

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 21, 2009

**Advice Letter 3936**

Ronald van der Leeden, Director  
Rates, Revenues and Tariffs  
8330 Century Park Court CP32C  
San Diego, CA 92123-1548

**Subject: Revisions to Rule No. 40, On-Bill Financing Program**

Dear Mr. van der Leeden:

Advice Letter 3936 is effective January 16, 2009.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director  
Energy Division



Ken Deremer  
Director  
Tariffs & Regulatory Accounts

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December 17, 2008

Advice No. 3936  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Revisions to Rule No. 40, On-Bill Financing Program**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) revisions to its tariffs, applicable throughout its service territory, as shown on Attachment B.

**Purpose**

The purpose of this filing is to revise Rule No. 40, On-Bill Financing (OBF) Program, to broaden participation in OBF by including SoCalGas' noncore customers and removing the limitation that OBF only works with rebate/incentive programs.

**Background**

Currently, the terms and conditions of Rule No. 40 apply to the loans offered by the Utility to facilitate the purchase and installation of energy efficiency measures by its core commercial or industrial customers, as well as owners of residential multi-family units who do not live on the premises. Approved customers will be offered a reduced rebate or incentive from applicable Utility energy efficiency programs as well as zero percent financing according to the OBF program guidelines in effect at the time of customer application.

**Proposed Revisions to Rule No. 40**

Since the approval of SoCalGas' Advice No. 3753, SoCalGas has identified additional program implementation improvements that it believes will increase the participation rate for the program and proposes to make the following changes:

- (1) Eliminate the stipulation that OBF serves only core customers to allow noncore institutional and non-institutional customers to participate in OBF to minimize lost energy efficiency opportunities. Specifically, the word "core" under Applicability and Customer Eligibility is deleted from Rule No. 40.
- (2) Remove the restriction that OBF only works with rebate/incentive programs. (This is a programmatic issue to be handled under specific program references.) This change will allow energy efficiency programs that do not offer rebates/incentives such as the Emerging Technology Program to work with OBF. Specifically, all references to rebates and incentives under Applicability and Program Description are deleted from Rule No. 40.

This filing will not increase or decrease any tariff rate, conflict with any schedules or rules, or cause the withdrawal of service.

### **Protest**

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attn: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) and to Honesto Gatchalian ([jni@cpuc.ca.gov](mailto:jni@cpuc.ca.gov)) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-mail: [snewsom@SempraUtilities.com](mailto:snewsom@SempraUtilities.com)

### **Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B and therefore respectfully requests that this advice letter become effective January 16, 2009, which is 30 calendar days after the date filed.

**Notice**

A copy of this advice letter is being sent to the parties listed on Attachment A.

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KEN DEREMER  
Director  
Tariffs and Regulatory Accounts

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY (U 904-G)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

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### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3936

Subject of AL: Revisions to Rule No. 40, On-Bill Financing Program

Keywords (choose from CPUC listing): Rules Energy Efficiency

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 1/16/09

No. of tariff sheets: 3

Estimated system annual revenue effect (%): \_\_\_\_\_

Estimated system average rate effect (%): \_\_\_\_\_

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Rules, TOCs

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.**

**San Francisco, CA 94102**

**mas@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Southern California Gas Company**

**Attention: Sid Newsom**

**555 West Fifth Street, GT14D6**

**Los Angeles, CA 90013-1011**

**snewsom@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**

**Advice No. 3936**

**(See Attached Service List)**

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ATTACHMENT B  
Advice No. 3936

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 44205-G	Rule No. 40, ON-BILL FINANCING PROGRAM, Sheet 1	Revised 41154-G
Revised 44206-G	TABLE OF CONTENTS	Revised 42331-G*
Revised 44207-G	TABLE OF CONTENTS	Revised 44204-G

Rule No. 40  
ON-BILL FINANCING PROGRAM

Sheet 1

A. APPLICABILITY

The terms and conditions of this Rule shall apply to the loans offered by the Utility to facilitate the purchase and installation of energy efficiency measures by its commercial or industrial customers, as well as owners of residential multi-family units who do not live on the premises. In order to receive the on-bill financing, customer must complete an application to Utility's energy efficiency programs and sign a separate loan contract (On-Bill Financing Loan Agreement, Form No. 7150 or On-Bill Financing Loan Agreement for Self-Installers, Form No. 7150-A). The customer must accept responsibility for purchasing and installing the energy efficiency measures.

B. PROGRAM DESCRIPTION

The On-Bill Financing (OBF) Program is primarily designed to facilitate the purchase and installation of qualified energy efficiency measures by customers who might otherwise not be able to act given capital constraints or other barriers to participation. Approved customers will be offered zero percent financing according to the OBF program guidelines in effect at the time of customer application. Monthly payment requirements on the loan will be billed as part of the participating customer's energy bill.

C. CUSTOMER ELIGIBILITY

1. All of the Utility's existing non-residential customers (including government accounts) and owners of residential multi-family units who do not live on the premises are eligible to participate in the OBF Program.
2. To be eligible for consideration for On-Bill Financing, the customer must be in good credit standing as determined by the Utility. The credit eligibility criteria are documented in the program guidelines.

D. LOAN AGREEMENT

Customer participation in the OBF Program requires customer to sign a loan agreement (On-Bill Financing Loan Agreement, Form No. 7150 or On-Bill Financing Loan Agreement for Self-Installers, Form No. 7150-A) which specifies loan repayment obligations.

(Continued)

(TO BE INSERTED BY UTILITY)  
ADVISE LETTER NO. 3936  
DECISION NO.

ISSUED BY  
**Lee Schavrien**  
Senior Vice President  
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)  
DATE FILED Dec 17, 2008  
EFFECTIVE Jan 16, 2009  
RESOLUTION NO. \_\_\_\_\_

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(Continued)

(TO BE INSERTED BY UTILITY)  
 ADVICE LETTER NO. 3936  
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ISSUED BY  
**Lee Schavrien**  
 Senior Vice President  
 Regulatory Affairs

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