

July 26, 2002

Advice 2399-G/2268-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Request for Approval to Shift First Quarter 2002 Energy Efficiency Funds

Purpose

Pacific Gas and Electric Company (PG&E) hereby requests approval to shift \$600,000 in unspent, uncommitted first quarter 2002 Energy Efficiency Program funds to the existing 2002 Statewide Residential Single Family Energy Efficiency Program (Single Family Program) for appliance rebates. This shift of funds will permit PG&E to continue offering appliance rebates under the successful Single Family Program during the SCE-Flex Your Power promotion campaign in August and September. Otherwise this portion of the program will close due to lack of funding.

To ensure that customers do not experience an interruption in this program during the summer of 2002, PG&E respectfully requests that the Commission expedite the review process and shorten the notice period for this advice letter. This advice letter was not filed sooner because it was only after the Fourth of July retailer sales promotions that the increased volume of applications could be reviewed, analyzed and processed. Prior to that, the program offices expected the program to have sufficient funds until at least October, through the August/September statewide Flex Your Power sales campaign.

Background

Decision (D.) 02-03-056 authorized PG&E to implement Program Year (PY) 2002 Statewide Energy Efficiency programs to achieve long-term, cost-effective energy and peak demand savings that also ensure equity for hard-to-reach customers. The Single Family Program provides customer rebates for ENERGY STAR® labeled clothes washers, dishwashers, and room air conditioners as well as air conditioning equipment, pool pumps, and insulation. Refrigerator rebates are not offered in PY 2002.

The appliance rebates in the Single Family Program have been very successful. In the first ten weeks of the Single Family Program, PG&E received an average of 900 rebate applications per week. For the next five weeks, which included the Fourth of July retailer promotions, the average applications per week increased to 1800 applications per week. The upcoming August and September SCE-Flex Your Power advertising promotions will substantially increase customer interest in appliance rebates. However, appliance rebate funds are currently 92% committed. Without the increased funding, PG&E will have to close this portion of the program early in the statewide promotion.

In D. 01-11-066, Ordering Paragraph 9, utilities were authorized to continue PY 2001 programs and commit and/or spend funds only until March 31, 2002. Utilities were also required to hold any of these 2002 funds that were not committed or spent in the first three months of 2002, pending future authorization from the Commission.

PG&E now requests authorization to shift \$600,000 of the unspent first quarter 2002 Residential Energy Efficiency funds to the Single Family Program in order to respond to increased customer demand and ensure the program is available during the statewide Flex Your Power campaign. The funding could provide additional energy and demand savings of approximately 100 kW and 356,000 kWh, as well as gas savings of 163,000 therms.

Protests

PG&E requests that the notice period for this filing be shortened from 20 days to 10 days pursuant to General Order 96-A, Section IV B-Effective Date and Section XV-Exceptions. Anyone wishing to protest this filing may do so by sending a letter by August 5, 2002, which is 10 days from the date of this filing. Protests should be mailed to:

IMC Branch Chief
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102
Facsimile: (415) 703-2200

Copies should also be mailed to the attention of the Director, Energy Division, Room 4005 and Jerry Royer, Energy Division, at the address shown above. It is also requested that a copy of the protest be sent via postal mail and facsimile to Pacific Gas and Electric Company on the same date it is mailed or delivered to the Commission at the address shown below.

Pacific Gas and Electric Company
Attention: Les Guliasi
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
Facsimile: (415) 973-7226

Effective Date

PG&E respectfully requests that this filing be approved and become effective on **August 5, 2002**, to ensure that the program will be able to meet 2002 regulatory goals without interruption.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the list for Rulemaking (R.) 01-08-028. Address changes should be directed to Rose Abao at (415) 973-2218. Advice letter filings can also be accessed electronically at:

http://www.pge.com/customer_services/business/tariffs/

Vice President - Regulatory Relations

cc: Service list – R. 01-08-028