upfront to ensure timely, effective start-up activities; 5) describes the need for clarification regarding the counting of energy savings achievements toward adopted Commission EE savings goals; and, 6) addresses evaluation, measurement and verification activities.

**IV.  
RATE AND REVENUE IMPACTS**

The proposed funding requirement for SoCalGas' energy efficiency/water pilot partnership is \$0.858 million. SoCalGas proposes to utilize \$0.272 million in unspent and uncommitted pre-1998 demand-side management funds recorded in SoCalGas' Conservation Expense Account ("CEA"), which tracks both low-income energy efficiency ("LIEE") and EE programs associated with pre-2006 funding cycles, to fund the non-low income energy efficiency component of the pilot. For low-income related activities, SoCalGas proposes that \$0.586 million in unspent LIEE funds from balancing account overcollections be used for the pilot partnership. Upon Commission approval of these funding requests, SoCalGas proposes to transfer the balancing account funds from prior program cycles to the current energy efficiency and LIEE program cycle. The transfer will be recorded as an adjustment from the CEA to the respective Direct Assistance Program Balancing Account and the Demand-Side Management Balancing Account, both of which track post-2005 program activity. Therefore, there are no rate or revenue impacts associated with SoCalGas' proposal.

**V.  
CORPORATE INFORMATION**

Applicant's legal name is Southern California Gas Company. SoCalGas is a public utility corporation organized and existing under the laws of the State of California, with its principal place of business at 555 West Fifth Street, Los Angeles, California, 90012.

All correspondence or communications regarding this Application should be addressed to:

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**VI.  
PROPOSED CATEGORY OF PROCEEDING  
AND NEED FOR HEARING**

SoCalGas proposes that its Application be categorized as quasi-legislative as it is in the nature of a compliance filing directed by the Assigned Commissioner as set forth above and that hearings thereon are unnecessary.

**VII.**

**RELIEF REQUESTED**

**WHEREFORE**, Southern California Gas Company respectfully requests that the Commission:

1. Consider this Application and grant the relief requested herein;
2. Grant such other and further relief as the Commission finds to be just and reasonable.

Dated at San Diego, California this 16 day of January 2007.

Respectfully submitted,

SOUTHERN CALIFORNIA GAS COMPANY

By: 

Lee Schavrien  
Senior Vice President  
Regulatory Affairs

By: 

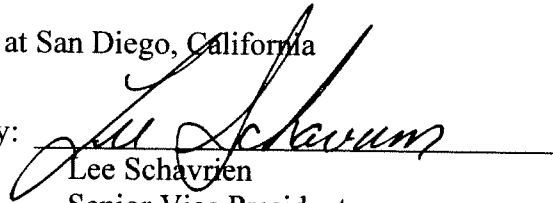
Steven D. Patrick  
Attorney for Southern California Gas Company

## VERIFICATION

I am an officer of the applicant corporation herein and am authorized to make this verification on its behalf. The content of this document is true, except as to matters that are stated on information and belief. As those matters, I believe them to be true. I declare under penalty of perjury that the foregoing is true and correct.

Executed on 1/16, 2007 at San Diego, California

By:

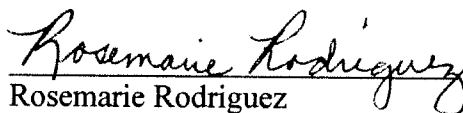


Lee Schavrien  
Senior Vice President  
Regulatory Affairs

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **Application of Southern California Gas Company** via email to those whose email address is listed in the official service list and via first-class mail to those whose email address is not available.

Dated at Los Angeles, California this 16<sup>th</sup> day of January 2007.

  
Rosemarie Rodriguez



**CALIFORNIA PUBLIC UTILITIES COMMISSION**  
**Service Lists**

**Proceeding: R0604010 - CPUC - PG&E, EDISON,**  
**File: CPUC - PG&E, EDISON, SDG&E, SOCALGAS**

**List Name: LIST**

**Last changed: January 11, 2007**

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