

DEMAND-SIDE MANAGEMENT PROGRAMS ANNUAL SUMMARY

Program Years 1994-1997
May 2004




A  Sempra Energy utility™

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SECTION 1

EXECUTIVE SUMMARY

SoCalGas's Demand-Side Management (DSM) activities in 2003 were limited to carryover commitments from program years 1994 through 1997.

This year, the DSM Annual Summary and Technical Appendix encompasses primarily the Fourth Earnings Claims for Program Year 1994 (“PY94”) programs. The 1994 Residential New Construction Ninth-Year Retention Evaluation filed March 1, 2004 supports the claim for this program.

SoCalGas filed a third earnings claim associated with Energy Edge projects committed in 1997 and completed in 1999 that was originally filed in the 2004 AEAP.

Section II would normally describe both the residential and nonresidential DSM **Conservation/ Energy Efficiency Programs**. SoCalGas did not implement any new programs in 2003, however there were minor program activities in 2003 related to prior year(s) programs (or “pre-1998” programs).

Section III would normally describe both the residential and nonresidential DSM **Load Management Programs**. There were no activities to report for 2003.

Section IV would normally describe the **Fuel Substitution Programs** offered, however SoCalGas did not carryover any prior years’ program activities into 2003.

Measurement, Forecasting and Regulatory Reporting activities discussed in **Section VI** continued to play an important role in SoCalGas 's DSM efforts. Studies agreed to in past proceedings were completed or continued in 2003 to determine program achievements and successes.

Section VII describes **Other Demand-Side Management** activities. There were no activities to report for 2003.

Section VIII provides support for the fourth earnings claim for PY 94 and the third earnings claim for PY 97 program commitments that completed in 1999.

Lastly, **Section IX Miscellaneous** discusses the financing rate program and other pre-1998 program commitments as ordered in D.97-09-117.

Note that there is no separate Technical Appendix for this report as all necessary information has been incorporated.

SECTION 2

CONSERVATION/ENERGY EFFICIENCY

Not applicable.

SECTION 3

LOAD MANAGEMENT

Residential Programs

Not applicable.

Nonresidential Programs

Not applicable.

SECTION 4

FUEL SUBSTITUTION

Not applicable.

SECTION 5

LOAD RETENTION AND LOAD BUILDING

Not applicable.

SECTION 6

MEASUREMENT, FORECASTING, AND REGULATORY REPORTING

Introduction

As a result of the M&E Phase in the DSM OIR, the CPUC adopted a comprehensive set of protocols for measuring *ex post* DSM program savings and for linking the results of those measurements to utility earnings. PY94 was the first year for which the adopted M&E Protocols were implemented. These M&E Protocols are updated during the Annual Earnings Assessment Proceeding (AEAP) as a result of recommendations made based on completed utility impact evaluations.

Program Measurement

Program measurement is the set of activities needed to determine the load impacts, persistence, and performance of existing individual programs or groups of programs, as well as activities needed to conduct process evaluations on existing programs. Associated data collection, analysis, and management, long-run program tracking, (statewide measurement studies), and projects that study DSM program measurement methodologies are also contained in this category. Program measurement includes demand-reducing, load management, and fuel substitution.

SoCalGas is committed to the measurement and evaluation process for all of its demand-side management programs. SoCalGas conducts program evaluation for two primary reasons: (1) to capture sufficient data to estimate actual load impacts resulting from the implementation of DSM programs as mandated by the M&E Protocols, and (2) to capture information that will allow SoCalGas to improve the effectiveness and efficiency of existing programs and to develop new programs in the future (process evaluation).

The third/fourth year retention studies were completed per the schedule established in Table 8B of the M&E Protocols.

This section provides information that follows the order in which studies are presented in Tables 6.1 and TA-6.1 per the DSM Reporting Requirements Manual, Sixth Edition.

Retention Studies

Residential Weatherization Retrofit Incentives Program

Retention Study

There is no retention study required.

Residential Appliance Efficiency Incentives Program: High Efficiency Lighting

Retention Study

There is no retention study required.

Residential Appliance Efficiency Incentives Program: High Efficiency Refrigeration
Retention Study

There is no retention study required.

Commercial Energy Efficiency Incentives Program

Retention Study

There is no retention study required.

Industrial Energy Efficiency Incentives Program

Retention Study

There is no retention study required.

Fuel Substitution Program

Retention Study

There is no retention study required.

Agricultural Energy Efficiency Incentives Program

Retention Study

There is no retention study required.

Residential Energy Management Services Program

Retention Study

There is no retention study required.

Residential New Construction Program

Retention Study

1994 RESIDENTIAL NEW CONSTRUCTION
Ninth Year Retention Evaluation
Study number 716A
Itron, Inc.
February 2004

Ninth-year retention study for the Southern California Gas Company's 1994 Energy Advantage Home Program (EAHP). The objective of this measure retention study is to assess and verify the effective useful lives of the various measures installed through the EAHP.

The 1994 EAHP was designed to induce builders to increase energy efficiency in new homes beyond levels required by Title 20 and Title 24. The program offered informational and training workshops for builders and provided incentives for a variety of DSM measures.

The results of this retention study will be used to verify the program's PY94 fourth earnings claims in the 2004 AEAP.

There is no retention study required.

Nonresidential New Construction Program

Retention Study

There is no retention study required.

Residential Direct Assistance Program

Retention Study

There is no retention study required.

Commercial Energy Management Services Program

Retention Study

There is no retention study required.

Industrial Energy Management Services Program

Retention Study

There is no retention study required.

Agricultural Energy Management Services Program

Retention Study

There is no retention study required.

Statewide Measurement Studies

The M&E Protocols adopted in D. 93-05-063 in the DSM OIR in May 1993 made provision for CADMAC and also for CADMAC funding of nine statewide studies. To be consistent with the Interim Opinion on Measurement and Evaluation Cost Containment Rules (D.93-10-063), the four California utilities determined that CADMAC funding would come from the one percent funding allocated for CCIG since there was some duplication of statewide efforts.

SoCalGas personnel are also subcommittee members on the other seven statewide subcommittees.

Retrofit Modeling Subcommittee

The subcommittee was inactive in 2003.

New Construction Modeling Subcommittee

The subcommittee was inactive in 2003.

Persistence Subcommittee

The subcommittee was inactive in 2003.

Base Efficiency Subcommittee

The subcommittee was inactive in 2003.

Measure Cost Subcommittee

The subcommittee was inactive in 2003.

Residential High Efficiency Refrigerator Subcommittee

The subcommittee was inactive in 2003.

Residential High Efficiency Lighting Subcommittee

The subcommittee was inactive in 2003.

Market Effects Subcommittee

The subcommittee was inactive in 2003.

Process Studies

No process studies were conducted in 2003.

Regulatory Compliance & Reporting

Regulatory Compliance and Reporting is designed to capture activities that are undertaken to meet regulatory reporting oversight, and other obligations and that are not included in Program Measurement and Demand-Side Forecasting and Planning. This category has two subcategories: (1) Regulatory Reporting and Support, and (2) Regulatory Oversight.

Regulatory Reporting and Support

Regulatory Reporting and Support consists of those activities needed to verify, collect, and report descriptive and technical information related to the achievements and scope of all authorized DSM programs. Examples are annual DSM reports, filings for shareholder earnings and other DSM proceedings (except CADMAC) including workshop participation, testimony, hearings, and data requests and responses.

SoCalGas filed its PY94 fourth earnings claim in the 2004 Annual Earnings Assessment Proceeding (AEAP) as a result of the Commission's Annual Earnings Assessment Proceeding and Electric Industry Restructuring. The following describes major regulatory activities for 2003.

SoCalGas is filing its Fourth Earnings Claims for Program Year 1994 ("PY94") program in the 2004 AEAP.

Regulatory Reports

SoCalGas filed its Annual Summary of DSM Activities in May 2004 as required by the Commission. SoCalGas worked with regulatory staffs in providing information as requested in an open and timely manner.

Shareholder Incentives

In May 2003, SoCalGas filed an application with the CPUC to recover the shareholder incentive earned under the CPUC approved mechanism for achievements in Program Year 1997. On October 18, 2000, the Assigned Administrative Law Judge issued Administrative Law Judge's Ruling Deferring Schedule of Proceedings which postponed all further proceedings in this matter until further notice and the hearings were taken off calendar.

Regulatory Oversight

Regulatory oversight consists of activities related to the administrative costs associated with running the California Demand-Side Management Advisory Committee (CADMAC), the costs of the Commission's Energy Division audits and analysis, and the funds devoted to the verification of utility DSM earnings managed by the Commission's Office of Ratepayer Advocates (ORA).

CADMAC Administration

The CADMAC is comprised of the four major energy utilities, ORA, the Energy Division, the California Energy Commission, California Institute for Energy Efficiency, Lawrence Berkeley Laboratory/Energy and Environment Division, and Natural Resources Defense. CADMAC responsibilities are outlined in Appendix B of the adopted M&E Protocols. The purpose of the group is to provide a forum for presentations, discussions, and review of DSM program measurement studies underway or completed, to coordinate the development and implementation of measurement studies common to all or most of the utilities, and to facilitate the development of effective, state-of-the-art protocols for measuring and evaluating the impacts of DSM programs.

In 2003, SoCalGas participated in CADMAC meetings. One informational filing was made that updated the Commission on the status of the statewide study efforts and provided summary information on unanimous retroactive waivers granted by CADMAC. In 2004,

SoCalGas will continue to actively participate in the CADMAC and participating on the other subcommittees as necessary.

ORA Evaluation and Analysis

In the Collaborative Settlement Agreement adopted in 1990, SoCalGas and the other California utilities committed to contribute funding to a CPUC/ORA evaluation and analysis process. SoCalGas has participated in this activity since 1990, and will continue to do so in 2004. The ORA has ultimate discretion over the use of these funds.

**TABLE 6.1
MEASUREMENT, FORECASTING, AND REGULATORY REPORTING EXPENDITURES (2003)**

	2003		
	Authorized	Budgeted	Actual
PROGRAM MEASUREMENT			
Retention Studies			\$85,000
Statewide Measurement Studies			\$0
Process Studies			\$0
Other			\$0
Subtotal			\$85,000
DEMAND-SIDE FORECASTING & PLANNING²			
Load Metering Studies			
CEC Data Collection Plan			\$0
Other Load Metering			\$0
Subtotal			\$0
Saturation Surveys			
CEC Data Collection Plan			\$0
Other Saturation Surveys			\$0
Subtotal			\$0
Market Assessment and Other Research			\$0
New Technology Evaluation			\$0
Long Range Forecasting and Planning			\$0
Subtotal Forecasting and Planning			\$0
REGULATORY COMPLIANCE & REPORTING			
Regulatory Reporting and Support			\$0
Regulatory Oversight			\$0
Subtotal			\$0
TOTAL MFFR			\$85,000

**TABLE TA-6.1
PROGRAM MEASUREMENT COSTS (2003)**

	Program Year	Study ID	Expenditures
RETENTION STUDIES			
Residential Weather Retrofit Incentives	1995	N/A	
Residential Weather Retrofit Incentives	1996	N/A	
Residential Weather Retrofit Incentives	1997	N/A	
Residential Appliance Efficiency Incentives			
Compact Fluorescents	1994	N/A	
Compact Fluorescents	1995	N/A	
Compact Fluorescents	1996	N/A	
Compact Fluorescents	1997	N/A	
High Efficiency Refrigeration	1994	N/A	
High Efficiency Refrigeration	1995	N/A	
High Efficiency Refrigeration	1996	N/A	
High Efficiency Refrigeration	1997	N/A	
C/I/A Energy Efficiency Incentives			
Commercial EEI Programs	1994	N/A	
Commercial EEI Programs	1995	N/A	
Commercial EEI Programs	1996	N/A	
Commercial EEI Programs	1997	N/A	
Industrial EEI Programs	1994	N/A	
Industrial EEI Programs	1995	N/A	
Industrial EEI Programs	1996	N/A	
Industrial EEI Programs	1997	N/A	
Agricultural EEI Programs	1995	N/A	
Agricultural EEI Programs	1996	N/A	
Agricultural EEI Programs	1997	N/A	
Retrofit Energy Efficiency Subtotal			\$0
Fuel Substitution Program	1997	N/A	
Residential New Construction	1994	716A	\$ 85,000
Residential New Construction	1995	N/A	
Residential New Construction	1996	N/A	
Nonresidential New Construction	1994	N/A	
Nonresidential New Construction	1995	N/A	
Nonresidential New Construction	1996	N/A	
Nonresidential New Construction	1997	N/A	
New Construction Subtotal			\$ 85,000

**TABLE TA-6.1
PROGRAM MEASUREMENT COSTS (2003)**

	Program Year	Study ID	Expenditures
Residential Energy Management Services	N/A	N/A	
Commercial Energy Management Services	N/A	N/A	
Industrial Energy Management Services	N/A	N/A	
Energy Management Services Subtotal			\$0
Direct Assistance	1994-1997	N/A	
Direct Assistance Subtotal			\$0
Retention Studies Subtotal			\$ 85,000
PROCESS AND OTHER			
Process and Other Studies Subtotal			
STATEWIDE STUDIES			
Modelling Standards -- Retrofit Programs		N/A	
Modelling Standards -- New Construction Programs		N/A	
Persistence Studies		N/A	
Base Efficiency Studies		N/A	
Measure Cost Study		N/A	
Residential High Efficiency Refrigerator Studies		N/A	
Residential High Efficiency Lighting Studies		N/A	
Quality Assurance Standards for Metering & Monitoring Equipment		N/A	
Market Effects Studies		N/A	
Statewide Study Subtotal			
TOTAL PROGRAM MEASUREMENT			\$ 85,000

**TABLE TA-6.2
DEMAND-SIDE FORECASTING AND PLANNING
EXPENDITURES (2003)**

The CEC Data Collection and Analysis activities are documented in the Market Assessment and Evaluation section of the Energy Efficiency Programs, Annual Summary and Technical Appendix 2003 Results-2004 plans.

SECTION 7

OTHER DEMAND-SIDE MANAGEMENT

Not applicable.

SECTION 8

SHAREHOLDER EARNINGS

PY94 Fourth Earnings Claim

SoCalGas' fourth earnings claim for its 1994 DSM programs represents the fourth installment of the projected lifecycle shareholder earnings for those programs as revised, based upon SoCalGas' third/fourth retention and performance studies which verified measure lives and technical degradation factors.

The programs for which SoCalGas claims shareholder incentive earnings are: Residential Appliance Efficiency Incentives; Residential New Construction; Commercial/Industrial/Agricultural Energy Efficiency Incentives; and Nonresidential New Construction.

Accordingly, SoCalGas' fourth earnings claim for the PY 94 DSM programs is \$ 419,000 plus interest (from July 1, 1995 through December 2004), franchise fees, and uncollectibles in the amount of \$ 214,995.

PY97 Third Earnings Claim

SoCalGas' 1997 DSM programs, and the shareholder incentive mechanisms related thereto, have been established for several years. D.94-10-059 (Interim Opinion on DSM Shareholder Incentives) which the Commission adopted for program years 1994 through 1997, and as it applies to DSM and the shareholder incentive mechanism applicable to SoCalGas, is described in the Introduction in this Section on page VIII-1.

SoCalGas filed a third earnings claim associated with Energy Edge projects committed in 1997 and completed in 1999 that was originally filed in the 2000 AEAP. The third earnings claim for SoCalGas program's performance is \$ 36,485 (75% of \$145,940 less the combined first and second earnings claim for 1997 Energy Edge program completed in 1999 of \$72,970.) SoCalGas also requests the additional sum for interest, franchise fees and uncollectibles, from July 1, 2000 through December 31, 2004, related to the claim in the amount of \$5,234.

SOUTHERN CALIFORNIA GAS COMPANY

Table E-1 (TA 8.1)
 Earnings Claim Summary Table: Shared Savings Programs
 Program Year: 1994 Fourth Earnings Claim
 Southern California Gas Company

	SHARED SAVINGS PROGRAMS											
	Retrofit Energy Efficiency Incentive Programs					New Construction Programs			Portfolio			
	RWRI	RAEI	CEEI	IEEI	AEEI	Total	Res	Nonres	Total	Res	Nonres	Total
FORECAST												
Costs and Benefits For Earnings (000's \$)												
1												
2			\$ 1,664	\$ 2,109		\$ 3,772				\$ 3,772	\$ 3,772	
3			\$ 1,642	\$ 1,373		\$ 3,015				\$ 3,015	\$ 3,015	
4			\$ 3,306	\$ 3,481		\$ 6,788				\$ 6,788	\$ 6,788	
8			\$ 3,013	\$ 1,371		\$ 4,384				\$ 4,384	\$ 4,384	
9			\$ 9,100	\$ 6,098		\$ 15,198				\$ 15,198	\$ 15,198	
Target Earnings (000's \$)												
16			14%	14%								
17			\$ 4,880	\$ 2,618		\$ 7,498				\$ 7,498	\$ 7,498	
17a			\$ 3,306	\$ 3,481								
18			\$ 465	\$ 489		\$ 954						
			TRC BCR, with Earnings	1.77	1.54	1.67				1.86	1.86	
			UC BCR, with Earnings	2.41	1.54	1.96				2.24	2.24	
RECORDED - FIRST EARNINGS CLAIM (1995 AEAP)												
Costs and Benefits For Earnings (000's \$)												
			NA	NA		NA				NA	NA	
			\$ 1,499	\$ 1,971		\$ 3,470				\$ 3,470	\$ 3,470	
			\$ 1,806	\$ 1,568		\$ 3,374				\$ 3,374	\$ 3,374	
			\$ 4,535	\$ 2,801		\$ 7,337				\$ 7,337	\$ 7,337	
			\$ 15,042	\$ 10,611		\$ 25,653				\$ 25,653	\$ 25,653	
			\$ 9,917.09	\$ 6,251		\$ 16,168				\$ 16,168	\$ 16,168	
			203%	239%		216%				216%	216%	
			128%	128%								
			\$ 595	\$ 626		\$ 1,221				\$ 1,221	\$ 1,221	
			TRC BCR, with Earnings	2.27	1.97							
			UC BCR, with Earnings	3.86	2.55							
	25%	25%	25%	25%	25%		25%	25%	25%	25%	25%	25%
	0	0	\$ 149	\$ 157	0	\$ 305	0	0	0	0	305	305
Second Earnings Claim:												
			\$ 15,042	\$ 10,611		\$ 25,653				\$ 25,653	\$ 25,653	
			\$ 9,917	\$ 6,251		\$ 16,168				\$ 16,168	\$ 16,168	
			\$ 595	\$ 626		\$ 1,221				\$ 1,221	\$ 1,221	
	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
			\$ 297	\$ 313		\$ 610				\$ 610	\$ 610	
			\$ 149	\$ 157		\$ 305				\$ 305	\$ 305	
			\$ 149	\$ 157		\$ 305				\$ 305	\$ 305	
Third Earnings Claim:												
			\$ 15,042	\$ 10,611		\$ 25,653				\$ 25,653	\$ 25,653	
			\$ 9,917	\$ 6,251		\$ 16,168				\$ 16,168	\$ 16,168	
			\$ 595	\$ 626		\$ 1,221				\$ 1,221	\$ 1,221	
	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
			\$ 446	\$ 470		\$ 916				\$ 916	\$ 916	
			\$ 297	\$ 313		\$ 610				\$ 610	\$ 610	
			\$ 149	\$ 157		\$ 305				\$ 305	\$ 305	
Fourth Earnings Claim:												
			\$ 15,042	\$ 10,611		\$ 25,653				\$ 25,653	\$ 25,653	
			\$ 9,917	\$ 6,251		\$ 16,168				\$ 16,168	\$ 16,168	
			\$ 595	\$ 626		\$ 1,221				\$ 1,221	\$ 1,221	
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
			\$ 595	\$ 626		\$ 1,221				\$ 1,221	\$ 1,221	
			\$ 446	\$ 470	\$ -	\$ 916				\$ 916	\$ 916	
			\$ 149	\$ 157		\$ 305				\$ 305	\$ 305	
Total Earnings	\$ -	\$ -	\$ 595	\$ 626	\$ -	\$ 1,221	\$ -	\$ -	\$ -	\$ -	\$ 1,221	\$ 1,221

SOUTHERN CALIFORNIA GAS COMPANY

Table E-1 (TA 8.1)
Earnings Claim Summary Table
Program Year: 1994 Fourth Earnings Claim
(\$ Thousand, 1994 Dollars)

	PERFORMANCE ADDER PROGRAMS											
	Energy Management Services Programs					New Construction Programs			Direct Assistance Programs			
	REMS	CEMS	IEMS	AEMS ¹	Total	Res	Nonres	Total	Non-Mana	Mandatory	Total	Total
COST AND BENEFITS FOR EARNINGS												
2 Program Administration Costs	\$1,633	\$2,235	\$528		\$4,396	\$1,981	\$1,208	\$3,189	\$2,956	\$1,963	\$4,919	\$12,504
3 Program Incentives	\$0	\$0	\$0		\$0	\$4,234	\$1,028	\$5,262	\$13,607	\$9,489	\$23,096	\$28,358
4 Total Program Costs (2+3)	\$1,633	\$2,235	\$528		\$4,396	\$6,215	\$2,236	\$8,452	\$16,562	\$11,452	\$28,014	\$40,862
8 Incremental Measure Costs, net (5*7)	\$200	\$0	\$0		\$200	\$5,454	\$978	\$6,432	\$13,525	\$9,489	\$23,013	\$29,645
9 Net Resource Benefits (net) (6*7)	(\$151)	\$5,058	\$630		\$5,537	\$401	\$3,438	\$3,839	(\$11,515)	(\$8,002)	(\$19,517)	(\$10,142)
TARGET EARNINGS												
16 Target Earnings Rate (TER)	5.00%	5.00%	5.00%		5.00%	10.00%	15.34%	11.41%	5.00%	n/a	5.00%	4.31%
17 Target Earnings Basis (4)	\$1,633	\$2,235	\$528		\$4,396	\$6,215	\$2,236	\$8,452	\$16,562	n/a	\$16,562	\$40,862
18 Target Earnings (16*17)	\$82	\$112	\$26		\$220	\$622	\$343	\$965	\$577	n/a	\$577	\$1,761
TRC Benefit/Cost Ratio, With Earnings	0.88	3.01	2.04		2.10	1.05	2.36	1.27	0.29	n/a	0.32	0.73
UC Benefit/Cost Ratio, With Earnings	0.98	3.01	2.04		2.15	1.11	2.31	1.31	0.29	n/a	0.32	0.72
RECORDED -- FIRST EARNINGS CLAIM (1995 AEAP)												
Recorded Administration	\$1,330	\$2,084	\$399		\$3,813	\$2,111	\$987	\$3,098	\$2,333	\$5,529	\$7,862	\$14,773
Recorded Incentives	\$0	\$0	\$0		\$0	\$2,672	\$699	\$3,371	\$8,233	\$8,036	\$16,269	\$19,640
Total Recorded Program Costs (20+21)	\$1,330	\$2,084	\$399		\$3,813	\$4,783	\$1,685	\$6,469	\$10,566	\$13,564	\$24,131	\$34,413
Incremental Measure Cost, Net	\$1,600	\$0	\$0		\$1,600	\$2,961	\$1,695	\$4,656	\$11,724	\$6,825	\$18,549	\$24,805
Net Resource Benefits (net)	(\$330)	\$3,836	\$971		\$4,477	\$333	\$2,868	\$3,202	(\$11,117)	(\$8,094)	(\$19,211)	(\$11,532)
Recorded PEB	50,000	13,913	1,223		65,136	n/a	n/a	n/a	n/a	n/a	8,198	73,334
Recorded PEB/PEB (%) (Minimum 75%)	93%	107%	98%		96%	n/a	n/a	n/a	n/a	n/a	98%	96%
Recorded Earnings	\$67	\$104	\$20		\$191	\$632	\$327	\$959	\$528	n/a	\$528	\$1,677
TRC Benefit/Cost Ratio, With Earnings	0.87	2.71	3.27		1.76	0.95	2.44	1.26	0.20	n/a	0.27	0.68
UC Benefit/Cost Ratio, With Earnings	1.86	2.71	3.27		2.07	0.96	2.44	1.30	0.19	n/a	0.25	0.63
Earnings Distribution Share (1st Claim)	25%	25%	25%		25%	25%	25%	25%	25%	25%	25%	25%
Earnings Distribution Claim for Recovery (1st Claim)	\$17	\$26	\$5		\$48	\$158	\$82	\$240	\$132		\$132	\$419
SECOND EARNINGS CLAIM												
Revised Net Resource Benefits (net)	(\$330)	\$3,836	\$971		\$4,477	\$333	\$2,868	\$3,202	(\$11,117)	(\$8,094)	(\$19,211)	(\$11,532)
Recorded PEB (PEB)	50,000	13,913	1,223		65,136	n/a	n/a	0	n/a	n/a	0	65,136
Revised Earnings	\$67	\$104	\$20		\$191	\$632	\$327	\$959	\$528	n/a	\$528	\$1,677
Earnings Distribution Share (2nd Claim)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Recorded Earnings For Second Claim	\$33	\$52	\$10		\$95	\$316	\$163	\$479	\$264	\$0	\$264	\$839
Earnings Recovered from First Claim	\$17	\$26	\$5		\$48	\$158	\$82	\$240	\$132	\$0	\$132	\$419
Recorded Incremental Earnings	\$17	\$26	\$5		\$48	\$158	\$82	\$240	\$132	\$0	\$132	\$419
THIRD EARNINGS CLAIM												
Revised Net Resource Benefits (net)	(\$330)	\$3,836	\$971		\$4,477	\$333	\$2,868	\$3,202	(\$11,117)	(\$8,094)	(\$19,211)	(\$11,532)
Recorded PEB (PEB)	50,000	13,913	1,223		65,136	n/a	n/a	\$0	n/a	n/a	\$0	65,136
Revised Earnings	\$67	\$104	\$20		\$191	\$632	\$327	\$959	\$528	n/a	\$528	\$1,677
Earnings Distribution Share (3rd Claim)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Recorded Earnings For Third Claim	\$49.88	\$78	\$15		\$143	\$474	\$245	\$719	\$396	\$0	\$396	\$1,258
Earnings Recovered from 1st & 2nd Claim	\$33	\$52	\$10		\$95	\$316	\$163	\$479	\$264	\$0	\$264	\$839
Recorded Incremental Earnings	\$17	\$26	\$5		\$48	\$158	\$82	\$240	\$132	\$0	\$132	\$419
FOURTH EARNINGS CLAIM												
Revised Net Resource Benefits (net)	(\$330)	\$3,836	\$971		\$4,477	\$333	\$2,868	\$3,202	(\$11,117)	(\$8,094)	(\$19,211)	(\$11,532)
Recorded PEB (PEB)	50,000	13,913	1,223		65,136	n/a	n/a	\$0	n/a	n/a	\$0	65,136
Revised Earnings	\$67	\$104	\$20		\$191	\$632	\$327	\$959	\$528	n/a	\$528	\$1,677
Earnings Distribution Share (4th Claim)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Recorded Earnings For Fourth Claim	\$66.51	\$104	\$20		\$191	\$632	\$327	\$959	\$528	\$0	\$528	\$1,677
Earnings Recovered from 1st, 2nd & 3rd Claim	\$50	\$78	\$15	\$0	\$143	\$474	\$245	\$719	\$396	\$0	\$396	\$1,258
Recorded Incremental Earnings	\$17	\$26	\$5		\$48	\$158	\$82	\$240	\$132	\$0	\$132	\$419

AEMS forecasts and accomplishments are incorporated into CEMS.

Residential New Construction 3rd claim postponed one year per waiver.

New Construction Programs were not subject to the shared savings mechanism in 1994.

Residential had no programs subject to the shared savings mechanism in 1994.

NB: Earnings Claim = TEB (Authorized Budget) * ROR (14.05%) * "Y-Curve Lookup Value" for PEB/PEBt

NB: In order to arrive at a PEB in 1994 dollars, SoCalGas escalated the values in the Target Cost Effectiveness Model for these programs uniformly, based on the National GNP deflator.

This has resulted in slight differences between the escalated authorized spending figures shown on tables 1.1 and TA 1.1 and those appearing in the TARGET section of this chart.

Table E-1 (TA8.1)
 Earnings Claim Summary Table: Shared Savings Programs
 Program Year: 1997 (Energy Edge 1999 Completions)
 Southern California Gas Company
 (in thousands of 1997 Dollars)

	SHARED SAVINGS PROGRAMS												Total w/MC
	Retrofit Energy Efficiency Incentive Programs						New Construction Programs			Portfolio			
	RWRI	RAEI	CEEI	IEEI	AEEI	Total	Res	Nonres	Total	Res	Nonres	Total	
FORECAST													
Costs and Benefits For Earnings (000's \$)													
1 Measurement Costs													
2 Administration													
3 Program Incentives													
4 Program Costs													
8 Incremental Measure Costs, net (IMCn)													
9 Resource Benefits, net (RBn)													
Target Earnings (000's \$)													
16 Target Earnings Rate (TER) (%)		30%	30%			30%				30%	30%	30%	30%
17 Performance Earnings Basis, at target (PEBT)													
18 Target Earnings													
TRC BCR, with Earnings													
UC BCR, with Earnings													
RECORDED - FIRST EARNINGS CLAIM (2000 AEAP)													
Costs and Benefits For Earnings (000's \$)													
Recorded Measurement Costs ¹													
Recorded Administration													
Recorded Program Incentives			\$ 126			\$ 126				\$ 126	\$ 126	\$ 126	\$ 126
Recorded Incremental Measure Costs, net			\$ 685			\$ 685				\$ 685	\$ 685	\$ 685	\$ 685
Recorded Resource Benefits, net			\$ 985			\$ 985				\$ 985	\$ 985	\$ 985	\$ 985
Recorded Performance Earnings Basis (PEB)			\$ 486			\$ 486				\$ 486	\$ 486	\$ 486	\$ 486
Recorded PEB/PEBT (%) (Minimum 75%)													0%
Recorded Earnings			\$ 146			\$ 146				\$ 146	\$ 146	\$ 146	\$ 146
TRC BCR, with Earnings			1.19			1.19				1.19	1.19	1.19	1.19
UC BCR, with Earnings			3.63			3.63				3.63	3.63	3.63	3.63
Earnings Distribution Share (1st Claim)	25%	25%	25%		25%	25%	25%	25%	25%	25%	25%	25%	25%
Earnings Claim for Recovery (1st Claim)			\$ 36			\$ 36				\$ 36	\$ 36	\$ 36	\$ 36
Second Earnings Claim:													
Revised Resource Benefits, net			\$ 985			\$ 985				\$ 985	\$ 985	\$ 985	\$ 985
Recorded PEB			\$ 486			\$ 486				\$ 486	\$ 486	\$ 486	\$ 486
Revised Earnings			\$ 146			\$ 146				\$ 146	\$ 146	\$ 146	\$ 146
Earnings Distribution Share (2nd Claim)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Recorded Earnings (for 2nd Claim)			\$ 73			\$ 73				\$ 73	\$ 73	\$ 73	\$ 73
Earnings Recovered from 1st Claim			\$ 36			\$ 36				\$ 36	\$ 36	\$ 36	\$ 36
Recorded Incremental Earnings			\$ 36			\$ 36				\$ 36	\$ 36	\$ 36	\$ 36
Third Earnings Claim:													
Revised Resource Benefits, net			\$ 985			\$ 985				\$ 985	\$ 985	\$ 985	\$ 985
Recorded PEB			\$ 486			\$ 486				\$ 486	\$ 486	\$ 486	\$ 486
Revised Earnings			\$ 146			\$ 146				\$ 146	\$ 146	\$ 146	\$ 146
Earnings Distribution Share (3rd Claim)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Recorded Earnings (for 3rd Claim)			\$ 109			\$ 73				\$ 73	\$ 73	\$ 73	\$ 73
Earnings Recovered from 1st and 2nd Claim			\$ 73			\$ 73				\$ 73	\$ 73	\$ 73	\$ 73
Recorded Incremental Earnings			\$ 36			\$ 36				\$ 36	\$ 36	\$ 36	\$ 36
Fourth Earnings Claim:													
Revised Resource Benefits, net													
Recorded PEB													
Revised Earnings													
Earnings Distribution Share (4th Claim)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Recorded Earnings (for 4th Claim)													
Earnings Recovered from 1st, 2nd, and 3rd Claim													
Recorded Incremental Earnings													
Total Earnings			\$ 109			\$ 109					\$ 109	\$ 109	\$ 109

SECTION 9

MISCELLANEOUS

Pre-1998 Commitments

The Commission in Decision 97-09-117, Ordering Paragraph 12, directed PG&E, SDG&E, SCE, and SoCalGas (collectively referred to as “utilities”) to modify the scope and content of their Annual DSM Reports to include a separate section identified as pre-1998 program commitments. Table 9-1 provides the 2003 expenditures associated with pre-1998 commitments. An explanation of the commitments is provided below.

Residential Programs

The pre 1998 Residential Energy Efficiency programs actual expenditures reflect payments made for activities/services related to the DSM Bidding Pilot Program.

Nonresidential Programs

No activities to report for 2002.

New Construction Programs

No activities to report for 2002.

Load Management

No activities to report for 2002.

Other DSM

No activities to report for 2002.

Southern California Gas Company
Year-to-Date Thru: December 2003

Demand-Side Management Monthly Expenditure Report

(Pre-1998 DSM Commitments Only)

Annual Estimated Commitments¹: 1998, 1999, 2000, 2001, 2002 Actuals & 2003 Year-To-Date Actuals
(\$ in thousands, Nominal Dollars)

Program Category	2003			
	Gas		Total	
	Commitments ¹	YTD Actual	Commitments	YTD Actual
1 Energy Efficiency				
2 Residential				
3 Appliance Efficiency Incentives				
4 DSM Bidding Pilot	7,292	17	7,292	17
5 Energy Management Services				
6 New Construction				
7 Information				
8 Subtotal	7,292	17	7,292	17
9 Nonresidential				
10 Energy Efficiency Incentives				
11 DSM Bidding Pilot				
12 Energy Management Services				
13 New Construction				
14 Information				
15 Subtotal				
16 Energy Efficiency Subtotal	7,292	17	7,292	17
17				
18 Low Income				
19 Non-mandatory				
20 Mandatory				
21 Low Income Subtotal				
22				
23 Load Management				
24				
25 Fuel Substitution				
26				
27 Load Retention & Load Building				
28				
29 MFRR				
30 Program Measurement				
31 Demand Forecasting & Planning				
31a Market Research		13		13
32 Reg. Compliance & Reporting				
33 MFRR Subtotal		13		13
34				
35 Other DSM				
36				
37 DSM Total (Pre-1998 Commitments)	7,292	30	7,292	30
38 Low Income Total Only				
39 DSM w/o Low Income Total	7,292	30	7,292	30

40
50 Pre-1998 DSM B/A Balance ²
51

52 Non-DAP, Non-Bidding Based on Pre-98 commitments on the CEA G-3 schedule
53 Bidding Pilot (AL 2547)
54 Direct Assistance
55
56 Total
57

58 ¹ - Shows all estimated costs associated with commitments beyond 1997 related to pre-1998 DSM activities including customer incentives, expected admin. costs, unpaid invoices and all other encumbrances.

59 ² - Preliminary, unaudited, w/ interest.

60 ³ - Includes 1998 actuals

61 ⁴ - The program was adjusted in October to reflect the Commission's approval regarding SoCalGas' Motion to replace funds inadvertently removed from SoCalGas' PY 2003 statewide and local program budgets in D.03-04-055 of \$1,200,000.