

July 28, 2005

ALJ Steven A. Weissman  
California Public Utilities Commission  
Division of Administrative Law Judges  
Room 5125  
505 Van Ness Avenue  
San Francisco CA 94102-3214

RE: ACR dated March 25, 2005, in proceeding R04-01-006 on Low Income Energy Efficiency programs

Dear ALJ Weissman:

Pursuant to a conversation with Bill Julian, staff to State Senator Martha Escutia, I bring to your attention the following issue concerning the Low Income Energy Efficiency (LIEE) program of Southern California Gas Company (SoCalGas) and the Standardization Team.

Assigned Commissioner's Ruling (ACR) dated March 25, 2005 directed the Standardization Team to withdraw its proposed changes to the LIEE Policy and Procedures (P&P) Manual and to obtain further public input before seeking final approval of its proposed changes by the Commission. It is our understanding that the current Policy and Procedures are to remain in effect until any proposed changes are approved by the Commission.

But recent action by SoCalGas has raised the following question: May members of the Standardization Team, acting as individual utilities, disregard the ACR of March 25?

At a June 24, 2005 meeting of its LIEE Direct Assistance Program (DAP) contractors, SoCalGas announced it would make changes to the LIEE Policy and Procedures Manual by issuing "DAP supplement revisions [which] include the addition of program update language and minor editorial changes." Those Policy and Procedures changes were then emailed to LIEE contractors on Wednesday, July 20 (attached). Contractors were told the changes would take effect this coming Monday, August 1. The P&P changes will affect outreach, program eligibility documentation, minor home repairs, furnace repair and replacement and other aspects of the LIEE program of SoCalGas.

This action by SoCalGas appears to be inconsistent with the ACR. While it is true the ACR deals with the Standardization Team, we do not believe it is reasonable to allow an individual utility to disregard the intent, if not the letter, of the ACR by acting individually, rather than with the Standardization Team, to make changes to the LIEE Policy and Procedures Manual without public input and Commission approval.

SoCalGas' summary of P&P changes is attached. The summary shows changes in 18 sections or subsections, with 41 bulleted items indicating a change. Section 2.2.4 shows seven changes in the area of income eligibility determination, the very starting point for the program. There has been no review by the Commission or contractors.

The issue here is not whether these changes are minor or major. There has been little opportunity to make that determination. The issue is: May members of the Standardization Team, acting as individual utilities, disregard the ACR of March 25? If SoCalGas is allowed to implement these unexamined changes on August 1, we believe it will have the effect of undermining the intent of the Assigned Commissioner's Ruling of March 25. We believe the company should be directed to not make those changes and intention of the March 25 ruling should be clarified.

Sincerely,

A handwritten signature in black ink, appearing to read "James Hodges". The signature is fluid and cursive, written in a professional style.

James Hodges for  
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CC:  
Service List for R04-01-006  
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Subject: P&P with revised supplements  
Date: Wed, 20 Jul 2005 06:56:44 -0700

Attached is a copy of the P&P manual with revised supplements.  
Also included is a brief summary of the revisions.

Please let me (or your DAP Representative) know if you have any questions!

Craig Allen  
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Direct Assistance Program  
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# Policy and Procedures Manual - Revisions to DAP Supplements

## *Effective August 1<sup>st</sup>, 2005*

### **Table of Contents**

- Minor editorial changes

### **Section 1**

- Contractor participation supplement removed
- Minor editorial changes

### **Section 2.2.3**

- Infraction/offense language has been replaced with audit KPI language
- De-certification process has been clarified
- Audit exit interview language has been added
- Acceptable forms of income documentation have been added
- Affidavit language has been modified for clarification
- Minor editorial changes

### **Section 2.2.4**

- Bi-weekly wage calculation has been modified to reflect the requirement of two consecutive paycheck stubs and a multiplier of 13
- Weekly calculation has been dropped for simplicity
- The income documentation age requirement has been changed from one month to two months
- Documentation requirement for weekly income has been revised from two consecutive weeks to four weeks and a multiplier of 13
- Language has been modified to reflect the guidelines for accepting a federal income tax return as proof of income
- Requirement has been added which prohibits the collection of original income documentation
- Minor editorial changes

### **Section 2.2.6**

- 80/20 rule language has been added to clarify that all agreements must be submitted together

### **Section 2.3.1**

- Specific qualification language has been added
- Gas account language has been added

### **Section 2.5**

- Group living facility language has been added to clarify non-profit classification

### **Section 2.6**

- Language has been added to address mobile homes registered as vehicles
- Language has been added to address a spouse signing as the property owner

#### **Section 2.6.4**

- Power of attorney and management agreement language moved to appendix

#### **Section 3.2.1**

- Language has been added relative to customer contact and promotional material guidelines

#### **Section 3.2.3**

- Contact telephone number guideline language has been added

#### **Section 3.3.4**

- Language has been added relative to DAP identification badge guidelines

#### **Section 4.4**

- Reference to the DAP Welcome Letter has been added
- Minor editorial changes

#### **Section 7.2.8**

- Minor editorial changes

#### **Section 8.4.6**

- Billing error language has been added

#### **Section 8.4.9**

- The requirement to notify the DAP hazardous fail clerk within 1 day has been changed to 24 hours
- On-site inspections have been eliminated
- Reference page of hazardous fail codes has been removed
- Minor editorial changes

#### **Section 9.3**

- Requirements of outreach worker affiliation changes have been added

#### **Appendix C**

- Energy Education and Resource Guide, DAP Welcome Letter, Household Income Worksheet, NGAT Information Form, NGAT Notice of Condition, DAP Work Order, and DAP Assessment Form have been added to document list
- Signature requirements for DAP work order and DAP notice of condition have been added
- Power of attorney and management agreement signature requirements have been relocated from section 2
- Signature requirements for living trust and property owned by a corporation have been added
- A list of DAP document requirements has been added
- Minor editorial changes