

# **DEMAND-SIDE MANAGEMENT PROGRAMS ANNUAL SUMMARY**

**Program Years 1994-1997  
May 2005**



A  Semptra Energy utility™

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# SECTION 1

## **EXECUTIVE SUMMARY**

SoCalGas's Demand-Side Management (DSM) activities in 2004 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 1995 ("PY95") programs. The 1995 Commercial New Construction Ninth-Year Retention Evaluation filed March 1, 2005 supports the claim for this program.

**Section II** would normally describe both the residential and nonresidential DSM **Conservation/ Energy Efficiency Programs**. SoCalGas did not implement any new programs in 2004, however there were minor program activities in 2004 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 2004.

**Section IV** would normally describe the **Fuel Substitution Programs** offered, however SoCalGas did not carryover any prior years' program activities into 2004.

**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 2004 to determine program achievements and successes.

**Section VII** describes **Other Demand-Side Management** activities. There were no activities to report for 2004.

**Section VIII** provides support for the fourth earnings claim for PY 95 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.



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## **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.





## **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 2004.

### **New Construction Modeling Subcommittee**

The subcommittee was inactive in 2004.

### **Persistence Subcommittee**

The subcommittee was inactive in 2004.

### **Base Efficiency Subcommittee**

The subcommittee was inactive in 2004.

### **Measure Cost Subcommittee**

The subcommittee was inactive in 2004.

### **Residential High Efficiency Refrigerator Subcommittee**

The subcommittee was inactive in 2004.

### **Residential High Efficiency Lighting Subcommittee**

The subcommittee was inactive in 2004.

### **Market Effects Subcommittee**

The subcommittee was inactive in 2004.

## **Process Studies**

No process studies were conducted in 2004.

## **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 PY95 fourth earnings claim in the 2005 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 2005.

SoCalGas is filing its Fourth Earnings Claims for Program Year 1995 ("PY95") program in the 2005 AEAP.

**Regulatory Reports**

SoCalGas filed its Annual Summary of DSM Activities in May 2005 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 2005, 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 2005,

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 2005. The ORA has ultimate discretion over the use of these funds.

#### **AEAP Settlement**

On December 20, 2004, SoCalGas together with SDG&E, filed a Joint Motion with the Office of Ratepayer Advocates to adopting an AEAP Settlement Agreement that resolves all outstanding shareholder earnings issues concerning the DSM, EE and Low Income energy Efficiency programs of SoCalGas and SDG&E submitted in outstanding AEAPs filed in 2000, 2001, 2002, 2003 and 2004, as well as earnings from past programs that would otherwise be claimed in the AEAPs to be filed through 2009. If the Commission approves this Joint Motion, the DSM earnings associated with this application will change. Furthermore, it will remove the need for further hearings on this matter.

#### **EM&V Audit**

At the direction of the Commission in Decision (D.) 03-04-055, Energy Division conducted an independent review of retention and persistence studies, via a contract with Skumatz Economic Research Associates, Inc. (SERA). SERA issued its report, "Review of Retention and Persistence Studies for the California Public Utilities Commission" on October 20, 2004.

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

	2003		
	Authorized	Budgeted	Actual
<b>PROGRAM MEASUREMENT</b>			
Retention Studies			\$60,000
Statewide Measurement Studies			\$0
Process Studies			\$0
Other			\$0
Subtotal			\$60,000
<b>DEMAND-SIDE FORECASTING &amp; PLANNING<sup>2</sup></b>			
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
<b>REGULATORY COMPLIANCE &amp; REPORTING</b>			
Regulatory Reporting and Support			\$0
Regulatory Oversight			\$0
Subtotal			\$0
<b>TOTAL MFFR</b>			<b>\$60,000</b>

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

	Program Year	Study ID	Expenditures
<b>RETENTION STUDIES</b>			
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	
Residential New Construction	1995	N/A	
Residential New Construction	1996	N/A	
Nonresidential New Construction	1994	N/A	
Nonresidential New Construction	1995	718A	\$ 60,000
Nonresidential New Construction	1996	N/A	
Nonresidential New Construction	1997	N/A	
New Construction Subtotal			\$ 60,000

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

	<b>Program Year</b>	<b>Study ID</b>	<b>Expenditures</b>
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			\$ 60,000
<b>PROCESS AND OTHER</b>			
Process and Other Studies Subtotal			
<b>STATEWIDE STUDIES</b>			
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			
<b>TOTAL PROGRAM MEASUREMENT</b>			<b>\$ 60,000</b>

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

	Program Year	Study ID	Expenditures
<b>RETENTION STUDIES</b>			
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	
Residential New Construction	1995	N/A	
Residential New Construction	1996	N/A	
Nonresidential New Construction	1994	N/A	
Nonresidential New Construction	1995	718A	\$ 60,000
Nonresidential New Construction	1996	N/A	
Nonresidential New Construction	1997	N/A	
New Construction Subtotal			\$ 60,000
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			\$ 60,000
<b>PROCESS AND OTHER</b>			
Process and Other Studies Subtotal			
<b>STATEWIDE STUDIES</b>			
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			
<b>TOTAL PROGRAM MEASUREMENT</b>			<b>\$ 60,000</b>



## **TABLE TA-6.2 DEMAND-SIDE FORECASTING AND PLANNING EXPENDITURES (2004)**

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**

#### **PY95 Fourth Earnings Claim**

SoCalGas' fourth earnings claim for its 1995 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 95 DSM programs is \$ 870,000 plus interest of \$384,073 (from July 1, 1995 through December 2004), and franchise fees, and uncollectibles in the amount of \$ 24,062 for a total earnings claim of \$1,278,135.

**Table E-1 (Table TA8.1)**  
**Earnings Claim Summary Table: Shared Savings Programs**  
**Program Year: 1995**  
**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 Measurement Costs			\$ 17			\$ 17			\$ 1,096		\$ 1,112	\$ 1,112
2 Administration			\$ 1,823			\$ 1,823			\$ 1,062		\$ 2,885	\$ 2,885
3 Program Incentives			\$ 2,519			\$ 2,519			\$ 872		\$ 3,391	\$ 3,391
4 Program Costs			\$ 4,342			\$ 4,342			\$ 1,934		\$ 6,275	\$ 6,275
8 Incremental Measure Costs, net (IMCn)			\$ 5,234			\$ 5,234			\$ 1,537		\$ 6,771	\$ 6,771
9 Resource Benefits, net (RBn)			\$ 13,919			\$ 13,919			\$ 4,131		\$ 18,050	\$ 18,050
Target Earnings (000's \$)												
16 Target Earnings Rate (TER) (%)			30%						30%		30%	30%
17 Performance Earnings Basis, at target (PEB)			\$ 7,767			\$ 7,767			\$ 1,754		\$ 9,521	\$ 9,521
17a Target Earnings Basis			\$ 4,342			\$ 1,934			\$ 580		\$ 2,856	\$ 2,856
18 Target Earnings			\$ 1,302			\$ 1,302			\$ 580		\$ 2,856	\$ 2,856
TRC BCR, with Earnings			1.67			1.67			1.30		1.44	1.44
UC BCR, with Earnings			2.47			2.47			1.64		1.98	1.98
RECORDED - FIRST EARNINGS CLAIM (1995 AEAP)												
Costs and Benefits For Earnings (000's \$)												
Recorded Measurement Costs			NA			NA			NA		NA	NA
Recorded Administration			\$ 781			\$ 781			\$ 750		\$ 1,531	\$ 1,531
Recorded Program Incentives			\$ 2,059			\$ 2,059			\$ 958		\$ 3,017	\$ 3,017
Recorded Incremental Measure Costs, net			\$ 3,078			\$ 3,078			\$ 1,379		\$ 4,457	\$ 4,457
Recorded Resource Benefits, net			\$ 13,881			\$ 13,881			\$ 5,580		\$ 19,461	\$ 19,461
Recorded Performance Earnings Basis (PEB)			\$ 10,361			\$ 10,361			\$ 3,592		\$ 13,953	\$ 13,953
Recorded PEB/PEBt (%) (Minimum 75%)			133%			133%			205%		147%	147%
Corresponding Earnings Curve Lookup Value			n/a			n/a			n/a			
Recorded Earnings			\$ 3,103			\$ 3,103			\$ 741		\$ 3,844	\$ 3,844
TRC BCR, with Earnings			1.99			1.99			1.94		1.98	1.98
UC BCR, with Earnings			2.34			2.34			2.28		2.32	2.32
Earnings Distribution Share (1st Claim)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Earnings Claim for Recovery (1st Claim)	0	0	776	0	0	776	0	185	185	0	961	961
Second Earnings Claim:												
Revised Resource Benefits, net			\$ 13,881								\$ 13,881	\$ 13,881
Recorded PEB			\$ 10,345								\$ 10,345	\$ 10,345
Revised Earnings			\$ 3,103								\$ 3,103	\$ 3,103
Earnings Distribution Share (2nd Claim)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Recorded Earnings (for 2nd Claim)			\$ 1,552								\$ 1,552	\$ 1,552
Earnings Recovered from 1st Claim			\$ 776								\$ 776	\$ 776
Recorded Incremental Earnings			\$ 776								\$ 776	\$ 776
Third Earnings Claim:												
Revised Resource Benefits, net			\$ 13,881								\$ 13,881	\$ 13,881
Recorded PEB			\$ 10,345								\$ 10,345	\$ 10,345
Revised Earnings			\$ 3,103								\$ 3,103	\$ 3,103
Earnings Distribution Share (3rd Claim)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Recorded Earnings (for 3rd Claim)			\$ 2,328								\$ 2,328	\$ 2,328
Earnings Recovered from 1st and 2nd Claim			\$ 1,552								\$ 1,552	\$ 1,552
Recorded Incremental Earnings			\$ 776								\$ 776	\$ 776
Fourth Earnings Claim:												
Revised Resource Benefits, net			\$ 13,881								\$ 13,881	\$ 13,881
Recorded PEB			\$ 10,345								\$ 10,345	\$ 10,345
Revised Earnings			\$ 3,103								\$ 3,103	\$ 3,103
Earnings Distribution Share (4th Claim)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Recorded Earnings (for 4th Claim)			\$ 3,103								\$ 3,103	\$ 3,103
Earnings Recovered from 1st, 2nd, and 3rd Claim			\$ 2,328								\$ 2,328	\$ 2,328
Recorded Incremental Earnings			\$ 776								\$ 776	\$ 776
Total Earnings	\$ -	\$ -	\$ 3,103	\$ -	\$ -	\$ 776	\$ -	\$ 185	\$ 185	\$ -	\$ 3,289	\$ 3,289

Table E-1 (Table TA8.1)

	PERFORMANCE ADDER PROGRAMS											
	Energy Management Services Programs				Direct Assistance Programs				Portfolio			
	REMS	CEMS	IEMS	AEMS	Total	Man	Non-Man	Total	Res	NRes	DAP	Total
FORECAST												
Costs and Benefits For Earnings (000's \$)												
1 Measurement Costs	\$268	\$440	\$440		\$1,147	\$432	\$35	\$467	\$268	\$880	\$467	\$1,614
2 Administration	\$1,174	\$2,319	\$1,144		\$4,637	\$4,673	\$1,339	\$6,012	\$1,174	\$3,464	\$6,012	\$10,650
3 Program Incentives						\$18,578	\$658	\$19,235				\$19,235
4 Program Costs	\$1,174	\$2,319	\$1,144		\$4,637	\$23,251	\$1,997	\$25,247	\$1,174	\$3,464	\$25,247	\$29,235
8 Incremental Measure Costs, net (IMCn)	\$205				\$205	\$18,578	\$658	\$19,235	\$205		\$19,235	\$19,440
9 Resource Benefits, net (RBN)	\$1,259	\$8,670	\$1,595		\$11,524	\$11,192	\$929	\$12,121	\$1,259	\$10,265	\$12,121	\$23,645
Target Earnings (000's \$)												
16 Target Earnings Rate (TER) (%)												
17 Performance Earnings Basis, at target (PEB)	(\$52)	\$6,351	\$450		\$6,750	(\$12,058)	(\$1,068)	(\$13,126)	(\$52)	\$6,801	(\$13,126)	(\$6,377)
17a Target Earnings Basis	\$1,174	\$2,319	\$1,144			\$23,251	\$1,997					
18 Target Earnings												
UC BCR, with Earnings	0.91	3.74	1.39		2.38	0.48	0.47	0.48	0.91	2.96	0.48	0.79
TRC BCR, with Earnings	1.07	3.74	1.39		2.48	0.48	0.47	0.48	1.07	2.96	0.48	0.79
RECORDED - FIRST EARNINGS CLAIM (1995 AEAP)												
Costs and Benefits For Earnings (000's \$)												
Recorded Measurement Costs		NA	NA		NA	NA	NA	NA		NA	NA	NA
Recorded Administration	\$1,033	\$1,492	\$582		\$3,107	\$4,673	\$747	\$5,420	\$1,033	\$2,074	\$5,420	\$8,527
Recorded Program Incentives						\$18,578	\$579	\$19,157			\$19,157	\$19,157
Recorded Incremental Measure Costs, net						\$18,578	\$579	\$19,157			\$19,157	\$19,157
Recorded Resource Benefits, net						\$11,192	\$697	\$11,789			\$11,789	\$23,905
Recorded Performance Earnings Basis (PEB)	\$1,170	\$8,886	\$2,060		\$12,116	(\$12,058)	(\$730)	(\$12,788)	\$1,170	\$8,872	(\$12,788)	(\$3,779)
Recorded PEB/PEB (%) (Minimum 75%)	\$137	\$7,394	\$1,478		\$9,009				\$137			
Recorded PEB/PEB (%) (Minimum 75%)	NA	116%	328%		133%	NA	0%	130%				
Corresponding Earnings Curve Lookup Value	NA	n/a	n/a			NA	NA					
Recorded Earnings	\$46	\$90	\$26		\$161	\$214	0%	\$214	\$46	\$115	\$214	\$376
TRC BCR, with Earnings												
UC BCR, with Earnings												
Earnings Distribution Share (1st Claim)	25%	25%	25%	25%	\$40	25%	25%	25%	25%	25%	25%	25%
Earnings Claim for Recovery (1st Claim)	\$11	\$22	\$6			\$54		\$54	\$11	\$29	\$54	\$94
Second Earnings Claim:												
Revised Resource Benefits, net												
Recorded PEB	\$1,170	\$8,886	\$2,060		\$12,116	\$11,192	\$597	\$11,789	\$1,170	\$10,946	\$11,789	\$23,905
Revised Earnings	\$137	\$7,394	\$1,478		\$9,009	(\$12,058)	(\$730)	(\$12,788)	\$137	\$8,872	(\$12,788)	(\$3,779)
Earnings Distribution Share (2nd Claim)	\$46	\$90	\$26	50%	\$161	\$214	50%	\$214	\$46	\$115	\$214	\$376
Earnings Recovered from 2nd Claim	50%	50%	50%	50%	\$81	\$107	50%	\$107	50%	50%	\$107	\$188
Earnings Recovered from 1st Claim	\$23	\$45	\$13		\$81	\$54		\$54	\$23	\$29	\$54	\$94
Recorded Incremental Earnings	\$11	\$22	\$6		\$40	\$54		\$54	\$11	\$29	\$54	\$94
Third Earnings Claim:												
Revised Resource Benefits, net												
Recorded PEB	\$1,170	\$8,886	\$2,060		\$12,116	\$11,192		\$11,192	\$1,170	\$10,946	\$11,789	\$23,905
Revised Earnings	\$137	\$7,394	\$1,478		\$9,009	(\$12,058)		(\$12,058)	\$137	\$8,872	(\$12,788)	(\$3,779)
Earnings Distribution Share (3rd Claim)	\$46	\$90	\$26	75%	\$161	\$214	75%	\$214	\$46	\$115	\$214	\$376
Recorded Earnings (for 3rd Claim)	75%	75%	75%	75%	\$81	\$107	75%	\$107	75%	75%	\$107	\$188
Earnings Recovered from 1st and 2nd Claim	\$34	\$67	\$19		\$121	\$161		\$161	\$34	\$87	\$161	\$282
Recorded Incremental Earnings	\$23	\$45	\$13		\$81	\$107		\$107	\$23	\$29	\$107	\$188
Fourth Earnings Claim:												
Revised Resource Benefits, net												
Recorded PEB	\$1,170	\$8,886	\$2,060		\$12,116	\$11,192		\$11,192	\$1,170	\$10,946	\$11,789	\$23,905
Revised Earnings	\$137	\$7,394	\$1,478		\$9,009	(\$12,058)		(\$12,058)	\$137	\$8,872	(\$12,788)	(\$3,779)
Earnings Distribution Share (4th Claim)	\$46	\$90	\$26	100%	\$161	\$214	100%	\$214	\$46	\$115	\$214	\$376
Recorded Earnings (for 4th Claim)	100%	100%	100%	100%	\$161	\$214	100%	\$214	100%	100%	\$214	\$376
Earnings Recovered from 1st, 2nd, and 3rd Claim	\$34	\$67	\$19		\$121	\$161		\$161	\$34	\$87	\$161	\$282
Recorded Incremental Earnings	\$11	\$22	\$6		\$40	\$54		\$54	\$11	\$29	\$54	\$94
Total Earnings												
	\$46	\$90	\$26	0	\$161	\$214	0	\$214	\$46	\$115	\$214	\$376







## **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 2004 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 2004.

#### **New Construction Programs**

No activities to report for 2004.

#### **Load Management**

No activities to report for 2004.

#### **Other DSM**

No activities to report for 2004.

**Southern California Gas Company**  
**Year-to-Date Thru: December 2004**  
**Demand-Side Management Monthly Expenditure Report**  
**(Pre-1998 DSM Commitments Only)**

Annual Estimated Commitments <sup>1</sup> & 2004 Year-To-Date Actuals  
(\$ in thousands)

Program Category (a)	2004			
	Gas Commitments (b)	YTD Actual (c)	Commitments (b) = (d)	Total YTD Actual (c) = (e)
1 Energy Efficiency Residential				
2     Appliance Efficiency Incentives				
3     DSM Bidding Pilot <sup>4</sup>	769	122	769	122
4     Energy Management Services				
5     New Construction				
6     Information				
7     Subtotal	769	122	769	122
8 Nonresidential				
9     Energy Efficiency Incentives				
10     DSM Bidding Pilot				
11     Energy Management Services				
12     New Construction				
13     Information				
14     Subtotal				
15 Energy Efficiency Subtotal	769	122	769	122
16 Low Income				
17     Non-mandatory				
18     Mandatory				
19 Low Income Subtotal				
20 Load Management				
21 Fuel Substitution				
22 Load Retention & Load Building				
23 MFRR				
24     Program Measurement				
25     Demand Forecasting & Planning	83		83	83
26     Market Research				
27 Reg. Compliance & Reporting <sup>3</sup>	0		0	0
28 MFRR Subtotal	83		83	83
29 Other DSM				
30 DSM Total (Pre-1998 Commitments)	769	205	769	205
31 Low Income Total Only				
32 DSM w/o Low Income Total	769	205	769	205
33 Adjusted Pre-1998 DSM B/A as of 9/30/04		17,365		
34 R.01-08-028 (Single Family Rebate) - D.03-04-055		(1,200)		
35 R.01-08-028 (MA&E) - D.03-04-055		(585)		
36 EE Winter Program - PFM of D.03-12-060		(10,400)		
37 Less Total Actuals		(205)		
38 Adjusted Pre-1998 DSM B/A Balance <sup>2</sup>		4,975		

49 1 - Figures represent estimated costs associated with pre-1998 DSM activities including customer incentives, expected admin. costs, unpaid invoices and all other encumbrances.

50 2 - Preliminary, unaudited, w/ interest.

51 3 - Includes Pilot Bidding administrative costs.

52 4 - SoCalGas has updated its Pilot Bidding commitments and reviewed the funding requirements for MFRR in preparation for the 10/7/2004 Petition for Modification to D.03-12-060 in R.01-08-028.

All available and uncommitted Pre-1998 DSM funds were used to provide the additional funding for the increased gas measure incentives for selected 2004-2005 gas energy efficiency programs in this Petition for Modification.

