

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric)
Company (U 902 M) for Approval of Low-)
Income Assistance Programs and Budgets for) A.11-05 _____
Program Years 2012-2014)
_____)

**APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M)
FOR APPROVAL OF LOW-INCOME ASSISTANCE PROGRAMS
AND BUDGETS FOR PROGRAM YEARS 2012-2014**

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May 16, 2011

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I. INTRODUCTION

In accordance with Rule 15 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure and the March 30, 2011 Assigned Commissioner’s Ruling (“ACR”),¹ San Diego Gas & Electric Company (“SDG&E”) hereby submits its Application for Approval of Low-Income Assistance Programs and Budgets for PY2012-2014 (“Application”). In this Application, SDG&E presents proposals to improve upon its Energy Savings Assistance Program and California Alternate Rates for Energy (“CARE”) program.² These proposals include strategies, plans, activities, measures, policies, and budgets designed to increase the programs’ enrollment and overall delivery, as well as help customers’

¹ The ACR directed SDG&E, Southern California Gas Company (“SoCalGas”), Pacific Gas and Electric Company (“PG&E”), and Southern California Edison Company (“SCE”) (collectively, the investor-owned utilities (“IOUs”)) to file applications for Commission approval of their low-income assistance programs and budgets for program years (“PY”) 2012-2014 by May 16, 2011. In addition, the ACR directed the IOUs to immediately use the Energy Savings Assistance Program and logo to replace their individual utility program names for the Low Income Energy Efficiency or LIEE Program.

² The Energy Savings Assistance Program and CARE program are statutorily-established programs that serve low-income households with an annual income at or below 200% of the Federal Poverty Guidelines.

reduce their energy bills, promote energy conservation, and assist customers avoid disconnections.³

II. OVERVIEW OF TESTIMONY

This Application is supported by the Testimony of Sandra Williams, Energy Savings Assistance Program Manager and CARE Manager, and Ted Reguly, Director of Customer Assistance Programs. **Chapter 1** discusses the proposed PY2012-2014 Energy Savings Assistance Program plans and budget. **Chapter 2** discusses the proposed PY2012-2014 CARE program plans and budget. **Chapter 3** discusses proposed modifications to certain Commission-adopted policies for the Energy Savings Assistance Program and CARE program.

A. Energy Savings Assistance Program Testimony

Chapter 1 describes in detail the proposed PY2012-2014 Energy Savings Assistance Program activities and budgets. Sandra Williams is sponsoring the Testimony in this chapter.

Section A provides an overview of the Energy Savings Assistance Program, including a narrative summary of: 1) how the elements in the proposed program are specifically designed to reflect the goals of the California Energy Efficiency Strategic Plan for the Energy Savings Assistance Program;⁴ 2) how SDG&E initiatives and activities will meet the key policy objective of making the Energy Savings Assistance Program a reliable energy resource for the State of

³ As detailed herein, many of the existing and proposed program plans and measures discussed in this Application facilitate SDG&E's continued efforts to help customers reduce instances of service disconnections. These plans and measures are in addition to the commitments SDG&E made in the Settlement Agreement between SDG&E, SoCalGas, Disability Rights Advocates, The Division of Ratepayer Advocates, The Greenlining Institute, The National Consumer Law Center, and The Utility Reform Network Resolving Issues in the Residential Disconnection Proceeding in Rulemaking 10-02-005 ("Residential Disconnection Settlement Agreement"), approved on December 16, 2010 in D.10-12-051. See Attachment A(12).

⁴ In Decision ("D.") 07-12-051, a companion case to D.07-10-032, the Commission instituted a comprehensive, long-term energy efficiency strategy to make energy efficiency an integral part of "business as usual" in California. D.07-10-032 directed the IOUs to develop a single, statewide IOU strategic plan for energy efficiency through 2020 and beyond. In accordance, the IOUs developed the *California Energy Efficiency Strategic Plan* ("CEESP"), which defines innovative new paths to aggressively deliver energy efficiency to the state, and to significantly contribute to the state's goal of having a reasonably priced, stable, reliable and clean portfolio of energy resources.

California; and 3) how the proposed PY2012-2014 Energy Savings Assistance Program will accomplish the programmatic initiative of reaching the second quarter of all willing and eligible households during the PY2012-2014.⁵ Section A also briefly describes SDG&E's Energy Savings Assistance Program requests for PY2012-2014.

Section B outlines the background of the Energy Savings Assistance Program, including the program's legal framework, a summary of the program eligibility guidelines, and an estimation of the eligible population for PY2012-2014.

Section C identifies SDG&E's goals for the PY2012-2014 Energy Savings Assistance Program, and discusses how SDG&E's program will align with the vision, goals, and strategies outlined in the CEESP: 1) to treat 100% of all eligible and willing customers by 2020; 2) to help SDG&E reach its target of enrolling 100% of all willing and eligible customers by 2020; and 3) to improve program delivery.

Section D discusses SDG&E's Energy Savings Assistance Program delivery and activities, including strategies employed in the previous program years that will be continued through PY2012-2014. Section D also discusses new and proposed strategies to improve SDG&E's Energy Savings Assistance Program delivery in PY2012-2014.

Section E describes the anticipated energy savings for the proposed measures and the cost-effectiveness of the overall Energy Savings Assistance Program.

Section F provides the measure portfolio composition of SDG&E's proposed PY2012-2014 Energy Savings Assistance Program. This section discusses criteria used to compose the

⁵ In D.07-12-051, the Commission adopted an Energy Savings Assistance Program programmatic initiative ("programmatic initiative") "to provide all eligible LIEE customers the opportunity to participate in LIEE programs and to offer those who wish to participate all cost-effective energy efficiency measures in their residences by 2020."

portfolio of measures, new measures proposed for the PY2012-2014 portfolio, and measures from PY2009-2011 that are proposed to be retired in PY2012-2014.

Section G discusses additional Energy Savings Assistance Program elements and policies to be reiterated, expanded, modified, or retired.

Section H summarizes any proposed new pilots.

Section I describes proposed new studies that are designed to evaluate the efficacy of current program measures and elements, so as to inform the current and future program design.

Section J presents a comprehensive description of SDG&E proposed PY2012-2014 budget, including costs for each program category, a budget table, a proposal to track program costs, and a discussion on budget flexibility and potential fund shifting.

Section K discusses the revenue requirements necessary to achieve SDG&E's Energy Savings Assistance Program plans and objectives for PY2012-2014, as well as the projected rate impacts that would occur due to the increased revenue requirements.

Section L summarizes and concludes SDG&E's requests for its PY2012-2014 Energy Savings Assistance Program.

B. CARE Program Testimony

Chapter 2 describes in detail the proposed PY2012-2014 CARE Program plans and budgets. Sandra Williams is sponsoring the Testimony in this chapter.

Section A provides an overview of the CARE program, including a narrative summary of: 1) how elements and strategies in SDG&E's proposed PY2012-2014 CARE program are specifically designed to reach a penetration goal of 90%;⁶ and 2) how many households SDG&E

⁶ In D.08-11-031, the Commission established a goal that the IOUs' CARE programs must enroll 90% of all eligible and willing customers into the program.

will enroll in the PY2012-2014. Section A also briefly describes SDG&E's CARE program requests for PY2012-2014.

Section B outlines the background of the CARE program, including the program's legal framework and a summary of the program eligibility guidelines.

Section C details how SDG&E's PY2012-2014 CARE program goals align with and advance the Commission's directives to reach a penetration goal of 90%.

Section D describes SDG&E's CARE program delivery, including existing strategies to be continued and new strategies to be employed in PY2012-2014. Section D also discusses the results of the CARE-related studies and evaluations completed during PY2009-2011.

Section E discusses additional CARE program elements and policies to be reiterated, expanded, or modified.

Section F summarizes any proposed new pilots.

Section G describes any new proposed studies.

Section H presents a comprehensive description of SDG&E's proposed PY2012-2014 budget, including a proposal to track program costs, and a discussion on budget flexibility and potential fund shifting.

Section I discusses the revenue requirements necessary to achieve SDG&E's CARE program plans and objectives for PY2012-2014, as well as the projected rate impacts that would occur due to the increased revenue requirements.

Section J summarizes and concludes SDG&E's requests for its PY2012-2014 CARE program.

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C. Low Income Assistance Program Policy Testimony

Chapter 3 discusses proposed modifications to certain Commission-adopted policies for the Energy Savings Assistance Program and CARE program. Ted Reguly is sponsoring the Testimony in this chapter.

Section I provides an overview of the Testimony.

Section II describes SDG&E's proposed policy modifications to improve and streamline the categorical eligibility enrollment process.⁷

Section III discusses SDG&E proposed policy modifications to the methodology for calculating the estimated number of Energy Savings Assistance Program homes to be treated in order to meet the Commission's programmatic initiative of serving all eligible and willing households by 2020.

Section IV sets forth SDG&E's proposal to modify the Commission-adopted methodology for calculating the number of homes treated by the Low Income Home Energy Assistance Program.

Section V describes SDG&E's request that the Commission change the date for the Energy Division to issue the annual CARE, Energy Savings Assistance Program, and Family Electric Energy Assistance ("FERA") income guideline update notification.

Section VI details SDG&E's request that the Commission allow the IOUs more flexibility to modify their programs mid-program cycle.

⁷ Pursuant to the categorical eligibility process, customers can self-certify that they or someone in their household participates in one of the income-based assistance programs. The purpose of the categorical eligibility process is to allow eligible customers to enroll faster and easier in the utilities' low income assistance programs, based on their participation in assistance programs with income requirements comparable to those of the Energy Savings Assistance Program and CARE program.

Section VII discusses SDG&E's requests that the Commission change the due date for the 2015-2017 CARE and Energy Savings Assistance Program Applications and Budgets from May 2014 until July 2014.

Section VIII summarizes and concludes SDG&E's request to modify certain Commission-adopted policies for the Energy Savings Assistance Program and CARE program.

III. SUMMARY OF SDG&E'S REQUESTS

In this Application, SDG&E seeks: (i) approval of its proposed Energy Savings Assistance Program plans and budgets for PY2012-2014; (ii) approval of its proposed CARE program plans and budgets for PY2012-2014; (iii) approval to modify certain Commission-adopted policies of the Energy Savings Assistance Program and CARE program; and (iv) approval to continue funding into PY2012 for the Energy Savings Assistance Program and CARE program if a final decision has not been made prior to January 1, 2012.

A. Approval of SDG&E's Proposed PY2012-2014 Energy Savings Assistance Program Plan and Budget

As discussed in Testimony, adoption of SDG&E's proposed PY2012-2014 Energy Savings Assistance Program plans and budgets will help SDG&E: 1) achieve maximum energy savings; 2) ensure that the Energy Savings Assistance Program serves as a reliable energy resource to the State of California; 3) reach 60,000 eligible households in PY2012-2014; and 4) reduce low income customers' energy bills.

In D.08-11-031, SDG&E was authorized a budget of \$62.70 million for its PY2009-2011 Energy Savings Assistance Program.⁸ For PY2012-2014, SDG&E proposes a budget of \$22.04 million for PY2012, \$22.46 for PY2013, and \$22.83 for PY2014, for a total of \$67.34 million for PY2012-2014. This requested budget is needed to help SDG&E treat 20,000 homes in PY2012,

⁸ See D.08-11-031, at Attachment A.

20,000 homes in PY2013, and 20,000 homes in PY2014.⁹ SDG&E’s proposed budget reflects SDG&E’s efforts to achieve approximately 25% of the Commission’s programmatic initiative to provide all eligible customers the opportunity to participate in the Energy Savings Assistance Program and to offer those who wish to participate all cost-effective energy efficiency measures in their residences by 2020. In addition, the budget reflects SDG&E’s efforts to improve and expand program measures and program delivery. SDG&E is not proposing any changes to the revenue allocation or rate design for the Energy Savings Assistance Program. The following table provides an estimate of the proposed revenues and rate impacts.

Electric

	Current	2012	2013	2014
Energy Savings Assistance Program				
Incremental Funding Request(\$M)		\$ 0.290	\$ 0.065	\$ 0.062
Energy Savings Assistance Program Rate				
Residential	\$0.00052	\$0.00053	\$0.00054	\$0.00054
Small Commercial	\$0.00052	\$0.00053	\$0.00054	\$0.00054
Med. & Large C&I	\$0.00052	\$0.00053	\$0.00054	\$0.00054
Agriculture	\$0.00052	\$0.00053	\$0.00054	\$0.00054
Lighting	\$0.00000	\$0.00000	\$0.00000	\$0.00000
System Total	\$0.00052	\$0.00053	\$0.00054	\$0.00054

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⁹ In PY2009, SDG&E met its goal of treating 20,927 homes; and in PY2010 SDG&E met its goal of treating 21,593 homes. For PY2011, SDG&E is on target to meet its goal of treating 20,384 homes.

Natural Gas

Revenue Requirements and PPS Rates - ESAP				
	2011	2012	2013	2014
SDG&E				
Increase (Decrease) in PPS Revenue Requirement \$ Millions:				
ESAP	\$0	\$1.4	\$0.4	\$0.3
Total PPS Revenue	\$45.6	\$47.0	\$47.4	\$47.7
Change/year \$millions		\$1.4	\$0.4	\$0.3
Increase (Decrease) in PPS Rate \$/th:				
Residential		\$0.00209	\$0.00093	\$0.00081
Core C&I		\$0.00069	\$0.00030	\$0.00026
NonCore C&I		\$0.00034	\$0.00015	\$0.00013

B. Approval of SDG&E’s Proposed PY2012-2014 CARE Program Plans and Budget

As discussed in Testimony, adoption of SDG&E’s proposed PY2012-2014 CARE Program plans and budgets will help SDG&E reach a penetration goal of 90%.¹⁰ In D.08-11-031, SDG&E was authorized a budget of \$154.54 million for its PY2009-2011 CARE Program.¹¹ For PY2012-2014, SDG&E requests an annual administration budget of \$3.73 million for PY2012, \$3.95 million for PY2013 and, \$3.97 million for PY2014. SDG&E’s proposed budget reflects SDG&E’s efforts to enroll an estimated 14,210 customers in PY2012, 7,886 customers in PY2013, and 4,387 customers in PY2014, for a total of 26,483 customers in PY2012-2014. In addition, the budget reflects SDG&E’s efforts to improve and expand program measures and program delivery. SDG&E is not proposing any change to the revenue allocation or rate design for the CARE surcharge rate. The following table provides an estimate of the proposed revenues and rate impacts.

¹⁰ As of March 2011, 299,419 customers were enrolled in SDG&E’s CARE program, representing an 83.6% penetration rate.
¹¹ See D.08-11-031, at Attachment A.

Electric

Present and Proposed CARE Surcharge Rates (\$/kWh)

	Current	2012	2013	2014
CARE				
Incremental Funding Request(\$M)		\$ 0.395	\$ 0.175	\$ 0.013
CARE Surcharge Rate				
Residential	\$0.00289	\$0.00331	\$0.00376	\$0.00380
Small Commercial	\$0.00289	\$0.00331	\$0.00376	\$0.00380
Med. & Large C&I	\$0.00289	\$0.00331	\$0.00376	\$0.00380
Agriculture	\$0.00289	\$0.00331	\$0.00376	\$0.00380
Lighting	\$0.00000	\$0.00000	\$0.00000	\$0.00000
System Total	\$0.00289	\$0.00331	\$0.00376	\$0.00380

Natural Gas

Revenue Requirements and PPPS Rates - CARE				
	2011	2012	2013	2014
SDG&E				
Increase (Decrease) in PPPS Revenue Requirement \$ Millions:				
CARE Program	\$0	\$0.6	\$0.5	\$0.3
CARE Admin	\$0	\$0.2	\$0.0	\$0.0
	<u>\$0</u>	<u>\$0.8</u>	<u>\$0.5</u>	<u>\$0.3</u>
Total PPPS Revenue	\$45.6	\$46.4	\$46.9	\$47.2
Change/year \$millions		\$0.8	\$0.5	\$0.3
Increase (Decrease) in PPPS Rate \$/th:				
Residential		\$0.00196	\$0.00122	\$0.00064
Core C&I		\$0.00196	\$0.00122	\$0.00064
NonCore C&I		\$0.00196	\$0.00122	\$0.00064

C. Approval to Modify Certain Commission-Adopted Policies for the Energy Savings Assistance Program and CARE program

As discussed in Testimony, SDG&E proposes to modify certain Commission-adopted policies for the Energy Savings Assistance Program and the CARE program, beginning in

PY2012. Commission adoption of these proposed policy revisions will: 1) help ensure that CARE and Energy Savings Assistance Program customers meet the programs' income guidelines; 2) provide a more accurate estimate of the number of homes to be treated by the Energy Savings Assistance Program; 3) allow SDG&E adequate time to continue to meet the Commission's low income assistance program deadlines; and 4) permit the utilities more flexibility to modify their programs mid-program cycle.

D. Approval to Continue Funding into PY2012

If the Commission should be delayed in issuing a decision on SDG&E's PY2012-2014 low income programs budget application, SDG&E requests interim authorization from the Commission to continue the Energy Savings Assistance Program and CARE program activities into 2012, using 2012 program funds. Accomplishments achieved during this interim period will be counted toward 2012 program results.

IV. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Proposed Category, Issues to Be Considered, Need for Hearings and Proposed Schedule

SDG&E proposes to categorize this Application as a "ratesetting" proceeding within the meaning of Rules 1.3(e) and 7.1. Because of the limited factual issues to be addressed in this proceeding, SDG&E does not anticipate a need for hearings. In the event hearings do become necessary, SDG&E proposes two procedural schedules:

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Schedule 1 (Assumes No Hearings)

Filing of Application	May 16, 2011
Prehearing Conference	May 29, 2011
Protests/Testimony of Interested Parties	June 16, 2011
Rebuttal Testimony/Replies to Comments	June 30, 2011
Prehearing Conference	July 10, 2011
Opening Briefs	July 23, 2011
Reply Briefs	August 8, 2011
Proposed Decision	September 3, 2011
Comments to Proposed Decision	September 24, 2011
Reply Comments to Proposed Decision	September 29, 2011
Final Decision	October 2, 2011

Schedule 2 (Assumes Abbreviated Hearing)

Filing of Application	May 16, 2011
Prehearing Conference	May 29, 2011
Protests/Testimony of Interested Parties	June 16, 2011
Rebuttal Testimony	June 30, 2011
Prehearing Conference	July 10, 2011
Hearings	July 21-23, 2011
Opening Briefs	August 20, 2011
Reply Briefs	September 3, 2011
Proposed Decision	September 24, 2011
Comments to Proposed Decision	October 14, 2011
Reply Comments to Proposed Decision	October 20, 2011
Final Decision	November 16, 2011

SDG&E recommends that the Commission adopt the first of these two proposed schedules for the reason explained above.

B. Statutory Authority - Rule 2.1

This Application is made pursuant to Section 451, 701, 702, 728, and 729 of the Public Utilities Code of the State of California; the Commission's Rules of Practice and Procedure; and the other relevant prior decisions, orders, and resolutions of the Commission.

C. Legal Name, Place of Business/Incorporation - Rule 2.1(a)

Applicant's legal name is San Diego Gas & Electric Company. SDG&E is a public utility corporation organized and existing under the laws of the State of California, with its principal place of business at 8330 Century Park Court, San Diego, California, 92123.

D. Correspondence - Rule 2.1(b)

Correspondence or communication regarding this Application should be addressed to:

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With a copy to:

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E. Articles of Incorporation - Rule 2.2

SDG&E is incorporated under the laws of the State of California. A certified copy of the restated Articles of Incorporation, as last amended, currently in effect and certified by the California Secretary of State, was filed with the Commission on October 1, 1998 in connection with SDG&E' Application No. 98-10-012, and is incorporated herein by reference.

F. Financial Statement, Balance Sheet and Income Statement – Rule 3.2(a)(4)

Appendix A to this Application is SDG&E's Balance Sheet as of December 31, 2010.

G. Rates – Rules 3.2(a)(2) and 3.2(a)(3)

The current and proposed rates that will result from this Application are described in Attachments B-4 and B-5.

H. Property and Equipment – Rule 3.2 (a)(4)

A general description of SDG&E's properties was filed with the Commission on October 5, 2001, in connection with Application 01-10-005, and is incorporated herein by reference.

Appendix B to this Application is a statement of SDG&E's Cost of Property and Depreciation Reserve Applicable Thereto as of December 31, 2010.

I. Summary of Earnings – Rules 3.2(a)(5)

Appendix C to this Application is a Summary of Earnings for SDG&E for the 3 months ended December 31, 2010.

J. Depreciation – Rule 3.2(7)

For financial statement purposes, depreciation of utility plant has been computed on a straight-line remaining life basis at rates based on the estimated useful lives of plant properties. For federal income tax accrual purposes, SDG&E generally computes depreciation using the straight-line method for tax property additions prior to 1954, and liberalized depreciation, which includes Class Life and Asset Depreciation Range Systems, on tax property additions after 1954 and prior to 1981. For financial reporting and rate-fixing purposes, "flow through accounting" has been adopted for such properties. For tax property additions in years 1981 through 1986, SDG&E has computed its tax depreciation using the Accelerated Cost Recovery System. For years after 1986, SDG&E has computed its tax depreciation using the Modified Accelerated Cost Recovery Systems and, since 1982, has normalized the effects of the depreciation differences in accordance with the Economic Recovery Tax Act of 1981 and the Tax Reform Act of 1986.K.

K. Proxy Statement – Rule 3.2(a)(8)

A copy of SDG&E’s most recent proxy statement, dated April 27, 2011, was provided to the Commission on May 4, 2011, and is incorporated herein by reference.

L. Pass Through of Costs – Rule 3.2(a)(10)

A copy of SDG&E’s most recent proxy statement, dated April 27, 2011, was provided to the Commission on May 4, 2011, and is incorporated herein by reference.

M. Service and Notice – Rule 3.2(b)

SDG&E is serving this Application on all parties to R.06-04-010 and A.08-05-022 et al. Within ten days of filing this application, SDG&E will mail notice of this Application to the State of California and to cities and counties that SDG&E serves and SDG&E will post the notice in its offices and publish the notice in newspapers of general circulation in each county in its service territory. In addition, SDG&E will include notices with the regular bills mailed to all customers affected by the proposed rate changes. The service list of state and government agencies is attached hereto as Appendix D.

V. RELIEF REQUESTED

For the reasons set forth in this Application and accompanying testimony, SDG&E respectfully asks the Commission to:

- 1) Consider this Application and grant all the relief requested herein.
- 2) Find that SDG&E’s proposals and budgets are in conformance with Commission directives and policies.
- 3) Approve SDG&E’s low income assistance program plans, measures, pilots and studies, and budgets for PY2012-2014.
- 4) Approve SDG&E’s request to be fund shift between CARE administrative categories.
- 5) Approve SDG&E’s request to be fund shift between Energy Savings Assistance Program administrative categories.

VERIFICATION

I am an officer of San Diego Gas & Electric Company, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing Application are true to my own knowledge, except as to matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 16th day of May, 2011 at Los Angeles, California.

/s/ Hal Snyder

Hal Snyder
Vice President - Customer Solutions

SERVICE LIST



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May 16, 2011

To Those Parties Appearing on Service Lists A.08-05-022, A.08-05-024, A.08-05-025, and A.08-05-026:

Re: A.11-05-___: APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) FOR APPROVAL OF LOW-INCOME ASSISTANCE PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2012-2014

Dear Parties,

Pursuant to Rule 1.9(c) of the Rules of Practice and Procedure of the California Public Utilities Commission (the "Commission"), San Diego Gas & Electric Company hereby provides this Notice of Availability of: **APPLICATION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) FOR APPROVAL OF LOW-INCOME ASSISTANCE PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2012-2014**, submitted to the Commission on May 16, 2011.

Any recipient of this Notice of Availability may request a copy of the above documents. A copy of the above documents will be provided upon the request of the party receiving this notice. All requests should be directed to:

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Facsimile: (858) 654-1789
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An electronic version of the above documents can also be found at URL:

<http://www.sdge.com/regulatory/cpuc.shtml>

Dated at Los Angeles, California this 16th day of May 2011.

Respectfully submitted,

/s/ Kim F. Hassan

Kim F. Hassan

Kim F. Hassan
Attorney for
Southern California Gas Company
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Appendix A

SAN DIEGO GAS & ELECTRIC COMPANY
FINANCIAL STATEMENT
DECEMBER 31, 2010

(a) Amounts and Kinds of Stock Authorized:

Preferred Stock	1,375,000	shares	Par Value \$27,500,000
Preferred Stock	10,000,000	shares	Without Par Value
Preferred Stock	Amount of shares not specified		\$80,000,000
Common Stock	255,000,000	shares	Without Par Value

Amounts and Kinds of Stock Outstanding:

PREFERRED STOCK

5.0%	375,000	shares	\$7,500,000
4.50%	300,000	shares	6,000,000
4.40%	325,000	shares	6,500,000
4.60%	373,770	shares	7,475,400
\$1.70	1,400,000	shares	35,000,000
\$1.82	640,000	shares	16,000,000

COMMON STOCK

116,583,358 shares 291,458,395

(b) Terms of Preferred Stock:

Full information as to this item is given in connection with Application Nos. 93-09-069, 04-01-009, 06-05-015 and 10-10-023 to which references are hereby made.

(c) Brief Description of Mortgage:

Full information as to this item is given in Application Nos. 08-07-029 and 10-10-023 to which references are hereby made.

(d) Number and Amount of Bonds Authorized and Issued:

<u>First Mortgage Bonds:</u>	Nominal Date of Issue	Par Value Authorized and Issued	Outstanding	Interest Paid in 2010
6.8% Series KK, due 2015	12-01-91	14,400,000	14,400,000	979,200
Var% Series OO, due 2027	12-01-92	250,000,000	150,000,000	7,612,500
5.85% Series RR, due 2021	06-29-93	60,000,000	60,000,000	3,510,000
2.539% Series VV, due 2034	06-17-04	43,615,000	43,615,000	2,562,368
2.539% Series WW, due 2034	06-17-04	40,000,000	40,000,000	2,349,987
2.516% Series XX, due 2034	06-17-04	35,000,000	35,000,000	2,056,239
2.832% Series YY, due 2034	06-17-04	24,000,000	24,000,000	1,409,993
2.832% Series ZZ, due 2034	06-17-04	33,650,000	33,650,000	1,976,927
2.8275% Series AAA, due 2039	06-17-04	75,000,000	75,000,000	179,199
5.35% Series BBB, due 2035	05-19-05	250,000,000	250,000,000	13,375,000
5.30% Series CCC, due 2015	11-17-05	250,000,000	250,000,000	13,250,000
6.00% Series DDD, due 2026	06-08-06	250,000,000	250,000,000	15,000,000
Var Series EEE, due 2018	09-21-06	161,240,000	161,240,000	382,603
6.125% Series FFF, due 2037	09-20-07	250,000,000	250,000,000	15,312,500
6.00% Series GGG, due 2039	05-14-09	300,000,000	300,000,000	18,000,000
5.35% Series HHH, due 2040	05-13-10	250,000,000	250,000,000	6,761,806
4.50% Series III, due 2040	08-15-10	500,000,000	500,000,000	0
 <u>Unsecured Bonds:</u>				
5.9% CPCFA96A, due 2014	06-01-96	129,820,000	129,820,000	7,659,380
5.3% CV96A, due 2021	08-02-96	38,900,000	38,900,000	2,061,700
5.5% CV96B, due 2021	11-21-96	60,000,000	60,000,000	3,300,000
4.9% CV97A, due 2023	10-31-97	25,000,000	25,000,000	1,225,000

SAN DIEGO GAS & ELECTRIC COMPANY
FINANCIAL STATEMENT
DECEMBER 31, 2010

<u>Other Indebtedness:</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding</u>
Commercial Paper & ST Bank Loans	Various	Various	Various	0

Amounts and Rates of Dividends Declared:

The amounts and rates of dividends during the past five fiscal years are as follows:

<u>Preferred Stock</u>	<u>Shares Outstanding</u>	<u>Dividends Declared</u>				
	<u>12-31-10</u>	2006	2007	2008	2009	2010
5.0%	375,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000
4.50%	300,000	270,000	270,000	270,000	270,000	270,000
4.40%	325,000	286,000	286,000	286,000	286,000	286,000
4.60%	373,770	343,868	343,868	343,868	343,868	343,868
\$ 1.7625	0	1,145,625	969,375	242,344	0	0
\$ 1.70	1,400,000	2,380,000	2,380,000	2,380,000	2,380,000	2,380,000
\$ 1.82	640,000	1,164,800	1,164,800	1,164,800	1,164,800	1,164,800
	<u>3,413,770</u>	<u>\$5,965,293</u>	<u>\$5,789,043</u>	<u>\$5,062,012 [2]</u>	<u>\$4,819,668</u>	<u>\$4,819,668</u>

Common Stock

Amount	\$0	\$0	\$0	\$150,000,000 [1]	\$0
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A balance sheet and a statement of income and retained earnings of Applicant for the twelve months ended December 31, 2010, are attached hereto.

[1] San Diego Gas & Electric Company dividend to parent.

[2] Includes \$242,344 of interest expense related to redeemable preferred stock.

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
DECEMBER 31, 2010

1. UTILITY PLANT		<u>2010</u>
101	UTILITY PLANT IN SERVICE	\$10,655,577,794
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	58,142,642
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	954,497,580
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(4,357,204,766)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(302,241,006)
118	OTHER UTILITY PLANT	729,265,545
119	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF OTHER UTILITY PLANT	(166,009,908)
120	NUCLEAR FUEL - NET	<u>61,281,629</u>
TOTAL NET UTILITY PLANT		<u>7,633,309,510</u>
 2. OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	5,165,500
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(558,109)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
124	OTHER INVESTMENTS	-
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	<u>768,933,513</u>
TOTAL OTHER PROPERTY AND INVESTMENTS		<u>773,540,904</u>

Data from SPL as of February 24, 2011

**SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
DECEMBER 31, 2010**

3. CURRENT AND ACCRUED ASSETS		2010
131	CASH	2,212,871
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	110,425,637
135	WORKING FUNDS	500
136	TEMPORARY CASH INVESTMENTS	114,300,000
141	NOTES RECEIVABLE	-
142	CUSTOMER ACCOUNTS RECEIVABLE	191,566,866
143	OTHER ACCOUNTS RECEIVABLE	59,609,416
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(3,110,760)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	2,131,144
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	11,877,251
151	FUEL STOCK	5,406,334
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	63,649,793
156	OTHER MATERIALS AND SUPPLIES	-
163	STORES EXPENSE UNDISTRIBUTED	-
164	GAS STORED	297,942
165	PREPAYMENTS	86,723,946
171	INTEREST AND DIVIDENDS RECEIVABLE	4,949,423
173	ACCRUED UTILITY REVENUES	59,227,000
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	303,045,320
175	DERIVATIVE INSTRUMENT ASSETS	28,282,134
TOTAL CURRENT AND ACCRUED ASSETS		1,040,594,817
4. DEFERRED DEBITS		
181	UNAMORTIZED DEBT EXPENSE	29,788,406
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	1,986,053,325
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	4,499,163
184	CLEARING ACCOUNTS	34,291
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	4,289,295
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	23,015,183
190	ACCUMULATED DEFERRED INCOME TAXES	220,164,867
TOTAL DEFERRED DEBITS		2,267,844,530
TOTAL ASSETS AND OTHER DEBITS		11,715,289,761

Data from SPL as of February 24, 2011

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
DECEMBER 31, 2010

5. PROPRIETARY CAPITAL

	<u>2010</u>
201 COMMON STOCK ISSUED	(\$291,458,395)
204 PREFERRED STOCK ISSUED	(78,475,400)
207 PREMIUM ON CAPITAL STOCK	(592,222,753)
210 GAIN ON RETIRED CAPITAL STOCK	-
211 MISCELLANEOUS PAID-IN CAPITAL	(279,665,368)
214 CAPITAL STOCK EXPENSE	25,688,571
216 UNAPPROPRIATED RETAINED EARNINGS	(1,981,155,383)
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	<u>10,205,470</u>
TOTAL PROPRIETARY CAPITAL	<u>(3,187,083,258)</u>

6. LONG-TERM DEBT

221 BONDS	(2,686,905,000)
223 ADVANCES FROM ASSOCIATED COMPANIES	-
224 OTHER LONG-TERM DEBT	(253,720,000)
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	<u>9,377,433</u>
TOTAL LONG-TERM DEBT	<u>(2,931,247,567)</u>

7. OTHER NONCURRENT LIABILITIES

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	(737,137,833)
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	(47,751,904)
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	(317,947,271)
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
230 ASSET RETIREMENT OBLIGATIONS	<u>(621,510,132)</u>
TOTAL OTHER NONCURRENT LIABILITIES	<u>(1,724,347,140)</u>

Data from SPL as of February 24, 2011

SAN DIEGO GAS & ELECTRIC COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
DECEMBER 31, 2010

8. CURRENT AND ACCRUED LIABILITES		2010
231	NOTES PAYABLE	-
232	ACCOUNTS PAYABLE	(327,706,374)
233	NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(17,892,515)
235	CUSTOMER DEPOSITS	(54,158,079)
236	TAXES ACCRUED	(659,786)
237	INTEREST ACCRUED	(32,471,388)
238	DIVIDENDS DECLARED	(1,204,917)
241	TAX COLLECTIONS PAYABLE	(4,604,025)
242	MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	(802,100,589)
243	OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	(33,119,088)
244	DERIVATIVE INSTRUMENT LIABILITIES	(241,201,045)
245	DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
TOTAL CURRENT AND ACCRUED LIABILITIES		(1,515,117,806)
9. DEFERRED CREDITS		
252	CUSTOMER ADVANCES FOR CONSTRUCTION	(15,635,263)
253	OTHER DEFERRED CREDITS	(247,811,223)
254	OTHER REGULATORY LIABILITIES	(988,180,186)
255	ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	(25,025,645)
257	UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281	ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	(5,201,256)
282	ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	(947,283,887)
283	ACCUMULATED DEFERRED INCOME TAXES - OTHER	(128,356,530)
TOTAL DEFERRED CREDITS		(2,357,493,990)
TOTAL LIABILITIES AND OTHER CREDITS		(\$11,715,289,761)

Data from SPL as of February 24, 2011

SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
TWELVE MONTHS ENDED DECEMBER 31, 2010

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		\$3,188,273,473
401	OPERATING EXPENSES	\$1,970,494,792	
402	MAINTENANCE EXPENSES	161,415,514	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	355,535,413	
408.1	TAXES OTHER THAN INCOME TAXES	76,235,960	
409.1	INCOME TAXES	131,238,723	
410.1	PROVISION FOR DEFERRED INCOME TAXES	340,584,109	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(294,415,622)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(1,239,882)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT		
	TOTAL OPERATING REVENUE DEDUCTIONS		2,739,849,007
	NET OPERATING INCOME		448,424,466

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(63,472)	
418	NONOPERATING RENTAL INCOME	444,725	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	3,623,576	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	43,230,379	
421	MISCELLANEOUS NONOPERATING INCOME	867,654	
421.1	GAIN ON DISPOSITION OF PROPERTY	-	
	TOTAL OTHER INCOME	48,102,862	
421.2	LOSS ON DISPOSITION OF PROPERTY	-	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	411,748	
	TOTAL OTHER INCOME DEDUCTIONS	411,748	
408.2	TAXES OTHER THAN INCOME TAXES	434,014	
409.2	INCOME TAXES	(9,594,282)	
410.2	PROVISION FOR DEFERRED INCOME TAXES	8,070,975	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(669,017)	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	(1,758,310)	
	TOTAL OTHER INCOME AND DEDUCTIONS		49,449,424
	INCOME BEFORE INTEREST CHARGES		497,873,890
	NET INTEREST CHARGES*		123,729,105
	NET INCOME		\$374,144,785

*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION, (10,071,740)

**SAN DIEGO GAS & ELECTRIC COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
TWELVE MONTHS ENDED DECEMBER 31, 2010**

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$1,611,830,266
NET INCOME (FROM PRECEDING PAGE)	374,144,785
DIVIDEND TO PARENT COMPANY	-
DIVIDENDS DECLARED - PREFERRED STOCK	(4,819,668)
OTHER RETAINED EARNINGS ADJUSTMENTS	
RETAINED EARNINGS AT END OF PERIOD	<u>\$1,981,155,383</u>

Appendix B

SAN DIEGO GAS & ELECTRIC COMPANY
COST OF PROPERTY AND
DEPRECIATION RESERVE APPLICABLE THERETO
AS OF DECEMBER 31, 2010

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
ELECTRIC DEPARTMENT			
302	Franchises and Consents	\$ 222,841	\$ 202,900
303	Misc. Intangible Plant	27,754,034	26,366,969
	TOTAL INTANGIBLE PLANT	27,976,875	26,569,869
310.1	Land	14,526,518	46,518
310.2	Land Rights	0	0
311	Structures and Improvements	48,255,763	13,772,595
312	Boiler Plant Equipment	116,849,359	24,206,931
314	Turbogenerator Units	101,193,042	22,614,181
315	Accessory Electric Equipment	34,200,678	7,226,370
316	Miscellaneous Power Plant Equipment	19,527,597	3,260,914
	Steam Production Decommissioning	0	0
	TOTAL STEAM PRODUCTION	334,552,956	71,127,509
320.1	Land	0	0
320.2	Land Rights	283,677	283,677
321	Structures and Improvements	275,011,351	269,748,583
322	Boiler Plant Equipment	471,560,894	397,266,755
323	Turbogenerator Units	142,291,290	136,235,647
324	Accessory Electric Equipment	170,457,634	166,781,063
325	Miscellaneous Power Plant Equipment	302,610,836	226,151,641
107	ICIP CWIP	0	0
	TOTAL NUCLEAR PRODUCTION	1,362,215,682	1,196,467,367
340.1	Land	143,476	0
340.2	Land Rights	2,428	2,428
341	Structures and Improvements	16,799,554	1,798,993
342	Fuel Holders, Producers & Accessories	19,170,415	2,724,055
343	Prime Movers	51,569,644	6,211,336
344	Generators	204,250,391	25,132,748
345	Accessory Electric Equipment	18,163,152	1,829,553
346	Miscellaneous Power Plant Equipment	401,807	79,734
	TOTAL OTHER PRODUCTION	310,500,867	37,778,848
	TOTAL ELECTRIC PRODUCTION	2,007,269,505	1,305,373,723

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
350.1	Land	\$ 39,702,274	\$ 0
350.2	Land Rights	63,036,096	11,224,116
352	Structures and Improvements	100,004,027	31,547,648
353	Station Equipment	670,265,694	143,428,652
354	Towers and Fixtures	109,042,382	82,332,924
355	Poles and Fixtures	197,528,816	43,074,908
356	Overhead Conductors and Devices	270,040,865	162,033,098
357	Underground Conduit	133,036,220	18,792,023
358	Underground Conductors and Devices	116,916,117	21,117,635
359	Roads and Trails	27,786,988	6,018,053
	TOTAL TRANSMISSION	1,727,359,481	519,569,056
360.1	Land	16,176,228	0
360.2	Land Rights	71,992,793	30,541,450
361	Structures and Improvements	3,313,347	1,384,313
362	Station Equipment	360,111,583	72,600,304
364	Poles, Towers and Fixtures	470,820,684	204,371,526
365	Overhead Conductors and Devices	369,746,705	134,519,735
366	Underground Conduit	893,510,305	339,334,520
367	Underground Conductors and Devices	1,184,388,980	669,988,254
368.1	Line Transformers	455,633,760	76,364,339
368.2	Protective Devices and Capacitors	16,310,256	(7,069,138)
369.1	Services Overhead	113,443,012	121,280,834
369.2	Services Underground	293,712,000	193,191,286
370.1	Meters	177,118,226	(9,737,319)
370.2	Meter Installations	43,686,845	(18,747,346)
371	Installations on Customers' Premises	6,316,268	10,545,724
373.1	St. Lighting & Signal Sys.-Transformers	0	0
373.2	Street Lighting & Signal Systems	24,118,491	16,941,508
	TOTAL DISTRIBUTION PLANT	4,500,399,481	1,835,509,991
389.1	Land	7,511,040	0
389.2	Land Rights	0	0
390	Structures and Improvements	29,776,375	15,853,229
392.1	Transportation Equipment - Autos	0	49,884
392.2	Transportation Equipment - Trailers	58,146	(1,984)
393	Stores Equipment	19,150	16,352
394.1	Portable Tools	17,590,137	5,349,718
394.2	Shop Equipment	350,581	182,564
395	Laboratory Equipment	320,845	21,344
396	Power Operated Equipment	92,162	149,134
397	Communication Equipment	131,053,004	58,250,811
398	Miscellaneous Equipment	462,560	86,136
	TOTAL GENERAL PLANT	187,233,998	79,957,188
101	TOTAL ELECTRIC PLANT	8,450,239,340	3,766,979,827

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
GAS PLANT			
302	Franchises and Consents	\$ 86,104	\$ 86,104
303	Miscellaneous Intangible Plant	713,559	574,758
	TOTAL INTANGIBLE PLANT	799,663	660,862
360.1	Land	0	0
361	Structures and Improvements	43,992	43,992
362.1	Gas Holders	0	0
362.2	Liquefied Natural Gas Holders	0	0
363	Purification Equipment	0	0
363.1	Liquefaction Equipment	0	0
363.2	Vaporizing Equipment	0	0
363.3	Compressor Equipment	0	0
363.4	Measuring and Regulating Equipment	0	0
363.5	Other Equipment	0	0
363.6	LNG Distribution Storage Equipment	1,843,078	512,449
	TOTAL STORAGE PLANT	1,887,070	556,441
365.1	Land	4,649,144	0
365.2	Land Rights	2,217,185	1,143,664
366	Structures and Improvements	11,523,041	8,763,978
367	Mains	125,717,135	56,024,903
368	Compressor Station Equipment	72,932,622	49,690,820
369	Measuring and Regulating Equipment	17,649,429	13,173,348
371	Other Equipment	0	0
	TOTAL TRANSMISSION PLANT	234,688,556	128,796,712
374.1	Land	102,187	0
374.2	Land Rights	8,058,285	5,656,895
375	Structures and Improvements	43,447	61,253
376	Mains	532,267,602	301,501,369
378	Measuring & Regulating Station Equipment	12,422,117	6,246,101
380	Distribution Services	237,092,252	270,641,316
381	Meters and Regulators	120,860,681	30,772,749
382	Meter and Regulator Installations	79,539,523	22,750,223
385	Ind. Measuring & Regulating Station Equipm	1,516,811	928,601
386	Other Property On Customers' Premises	0	0
387	Other Equipment	5,274,409	4,627,641
	TOTAL DISTRIBUTION PLANT	997,177,314	643,186,148

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
392.1	Transportation Equipment - Autos	\$ 0	\$ 25,503
392.2	Transportation Equipment - Trailers	74,501	74,501
394.1	Portable Tools	6,931,162	2,745,271
394.2	Shop Equipment	84,181	24,490
395	Laboratory Equipment	283,094	168,887
396	Power Operated Equipment	162,284	57,154
397	Communication Equipment	1,751,741	1,070,685
398	Miscellaneous Equipment	269,875	105,427
	TOTAL GENERAL PLANT	9,556,837	4,271,916
101	TOTAL GAS PLANT	1,244,109,440	777,472,080

COMMON PLANT

303	Miscellaneous Intangible Plant	274,140,180	191,707,052
350.1	Land	0	0
360.1	Land	0	0
389.1	Land	5,612,511	0
389.2	Land Rights	1,385,339	27,275
390	Structures and Improvements	196,234,342	82,038,701
391.1	Office Furniture and Equipment - Other	26,309,764	14,839,198
391.2	Office Furniture and Equipment - Computer E	50,753,710	19,386,241
392.1	Transportation Equipment - Autos	33,942	(338,930)
392.2	Transportation Equipment - Trailers	33,369	(31,681)
393	Stores Equipment	133,501	12,342
394.1	Portable Tools	1,188,219	64,485
394.2	Shop Equipment	287,325	154,353
394.3	Garage Equipment	1,558,794	313,896
395	Laboratory Equipment	2,408,787	870,176
396	Power Operated Equipment	0	(192,979)
397	Communication Equipment	88,877,749	47,785,635
398	Miscellaneous Equipment	2,259,218	592,304
118.1	TOTAL COMMON PLANT	651,216,752	357,228,069
	TOTAL ELECTRIC PLANT	8,450,239,340	3,766,979,827
	TOTAL GAS PLANT	1,244,109,440	777,472,080
	TOTAL COMMON PLANT	651,216,752	357,228,069
101 & 118.1	TOTAL	10,345,565,532	4,901,679,976
101	PLANT IN SERV-SONGS FULLY RECOVER	\$ (1,164,131,236)	\$ (1,164,131,236)
101	PLANT IN SERV-ELECTRIC NON-RECON Common	\$ 0	\$ 0
118	PLANT IN SERV-COMMON NON-RECON Common - Transferred Asset Adjustment	\$ (17,525,963)	\$ (17,525,963)

<u>No.</u>	<u>Account</u>	<u>Original Cost</u>	<u>Reserve for Depreciation and Amortization</u>
101	Accrual for Retirements		
	Electric	\$ (10,240,837)	\$ (10,240,837)
	Gas	(131,827)	(131,827)
	TOTAL PLANT IN SERV-NON RECON ACC	<u>(10,372,664)</u>	<u>(10,372,664)</u>
	Electric	0	0
	Gas	0	0
	TOTAL PLANT PURCHASED OR SOLD	<u>0</u>	<u>0</u>
105	Plant Held for Future Use		
	Electric	58,142,642	0
	Gas	0	0
	TOTAL PLANT HELD FOR FUTURE USE	<u>58,142,642</u>	<u>0</u>
107	Construction Work in Progress		
	Electric	983,345,634	
	Gas	8,278,929	
	Common	77,268,341	
	TOTAL CONSTRUCTION WORK IN PROGRESS	<u>1,068,892,904</u>	<u>0</u>
108	Accum. Depr SONGS Mitigation/Spent Fuel Disallowance		
	Electric	0	221,468
108	Accum. Depr SONGS SGRP Removal		
	Electric	0	2,317,957
108.5	Accumulated Nuclear Decommissioning		
	Electric	0	684,960,883
	TOTAL ACCUMULATED NUCLEAR DECOMMISSIONING	<u>0</u>	<u>684,960,883</u>
101.1	ELECTRIC CAPITAL LEASES	778,390,265	28,357,012
118.1	COMMON CAPITAL LEASE	26,243,856	6,020,187
		<u>804,634,121</u>	<u>34,377,199</u>
120	NUCLEAR FUEL FABRICATION	<u>45,479,270</u>	<u>21,324,624</u>
143	FAS 143 ASSETS - Legal Obligation	114,954,310	(574,179,622)
	FIN 47 ASSETS - Legal Obligation	42,421,035	17,388,248
143	FAS 143 ASSETS - Non-legal Obligation	0	(1,208,350,570)
	TOTAL FAS 143	<u>157,375,345</u>	<u>(1,765,141,945)</u>
	UTILITY PLANT TOTAL	<u>\$ 11,288,059,951</u>	<u>\$ 2,687,710,300</u>

Appendix C

**SAN DIEGO GAS & ELECTRIC COMPANY
SUMMARY OF EARNINGS
TWELVE MONTHS ENDED DECEMBER 31, 2010
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	\$3,188
2	Operating Expenses	<u>2,740</u>
3	Net Operating Income	<u><u>\$448</u></u>
4	Weighted Average Rate Base	\$4,697
5	Rate of Return*	8.40%

*Authorized Cost of Capital

Appendix D

State of California
Attorney General's Office
P.O. Box 944255
Sacramento, CA 94244-2550

Naval Facilities Engineering
Command
Navy Rate Intervention
1314 Harwood Street SE
Washing Navy Yard, DC 20374

City of Carlsbad
Attn. City Attorney
1200 Carlsbad Village Drive
Carlsbad, CA 92008-19589

City of Chula Vista
Attn. City Attorney
276 Fourth Ave
Chula Vista, Ca 91910-2631

City of Dana Point
Attn. City Attorney
33282 Golden Lantern
Dana Point, CA 92629

City of Del Mar
Attn. City Clerk
1050 Camino Del Mar
Del Mar, CA 92014

City of Encinitas
Attn. City Attorney
505 S. Vulcan Ave.
Encinitas, CA 92024

City of Escondido
Attn. City Attorney
201 N. Broadway
Escondido, CA 92025

City of Imperial Beach
Attn. City Clerk
825 Imperial Beach Blvd
Imperial Beach, CA 92032

City of Laguna Beach
Attn. City Clerk
505 Forest Ave
Laguna Beach, CA 92651

State of California
Attn. Director Dept of General
Services
PO Box 989052
West Sacramento, CA 95798-9052

Alpine County
Attn. County Clerk
99 Water Street, P.O. Box 158
Markleeville, CA 96120

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1200 Carlsbad Village Drive
Carlsbad, CA 92008-19589

City of Coronado
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1825 Strand Way
Coronado, CA 92118

City of Dana Point
Attn. City Clerk
33282 Golden Lantern
Dana Point, CA 92629

City of El Cajon
Attn. City Clerk
200 Civic Way
El Cajon, CA 92020

City of Encinitas
Attn. City Clerk
505 S. Vulcan Ave.
Encinitas, CA 92024

City of Fallbrook
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233 E. Mission Road
Fallbrook, CA 92028

City of Imperial Beach
Attn. City Attorney
825 Imperial Beach Blvd
Imperial Beach, CA 92032

City of Laguna Beach
Attn. City Attorney
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Laguna Beach, CA 92651

United States Government
General Services Administration
300 N. Los Angeles
Los Angeles, CA 90012

Borrego Springs Chamber of
Commerce Attn. City Clerk
786 Palm Canyon Dr
PO Box 420
Borrego Springs CA 92004-0420

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276 Fourth Avenue
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City of Coronado
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Coronado, CA 92118

City of Del Mar
Attn. City Attorney
1050 Camino Del Mar
Del Mar, CA 92014

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El Cajon, CA 92020

City of Escondido
Attn. City Clerk
201 N. Broadway
Escondido, CA 92025

City of Fallbrook
Attn. City Attorney
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Fallbrook, CA 92028

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2129 Main Street
Julian, CA

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Attn. City Attorney
22781 La Paz Ste. B
Laguna Niguel, CA 92656

City of Laguna Niguel
Attn. City Clerk
22781 La Paz Ste. B
Laguna Niguel, CA 92656

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Attn. City Clerk
9924 Vine Street
Lakeside CA 92040

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Attn. City Attorney
8130 Allison Avenue
La Mesa, CA 91941

City of La Mesa
Attn. City Clerk
8130 Allison Avenue
La Mesa, CA 91941

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Attn. City Clerk
3232 Main St.
Lemon Grove, CA 92045

City of Lemon Grove
Attn. City Attorney
3232 Main St.
Lemon Grove, CA 92045

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200 Civic Center
Mission Viejo, CA 92691

City of Mission Viejo
Attn: City Attorney
200 Civic Center
Mission Viejo, CA 92691

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1243 National City Blvd
National City, CA 92050

City of National City
Attn. City Attorney
1243 National City Blvd
National City, CA 92050

City of Oceanside
Attn. City Clerk
300 N. Coast Highway
Oceanside, CA 92054-2885

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Santa Ana, CA 92702

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12 Civic Center Plaza, Room 101
Santa Ana, CA 92701

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Poway, CA 92064

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Poway, CA 92064

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960 Main Street
Ramona, CA 92065

City of Ramona
Attn. City Attorney
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Ramona, CA 92065

City of Rancho San Diego - Jamul
Attn. City Clerk
3855 Avocado Blvd.
Suite 230
La Mesa, CA 91941

City of San Clemente
Attn. City Clerk
100 Avenida Presidio
San Clemente, CA 92672

City of San Clemente
Attn. City Attorney
100 Avenida Presidio
San Clemente, CA 92672

City of San Diego
Attn. Mayor
202 C Street
San Diego, CA 92101

County of San Diego
Attn. County Clerk
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San Diego, CA 92101

City of San Diego
Attn. City Attorney
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San Diego, CA 92101

County of San Diego
Attn. County Counsel
1600 Pacific Hwy
San Diego, CA 92101

City of San Diego
Attn. City Clerk
202 C Street
San Diego, CA 92101

City of San Diego
Attn. City Manager
202 C Street
San Diego, CA 92101

City of San Marcos
Attn. City Clerk
1 Civic Center Dr.
San Marcos, CA 92069

City of San Marcos
Attn. City Attorney
1 Civic Center Dr.
San Marcos, CA 92069

City of Santee
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10601 Magnolia Avenue
Santee, CA 92071

City of Santee
Attn. City Attorney
10601 Magnolia Avenue
Santee, CA 92071

Valley Center Chamber of
Commerce
Attn. City Clerk
P.O. Box 8
Valley Center, CA 92082

City of Solana Beach
Attn. City Attorney
635 S. Highway 101
Solana Beach, CA 92075

City of Vista
Attn. City Clerk
200 Civic Center Drive
Vista, CA 92084

Spring Valley Chamber of
Commerce
Attn. City Clerk
3322 Sweetwater Springs Blvd,
Ste. 202
Spring Valley, CA 91977-3142

City of Vista
Attn. City Attorney
200 Civic Center Drive, Bldg. K
Vista, CA 92084

Attachment A

Attachment A-1

**PY 2012-2014 Energy Savings Assistance Program Proposed Electric & Gas Budget
San Diego Gas & Electric Company**

	PY2011 Authorized	PY 2012 Year-End Projected	PY 2013 Year-End Projected	PY 2014 Year-End Projected
Energy Savings Assistance Program				
Energy Efficiency [1]				
<i>Appliances</i>	-	\$4,701,644	\$4,523,692	\$4,443,374
<i>Domestic Hot Water</i>	-	\$1,557,722	\$1,603,093	\$1,651,185
<i>Enclosure</i>	-	\$3,138,071	\$3,229,471	\$3,326,355
<i>HVAC</i>	-	\$1,474,200	\$1,517,424	\$1,562,945
<i>Maintenance</i>	-	\$530,185	\$545,627	\$561,996
<i>Lighting</i>	-	\$2,577,454	\$2,652,526	\$2,732,101
<i>Miscellaneous</i>	-	\$450,000	\$463,500	\$477,000
<i>Customer Enrollment</i>	-	\$3,549,357	\$3,929,832	\$4,014,925
In Home Education	-	\$399,658	\$411,299	\$423,638
Pilot	-	\$0	\$0	\$0
Energy Efficiency Total	\$17,196,378	\$18,378,291	\$18,876,463	\$19,193,519
Training Center	\$0	\$0	\$0	\$0
Inspections	\$62,694	\$54,877	\$56,581	\$58,284
Marketing and Outreach	\$714,341	\$1,173,730	\$1,135,788	\$1,146,595
Statewide Marketing Education and Outreach	\$100,000	\$60,000	\$60,000	\$0
Measurement and Evaluation Studies	-\$45,864	\$135,000	\$0	\$60,000
Regulatory Compliance	\$286,006	\$306,554	\$339,384	\$322,214
General Administration	\$1,969,103	\$1,891,477	\$1,948,947	\$2,006,417
CPUC Energy Division	\$44,948	\$45,000	\$45,000	\$45,000
TOTAL PROGRAM COSTS	\$20,327,606	\$22,044,929	\$22,462,163	\$22,832,030
Funded Outside of ESAP Program Budget				
Indirect Costs [2]	-	-	-	-
NGAT Costs	\$300,000	\$535,000	\$535,000	\$535,000

[1] The budget for 2011 was not authorized using the new 2012-2014 reporting categories, therefore SDG&E is unable to allocate the budgeted dollars for the subcategories under the Energy Efficiency category.

Attachment A-1a

**PY 2012-2014 Energy Savings Assistance Program Proposed Electric Budget
San Diego Gas & Electric Company**

	PY2011 Authorized [1]	PY 2012 Year-End Projected	PY 2013 Year-End Projected	PY 2014 Year-End Projected
Energy Savings Assistance Program				
Energy Efficiency				
<i>Appliances</i>	-	\$3,778,574	\$3,574,022	\$3,465,214
<i>Domestic Hot Water</i>	-	\$46,368	\$47,719	\$49,150
<i>Enclosure</i>	-	\$1,362,927	\$1,402,624	\$1,444,702
<i>HVAC</i>	-	\$364,241	\$374,850	\$386,095
<i>Maintenance</i>	-	\$4,146	\$4,267	\$4,395
<i>Lighting</i>	-	\$2,577,454	\$2,652,526	\$2,732,101
<i>Miscellaneous</i>	-	\$450,000	\$463,500	\$477,000
<i>Customer Enrollment</i>	-	\$1,774,678	\$1,964,916	\$2,007,462
In Home Education	-	\$199,829	\$205,649	\$211,819
Pilot	-	\$0	\$0	\$0
Energy Efficiency Total	\$9,114,081	\$10,558,218	\$10,690,073	\$10,777,940
Training Center				
	\$0	\$0	\$0	\$0
Inspections	\$31,347	\$27,439	\$28,290	\$29,142
Marketing and Outreach	\$357,171	\$586,865	\$567,894	\$573,298
Statewide Marketing Education and Outreach	\$50,000	\$30,000	\$30,000	\$0
Measurement and Evaluation Studies	-\$22,932	\$67,500	\$0	\$30,000
Regulatory Compliance	\$143,003	\$153,277	\$169,692	\$161,107
General Administration	\$984,552	\$945,738	\$974,473	\$1,003,209
CPUC Energy Division	\$22,474	\$22,500	\$22,500	\$22,500
TOTAL PROGRAM COSTS	\$10,679,695	\$12,391,537	\$12,482,922	\$12,597,195
Funded Outside of ESAP Program Budget				
Indirect Costs [2]	-	-	-	-
NGAT Costs	\$0	\$0	\$0	\$0

[1] The budget for 2011 was not authorized using the new 2012-2014 reporting categories, therefore SDG&E is unable to allocate the budgeted dollars for the subcategories under the Energy Efficiency category.

[2] SDG&E does not budget or project indirect costs.

Attachment A-1b

**PY 2012-2014 Energy Savings Assistance Program Proposed Gas Budget
San Diego Gas & Electric Company**

	PY2011 Authorized [1]	PY 2012 Year-End Projected	PY 2013 Year-End Projected	PY 2014 Year-End Projected
Energy Savings Assistance Program				
Energy Efficiency				
<i>Appliances</i>	-	\$923,069	\$949,670	\$978,160
<i>Domestic Hot Water</i>	-	\$1,511,354	\$1,555,374	\$1,602,035
<i>Enclosure</i>	-	\$1,775,145	\$1,826,848	\$1,881,653
<i>HVAC</i>	-	\$1,109,959	\$1,142,574	\$1,176,850
<i>Maintenance</i>	-	\$526,039	\$541,360	\$557,601
<i>Lighting</i>	-	\$0	\$0	\$0
<i>Miscellaneous</i>	-	\$0	\$0	\$0
<i>Customer Enrollment</i>	-	\$1,774,678	\$1,964,916	\$2,007,462
In Home Education	-	\$199,829	\$205,649	\$211,819
Pilot	-	\$0	\$0	\$0
Energy Efficiency Total	\$8,082,297	\$7,820,073	\$8,186,391	\$8,415,580
Training Center				
	\$0	\$0	\$0	\$0
Inspections	\$31,347	\$27,439	\$28,290	\$29,142
Marketing and Outreach	\$357,171	\$586,865	\$567,894	\$573,298
Statewide Marketing Education and Outreach	\$50,000	\$30,000	\$30,000	\$0
Measurement and Evaluation Studies	-\$22,932	\$67,500	\$0	\$30,000
Regulatory Compliance	\$143,003	\$153,277	\$169,692	\$161,107
General Administration	\$984,552	\$945,738	\$974,473	\$1,003,208
CPUC Energy Division	\$22,474	\$22,500	\$22,500	\$22,500
TOTAL PROGRAM COSTS	\$9,647,911	\$9,653,391	\$9,979,241	\$10,234,835
Funded Outside of ESAP Program Budget				
Indirect Costs [2]	-	-	-	-
NGAT Costs	\$300,000	\$535,000	\$535,000	\$535,000

[1] The budget for 2011 was not authorized using the new 2012-2014 reporting categories, therefore SDG&E is unable to allocate the budgeted dollars for the subcategories under the Energy Efficiency category.

[2] SDG&E does not budget or project indirect costs.

Attachment A-2

Attachment A-3

**Energy Savings Assistance Program Penetration
San Diego Gas & Electric Company**

	Number of Customers in Utility Service Area [1]	Number of Eligible Low Income Customers [2]	Number of Customers Served by ESAP in Past 10 Years [3]	Number of Customers Enrolled in CARE [4]	LIHEAP Served 2002-2020 [5]	Number of Eligible and Willing ESAP Customers [6]
PY 2007	1,243,769	364,904	69,717	229,759	1,283	
PY 2008	1,260,513	345,256	82,791	241,196	1,283	
PY 2009	1,242,575	343,860	97,791	269,517	2,316	226,560
PY 2010	1,232,431	353,206	118,718	293,438	961	215,867
PY 2011	1,252,548	352,952	140,311	310,757	1,283	193,710
PY 2012	1,265,073	356,482	160,695	324,967	1,283	141,032
PY 2013	1,277,724	360,046	180,695	332,853	1,283	124,061
PY 2014	1,290,501	363,647	200,695	337,240	1,283	107,122
PY 2015	1,303,406	367,283	220,695		1,283	90,213
PY 2016	1,316,441	370,956	238,695		1,283	75,335
PY 2017	1,329,605	374,666	256,695		1,283	60,488
PY 2018	1,342,901	378,412	274,695		1,283	45,672
PY 2019	1,356,330	382,196	292,195		1,283	31,389
PY 2020	1,369,893	386,018	309,595		1,283	17,238

[1] Estimated eligible customers. Actual data through 2010. The figures are escalated by 1% annually in 2011 - 2020.

[2] Number of estimated income eligible customers at or below 200 percent of the Federal Poverty Guideline. Actual data through 2010.

[3] Cumulative customers served from January 2002 through 2010 program year. 2011-2020 are estimates.

[4] Actual year-end enrollment data through 2010. 2011-2014 are estimates. No data available for 2015-2020.

[5] LIHEAP Homes Treated 2002 - 2007 from D.08-11-031. SDG&E projects 100% of 2002 - 2007 annual average for 2008 and 2011-2020. 2009-2010 hor

[6] A 5% reduction is applied to program years 2009-2011 and 15% reduction is applied to program years 2012-2020. As described in testimony, IOUs esti are not willing or able to participate in Energy Savings Assistance Program.

[7] Cumulative data. SDG&E plans to treat 60,000 homes in the 2012-14 program cycle, 54,0000 in the 2015-2017 program cycle and 52,138 in the 2018-2

[8] Percent of Programmatic Initiative projected to be achieved.

Customers to be Treated by ESAP Program [7]	Percent of ESAP Programmatic Initiative Achieved [8]
20,927	
21,593	
20,384	
20,000	
20,000	
20,000	43%
18,000	
18,000	
18,000	
17,500	
17,400	
17,238	100%

Customers treated provided by CSD.
 Estimate 15% of customer

2020 program cycle

Attachment A-4

Attachment A-5

**Summary of Energy Savings Assistance Program Cost Effectiveness
San Diego Gas & Electric Company**

	Ratio of Program Benefits over Program Costs		
	Utility Cost Test	Modified Participant Test	Total Resource Cost Test
PY 2008	0.40	0.58	0.31
PY 2009	0.54	0.83	0.42
PY 2010	0.50	0.95	0.38
PY 2011 [1]	0.60	0.86	0.51
PY 2012	0.55	0.99	0.46
PY 2013	0.55	0.99	0.46
PY 2014	0.55	0.99	0.46

[1] Cost effectiveness estimates for 2011 were taken from SDG&E's Application 08-05-024 dated May 15, 2008 for Energy Savings Assistance Program year 2009-2011.

Attachment A-6

**Energy Savings Assistance Program Cost-Effectiveness - Weather Sensitive Measures
San Diego Gas & Electric Company**

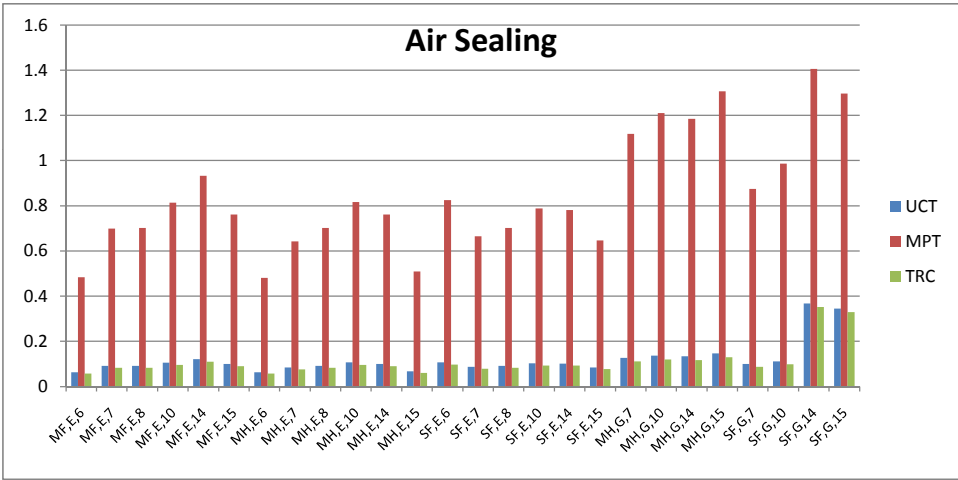
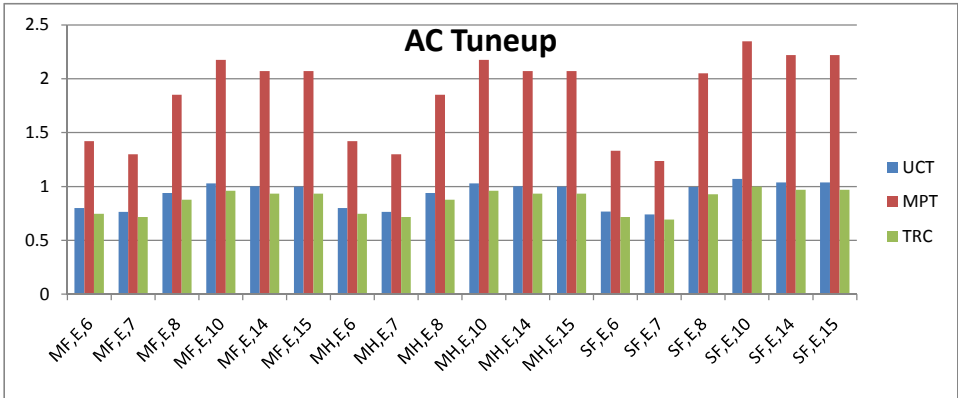
Measure	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E,G)	Climate Zone (Number)	Ratio of Benefits Over Costs		
					Utility Cost Test	Modified Participant Test	Total Resource Cost Test
AC Tuneup	HVAC	MF	E	6	0.80	1.42	0.75
AC Tuneup	HVAC	MF	E	7	0.77	1.30	0.72
AC Tuneup	HVAC	MF	E	8	0.94	1.85	0.88
AC Tuneup	HVAC	MF	E	10	1.03	2.17	0.96
AC Tuneup	HVAC	MF	E	14	1.00	2.07	0.93
AC Tuneup	HVAC	MF	E	15	1.00	2.07	0.93
AC Tuneup	HVAC	MH	E	6	0.80	1.42	0.75
AC Tuneup	HVAC	MH	E	7	0.77	1.30	0.72
AC Tuneup	HVAC	MH	E	8	0.94	1.85	0.88
AC Tuneup	HVAC	MH	E	10	1.03	2.17	0.96
AC Tuneup	HVAC	MH	E	14	1.00	2.07	0.93
AC Tuneup	HVAC	MH	E	15	1.00	2.07	0.93
AC Tuneup	HVAC	SF	E	6	0.77	1.33	0.72
AC Tuneup	HVAC	SF	E	7	0.74	1.24	0.69
AC Tuneup	HVAC	SF	E	8	0.99	2.05	0.93
AC Tuneup	HVAC	SF	E	10	1.07	2.35	1.00
AC Tuneup	HVAC	SF	E	14	1.04	2.22	0.97
AC Tuneup	HVAC	SF	E	15	1.04	2.22	0.97
Air sealing	Envelope	MF	E	6	0.06	0.48	0.06
Air sealing	Envelope	MF	E	7	0.09	0.70	0.08
Air sealing	Envelope	MF	E	8	0.09	0.70	0.08
Air sealing	Envelope	MF	E	10	0.11	0.81	0.10
Air sealing	Envelope	MF	E	14	0.12	0.93	0.11
Air sealing	Envelope	MF	E	15	0.10	0.76	0.09
Air sealing	Envelope	MH	E	6	0.06	0.48	0.06
Air sealing	Envelope	MH	E	7	0.08	0.64	0.08
Air sealing	Envelope	MH	E	8	0.09	0.70	0.08
Air sealing	Envelope	MH	E	10	0.11	0.82	0.10
Air sealing	Envelope	MH	E	14	0.10	0.76	0.09
Air sealing	Envelope	MH	E	15	0.07	0.51	0.06
Air sealing	Envelope	SF	E	6	0.11	0.82	0.10
Air sealing	Envelope	SF	E	7	0.09	0.66	0.08
Air sealing	Envelope	SF	E	8	0.09	0.70	0.08
Air sealing	Envelope	SF	E	10	0.10	0.79	0.09
Air sealing	Envelope	SF	E	14	0.10	0.78	0.09
Air sealing	Envelope	SF	E	15	0.09	0.65	0.08
Air sealing	Envelope	MH	G	7	0.13	1.12	0.11
Air sealing	Envelope	MH	G	10	0.14	1.21	0.12
Air sealing	Envelope	MH	G	14	0.13	1.18	0.12
Air sealing	Envelope	MH	G	15	0.15	1.31	0.13
Air sealing	Envelope	SF	G	7	0.10	0.87	0.09
Air sealing	Envelope	SF	G	10	0.11	0.99	0.10
Air sealing	Envelope	SF	G	14	0.37	1.41	0.35
Air sealing	Envelope	SF	G	15	0.34	1.30	0.33

**Energy Savings Assistance Program Cost-Effectiveness - Weather Sensitive Measures
San Diego Gas & Electric Company**

Measure	Measure Group	Type of Home (SF, MH, MF)	Electric or Gas (E,G)	Climate Zone (Number)	Ratio of Benefits Over Costs		
					Utility Cost Test	Modified Participant Test	Total Resource Cost Test
Attic insulation	Envelope	MF	E	6	0.12	0.33	0.11
Attic insulation	Envelope	MF	E	7	0.12	0.32	0.11
Attic insulation	Envelope	MF	E	8	0.12	0.33	0.11
Attic insulation	Envelope	MF	E	10	0.12	0.33	0.11
Attic insulation	Envelope	MF	E	14	0.12	0.33	0.11
Attic insulation	Envelope	MF	E	15	0.12	0.33	0.11
Attic insulation	Envelope	SF	E	6	0.14	0.37	0.12
Attic insulation	Envelope	SF	E	7	0.12	0.32	0.10
Attic insulation	Envelope	SF	E	8	0.12	0.33	0.11
Attic insulation	Envelope	SF	E	10	0.13	0.35	0.11
Attic insulation	Envelope	SF	E	14	0.12	0.33	0.11
Attic insulation	Envelope	SF	E	15	0.12	0.33	0.11
Attic insulation	Envelope	SF	G	7	0.13	0.37	0.11
Attic insulation	Envelope	SF	G	10	0.14	0.42	0.13
Attic insulation	Envelope	SF	G	14	0.08	0.39	0.06
Attic insulation	Envelope	SF	G	15	0.08	0.39	0.06
Furnace Clean and Tune	HVAC	MF	G	7	0.58	2.30	0.40
Furnace Clean and Tune	HVAC	MF	G	10	0.58	2.30	0.40
Furnace Clean and Tune	HVAC	MF	G	14	1.08	4.76	0.75
Furnace Clean and Tune	HVAC	MF	G	15	1.08	4.76	0.75
Furnace Clean and Tune	HVAC	MH	G	7	0.58	2.30	0.40
Furnace Clean and Tune	HVAC	MH	G	10	0.73	2.98	0.51
Furnace Clean and Tune	HVAC	MH	G	14	1.08	4.76	0.75
Furnace Clean and Tune	HVAC	MH	G	15	0.58	2.30	0.40
Furnace Clean and Tune	HVAC	SF	G	7	0.58	2.30	0.40
Furnace Clean and Tune	HVAC	SF	G	10	0.46	1.81	0.32
Furnace Clean and Tune	HVAC	SF	G	14	0.58	2.30	0.40
Furnace Clean and Tune	HVAC	SF	G	15	0.27	1.02	0.19
Furnace Repair/Replacement	HVAC	MF	G	7	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	MF	G	10	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	MF	G	14	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	MF	G	15	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	MH	G	7	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	MH	G	10	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	MH	G	14	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	MH	G	15	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	SF	G	7	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	SF	G	10	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	SF	G	14	0.00	0.00	0.00
Furnace Repair/Replacement	HVAC	SF	G	15	0.00	0.00	0.00
Room AC	HVAC	MF	E	10	0.00	0.00	0.00
Room AC	HVAC	MH	E	10	0.00	0.00	0.00
Room AC	HVAC	SF	E	10	0.14	0.17	0.13

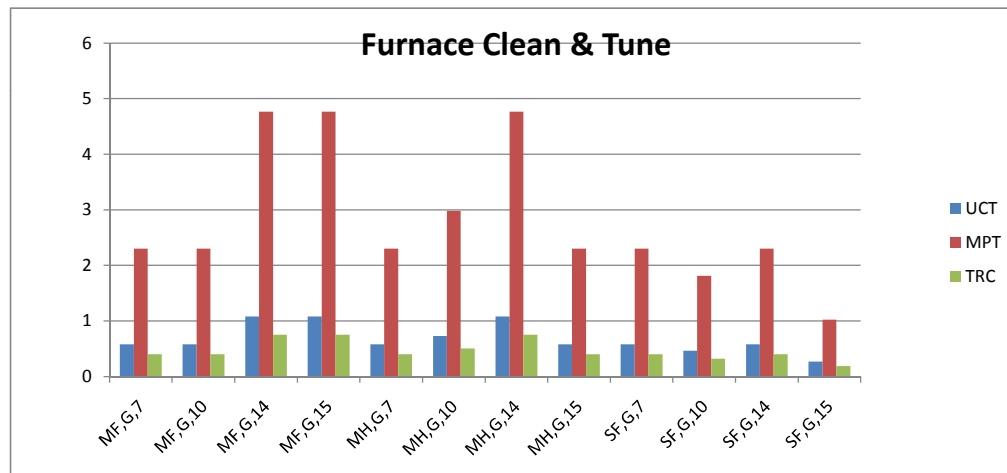
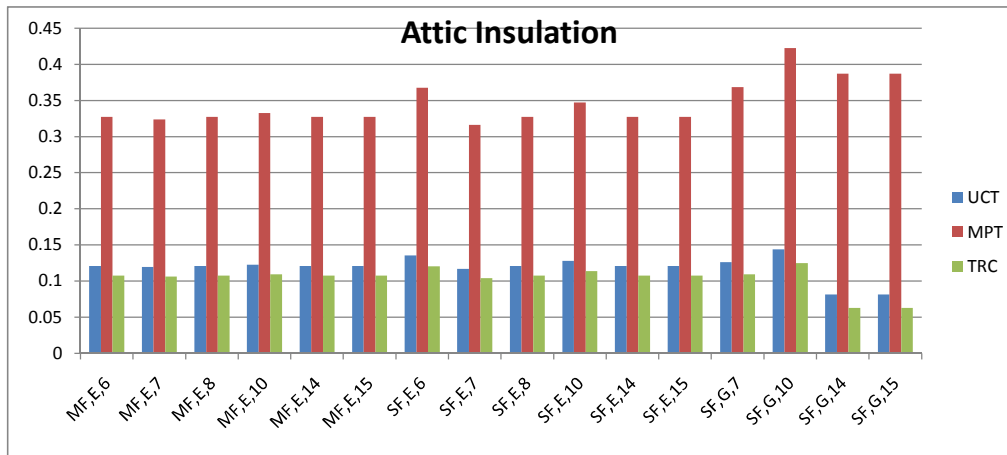
**Energy Savings Assistance Program Cost-Effectiveness - Weather Sensitive Measures
San Diego Gas & Electric Company**

Charts



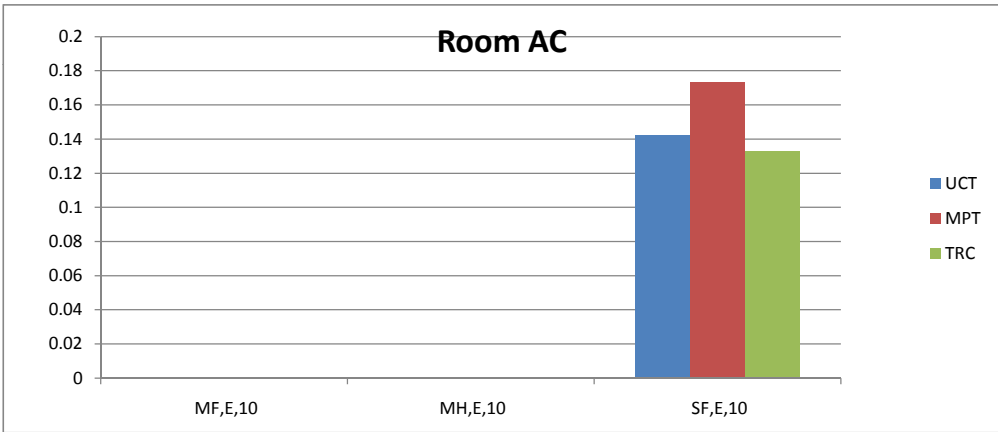
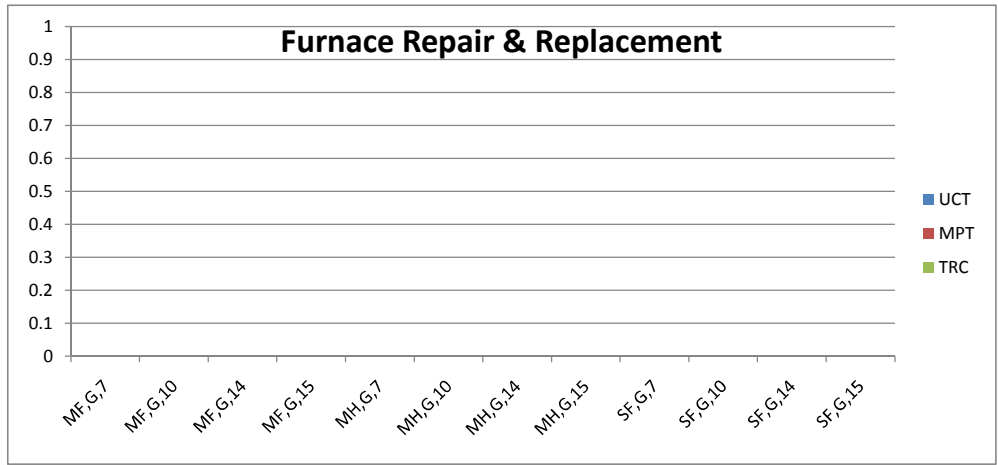
**Energy Savings Assistance Program Cost-Effectiveness - Weather Sensitive Measures
San Diego Gas & Electric Company**

Charts



**Energy Savings Assistance Program Cost-Effectiveness - Weather Sensitive Measures
San Diego Gas & Electric Company**

Charts



Attachment A-7

**Energy Savings Assistance Program Cost-Effectiveness - Non Weather Sensitive Measures
San Diego Gas & Electric Company**

Measure	Measure Group	Type of Home (SF,MH,MF)	Electric or Gas (E,G)	Ratio of Benefits Over Costs		
				Utility Cost Test	Modified Participant Test	Total Resource Cost Test
CFL Lighting	Lighting	all	elec	0.94	1.20	0.79
Faucet Aerators	Domestic Hot Water	MH	elec	0.73	3.66	0.62
Faucet Aerators	Domestic Hot Water	SF	elec	0.76	3.78	0.64
Faucet Aerators	Domestic Hot Water	MF	gas	0.11	0.46	0.10
Faucet Aerators	Domestic Hot Water	MH	gas	0.60	2.61	0.52
Faucet Aerators	Domestic Hot Water	SF	gas	0.84	2.75	0.79
HE Clothes Washers	Appliance	all	elec	0.65	3.27	0.54
HE Clothes Washers	Appliance	all	gas	0.40	1.75	0.35
Interior Hardwire CFL Fixtures	Lighting	MF	elec	0.57	0.77	0.46
Interior Hardwire CFL Fixtures	Lighting	MH	elec	0.46	0.63	0.38
Interior Hardwire CFL Fixtures	Lighting	SF	elec	0.52	0.71	0.43
LED Night Light	Lighting	all	elec	1.05	1.28	0.92
Low Flow Showerhead	Domestic Hot Water	MH	elec	0.63	2.91	0.54
Low Flow Showerhead	Domestic Hot Water	SF	elec	0.68	3.00	0.60
Low Flow Showerhead	Domestic Hot Water	MF	gas	0.11	0.32	0.10
Low Flow Showerhead	Domestic Hot Water	MH	gas	0.56	1.97	0.50
Low Flow Showerhead	Domestic Hot Water	SF	gas	0.46	2.06	0.40
Microwave	Appliance	all	elec	1.33	1.68	1.10
Exterior Hardwire CFL Fixtures	Lighting	SF	elec	0.61	0.92	0.46
Refrigerator	Appliance	MF	elec	0.45	0.66	0.36
Refrigerator	Appliance	MH	elec	0.53	0.77	0.42
Refrigerator	Appliance	SF	elec	0.53	0.77	0.42
Smart Strip	Miscellaneous	all	elec	0.95	1.25	0.77
FAU Standing Pilot Light Conversion	HVAC	all	gas	0.78	0.89	0.67
Thermostatic Shower Valve	Domestic Hot Water	all	elec	1.24	1.57	1.09
Thermostatic Shower Valve	Domestic Hot Water	all	gas	0.87	0.91	0.78
Torchiere Lamp	Lighting	all	elec	0.91	1.06	0.81
Water Heater Repair/Replacement	Domestic Hot Water	all	gas	0.00	0.00	0.00
Water Heater Blanket	Domestic Hot Water	MH	elec	0.57	0.54	0.52
Water Heater Blanket	Domestic Hot Water	SF	elec	0.41	0.36	0.37
Water Heater Blanket	Domestic Hot Water	MH	gas	0.47	0.34	0.43
Water Heater Blanket	Domestic Hot Water	SF	gas	0.33	0.22	0.30
Water Heater Pipe Insulation	Domestic Hot Water	MH	elec	1.08	1.41	0.86
Water Heater Pipe Insulation	Domestic Hot Water	SF	elec	1.27	1.61	1.01
Water Heater Pipe Insulation	Domestic Hot Water	MF	gas	0.55	0.69	0.45
Water Heater Pipe Insulation	Domestic Hot Water	MH	gas	0.88	1.11	0.73
Water Heater Pipe Insulation	Domestic Hot Water	SF	gas	1.20	1.49	0.98

Attachment A-8

**PY 2012 - 2014 Energy Savings Assistance Program Pilots and Studies
San Diego Gas & Electric Company**

Line No.	Statewide Study	Total Cost	Percent paid by Utility	Total Cost paid by Utility
1	Statewide Impact Evaluation Study	\$ 600,000	15%	\$ 90,000
2	Energy Education Assessment Study	\$ 300,000	15%	\$ 45,000
Total		\$ 900,000		\$ 135,000

Attachment A-9

ATTACHMENT A-9

STATEWIDE MARKETING, OUTREACH, AND EDUCATION

MARKETING PLAN

ENERGY SAVINGS ASSISTANCE PROGRAM

Low-Income Statewide Marketing Plan

STRATEGY

To help customers become smarter energy users and move them through the continuous engagement cycle, the utilities plan to implement the following Statewide ME&O strategies and efforts during 2012-2014:

1. **Incorporating the Energy Savings Assistance Program name, logo, and messaging into Engage 360 efforts as appropriate.** This will include tactics such as brochures, promotional items, website, press releases, outreach scripts and talking points.

2. **Utilizing Engage 360 grassroots opportunities.** At the core of the approach are the tactics of grassroots marketing, with a focus on overcoming the barriers that limit the reach of traditional awareness campaigns. Community-based grassroots marketing acknowledges the necessity of speaking to the interests, concerns and motivations of the individual as a member of the community, and of using community networks to drive awareness of energy efficiency programs and behaviors.

Grassroots marketing has proven particularly effective in reaching the low-income market. This marketing strategy enables the development of personal relationships with low-income consumers and breaks trust barriers commonly held by the low-income segment.

Grassroots Marketing Techniques	
I.	<i>Connecting with Individual Consumers</i>
II.	<i>Connecting with Community Leaders</i>

Grassroots Marketing To The Low-Income Consumer Breaking Trust Issues By Connecting To The Community	
I. Connecting with Individual	II. Connecting with Community Leaders
Using One-on-One Marketing through:	Using Community Spokespeople such as:
<i>Events (Community- and Faith-based)</i>	<i>Church Leaders</i>
<i>Door-to-Door Outreach</i>	<i>Small Business Leaders</i>
	<i>Politicians</i>
	<i>Pundits</i>

Low-Income Statewide Marketing Plan (continued)

I. Connecting with Individual Consumers

This approach concentrates on providing information about Engage 360 to one customer at a time by identifying and then meeting their individual needs through interaction at outreach events and door-to-door outreach. These individuals will be asked to participate in the program in the form of personal commitments and menus of actions. When applicable, for instance in underserved communities, individuals will be made aware and provided with information on the Energy Savings Assistance Program. Customers will be reached on an individual level through a combination of Engage 360 outreach activities, as well as through the utilities' network of community based organizations.

II. Connecting with Community Leaders

Progressive marketing organizations often forge partnerships with key community figures such as church leaders, hoping to use them as spokespeople in the community. According to a 2004 Gallup Poll, more than two-thirds of those surveyed trust the ethics and integrity of their church leaders. Engage 360 will utilize these community leaders to deliver the campaign messages to their constituents and drive awareness when appropriate for Energy Savings Assistance Program. Engage 360 will forge new partnerships with community leaders, in addition to leveraging the extensive partnerships that already exist between utilities and key community organizations.

- Leveraging Engage 360 social media activities.** The social web has given rise to a new way of marketing: people are engaged in conversations online and markets have become conversations. The most trusted form of advertising today is a recommendation from another person 'just like me.' Engage 360 will tap into these conversations and determine where the audience is spending time online and what subjects and issues are of interest to them. To reach the consumer successfully Engage 360 will tell stories directly such as tips and how-to, co-creation with people and other groups, and curation of existing content—all in a way intended to spark conversations. When applicable, Energy Savings Assistance Program will become a part of those conversations.
- Incorporating Energy Savings Assistance Program messaging onto the Engage 360 website.** Engage 360.com will act as the knowledge library and information portal for the effort. Information and links for program sign up will be incorporated into website.

Attachment A-10.a.

Attachment A-10.a.

Impact Evaluation of the Energy Savings Assistance Program

Joint Utility Study (PG&E, SCE, SDG&E, SoCalGas)

The Joint Utilities will continue the required two-year program impact review with the Impact Evaluation of the Energy Savings Assistance Program. The primary objective of the study will be to estimate the first year electric and gas savings for the program for each utility, by housing type, and by measure group, and any other “scenario-building” or “planning-relevant” dimensions (e.g. household size, tenure) to assist the 2015-17 planning cycle of the program. Other savings impact-related program issues will likely be addressed as they arise during the program year. This study will occur in 2012-2014, after the completion of the 2011 program year and when a full year of post-installation billing data is available for 2011.

1. Overview Budget

	Total Cost	SDG&E Cost 15% of Total
Impact Evaluation of the Energy Savings Assistance Program	\$600,000	90,000

2. Brief Study Description

- The Joint Utilities propose to conduct an impact evaluation of the 2011 Energy Savings Assistance Program. The 2011 impact evaluation will not just provide savings estimates for a particular year and program implementation, but also inform future program planning.
- The 2011 Impact Evaluation will provide program savings at a needed disaggregation level for the purposes of projecting within meaningful categories of population, such as climate

zones, dwelling types, dwelling age, etc. Such a level of estimation is important for guiding current and future program delivery as well as determining program cost-effectiveness.

3. Study Rationale and Expected Outcome

- The study will provide a set of program energy savings estimates at a disaggregated level that will be used for both reporting purposes and future program development. In addition, it will provide useful information on participant energy consumption and characteristics. The study will also provide a comparison with the results from previous years, and, if needed, could provide rigorous examination of whether savings achieved in the 2011 program for given measure groups or measures are significantly different from previous years, adding a cumulative, knowledge-building aspect to the evaluation effort that has been missing in most work done in the previous two Impact Evaluations.
- D.03-10-041 specified that Energy Savings Assistance Program impact evaluations should occur every two years. The Joint Utilities completed an Impact Evaluation of the 2009 Program and, as such, will be implementing the next Impact Evaluation for the 2011 program.

4. Pilot or Study Implementation

The following implementation steps will be conducted for this study:

- Development of a detailed research plan to be submitted for approval to the joint utilities,
- Development of a sampling plan and weights,
- Data collection and verification,
- Development of a regression model for estimating energy savings,
- Analysis and evaluation of regression results, and
- Presentation of conclusions and recommendations.
- In addition, the study may include customer surveys or other data collection and analysis as approved by the Joint Utilities.
- The study will commence in 2012 and is expected to be completed in 2014.

5. Study Budget & Timing Table

While no proposal has been received, we anticipate the following evaluation activities to be cost drivers for this study:

Activity	Estimated Cost	Estimated Commencement
Review of current program implementation and delivery	\$2,500	March 2012
Review of program tracking data, measures, participant customer characteristics	\$2,500	March 2012
Review of prior impact studies and methodologies	\$2,500	March 2012
Interviews with program staff on future program planning issues	\$2,500	March 2012
Development of a data collection plan (sample design, sampling frames, data collection instruments) and an analysis plan (combination of statistical billing with engineering data) grounded in a sound theoretical rationale.	\$5,000	April 2012
Development of an Analysis Plan identifying appropriate combination of statistical billing and , engineering analyses)	\$5,000	April 2012
Development of draft and final Research Plans	\$5,000	May 2012
Gathering of billing data and secondary engineering data & preliminary analyses	\$10,000	May 2012
Refinement of an Analysis Plan & Preliminary Results review	\$10,000	June 2012
Primary Data collection through a combination of onsite, telephone, in person surveys, and Secondary Data collection (small geography demographic data)	\$300,000	June 2012
Full Data Analysis	\$150,000	Dec 2012
Reporting (early findings memos, draft and final reports & presentation of findings)	\$80,000	March 2013
<i>Final Report Completion</i>		<i>September 2013</i>
General Project management	\$25,000	ongoing

Attachment A-10.b.

Attachment A-10.b.

Energy Education Assessment for the Energy Savings Assistance Program

Joint Utility Study (PG&E, SCE, SDG&E, SoCalGas)

The purpose of the Education Assessment and Needs Analysis Study is to identify ways to optimize and/or improve the educational component of the Energy Savings Assistance Program. This study is intended to examine the current and potential value of the Education that is provided to participants of the Energy Savings Assistance Program.

1. Study Budget Table

Statewide Study	Total Cost	SDG&E Cost 15% of Total
Energy Education Assessment	\$300,000	\$45,000

2. Projected Pilot Impacts Table.

Not Applicable for Studies

3. Brief Study Description.

The Energy Education Assessment Study will examine current and potential practices related to the educational materials, delivery mechanisms, and relative value (and possible savings) associated with the education component of the Energy Savings Assistance Program. The specific research objectives may include one or more of the following:

Description of Study Objectives:

- Understand and improve practices related to the education delivery to customers, including, but not limited to (1) contractor training (2) contractor practices (3) customer responsiveness and needs. This would include examining how other similar programs deliver similar information and relevant “best practices” both in terms of customer and contractor experience. Assess opportunities for improving cost-effectiveness of how energy education is delivered.

- Examine and explore needs related to educational materials. The purpose of this piece of the project would be to look at the materials and explore other curriculums and best practices with regard to energy education. In addition, understanding what consumers need and want and how they can best receive this information. What do customers not know? Where is their knowledge lacking or erroneous? What do they “want” to know more about – to assist them in being more energy efficient? Explore customized education delivery – within and across households. While additional data collection may be warranted to understand this, some of this can be garnered from data already collected (but not yet analyzed) during the 2009-2011 program cycle.

-

4. **Pilot or Study Rationale and Expected Outcome**

- Research findings from the 2009-2011 program cycle¹ suggest that learning more about ways that we can maximize the benefit of our customer education may produce additional meaningful savings benefits for our low income customers. For example, the Process Evaluation recognizes that education delivery is not consistent across the utilities, yet more information is needed to determine the extent to which this difference is reflected in any overall savings. Likewise, the Segmentation and High Usage Needs Assessment Studies point to some general findings that show that customers are either oblivious to, don't know about, (or don't care about) things that are resulting in unusually high energy usage - a strong education component as the potential to assist in increasing customer knowledge and thereby mitigate actions that contribute to high usage that may be causing more energy burden for these Low Income customers.

¹ “Impact Evaluation of the 2009 California Low Income Energy Efficiency Program” conducted by EcoNorthwest for the CPUC (Draft Final Report issued March, 2011); California Low Income Energy Efficiency Program 2009-2010 Process Evaluation, conducted by Research Into Action for the CPUC, (Draft Final Report issued March,2011); and Low Income Energy Efficiency Program Household Segmentation Study, conducted by Hiner and Partners for SCE & PG&E, (Preliminary Draft Report available March 2011; and High Usage Needs Assessment, conducted by Hiner and Partners for SCE, (Preliminary Draft Report available March 2011).

- The joint IOUs recognize cursory findings from the Evaluations that suggest customers would benefit from more / different information and education at multiple phases of the program delivery including marketing and outreach, assessment and enrollment, and measure installation. The proposed study is expected to garner additional more in-depth data that would allow the IOUs to maximize the educational component of the program.
- Moreover, the educational component of the Energy Savings Assistance Program has the capability to take on a more significant role within the program with the introduction of and potential of the Smart Meter technology as well as National and Statewide strategic initiatives become increasingly directed towards inciting long term behavior and attitude changes in customers to reach long-term GHG goals.
- Given how the program is delivered (in person/one-on-one), relative to other types of programs, social science research suggests that the Energy Savings Assistance Program has the potential to induce knowledge, attitude and behavior changes related to energy efficiency.
- In addition, understanding customer attitudes toward program messages and energy saving opportunities will inform marketing and outreach plans which will help achieve penetration goals.
- This combination of factors suggests the need for a more focused evaluation effort on the education component of the Energy Savings Assistance Program.

1. **Pilot or Study Implementation**

- Development of the Request for Proposals, Solicitation of Bids, Award of Research Project
- Development of a detailed research plan (by proponent contractor)
- Data collection methods and analyses plan.
- Types of data collection and analyses may include:
 - Program Delivery analyses (contractor interviews & surveys; staff interviews; customer interviews; training material and practice review; literature and other program review)

- Curriculum analyses & best practices (training material and practice review; comparative material review (w/ other programs and based on cost & assessed value)
- Customer needs assessment for education and marketing (contractor interviews & surveys; staff interviews; customer interviews; in home assessments; secondary review of other RASS, ME&O, etc research on relevant issues for this population AND national & state trends)
- Data Analysis
- Presentation of conclusions and recommendations.

5. Study Budget & Timing Table

While no proposal has been received, we anticipate the following evaluation activities to be cost drivers for this study:

Activity	Estimated Cost	Estimated Timing
Review of current program implementation and delivery, and materials	\$5,000	March 2012
Development of a detailed research plan	\$5,000	April 2012
Data collection methods and analyses plan.	\$5,000	May 2012
Primary and Secondary Data Collection which may include:	\$170,000	June 2012
<ul style="list-style-type: none"> • Program Delivery analyses (interviews & surveys; literature and other program review) • Curriculum analyses & best practices (training material and practice review) • Customer needs assessment for education and marketing (interviews & surveys; in home assessments; focus groups, secondary review of existing data) 		
Data Analysis	\$50,000	Dec 2012
Reporting (early findings memos, draft and final reports)	\$50,000	April 2013
General Project management	\$15,000	ongoing

Attachment A-11

"Revised Attachment G" - 3 Measure Minimum - Measures That Qualify for One Measure Installation

PY 2012 - 2014 LIEE Planning Assumptions
 San Diego Gas & Electric Company

Measures	Units	PY 2012 Planned					PY 2013 Planned					PY 2014 Planned				
		Quantity Installed	kWh (Annual)	kWh Savings	Therms (Annual)	Therms Savings	Quantity Installed	kWh (Annual)	kWh Savings	Therms (Annual)	Therms Savings	Quantity Installed	kWh (Annual)	kWh Savings	Therms (Annual)	Therms Savings
Appliances																
High Efficiency Clothes Washer	Each	1,467	21,453	15	52,836	36	1,467	21,453	15	52,836	36	1,467	21,453	15	52,836	36
Refrigerators	Each	3,608	2,415,018	669	-	-	3,260	2,632,991	808	-	-	3,109	2,268,767	730	-	-
Microwaves	Each	607	424,178	699	-	-	607	424,178	699	-	-	607	424,178	699	-	-
Domestic Hot Water																
Water Conservation Measures																
Water Heater Blanket	Home	870	731	1	2,805	3	870	731	1	2,805	3	870	731	1	2,805	3
Low Flow Shower Head	Home	14,491	17,274	1	44,359	3	14,491	17,274	1	44,359	3	14,491	17,274	1	44,359	3
Water Heater Pipe Insulation	Home	1,790	2,070	1	3,288	2	1,790	2,070	1	3,288	2	1,790	2,070	1	3,288	2
Faucet Aerator	Home	15,192	10,564	1	27,366	2	15,192	10,564	1	27,366	2	15,192	10,564	1	27,366	2
Water Heater Repair/Replacement	Each	48	-	-	-	-	48	-	-	-	-	48	-	-	-	-
Thermostatic Shower Valve	Each	5,800	104,538	18	75,317	13	5,800	104,538	18	75,317	13	5,800	104,538	18	75,317	13
Enclosure																
Envelope and Air Sealing*																
Caulking	Home	12,949	149,832	12	31,017	2	12,949	149,832	12	31,017	2	12,949	149,832	12	31,017	2
Weatherstripping	Home	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minor Home Repair	Home	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility Gaskets	Home	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attic Access Weatherstripping	Home	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Evaporative Cooler Cover	Home	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AC Vent Cover	Each	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attic Insulation	Home	551	866	2	1,875	3	551	866	2	1,875	3	551	866	2	1,875	3
HVAC																
FAU Standing Pilot Light Conversion	Each	300	-	-	12,732	42	300	-	-	12,732	42	300	-	-	12,732	42
Furnace Repair/Replacement	Each	2,564	-	-	-	-	2,564	-	-	-	-	2,564	-	-	-	-
Room A/C Replacement	Each	437	4,221	10	-	-	437	4,221	10	-	-	437	4,221	10	-	-
Central A/C Replacement	Each	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heat Pump Replacement	Each	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Evaporative Coolers (Replacement)	Each	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Evaporative Coolers (Installation)	Each	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Duct Testing and Sealing	Home	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance																
Furnace Clean and Tune	Home	9,120	-	-	32,131	4	9,120	-	-	32,131	4	9,120	-	-	32,131	4
Central A/C Tune-up	Home	32	7,635	239	-	-	32	7,635	239	-	-	32	7,635	239	-	-
Evaporative Cooler Maintenance	Home	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lighting																
Compact Fluorescent Lights (CFLs)	Each	101,707	1,865,959	18	-	-	101,707	1,865,959	18	-	-	101,707	1,865,959	18	-	-
Interior Hard wired CFL fixtures	Each	11,474	559,007	49	-	-	11,474	559,007	49	-	-	11,474	559,007	49	-	-
Exterior Hard wired CFL fixtures	Each	2,773	130,858	47	-	-	2,773	130,858	47	-	-	2,773	130,858	47	-	-
Torchiere	Each	6,405	1,223,444	191	-	-	6,405	1,223,444	191	-	-	6,405	1,223,444	191	-	-
Occupancy Sensor	Each	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LED Night Lights	Each	50,000	511,000	10	-	-	50,000	511,000	10	-	-	50,000	511,000	10	-	-
Miscellaneous																
Smart Strip	Each	10,000	750,000	75	-	-	10,000	750,000	75	-	-	10,000	750,000	75	-	-
Pool Pumps	Each	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pilots																
	Each	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Enrollment																
Outreach & Assessment	Home	20,000	-	-	-	-	20,000	-	-	-	-	20,000	-	-	-	-
Customer Incentives	Customer	10,000	-	-	-	-	10,000	-	-	-	-	10,000	-	-	-	-
Contractor Incentives	Customer	1,875	-	-	-	-	1,875	-	-	-	-	1,875	-	-	-	-
In-Home Education	Home	18,836	-	-	-	-	18,836	-	-	-	-	18,836	-	-	-	-

* The energy savings for Envelope Air Sealing measures are bundled for 2012-2014. Envelope and Air Sealing measures include: Caulking, Weatherstripping, Utility Gaskets, Attic Access Weather Stripping, Evaporative Cooler Cover, AC Vent Cover, and Minor Home Repair.

Reflects measures that can be installed as one measure.

Attachment A-12

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the
Commission's Own Motion to Address the
Issue of Customers' Electric and Natural
Gas Service Disconnection.

Rulemaking 10-02-005
(Filed February 4, 2010)

**JOINT MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902E),
THE SOUTHERN CALIFORNIA GAS COMPANY (U 904G), DISABILITY RIGHTS
ADVOCATES, THE DIVISION OF RATEPAYER ADVOCATES, THE GREENLINING
INSTITUTE, THE NATIONAL CONSUMER LAW CENTER, AND THE UTILITY
REFORM NETWORK FOR ADOPTION OF THE SETTLEMENT AGREEMENT**

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Rulemaking 10-02-005
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**JOINT MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902E),
THE SOUTHERN CALIFORNIA GAS COMPANY (U 904G), DISABILITY RIGHTS
ADVOCATES, THE DIVISION OF RATEPAYER ADVOCATES, THE GREENLINING
INSTITUTE, THE NATIONAL CONSUMER LAW CENTER, AND THE UTILITY
REFORM NETWORK FOR ADOPTION OF THE SETTLEMENT AGREEMENT**

Pursuant to Rule 12.1 *et seq.* of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, San Diego Gas & Electric Company ("SDG&E" or the "Utility"), Southern California Gas Company ("SoCalGas" or the "Utility"), (collectively, SDG&E and SoCalGas are referred to as the "Utilities"), Disability Rights Advocates, The Division Of Ratepayer Advocates, The Greenlining Institute, The National Consumer Law Center, and The Utility Reform Network, (collectively, "Intervenors" and together with the Utilities, the "Settling Parties"),¹ request that the Commission adopt and find reasonable the Residential Disconnection Settlement Agreement ("Settlement Agreement"), attached hereto as Appendix A.

I. BACKGROUND

On February 5, 2010, the California Public Utilities Commission ("Commission") opened this rulemaking to reexamine utility disconnection rules and practices, so as to reduce customer disconnections by improving customer notification and education. The rulemaking required all

¹ Although City and County of San Francisco ("CCSF") did not sign the Settlement Agreement, it was actively involved in the negotiations and documentation of the Settlement Agreement, and has indicated that it strongly supports the Agreement.

of the California investor-owned utilities (“IOUs”)—SDG&E, SoCalGas, Pacific Gas and Electric Company (“PG&E”), and Southern California Edison Company (“SCE”) – to implement the following interim practices:

- Customer service representatives (“CSRs”) must inform any customer that owes an arrearage on a utility bill that puts the customer at risk for disconnection that the customer has a right to arrange a bill payment plan extending for a minimum of three months the period in which to pay the arrearage. CSRs may exercise discretion as to extending the period in which to pay the arrearage from three months up to twelve months depending on the particulars of a customer’s situation and ability to repay the arrearage. CSRs may work with customers to develop a shorter repayment plan, as long as the customer is informed of the three month option. Customers must keep current on their utility bills while repaying the arrearage balance.
- Once a customer has established credit as a customer of that utility, the utility must not require that customer to pay additional reestablishment of credit deposits with the utility for either slow-payment/no-payment of bills or following a disconnection.
- Utilities were authorized to establish memorandum accounts using Tier 1 Advice Letters to track any significant additional costs, including operations and maintenance charges associated with implementing the customer practices, and any uncollectable expenses that exceed those projected in the utility’s last General Rate Case (“GRC”).

The rulemaking established a Preliminary Scoping Memo, which outlined issues to be considered, required the IOUs to file monthly reports of specific disconnection data, and provided utilities and parties an opportunity to comment on the interim practices and address other issues in the Preliminary Scoping Memo. Furthermore, R.10-02-005 directed the IOUs to file Tier 3 Advice Letters to establish a new fund using California Alternate Rates for Energy (“CARE”) funds as matching funds to apply for federal funds available through the Temporary Assistance to Needy Families (“TANF”) Emergency Contingency Fund.²

² R.10-02-005 also directed the IOUs to propose a uniform billing/accounting methodology that ensures that the customer receives proper credit for monies paid.

Opening and reply comments to the rulemaking were filed by parties on March 12, and April 2, 2010, respectively. In May 2010, the Settling Parties met to discuss the possibility of settlement. For the next two months, the Settling Parties continued to meet regularly to explore settlement. During this time period, the Commission issued a Proposed Decision on June 17, 2010, and on July 29, 2010, the Commission issued Decision (“D.”) 10-07-048 (the “Decision”) to address Phase I of the proceeding. D.10-07-048 adopts customer service, billing, and communications practices that are intended to have minimal cost implications. Specifically, the Decision:

1. Continues the requirement that all PG&E, SDG&E, SCE, and SoCalGas CSRs must inform any customer that owes an arrearage on a utility bill that puts the customer at risk for disconnection that the customer has a right to arrange a bill payment plan extending for a minimum of three months the period in which to repay the arrearage.
2. Continues to allow these CSRs the discretion to extend the period in which to pay the arrearage from three months up to twelve months.³
3. Provides that CARE and Family Electric Rate Assistance (“FERA”) customers in the PG&E, SDG&E, SCE, and SoCalGas service territories are not required to pay additional reestablishment of credit deposits with a utility for either slow-payment/no-payment of bills or following a disconnection.
4. Provides that medical baseline or life support customers shall not be disconnected without an in-person visit from a utility representative.
5. Directs SDG&E and SoCalGas to develop an automatic payment plan that allows new customers or reconnecting customers a payment option that is in lieu of a cash deposit for credit. Requires PG&E and SCE to continue to offer their non cash credit deposit options to all new customers and those required to post a reestablishment of credit deposit following a disconnection.
6. Directs PG&E, SDG&E and SCE to collect from customers a reestablishment of credit deposit following a disconnection based on twice the average monthly bill, rather than twice the maximum monthly bill. Requires SoCalGas to continue its current reestablishment of credit deposit amount of a two times the monthly average bill.

³ The Decision notes that while each utility may implement a repayment plan exceeding 12 months, the Commission is only requiring a 3 month extension to the repayment plan schedule D.10-07-048, at note 3.

7. Directs SoCalGas and SDG&E to waive reestablishment of credit deposits for late payment of bills. Requires PG&E and SCE to continue their practice of not collecting credit deposits for late payment of bills.
8. Directs PG&E and SCE to provide a field representative who can collect on a bill during an in-person visit prior to disconnection for medical baseline or life support customers. Requires SDG&E and SoCalGas to continue this practice.
9. Directs PG&E, SCE, SDG&E and SoCalGas to implement these customer service disconnection practices by October 1, 2010.
10. Directs SoCalGas, SDG&E, SCE and PG&E to recommend to the Commission, by October 1, 2010, uniform notice of disconnection procedures.
11. Authorizes PG&E, SCE, SDG&E and SoCalGas to charge significant costs associated with complying with the new practices in this decision to their disconnection memorandum accounts (“DAM”); however, the recovery of costs tracked in the DAM will be reviewed in the utilities’ next General Rate Cases (“GRCs”).⁴
12. Continues the disconnection data reporting requirements adopted in the rulemaking, and adds other data reporting requirements.⁵

As a result of their progress, the Settling Parties were able to reach an agreement in principle on July 23, 2010. On July 28, 2010, the Settling Parties noticed a settlement conference pursuant to Rule 12.1 of the Commission’s Rules of Practice and Procedure, and a settlement conference was convened on August 5, 2010. Participating parties were the Settling Parties, PG&E, SCE, and the CCSF. After the settlement conference, the Settling Parties continued to diligently pursue settlement. These efforts resulted in the Residential

⁴ The Decision directs that these customer service practices shall be in effect until the effective date for each utility’s next GRC, which is anticipated to be January 1, 2012. D.10-07-048, at p. 25.

⁵ In the second phase of the proceeding, the Commission will address additional issues, regarding: 1) cost recovery, 2) third-party language services, 3) remote disconnection protocol, 4) a means to limit CARE-customer disconnections, 5) the definition and identification of sensitive customers, 6) the increased role of CSRs, 7) disconnection notice practices, 8) deposit rules for certain customers demonstrating bad faith, 9) the discrepancy between the disconnection rates of PG&E and SCE, as compared to SDG&E and SoCalGas, 10) uniform billing and accounting methodology, and 11) customer choice of a monthly bill date. D.10-07-048, at pp. 27-28.

Disconnection Settlement Agreement, which the Settling Parties are filing as Appendix A to this Motion, and concurrently with a Petition to Modify D.10-07-048.

II. SUMMARY OF THE RESIDENTIAL DISCONNECTION SETTLEMENT AGREEMENT

A. The Residential Disconnection Settlement Agreement Resolves All Phase I and Phase II Issues, as They Relate to SDG&E and SoCalGas

The Settlement Agreement directly advances the rulemaking's goal of reducing residential service disconnections, by improving customer notification and education. The Settlement Agreement also includes enhanced reporting requirements and performance-based residential disconnection benchmarks, which will allow the Commission, the Utilities, Consumer Groups, and other stakeholders a better opportunity to evaluate the Utilities' success in assisting customers to reduce disconnections. The performance-based disconnection benchmarks not only establish a reference point from which to evaluate the Utilities' efforts and the extent to which the hardship being experienced by customers has been sufficiently mitigated, they also create incentives for SDG&E and SoCalGas to maintain their relatively low residential disconnection rates. The Settlement Agreement incorporates further additional customer service and communications practices, policies, and protocols to address additional issues articulated in, or related to, this rulemaking.

B. Summary of the Provisions of the Settlement Agreement

Section I of the Settlement Agreement describes the parties, and provides the background to the settlement. Section II contains the main provisions of the Settlement Agreement. As noted in Section II.A, the Settlement Agreement is effective upon Commission approval, through December 31, 2013, unless the Settling Parties agree to extend the terms of the Settlement Agreement. Section II.B establishes the performance-based disconnection benchmarks, and describes how the benchmarks are calculated. This Section also discusses when the Utilities are

deemed to fall below or exceed their disconnection benchmarks, and the consequences in each instance. Section II.C discusses Utility cost recovery.

Section II.D memorializes the Utilities' extreme weather policies. Exhibit 2 details the specifics of the extreme weather policies. Section II.E describes the Utilities' continued commitment to delivering 48-hour notices in the field. In Section II.F, the Utilities agree to increase and enhance their efforts to effectively communicate with customers to help further reduce residential disconnections. Section II.G memorializes the Utilities' obligations in connection to remote disconnections. In Section II.H, the Settling Parties agree to meet quarterly to review the Utilities' performance and discuss other related issues. In Section II.I, the Settling Parties agree to consolidate the Utility Collection Activity Report and R.10-02-005 Disconnection Data Report into a single report. Exhibit 3 provides the reporting requirements. Finally, in Section II.J, the Settling Parties agree that they may mutually consent to other specific measures to advance the Commission's objectives, as stated in this rulemaking.

Section III sets forth the Reservations of the Settling Parties in entering into this Settlement Agreement. The Settling Parties request that the Commission adopt the Settlement Agreement without modification.

Section IV sets forth a sundry of provisions regarding implementation of the Settlement Agreement, regulatory approval, waiver, amendments, etc.

The material provisions of the Settlement Agreement are summarized below; however, the Settlement Agreement is the governing document over this summary in case of any unintended inconsistency.

1. The All Residential and CARE-Only Disconnection Benchmarks

Section II.B.1 establishes two performance benchmarks for residential service disconnections: one for all residential customers and one for CARE-only customers. SDG&E's

benchmark for all residential customers is 2.08%; SDG&E's benchmark for CARE-only customers is 3.44%. SoCalGas' benchmark for all residential customers is 3.36%; SoCalGas' benchmark for CARE-only customers is 4.32%.

2. When Disconnection Benchmarks Must Be Reported and How They Are Calculated

Section III.B.2 provides that the Utilities must report their disconnection rates each month, and describes how the annual and monthly disconnection rates are calculated. The annual disconnection rates for all residential customers are calculated by dividing the total disconnections for all residential customers, for the most recent 12 months, by the average number of active residential customer accounts, over the same 12 month period. Likewise, the annual disconnection rates for CARE-only customers are calculated by dividing the total disconnections for CARE-only customers, for the most recent 12 months, by the average number of active CARE-only customer accounts, over the same 12 month period.

The monthly disconnection rates for all residential customers are calculated by dividing the total monthly disconnections for all residential customers by the number of active residential accounts for that month. The monthly disconnection rates for CARE-only customers are calculated by dividing the total monthly disconnections for CARE-only customers by the number of active CARE-only customer accounts for that month. Exhibit 1 of the Settlement Agreement provides a sample calculation of the annual and monthly disconnection rates.

3. Basis for the Disconnection Rate Calculations

Pursuant to Section II.B.3, the annual and monthly all residential customer and CARE-only disconnection benchmarks will be based on the consolidated Utility Collection Activity Report and R.10-02-005 Disconnection Data Report, available no later than the 25th of the subsequent month.

4. When a Utility Will Be Deemed to Fall Below the Disconnection Benchmark

Section II.B.4 describes that a Utility will be deemed to fall below either disconnection benchmark (all residential customers or CARE-only benchmark), if the annual disconnection rate, as calculated through the end of May and through the end of November each year, is less than or equal to the established benchmark, and if the monthly disconnection rate does not exceed $1/12^{\text{th}}$ of 120% of the established benchmark for any two consecutive months.

5. Implications if a Utility Falls Below the Disconnection Benchmark

So long as a Utility's disconnection rates are less than or equal to the established benchmarks, Section II.B.4 allows the Utility to implement its various discretionary credit and collections-related practices, as deemed necessary.

6. When a Utility Is Deemed to Exceed the Disconnection Benchmark

Section II.B.5 describes that a Utility will be deemed to exceed, i.e. fail to meet, the disconnection benchmark (either all residential customers or CARE-only benchmark), if the annual disconnection rate, as calculated through the end of May and through the end of November each year, is greater than the established benchmark, or if the monthly disconnection rate in any two consecutive months is greater than $1/12^{\text{th}}$ of 120% of the established benchmark.

7. Implications if a Utility Exceeds the Disconnection Benchmark

If a Utility exceeds the disconnection benchmark, Section II.B.5 requires the Utility to implement certain mandatory measures, until the next May or November checkpoint, described in Section II.B.5, for which the annual shutoff rate is less than or equal to the benchmark. These measures will apply to all residential customers in the event the All Residential benchmark is exceeded. In the event only the CARE-only benchmark is exceeded, these measures will apply to all CARE, FERA, and Medical Baseline customers, and customers self-identified as disabled.

8. Description of the Mandatory Measures that Apply When a Disconnection Benchmark Is Exceeded

Sections II.B.5.a and II.B.5.b detail that the mandatory measures consist of minimum payment arrangements of 3 months and limited re-establishment of credit deposit requirements.

9. Minimum Payment Arrangement Requirements

Section II.B.5.a provides that with respect to payment arrangements, the Utility must offer a minimum three-month period, and not unreasonably withhold payment arrangements of up to 12 months. The Utility must educate its CSRs so that they may enter into longer payment plans, if appropriate. The Utility must offer payment plans at every stage of the collections process, including restoration and transfer of service.

Section II.B.5 further states that if a customer defaults on an initial payment arrangement, the Utility will provide adequate notice and information about the availability of a renegotiated payment plan. This notice and information will be provided by the Utility on the insert accompanying 48-hour notice to the customer per Section II.E of the Settlement Agreement. The Utility must offer a second payment arrangement for a minimum of the remaining term of the original payment arrangement. The Utility may offer subsequent reasonable renegotiated payment arrangements. For CARE, FERA, Medical Baseline, and customers self-identified as disabled, if the customer defaults on a payment arrangement, the Utility must offer a second payment arrangement of equal or greater repayment term as the first agreement.

10. Limited Re-Establishment of Credit Deposit Requirements

With respect to re-establishment of credit deposit requirements, Section II.B.5.b states that the Utility must not require a re-establishment of credit deposit for customers whose service has been disconnected involuntarily due to non-payment and who pay their outstanding bills

within five months, except where the Utility determines that fraud has occurred pursuant to SoCalGas Rule 16.B or SDG&E Rule 18.D.

For customers whose service was terminated voluntarily, or in cases where there has been a break in service in excess of two years, the Utility may still require the applicable deposit.

Section II.B.5.b further states that residential deposits may not exceed twice the average monthly bill as estimated by the Utility. Customers required to pay such a deposit shall be permitted to amortize the deposit over a period of three months. The Utility will not require any residential customer to pay a re-establishment of credit deposit solely on the basis of late/slow payment.

In cases of customers in bankruptcy, a re-establishment of credit deposit that is required of customers in bankruptcy must be consistent with Section 366 of the Federal Bankruptcy Code, 11 U.S.C. § 366 and must be assessed in a manner that is reasonable and nondiscriminatory.

11. Applicable Utility Cost Recovery

Section II.C.1 provides that effective through the Settlement Term, the Utilities will not seek incremental operating and maintenance (“O&M”) costs resulting from implementing the Commission’s Orders in R.10-02-005, this Settlement Agreement, or in the event the Utility exceeds the benchmarks established in Section III.B of the Settlement Agreement.

Section III.C.2 also states that for the 12-month period beginning the first of the month on or after the Settlement Agreement’s effective date, cost recovery for uncollectible costs will be granted for up to \$600,000 for SoCalGas and \$300,000 for SDG&E of the residential uncollectible expenses that exceed the residential uncollectible expense for the period 08/01/09 through 07/31/10. In the event of cost recovery for uncollectible expenses, SoCalGas and SDG&E will record the costs in the Utilities’ respective Disconnection Memorandum Accounts (“DMA”), which were authorized in R.10-02-005. The DMA balances will be recovered in rates

in the Utilities' Annual Regulatory Update filings, which are submitted in October of each year for rates effective January 1 of the following year.

12. Utility Extreme Weather Policy

Section II.D establishes an extreme weather policy, whereby SDG&E and SoCalGas agree not to disconnect residential customers for nonpayment in the event the temperature reaches at or above 100 degrees F or at or below 32 degrees F for SDG&E, or at or below 32 degrees F for SoCalGas.

13. Utility Protocol for Delivering 48-Hour Notices

In Section II.E.1, SDG&E agrees to continue field delivery of residential 48-hour disconnect notices and in-person disconnection for non-payment except this policy is modified for remote disconnect implementation as described in Section II.G of the Settlement Agreement.

In Section II.E.2, SoCalGas agrees to continue in-person disconnection for non-payment and field delivery of residential 48-hour disconnect notices for customers vulnerable to health and safety risks, that is: 1) customers who self-identify that they or a full-time resident of the customer's household is elderly (age 62 or older) and that disconnection of service could be life threatening to that individual, 2) customers who receive Medical Baseline allowances, 3) customers who self-identify that they or a full-time resident of the customer's household is a person with a disability, including those customers who the Utility identifies in order to reach the D.08-11-031 Low Income Energy Efficiency ("LIEE") goal that 15% of the LIEE households served be disabled, and 4) customers who self-identify that they or a full-time resident of the customer's household has a serious illness, defined as a condition that could become life threatening if service is disconnected.

14. In-Language 48-Hour Notices

In Section II.F.1, SDG&E and SoCalGas agree to implement multi-language, large print 48-hour Notice inserts in English, Spanish, Chinese (Mandarin and Cantonese), Vietnamese, Korean, and Tagalog, as well as large print (at least 16 point sans serif font) in English, to provide customers with instruction and contact information regarding how to obtain assistance. The text of the document shall read: “You are at risk for disconnection. We can help. You may be eligible for a payment plan. Please call (insert appropriate CSR number for that language).”

15. Pre-Disconnection Customer Telephone Communications

Section II.F.2 describes the Utilities’ agreement to continue to make pre-disconnection calls to customers encouraging them to contact the Utility for payment arrangements and assistance. At SoCalGas, this call will be made 48 hours prior to disconnection in an automated fashion, but, when answered, handled by a live agent who will explain the urgency and offer payment arrangements and assistance. Unanswered calls will continue to receive a written notice.

At SDG&E, an Out Bound Call will be placed to delinquent CARE/FERA or CARE/FERA-qualified customers who do not have an active payment arrangement. The call will occur three business days after the disconnection notice is delivered. The call describes the services available to the customer.

16. Customer-Requested Braille Bills and 48-Hour Notices

Consistent with Section II.F.3, the Utilities will provide Braille Bills and Braille 48-Hour Notices upon request from customers. Customers may request such format through a call center agent. After the initial call is made, future bills will be sent automatically in Braille. Implementation will occur 30 days after approval of the Settlement. Braille Bills will only translate specific, relevant payment-related information, not all other messaging or non-payment related information. Braille 48-Hour Notices will also be mailed to customers requesting utility

bills in Braille. The Braille-translated 48-Hour Notice will be in conjunction with the system-generated, non-Braille notice they receive and may not be received the same day; however, the collections cycle will be adjusted in the customers' favor to accommodate the timing difference.

17. Provision of Large Print Bills

Section II.F.5 describes that the Utilities will provide large print bills through their websites for customers enrolled in "My Account." Utility websites will be updated with instructions for accessing and modifying the electronically produced bill in large font. Customers unable to access the Internet or otherwise unable to manage modifying electronically presented bills may contact the call center for agent assistance. Implementation will occur 30 days after approval of the Settlement.

18. Automated Message Options

Pursuant to Sections II.F.6 and II.F.7, the Utilities will offer all customers the option of having automated messages repeated either through a selection to hear the message again or it will automatically repeat if the customer does not terminate the call. Implementation will occur 30 days after approval of the Settlement Agreement.

Consistent with Section II.F.7, the Utilities will ensure that automated calls providing information regarding service disconnection maximize accessibility as follows: (1) for SoCalGas, all messages will have an option to be repeated; (2) to the extent that it is consistent with 47 USC Sec. 227 (The Telephone Consumer Protection Act of 1991), and to the extent that the machines delivering the call have the capability to deliver text messages, messages containing the same information as the audio message will be loaded for delivery; (3) to the extent that the machines delivering the call do not have the capability to deliver text messages, any new machines purchased shall include this capability, which will be put into use immediately upon the new machines going into service.

19. Sign Language and Relay Service Training for Utility Field Representatives

Section II.F.8 provides that the Utilities will ensure that workers conducting field visits are trained to communicate effectively with customers who use sign language, including through use of relay services if appropriate.

20. Sign Language and Relay Service Training for Utility CSRs

Section II.F.9 states that the Utilities will ensure that CSRs are trained to respond appropriately to incoming calls made using relay services, including assurances that they will not be penalized for the length of relay calls.

21. Utility Remote Disconnect Policies

In Section II.G, SDG&E agrees to implement a 12-month transition process during at least the first 12 months following the installation of each smart meter, whereby remote disconnections will not be allowed except if the customer initiates a termination of service request to the Utility. If and when remote disconnect commences, SDG&E will continue current notification procedures, including the in-person field delivery of the 48 hour notice, during which time the field staff will attempt to make contact with the customer.

In Section II.G.4, SDG&E agrees that remote disconnect will not be used for customers who are particularly vulnerable to the health and safety risks associated with the loss of utility service, i.e., self-identified seniors (age 62 or older), self-identified disabled customers, Medical Baseline customers, Life Support customers, or other customers who self-certify that they or a full-time resident of the customer's household has a serious illness, defined as a condition which could become life threatening if service is disconnected.

In Section II.G.5, SDG&E and SoCalGas agree that gas service will not be remotely disconnected, and in Section II.G.6, SDG&E agrees not to charge customers for remote disconnection and reconnection prior to the implementation of its next GRC.

22. Stakeholder Dialogue

In Section II.H, the Settling Parties agree to meet no less than quarterly to review Utility performance and to discuss other related issues. Prior to the expiration of the Settlement Agreement, the Settling Parties agree to meet to discuss the extension, termination, and/or modification of the Agreement, including rate case issues relative to SoCalGas' and SDG&E's post-2012 GRCs.

23. Reporting of Disconnection Data

Consistent with Section II.I, the Settling Parties agree to consolidate the Utility Collection Activity Report and R.10-02-005 Disconnection Data Report into single monthly report due on the 25th of each month through the Settlement Term.

24. Other Mutually Agreeable Measures to Further the R.10-02-005 Objectives

Pursuant to Section II.J.1, the Settling Parties agree that they may mutually agree to other specific measures in their efforts to support the Commission's objectives, as stated in R.10-02-005, but shall be under no obligation to support such additional measures, including the potential additional measure discussed in the next paragraph.

Section III.J.2 describes that a potential additional measure may include expanding the Commission's Telecommunications Education and Assistance in Multiple-Languages ("TEAM") program to include energy bills. The TEAM program provides in-language bill education and customer outreach to telecommunications customers who are not proficient in English.

III. REQUEST FOR ADOPTION OF THE SETTLEMENT AGREEMENTS

The Settlement Agreement is submitted pursuant to Rule 12.1 *et seq.* of the Commission's Rules Practice and Procedure. The Settlement Agreement is consistent with Commission decisions on settlements, which express the strong public policy favoring settlement of disputes if they are fair and reasonable in light of the whole record.⁶ This policy supports many worthwhile goals, including conserving scarce Commission resources, and allowing parties to reduce the risk that litigation will produce unacceptable results.⁷ This strong public policy favoring settlements also weighs in favor of the Commission resistance to altering the results of the negotiation process. As long as a settlement taken as a whole is reasonable in light of the record, consistent with the law, and in the public interest it should be adopted without modification.

The Settlement Agreement complies with Commission guidelines and relevant precedent for settlements. The general criteria for Commission approval of settlements are stated in Rule 12.1(d), which states:

The Commission will not approve settlements, whether contested or uncontested, unless the settlement is reasonable in light of the whole record, consistent with law, and in the public interest.

The Settlement Agreement meets the criteria for a settlement pursuant to Rule 12.1(d), as discussed below.

A. The Settlement Agreement Is Reasonable In Light of the Record as a Whole

The Settling Parties have reached the Settlement Agreement after filing numerous comments and reply comments setting forth their legal and policy arguments on the issues in this proceeding, conducting research, participating in a workshop to discuss the parties' positions on

⁶ See, e.g., D.88-12-083 (30 CPUC 2d 189, 221-223) and D.91-05-029 (40 CPUC 2d, 301, 326).

⁷ D.92-12-019, 46 CPUC 2d 538, 553.

the issues, presenting the parties' positions at a Commission en banc meeting, having the opportunity to evaluate their respective positions on the issues, and after having many informal discussions regarding the merits of the issues. Each Settling Party has obtained substantial information on the other Settling Parties' positions on the issues. Armed with that information, the Settling Parties strongly believe that the Settlement Agreement accomplishes mutually acceptable outcomes regarding the customer education and notification procedures to help reduce residential service disconnections.

The Settlement Agreement addresses all material issues in Phase I and II of this proceeding. The filings of the parties in this proceeding, the workshop record, including party presentations, the Settlement Agreement itself, the Petition to Modify D.10-07-048, and this motion provide the necessary record for the Commission to find the Settlement Agreement reasonable. Thus, the Settlement Agreement represents a reasonable compromise of the Settling Parties' positions.

B. The Settlement Agreement Is Consistent with Law and Prior Commission Decisions

The Settling Parties represent that Settlement Agreement is fully consistent with law and prior Commission decisions. The Settlement Agreement is also consistent with the Commission's objectives in this rulemaking to reduce residential disconnections by improving customer notification and education. The Settling Parties are not aware of any basis on which it could be alleged that the Settlement Agreement is not consistent with law. The Settling Parties reached agreement in accordance with Rule 12.1 of the Commission's Rules of Practice and Procedure.

C. The Settlement Agreement Is in the Public Interest

The Settlement Agreement is a reasonable compromise of the Settling Parties' respective positions. The Settlement Agreement is in the public interest because it enables the Utilities to advance the Commission's goal of reducing residential disconnections, without unduly overburdening other ratepayers.

In addition, the Settlement Agreement, if adopted by the Commission, will reduce the Commission resources that must be devoted to resolving the issues in this proceeding regarding the residential disconnections, as they relate to SDG&E and SoCalGas. The saved resources of the Commission may then be devoted to matters that involve greater costs or policy issues. Given that the Commission's workload is extensive, the impact on Commission resources is doubly important.

Each portion of the Settlement Agreement is dependent upon the other portions of such Settlement Agreement. Changes to one portion of such Settlement Agreement would alter the balance of interests and the mutually agreed upon compromises and outcomes which are contained in the Settlement Agreement. As such, the Settling Parties request that the Settlement Agreement be adopted as a whole by the Commission, as it is reasonable in light of the whole record, consistent with law, and in the public interest.

For the foregoing reasons, the Commission should find that the Settlement Agreement represents a reasonable resolution of the issues identified in this proceeding, is in the public interest, and is consistent with law and previous Commission decisions.

D. The Settling Parties Have Complied with the Requirements of Rule 12.1(b)

The Settling Parties noticed the convention of a settlement conference on July 28, 2010, and convened the settlement conference on August 5, 2010 to describe and discuss the terms of the Settlement Agreement. The settlement conference was attended by representatives of

Settling Parties as well as by PG&E, SCE and CCSF. The Settlement Agreements were executed after the settlement conference on September 8, 2010.

E. The Settlement Agreement Does Not Prejudice Any Non-Signing Party

The Settlement Agreement is without prejudice to any active party in this proceeding who is not a party to the settlement. Although CCSF did not sign the Settlement Agreement, they were actively involved in the negotiations and documentation of the Settlement Agreement, and have indicated that they do not oppose it.

IV. CONCLUSION

WHEREFORE, the Settling Parties respectfully request that the Commission:

- 1. Grant this motion approving the Settlement Agreement as soon as possible, but no later than the October 14, 2010 Commission meeting,
- 2. Suspend the procedural schedule in this proceeding as it applies to SDG&E and SoCalGas, and
- 3. Adopt the attached Settlement Agreement in its entirety and without modification as reasonable in light of the record, consistent with law, and in the public interest.

Respectfully submitted,

DISABILITY RIGHTS ADVOCATES

**THE DIVISION OF RATEPAYER
ADVOCATES**

By: /s/
 MELISSA W. KAZNITZ

By: /s/
 HARVEY Y. MORRIS

THE GREENLINING INSTITUTE

THE NATIONAL CONSUMER LAW CENTER

By: _____
 /s/
 SAMUEL KANG

By: _____
 /s/
 JOHN HOWAT

By: _____
 /s/
 DARLENE R. WONG

**SAN DIEGO GAS & ELECTRIC COMPANY
SOUTHERN CALIFORNIA GAS COMPANY**

THE UTILITY REFORM NETWORK

By: _____
 /s/
 KIM F. HASSAN

By: _____
 /s/
 HAYLEY GOODSON

September 9, 2010

Appendix A

RESIDENTIAL DISCONNECTION SETTLEMENT AGREEMENT

Disconnection Rulemaking, R.10-02-005
San Diego Gas & Electric and Southern California Gas Company
Summary of Potential Settlement Agreement Terms

SETTLEMENT AGREEMENT BETWEEN
SAN DIEGO GAS & ELECTRIC COMPANY, SOUTHERN CALIFORNIA GAS
COMPANY, DISABILITY RIGHTS ADVOCATES, THE DIVISION OF
RATEPAYER ADVOCATES, THE GREENLINING INSTITUTE, THE NATIONAL
CONSUMER LAW CENTER, AND THE UTILITY REFORM NETWORK
RESOLVING ISSUES IN THE RESIDENTIAL DISCONNECTION PROCEEDING
(RULEMAKING NO. 10-02-005)

In accordance with Article 12 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, San Diego Gas & Electric Company (“SDG&E” or “the Utility”), Southern California Gas Company (“SoCalGas” or “the Utility”) (collectively, SoCalGas and SDG&E are referred to as the “Utilities”), Disability Rights Advocates, The Division of Ratepayer Advocates, The Greenlining Institute, The National Consumer Law Center, and The Utility Reform Network (collectively, “Intervenors,” and together with the Utilities, the “Settling Parties”), by and through their undersigned representatives, enter into this Settlement Agreement (“Agreement”) resolving all matters at issue, as they relate to SDG&E and SoCalGas, arising, now and hereafter, in the Residential Customers’ Electric and Natural Gas Service Disconnection proceeding, Commission Rulemaking No. 10-02-005. As a compromise to resolve all issues in this proceeding, the Settling Parties agree to support, in aggregate, the terms of this Agreement, which are limited to the context of residential disconnections due to nonpayment.

I. THE RESIDENTIAL CUSTOMER DISCONNECTION PROCEEDING

On February 5, 2010, the Commission opened this rulemaking to further its goal of reducing the number of residential utility service disconnections due to nonpayment. In the Rulemaking, the Commission reexamined utility disconnection rules and practices so as to help improve customer notification and education. The rulemaking required all of the California investor-owned utilities (“IOUs”)—SDG&E, SoCalGas, Pacific Gas and Electric

Company (“PG&E”), and Southern California Edison Company (“SCE”)—to implement the following interim practices:

- Customer service representatives (“CSRs”) must inform any customer that owes an arrearage on a utility bill that puts the customer at risk for disconnection that the customer has a right to arrange a bill payment plan extending for a minimum of three months the period in which to pay the arrearage. CSRs may exercise discretion as to extending the period in which to pay the arrearage from three months up to twelve months depending on the particulars of a customer’s situation and ability to repay the arrearage. CSRs may work with customers to develop a shorter repayment plan, as long as the customer is informed of the three month option. Customers must keep current on their utility bills while repaying the arrearage balance.
- Once a customer has established credit as a customer of that utility, the utility must not require that customer to pay additional reestablishment of credit deposits with the utility for either slow-payment/no-payment of bills or following a disconnection.
- Utilities were authorized to establish memorandum accounts using Tier 1 Advice Letters to track any significant additional costs, including operations and maintenance charges associated with implementing the customer practices, and any uncollectable expenses that exceed those projected in the utility’s last General Rate Case (“GRC”).

The rulemaking established a Preliminary Scoping Memo, which outlined issues to be considered, required the IOUs to file monthly reports of specific disconnection data, and provided utilities and parties an opportunity to comment on the interim practices and address other issues in the Preliminary Scoping Memo. Furthermore, R.10-02-005 directed the IOUs to file Tier 3 Advice Letters to establish a new fund using California Alternate Rates for Energy (“CARE”) funds as matching funds to apply for federal funds available through the Temporary Assistance to Needy Families (“TANF”) Emergency Contingency Fund.¹

Opening and reply comments to the rulemaking were filed by parties on March 12, and April 2, 2010, respectively. A Proposed Decision was then issued by Commissioner

¹ R.10-02-005 also directed the IOUs to propose a uniform billing/accounting methodology that ensures that the customer receives proper credit for monies paid.

Grueneich on June 17, 2010. A final decision was issued by the Commission at its July 29, 2010 meeting. D.10-07-048 sets forth the following direction:

1. Continues the requirement that all PG&E, SDG&E, SCE, and SoCalGas CSRs must inform any customer that owes an arrearage on a utility bill that puts the customer at risk for disconnection that the customer has a right to arrange a bill payment plan extending for a minimum of three months the period in which to repay the arrearage.
2. Continues to allow these CSRs the discretion to extend the period in which to pay the arrearage from three months up to twelve months.
3. Provides that CARE and Family Electric Rate Assistance (“FERA”) customers in the PG&E, SDG&E, SCE, and SoCalGas service territories are not required to pay additional reestablishment of credit deposits with a utility for either slow-payment/no-payment of bills or following a disconnection.
4. Provides that medical baseline or life support customers shall not be disconnected without an in-person visit from a utility representative.
5. Directs SDG&E and SoCalGas to develop an automatic payment plan that allows new customers or reconnecting customers a payment option that is in lieu of a cash deposit for credit. Requires PG&E and SCE to continue to offer their non cash credit deposit options to all new customers and those required to post a reestablishment of credit deposit following a disconnection.
6. Directs PG&E, SDG&E and SCE to collect from customers a re-establishment of credit deposit following a disconnection based on twice the average monthly bill, rather than twice the maximum monthly bill. Requires SoCalGas to continue its current reestablishment of credit deposit amount of a two-month average bill.
7. Directs SoCalGas and SDG&E to waive reestablishment of credit deposits for late payment of bills. Requires PG&E and SCE to continue their practice of not collecting credit deposits for late payment of bills.
8. Directs PG&E and SCE to provide a field representative who can collect on a bill during an in-person visit prior to disconnection for medical baseline or life support customers. Requires SDG&E and SoCalGas to continue this practice.
9. Directs PG&E, SCE, SDG&E and SoCalGas to implement these customer service disconnection practices by October 1, 2010.
10. Directs SoCalGas, SDG&E, SCE and PG&E to recommend to the Commission, by October 1, 2010, uniform notice of disconnection procedures.
11. Authorizes PG&E, SCE, SDG&E and SoCalGas to charge significant costs associated with complying with the new practices in this decision to their

memorandum accounts; however, the recovery of costs tracked in the memorandum accounts will be reviewed in the utilities' next GRCs.

D.10-07-048 further adds that the interim measures as revised in this decision along with the new requirements in this decision shall be effective until the effective date for each utility's next GRC.² Lastly, D.10-07-048 states that many other measures proposed in comments could provide a reduction in utility disconnections but could also result in significant costs. The Commission plans to continue to analyze the costs and benefits of the alternate measures in the second phase of this proceeding.

The Settlement Parties sponsor this Agreement in order to further the Commission's goal in R.10-02-005 to reduce utility disconnections and improve customer notification and education and ask that the Commission to approve the attached Agreement to supersede D.10-07-48 as it applies to SDG&E and SoCalGas.

II. AGREEMENT

In consideration of the mutual obligations, covenants and conditions contained herein, the Settling Parties agree to the terms of this Agreement. The Settling Parties, by signing this Agreement, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of this Agreement. The Settling Parties agree to perform diligently and in good faith all actions required or implied hereunder, including the execution of any other documents required to effectuate the terms of this Agreement, and the preparation of exhibits for, and presentation of witnesses at any required hearings to obtain the approval and adoption of this Agreement by the Commission. No Settling Party will contest in this proceeding or in any other forum, or in any manner before this Commission, the recommendations contained in this Agreement. It is understood by the Settling Parties

² D.10-07-048, at p. 25. Because the effective date of PG&E's next GRC is not expected until January 2014, the Commission will address a sunset date for PG&E's disconnection practices in Phase 2 of this proceeding.

that time is of the essence in obtaining the Commission's approval of this Agreement and that each will extend its best efforts to ensure its adoption.

A. Term of Agreement

1. The Agreement is effective upon Commission approval, through December 31, 2013 (the "Settlement Term"). Unless the Settling Parties agree to extend the Agreement, as provided in Paragraph H below, this Agreement will sunset on January 1, 2014, and the terms of this Agreement will no longer apply.

B. Disconnection Benchmark

1. Two performance benchmarks for service disconnection will be established. The benchmarks will be established for all residential customers and CARE-only customers. SDG&E's benchmark for all residential customers is 2.08%; SDG&E's benchmark for CARE-only customers is 3.44%. SoCalGas' benchmark for all residential customers is 3.36%; SoCalGas' benchmark for CARE-only customers is 4.32%.

2. The benchmark rates will not change and will apply for the term of the Agreement. Benchmark performance will be reported by the Utility, each month, based on the prior 12-month period.

- The 12-month disconnection rate will be calculated by dividing the total disconnections for residential and CARE-only customers for the most recent 12 months by the average number of active residential and CARE-only customer accounts, respectively, over the same 12 month period. *See Exhibit 1.*
- The monthly disconnection rate will be calculated by dividing the total monthly disconnections for residential and CARE-only customers by the number of active residential and CARE-only accounts, respectively, for that month. *See Exhibit 1.*

3. The disconnection rate calculations above shall be based on the reports available no later than the 25th of the subsequent month in accordance with Paragraph J below. If the disconnection rate is above the benchmark, the "mandatory" measures will

become effective the first day of the following month. Similarly, if the disconnection rate is less than or equal to the benchmark, the requirement for “mandatory” measures will be lifted the first day of the following month, in accordance with Section II.B.5 below.

4. Below Benchmark Regime - The Utility shall be deemed to be below the benchmark if all of the following conditions are met:

- the annual disconnection rate as calculated through the end of May and through the end of November each year is less than or equal to the established benchmark; and
- the monthly disconnection rate does not exceed 1/12th of 120% of the established benchmark for any two consecutive months.

As long as these conditions are met, the Utility shall be allowed to implement its various discretionary credit and collections-related practices as it deems necessary.

5. Above Benchmark Regime - The Utility shall be deemed to be above the applicable benchmark if any of the following conditions are met:

- the annual disconnection rate as calculated through the end of May or through the end of November each year is greater than the established benchmark; or
- the disconnection rate in any two consecutive months is greater than 1/12th of 120% of the established benchmark.

In such event, the Utility shall be required to implement certain “mandatory” measures, as noted below, until the next May or November checkpoint, described above, for which the annual disconnection rate is less than or equal to the benchmark. These measures will apply to all residential customers in the event the All Residential benchmark is exceeded. In the event only the CARE-only benchmark is exceeded, these measures will apply to all disconnection at-risk customers, i.e. CARE, FERA, and Medical Baseline customers, and customers self-identified as disabled.³ The mandatory measures consist of:

³ Customers may self-identify as disabled by responding to optional and voluntary language on written LIEE or CARE applications and other customer materials that will allow them to identify themselves or a full-time resident of the customers’ household as disabled. In addition, customers may self-identify as disabled by

a. Payment Arrangements

i) The Utility must offer a minimum three-month period, and not unreasonably withhold payment arrangements of up to 12 months. The Utility will educate its Customer Service Representatives that they may enter into longer payment plans, if appropriate. The Utility will offer payment plans at every stage of the collections process, including restoration and transfer of service.

ii) If a customer defaults on an initial payment arrangement, the Utility will provide adequate notice and information about the availability of a renegotiated payment plan. This notice and information will be provided by SDG&E and SoCalGas on the insert accompanying 48-hour notice to the customer per Paragraph F below in this settlement document. The Utility must offer a second payment arrangement for a minimum of the remaining term of the original payment arrangement. The Utility may offer subsequent reasonable renegotiated payment arrangements. For disconnection of at-risk customers, i.e., CARE, FERA, Medical Baseline, and customers self-identified as disabled, if the customer defaults on a payment arrangement, the Utility must offer a second payment arrangement of equal or greater repayment term.

b. Re-Establishment of Credit Deposit

i) For customers whose service has been disconnected involuntarily due to non-payment, and who pay their outstanding bills within five months, the Utility may not require a re-establishment of credit deposit except where the Utility determines that fraud has occurred pursuant to SoCalGas Tariff Rule 16.B or SDG&E Tariff Rule 18.D.

voluntarily describing themselves, or a full-time resident of the customers' household, as disabled to a CSR, or other utility representative. In addition, any customer who is identified in a Utility database as disabled, as of the effective date of this Agreement, will be included in all relevant measures.

ii) In cases in which the prior service was terminated voluntarily, or in cases where there has been a break service in excess of two years, the Utility may still require the applicable re-establishment of credit deposit.

iii) Residential deposits may not exceed twice the average monthly bill, as estimated by the Utility. Customers required to pay such a deposit shall be permitted to amortize the deposit over a period of three months. The Utility shall not require any residential customer to pay a re-establishment of credit deposit solely on the basis of late/slow payment.

iv) A deposit that is required of customers in bankruptcy must be consistent with Section 366 of the Federal Bankruptcy Code, 11 USC § 366 , and must be assessed in a manner that is reasonable and nondiscriminatory.

C. Cost Recovery

1. O&M Costs

Effective through the Settlement Term, SoCalGas and SDG&E will not seek incremental O&M cost recovery resulting from implementing the Commission's Order in R.10-02-005, this Agreement, or in the event the Utility exceeds the benchmark established pursuant to Paragraph B above. This provision shall be without prejudice to any position any party may take upon the expiration of this Agreement regarding future O&M cost recovery.

2. Uncollectible Costs

a. For the 12-month period beginning the first of the month on or after the Agreement's effective date, cost recovery will be granted for up to \$600,000 for SoCalGas and \$300,000 for SDG&E of the residential uncollectible expense that exceeds the residential uncollectible expense for the period 08/01/09 through 07/31/10. In the event of cost recovery for uncollectible expenses, SoCalGas and SDG&E will record these costs at the end of the 12-month period in the Utilities' respective Disconnection Memorandum Accounts ("DMA"),

which were authorized in R.10-02-005. The DMA balances will be recovered in rates in the Utilities' Annual Regulatory Update filings, which are submitted in October of each year for rates effective January 1 of the following year.

b. SDG&E and SoCalGas will only record costs incurred during the 12-month period beginning the first of the month on or after the settlement effective date, unless the Utility obtains the prior approval of the Settlement Parties.

D. Disconnection for Extreme Weather Policy

1. SDG&E agrees that no disconnection of service to any residential customer shall occur if the National Weather Service forecasts, for the customer's climate zone, a temperature at or below 32 degrees Fahrenheit or at or above 100 degrees Fahrenheit within a 24-hour period beginning at 8:00 A.M. *See* Exhibit 2.

2. SoCalGas agrees that no disconnection of service to any residential customer shall occur if the National Weather Service forecasts, for the customer's climate zone, a temperature at or below 32 degrees Fahrenheit within a 24-hour period beginning at 8:00 A.M. *See* Exhibit 2.

E. In-Person Field Contact

1. SDG&E agrees to continue in-person disconnection for non-payment (except as modified for remote disconnect implementation as described below) and field delivery of residential 48-hour disconnect notices.

2. SoCalGas agrees to continue in-person disconnection for non-payment and SoCalGas also agrees to field delivery of residential 48-hour disconnect notices for customers vulnerable to health and safety risks. This vulnerable customer group consists of:

- Customers who self-identify that they or a full-time resident of the customer's household are elderly (age 62 or older) and disconnection of service could be life threatening to that individual;
- Customers who receive Medical Baseline allowances;

- Customers who self-identify that they or a full-time resident of the customer's household are a person with a disability, including those customers who the Utility identifies in order to reach the D.08-11-031 Low Income Energy Efficiency goal, i.e., that 15% of households served be disabled; or
- Customers who self-certify that they or a full-time resident of the customer's household have a serious illness, defined as a condition which could become life threatening if service is disconnected.

F. Effective Communications

1. The Utilities agree to implement multiple language⁴, large print 48-Hour Notice inserts and/or leave behind documents (if customer is not home for field visit) to provide customers with direction and contact information on how to seek help. The text of the document shall read: "You are at risk for disconnection. We can help. You may be eligible for a payment plan. Please call [insert appropriate CSR number for that language]."

2. The Utilities will continue to make pre-disconnection calls to customers encouraging them to contact the Utility for payment arrangements and assistance. At SoCalGas, this call is made 48 hours prior to disconnection in an automated fashion, but, when answered, handled by a live agent who will explain the urgency and offer payment arrangements and assistance. Unanswered calls will continue to receive a written notice. At SDG&E, an Out Bound Call will be placed to delinquent CARE/FERA or CARE/FERA - qualified customers who do not have an active payment arrangement. The call will occur three business days after the disconnection notice is delivered. The call describes the services available to the customer.

3. The Utilities will provide Braille Bills and 48-Hour Disconnection Notices upon request from customers. Customers may request such format through a call center

⁴ The languages provided will be consistent with SB 120, which includes English, Spanish, Chinese, Tagalog, Vietnamese, and Korean.

agent. After the initial call is made, future bills will be sent automatically in Braille.

Implementation will occur 30 days after approval of the Settlement Agreement. Braille Bills only translate specific, relevant payment-related information, not all other messaging or non-payment related information. Braille 48-Hour Disconnection Notices will also be mailed to customers requesting utility bills in Braille. The Braille-translated 48-Hour Disconnection Notice will be in conjunction with the system-generated, non-Braille notice they receive and may not be received the same day; however, the collections cycle will be adjusted in the customers' favor to accommodate the timing difference.

4. The Utilities will provide large print bills through their websites for customers enrolled in "My Account." Utility websites will be updated with instructions for accessing and modifying the electronically produced bill in large font. Customers unable to access the Internet or otherwise unable to manage modifying electronically presented bills may contact the call center for agent assistance. Implementation will occur 30 days after approval of the Agreement.

5. The Utilities will offer all customers the option of having automated messages repeated either through a selection to hear the message again or it will automatically repeat if the customer does not terminate the call. Implementation will occur 30 days after approval of the Agreement.

6. The Utilities will ensure that automated calls providing information regarding service disconnection maximize accessibility as follows: (1) For SoCalGas, all messages will have an option to be repeated; (2) To the extent that it is consistent with 47 USC § 227 (The Telephone Consumer Protection Act of 1991), and to the extent that the machines delivering the call have the capability to deliver text messages, messages containing the same information as the audio message will be loaded for delivery; (3) to the extent that the machines delivering the call do not have the capability to deliver text messages, any new

machines purchased shall include this capability, which will be put into use immediately upon the new machines going into service;

7. The Utilities will ensure that workers conducting field visits are trained to communicate effectively with customers who use sign language, including through use of relay services if appropriate

8. The Utilities will ensure that CSRs are trained to respond appropriately to incoming calls made using relay services, including assurances that they will not be penalized for the length of relay calls.

9. The Utilities understand that DisabRA and Greenlining intend to raise broader issues regarding effective communication with customers with disabilities and language access issues regarding utility services in the Utilities' upcoming GRCs. Without prejudice to any position any party may take on these issues, SoCalGas and SDG&E recognize that such issues may be within the scope of the GRCs and will be addressed by the Commission in that forum.

G. Remote Disconnect

1. SDG&E agrees to implement a transition process during at least the first 12 months following the installation of each smart meter, whereby remote disconnections will not be allowed except if the customer initiates a termination of service request to the Utility.

2. If and when remote disconnect commences, SDG&E will continue current notification procedures, including the in-person field delivery of the 48-Hour Notice, during which time the field staff will attempt to make contact with the customer.

3. Nothing in this Agreement shall be with prejudice to any party's position with regard to remote disconnections or smart meters in the future, except as explicitly provided herein.

4. SDG&E agrees that remote disconnect will not be used for customers who are particularly vulnerable to the health and safety risks associated with the loss of utility service, i.e, self-identified seniors (age 62 or older), self-identified disabled customers, Medical Baseline customers, Life Support customers or other customers who self-certify that they have a serious illness or condition that could become life threatening if service is disconnected

5. SDG&E and SoCalGas agree that gas service will not be remotely disconnected.

6. SDG&E agrees not to charge customers for remote disconnection for non-payment and subsequent reconnection prior to the implementation of its next GRC.

H. Stakeholder Dialogue

1. The Settling Parties agree to meet no less than quarterly to review Utility performance and discuss issues.

2. Prior to the expiration of the Agreement, the Settling Parties agree to meet to discuss the extension, termination, and/or modification of the Agreement, including rate case issues beyond SoCalGas' and SDG&E's upcoming GRCs.

I. Reporting of Disconnection Data

1. The Settling Parties agree to consolidate the Utility Collection Activity Report and R.10-02-005 Disconnection Data Report into single monthly report due on the 25th of each month through the settlement term. *See* Exhibit 3.

J. Other Items

1. The Settlement Parties may mutually agree to other specific measures in their efforts to support the CPUC's objectives, as stated in R.10-02-005. The Settlement Parties shall be under no obligation to support such additional measures, including the potential additional measure discussed in the next paragraph.

2. SoCalGas and SDG&E will work collaboratively with the Commission's Public Information Office to expand the Commission's Telecommunications Education and Assistance in Multiple-Languages ("TEAM") program to include energy bills in the SoCalGas and SDG&E service areas. The TEAM program currently provides in-language bill education and customer outreach to telecommunications consumers who are not proficient in English. The incremental costs of this measure are estimated at \$125,000 for SDG&E and \$75,000 for SoCalGas. These costs would be recorded to the Utilities' disconnection memorandum accounts authorized in R.10-02-005. The DAM balances will be recovered in rates in the Utilities' Annual Regulatory Update filings, which are submitted in October of each year for rates effective January 1 of the following year. Should PG&E and SCE also participate in the TEAM Program SoCalGas and SDG&E will collaborate to create a statewide, consistent program.

3. This Agreement is without prejudice to any active party in R.10-02-005 who is not a party to the Agreement.

III. RESERVATIONS

A. Compromise of Disputed Claims

The Settling Parties agree that this Agreement represents a compromise of their respective positions. It does not represent the Settling Parties' endorsement of, or agreement with, any or all of the positions of the other parties.

B. Implementation of Agreement

It is the intent of the Settling Parties that the Commission adopt this Agreement in its entirety and without modification. The Settling Parties agree that if the Commission fails to approve the Agreement as reasonable and adopt it unconditionally and without modification, any Settling Party may in its sole discretion elect to terminate the Agreement.

C. Regulatory Approval

The Settling Parties shall use their best efforts to obtain Commission approval of this Agreement. The Settling Parties shall jointly request that the Commission adopt this Agreement in its entirety and without modification as reasonable in light of the record, consistent with law, and in the public interest.

D. Incorporation of Complete Agreement

This Settlement embodies the entire understanding and agreement of the Settling Parties with respect to the matters described herein, and, except as described herein, supersedes and cancels any and all prior oral or written agreements, principles, negotiations, statements, representations or understandings among the Settling Parties. This Agreement is to be treated as a complete package and not as a collection of separate agreements on discrete issues. To accommodate the interests related to various issues, the Settling Parties acknowledge that changes, concessions or compromises by one or more Settling Parties in one section of this Agreement could result in changes, concessions or compromises by one or more Settling Parties in other sections of this Agreement. Consequently, the Settling Parties agree to oppose any modification of this Agreement not agreed to by all Settling Parties. Any Settling Party may withdraw from this Agreement if the Commission modifies it. However, the Settling Parties agree to negotiate in good faith with regard to any Commission-ordered changes, in order to restore the balance of benefits and burdens, and to exercise the right to withdraw only if such negotiations are unsuccessful.

E. Modification of Agreement

The terms and conditions of this Agreement may only be modified in writing subscribed to by the Settling Parties.

F. Non-Precedential

This Agreement represents a compromise between the Settling Parties and, consistent with Rule 12.5 of the Commissions Rules, should not be considered precedent in any future proceeding before this Commission. The Settling Parties have assented to the terms of this Agreement only for the purpose of arriving at the compromise herein.

G. Non-Waiver

It is understood and agreed that no failure or delay by any Settling Party hereto in exercising any right, power or privilege hereunder shall operate as a waiver hereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power or privilege.

H. Number of Originals

This document may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

I. Governing Law

This Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

J. Effective Date

This Settlement shall become effective between the Settling Parties on the date the last Settling Party executes the Settlement as indicated below.

In witness whereof, intending to be legally bound, the Settling Parties hereto have duly executed this Agreement on behalf of the parties they represent.

This Settlement shall become effective between the Settling Parties on the date the last Settling Party executes the Settlement as indicated below.

In witness whereof, intending to be legally bound, the Settling Parties hereto have duly executed this Agreement on behalf of the parties they represent.

San Diego Gas & Electric Company
By: Carol
Title: VP - Customer Services
Date: 9/8/10

Southern California Gas Company
By: _____
Title: _____
Date: _____

Disability Rights Advocates
By: _____
Title: _____
Date: _____

The Division of Ratepayer Advocates
By: _____
Title: _____
Date: _____

The Greenlining Institute
By: _____
Title: _____
Date: _____

The National Consumer Law Center

This Settlement shall become effective between the Settling Parties on the date the last Settling Party executes the Settlement as indicated below.

In witness whereof, intending to be legally bound, the Settling Parties hereto have duly executed this Agreement on behalf of the parties they represent.

San Diego Gas & Electric Company

By: _____

Title: _____

Date: _____

Southern California Gas Company

By: 

Title: VP Customer Operations

Date: Sept. 8, 2010

Disability Rights Advocates

By: _____

Title: _____

Date: _____

The Division of Ratepayer Advocates

By: _____

Title: _____

Date: _____

The Greenlining Institute

By: _____

Title: _____

Date: _____

In witness whereof, intending to be legally bound, the Settling Parties hereto have duly executed this Agreement on behalf of the parties they represent.

San Diego Gas & Electric Company

By: _____
Title: _____
Date: _____

Southern California Gas Company

By: _____
Title: _____
Date: _____

Disability Rights Advocates

By: Melissa G. Smith (KH)
Title: Managing Attorney
Date: 9/8/10

The Division of Ratepayer Advocates

By: _____
Title: _____
Date: _____

The Greenlining Institute

By: _____
Title: _____
Date: _____

In witness whereof, intending to be legally bound, the Settling Parties hereto have duly executed this Agreement on behalf of the parties they represent.

San Diego Gas & Electric Company

By: _____

Title: _____

Date: _____

Southern California Gas Company

By: _____

Title: _____

Date: _____

Disability Rights Advocates

By: _____

Title: _____

Date: _____

The Division of Ratepayer Advocates

By: Harvey G. Morris

Title: Assistant General Counsel

Date: 9/9/10

The Greenlining Institute

By: _____

Title: _____

Date: _____

In witness whereof, intending to be legally bound, the Settling Parties hereto have duly executed this Agreement on behalf of the parties they represent.

San Diego Gas & Electric Company

By: _____

Title: _____

Date: _____

Southern California Gas Company

By: _____

Title: _____

Date: _____

Disability Rights Advocates

By: _____

Title: _____

Date: _____

The Division of Ratepayer Advocates

By: _____

Title: _____

Date: _____

The Greenlining Institute

By: Sam King

Title: Managing Attorney

Date: 9/8/10

The National Consumer Law Center

By: 

Title: Staff Attorney

Date: 9/9/2010

The Utility Reform Network

By: _____

Title: _____

Date: _____

The National Consumer Law Center

By: _____

Title: _____

Date: _____

The Utility Reform Network

By: Hayden

Title: Staff Attorney

Date: 9-8-2010

EXHIBIT 1

Sample Calculation of Monthly and 12-month Disconnection Rate

Disconnection Benchmark Calculation Example

Residential Benchmark: 2.08%
1/12th of 120% of Residential Benchmark: 0.21%

Below Benchmark 
 At Risk 
 Above Benchmark 

	Total Residential Accounts	Total Residential Disconnects	Monthly Disconnect Rate	Twelve-month Moving Average Disconnect Rate
200906	1,232,501	2,511	0.20%	
200907	1,233,982	2,270	0.18%	
200908	1,235,100	1,963	0.16%	
200909	1,235,390	1,959	0.16%	
200910	1,236,917	1,822	0.15%	
200911	1,237,695	1,191	0.10%	
200912	1,238,148	874	0.07%	
201001	1,239,341	1,342	0.11%	
201002	1,239,465	1,893	0.15%	
201003	1,240,574	2,207	0.18%	
201004	1,241,636	1,891	0.15%	
201005	1,242,359	2,117	0.17%	1.78%
201006	1,242,877	2,000	0.16%	1.74%
201007	1,243,395	2,200	0.18%	1.73%
201008	1,243,913	2,400	0.19%	1.77%
201009	1,244,431	2,500	0.20%	1.81%
201010	1,244,950	2,400	0.19%	1.85%
201011	1,245,468	2,700	0.22%	1.97%
201012	1,245,987	2,000	0.16%	2.06%
201101	1,246,507	2,000	0.16%	2.12%
201102	1,247,026	1,800	0.14%	2.11%
201103	1,247,546	1,700	0.14%	2.07%
201104	1,248,065	1,800	0.14%	2.06%
201105	1,248,586	2,000	0.16%	2.05%
201106	1,249,106	2,000	0.16%	2.05%
201107	1,249,626	2,700	0.22%	2.09%
201108	1,250,147	2,800	0.22%	2.12%
201109	1,250,668	2,400	0.19%	2.11%
201110	1,251,189	2,400	0.19%	2.11%
201111	1,251,711	2,500	0.20%	2.09%

EXHIBIT 2

Disconnection for Extreme Weather Policy

Exhibit 2 - Extreme Weather Policy

1. SDG&E

SDG&E agrees that no disconnection of service to any residential customer shall occur if the National Weather Service forecasts, for the customer's climate zone, a temperature at or below 32 degrees Fahrenheit or at or above 100 degrees Fahrenheit within a 24-hour period beginning at 8:00 A.M.

- A. A Residential customer's gas or electric service shall not be disconnected for non-payment during periods of extreme freezing temperatures, where the lives or health of our customers would be endangered. Extreme weather is defined as a temperature at or below 32 degrees Fahrenheit or at or above 100 degrees Fahrenheit in the given customer's climate zone.
- B. This policy shall be in effect for a climate zone if the National Weather Service forecasts that temperatures in that climate zone will reach the extreme weather levels during a 24-hour period, beginning at 8:00 A.M. on the date of the proposed disconnection.
- C. If a Field Collector should arrive on site to an area that has not been determined as a temperature extreme, he or she will determine if an exception based on temperature extremes should apply to that area. The employee's determinations will be conclusive and noted in the remarks section of the field order.
- D. This policy applies also to master-metered residential buildings.

2. SoCalGas

SoCalGas agrees that no disconnection of service to any residential customer shall occur if the National Weather Service forecasts, for the customer's climate zone, a temperature at or below 32 degrees Fahrenheit within a 24-hour period beginning at 8:00 A.M.

- A. A Residential customer's gas or electric service shall not be disconnected for non-payment during periods of extreme freezing temperatures, where the lives or health of our customers would be endangered. Extreme weather is defined as a temperature at or below 32 degrees Fahrenheit in the given customer's climate zone.
- B. This policy shall be in effect if the National Weather Service forecasts that temperatures in each climate zone for a 24-hour period, beginning at 8:00 A.M. on the date of the proposed disconnection reach the extreme weather levels.
- C. If a Field Collector should arrive on site to an area that has not been determined as a temperature extreme, he or she will determine if an exception based on temperature extremes should apply to that area. The employee's determinations will be conclusive and noted in the remarks section of the field order.
- D. This policy applies also to master-metered apartment buildings.

EXHIBIT 3

Disconnection Reporting Requirements

EXHIBIT 3: Disconnect Reporting Requirements

- Number of active accounts, categorized by CARE, FERA, non-CARE/non-FERA, and Medical Baseline
- Number of bills paid within 30 days, categorized by 100% paid, 50% to 99% paid, and less than 50% paid, and further categorized by CARE, FERA and non-CARE/non-FERA
- Number of disconnect notices, categorized by CARE, FERA, non-CARE/non-FERA, and Medical Baseline
- Number of fielded non-pay disconnects, categorized by CARE, FERA, non-CARE/non-FERA, and Medical Baseline
- Number of remote non-pay disconnects, categorized by CARE, FERA, non-CARE/non-FERA, and Medical Baseline (SDG&E only)
- Number of reconnections, categorized by same day, one day after disconnection, two days after disconnection, and three or more days after disconnection, and further categorized by CARE, FERA, non-CARE/non-FERA, and Medical Baseline
- Number of payment extension plans initiated, further categorized by CARE, FERA, and non-CARE/non-FERA
- Number of installment payment plans initiated, broken and canceled, separately reported by month and categorized by duration up to 12 months, and further categorized by CARE, FERA, and non-CARE/non-FERA
- Dollar amount of the plan at the outset of the payment plan and percentage of original payment plan amount paid when installment payment plan is broken or canceled, categorized by duration up to 12 months, and further categorized by CARE, FERA, and non-CARE/non-FERA (SDG&E only)
- Number of accounts and outstanding receivables, categorized by aging period, and further categorized by CARE, FERA, and non-CARE/non-FERA (confidential until earnings are released for the applicable quarter)

Settlement report data to be provided annually:

- Number of unique accounts that had disconnect notices in the calendar year, categorized by CARE, FERA, and non-CARE/non-FERA
- Number of unique accounts that had non-pay disconnects in the calendar year, categorized by CARE, FERA, and non-CARE/non-FERA
- Number of unique accounts that had reconnections in the calendar year, categorized by CARE, FERA, and non-CARE/non-FERA
- Number of unique accounts that had payment extension plans initiated in the calendar year, categorized by CARE, FERA, and non-CARE/non-FERA
- Number of unique accounts that had installment payment plans initiated, renegotiated (i.e. payment plans created on an account within 30 days of a plan being broken or

cancelled), broken and canceled in the calendar year, separately recorded and categorized by CARE, FERA, and non-CARE/non-FERA

- Net residential write-offs (confidential until earnings are released for the applicable year)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **JOINT MOTION OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902E), THE SOUTHERN CALIFORNIA GAS COMPANY (U 904G), DISABILITY RIGHTS ADVOCATES, THE DIVISION OF RATEPAYER ADVOCATES, THE GREENLINING INSTITUTE, THE NATIONAL CONSUMER LAW CENTER, AND THE UTILITY REFORM NETWORK FOR ADOPTION OF THE SETTLEMENT AGREEMENT** on all parties identified in Docket No. R.10-02-005 by U.S. mail and electronic mail, and by Federal Express to the assigned Commissioner(s) and Administrative Law Judge(s).

Dated at San Diego, California, this 9th day of September, 2010.

/s/ JOEL DELLOSA

Joel Delloso

Attachment A-13

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
California Alternate Rates for Energy/Energy Savings Assistance Program	Investor-Owned Utilities	200% of the Federal Poverty Guidelines ¹	None	To qualify for CARE, total household income is defined as: “[a]ll revenues, from all household members, from whatever source derived, whether taxable or non-taxable, including, but not limited to: wages, salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends, public assistance payments, social security and pensions, rental income, income from self-employment and cash payments from other sources, and all employment-related, non-cash income	---	---
Supplemental Security Income (SSI)	Social Security Administration	Income and Resource Based Criteria - Countable income including spouse and/or parents if under 18. Resources that count in deciding whether an	Resources (things that are owned) that do not count include an applicant’s home and the land it is on,	An individual can qualify for the program. Can be independent or living in a household with other persons. Anyone who	No	http://www.ssa.gov/pgm/ssi.htm

¹ The Federal Poverty Guidelines are updated annually by the Federal Health and Human Services Department (HHS) <http://aspe.hhs.gov/poverty/11poverty.shtml> According to the HHS website, the following programs (among others) do not use the FPG to determine eligibility: TANF, SSI, State of Local Funded General Assistance, Section 8 Low Income Housing Assistance, and Low Rent Public Housing. <http://aspe.hhs.gov/poverty/faq.shtml#differences> When determining program eligibility, some agencies compare before-tax income to the poverty guidelines, while other agencies compare after-tax income.

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
		<p>applicant qualifies include real estate, bank accounts, cash, stocks and bonds.</p>	<p>life insurance policies with a face value of \$1,500 or less, a car, burial plots for applicant and family members, and up to \$1,500 in burial funds for the applicant and up to \$1,500 in burial funds for their spouse. Non-countable income includes \$20 of income per month, The first \$65 a month earned from working and half the amount over \$65, value of food stamps received, income tax refunds, home energy assistance, dividends, gifts, grants, student income, value-impaired work expenses, shelter from private nonprofit organizations. Also includes other</p>	<p>meets the eligibility criteria can receive it. Disabled or blind children can also receive SSI.</p>		

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
			exemptions for blind and disabled applicants.			
CalWorks²/ Temporary Assistance to Needy Families (TANF)	California Department of Social Services	Must have a net monthly income less than the maximum aid payment for family size. \$2,000 - \$3,000 for seniors' property limit excluding vehicles and \$5,000 in restricted bank accounts. Gross income must be below \$784 per month	Non-countable income allowance of \$90 per month per employed household member. No. Does not count "gross income" from all household members. Has income exemptions for some working family members.		No	http://www.cdss.ca.gov/cdssweb/PG85.htm http://www2.sdcounty.ca.gov/hhsa/ServiceDetails.asp?ServiceID=512 http://www.dss.cahwnet.gov/cdssweb/PG141.htm
Tribal TANF	California Department of Social Services	Must meet income guidelines of equal to or less than 150% of the Federal Poverty Guidelines.	Same as CalWorks	Is dependent on the Tribes' definition of an "Indian Family" or "Tribal Family".		http://www.tanfonline.com/eligibility.html
Low Income Home Energy Assistance Program (LIHEAP)	California Department of Community Services and Development (DCSD)	2011 Income guidelines are based on 60 percent of the State median income. http://www.csd.ca.gov/Programs/EnergyIncomeGuidelines.aspx	None	Anyone living in the same dwelling unit regardless if they are tenants or boarders Persons living in board-and-care facilities, nursing or convalescent homes, or in jail or prison, are not eligible for HEAP	No	http://www.csd.ca.gov/Programs/Low%20Income%20Home%20Energy%20Assistance%20Program%20(LIHEAP).aspx
Women Infants	California	185% of the Federal Poverty	None	Applicant's Family	No	http://www.cdph.ca.gov/programs/wicwork

² CalWorks is the name of the TANF Program used in the State of California.

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
& Children (WIC)	Department of Public Health	Guidelines http://www.cdph.ca.gov/programs/wicworks/Documents/WIC-IncomeGuidelines-WIC.pdf		Household. A person or groups of persons who are residing in one home and are independent of any other members in that home make up a household. Unborn children count toward family There may be more than one household residing in a dwelling unit. total		s/Pages/default.aspx
CalFresh³	California Department of Social Services	CalFresh households, except those containing an aged or disabled member or where all members receive cash assistance, are subject to gross and net income determination tests. Gross Income – all non-excludable income from any source including all earned income and all unearned income. The maximum gross allowed is 130% of the Federal poverty level (FPL) or 165% of the FPL if the household has an elderly or disabled person who qualifies to be a separate household. If the household passes the gross income test, then the net income test is computed. Net income is	In-kind benefits – Any gain or benefit that is not in the form of money (i.e., meals, clothing, housing provided by the employer, etc.) Vendor Payments – Money paid to a third party for a household expense by a person or organization outside of the household Deferred Educational Loans Grants and	Everyone who lives together and purchases and prepares meals together is grouped together as one household. However, if a person is 60 years of age or older and he or she is unable to purchase and prepare meals separately because of a permanent disability, the person and the person's spouse may be a separate household if the others they live with do not have very much income. Some people who live together, such as husbands and wives and most children under	No	http://www.calfresh.ca.gov/PG841.htm

³ CalFresh is the name of the National Supplemental Nutrition Assistance Program (SNAP) in California.

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
		<p>computed by deducting the following, if applicable, from gross income. The resultant amount cannot exceed 100% of the FPL.</p> <p>Resource limits are \$2,000 for all households except those that have a member who has a disability or who is 60 years of age or older. These households can have up to \$3,000 in resources. Any countable resource will be added to the household's resource limit when making an eligibility determination.</p> <p>There are also some citizenship/immigration status requirements</p>	<p>scholarships</p> <p>Cash donations from a charitable organization of not more than \$300 per calendar quarter</p> <p>Income received too infrequently/irregularly to be reasonably anticipated but not more than \$30 in a quarter</p> <p>In-Kind Benefits – Any gain or benefit that is not in the form of money (i.e., meals, clothing, housing provided by the employer, etc.)</p> <p>Vendor Payments – Money paid to a third party for a household expense by a person or organization outside of the household.</p> <p>Preferred Educational Loans</p> <p>Grants and Scholarships</p>	<p>age 22 are included in the same household, even if they purchase and prepare meals separately.</p>		

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
			<p>Cash donations from a charitable organization of not more than \$300 in a calendar quarter. Income received too infrequently/irregularly to be reasonably anticipated but not more than \$30 in a quarter</p>			
<p>National School Lunch Program</p>	<p>US Department of Agriculture</p>	<p>Children from families with incomes at or below 130 percent of the poverty level are eligible for free meals. Those with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price meals, for which students can be charged no more than 40 cents. Children from families with incomes over 185 percent of poverty pay a full price, though their meals are still subsidized to some extent. Local school food authorities set their own prices for full-price (paid) meals, but must operate their meal services as non-profit programs. Afterschool snacks are provided to children on the same income</p>	<p>Households that automatically qualify through participation in the CalFresh/SNAP Program have the same exemptions as the CalFresh/SNAP Program.</p> <p>Value of Food Stamps and FDPIR is not counted toward household income.</p> <p>Examples of other exemptions include: Payments received for foster care, student financial</p>	<p>Definition for households automatically qualifying through their participation in the CalFresh Program use the same household definition as CalFresh.</p> <p>Otherwise, literature review did not indicate a definition of household for the NSLP.</p>	<p>No.</p>	<p>http://www.fns.usda.gov/cnd/lunch/AboutLunch/NSLPFactSheet.pdf</p> <p>http://www.fns.usda.gov/cnd/Governance/notices/iegs/EligibilityManual.pdf</p>

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
		<p>eligibility basis as school meals. However, programs that operate in areas where at least 50 percent of students are eligible for free or reduced-price meals may serve all their snacks for free</p> <p>Participants of the SNAP Program automatically qualify for the NSLP.</p>	<p>assistance such as grants and loans, occasional income received on an irregular basis such as babysitting and mowing lawns; lump sum payments from settlements, and specific military benefits.</p>			
Medi-Cal	California Department of Health Care Services	<p>Recipients of SSI, CalWorks, Refugee Assistance, Foster Care of Adoption Assistance, and In Home Supportive Services automatically qualify for Medi-Cal.</p> <p>Various income guidelines depending on the various programs offered under Medi-Cal. Income eligibility ranges from 100% - 200% of the Federal Poverty Guidelines. Household Income over 250% of the Federal Poverty Guidelines are eligible for assistance under the Healthy Families Plan C eligibility.</p>	<p>Same exemptions for those who participate under SSI and CalWorks. Counts gross family income less allowable expenses.</p> <p>Deducts some allowable expenses such as some work expenses, child support, dependent adult care, and child care expenses up to a maximum allowable limit for each.</p> <p>Income not included: income of a step parent, SSI/SSP, foster care payments,</p>		No	http://www.dhcs.ca.gov/services/medi-cal/Pages/MCIndividual.aspx

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
			CalWorks, General Relief, Loans, College Work Study, Government Benefits, and Medicare costs.			
Healthy Families	California Managed Risk Medical Insurance Board	Incomes exceeding 205% of the Federal Poverty Level	Has certain income and resource exemptions that is determined through the eligibility process	Any child under age 21 living at home, or away at school and claimed as tax dependent The birth parents, adoptive parents, or a stepparent who lives with a child you are applying for The pregnant woman and her unborn child (If she is married, list her husband, too.) •The spouse of any teenager living in the home An emancipated minor Does not count aunts, uncles, cousins, nieces, nephews, or grandparents living in the home	No	http://www.healthyfamilies.ca.gov/HFProgram/Income_Guidelines.aspx http://www.healthyfamilies.ca.gov/Downloads/default.aspx#general_information
Native American Tribal Head Start	US Department of Health and Human Services	Follow same guidelines as CalWorks. http://eclkc.ohs.acf.hhs.gov/hslc/	Follow same guidelines as CalWorks	Same as CalWorks	No	http://eclkc.ohs.acf.hhs.gov/hslc/Head%20Start%20Program/Head%20Start%20Program%20Factsheets

Eligibility Criteria for Categorical Enrollment Programs for the IOUs CARE and the Energy Savings Assistance Program

Program Name	Administered By	Income Eligibility	Exemptions	Definition of Household	Consistent with CARE Eligibility Criteria	Information Source
	California Head Start Association	Head%20Start%20Program/Program%20Design%20and%20Management/Head%20Start%20Requirements/Pis/2010/Head%20Start%20Eligibility%20Verification%20Form.%20expires%2002-28-2013.pdf				http://caheadstart.org/index.html
Bureau of Indian Affairs General Assistance	Bureau of Indian Affairs	Eligibility is determined by each federally recognized tribe. Income eligibility cannot exceed the State of Federal Poverty Guidelines. Must have zero income to qualify.	No	Eligibility is for indigent individuals and does not include income of other people living in the home.	No	http://www.bia.gov/
Public Housing Assistance/Section 8 Housing	California Housing Finance Association (on behalf of the Federal Housing Urban Development Department)	Varies from 50% of the Area Median Income for Very Low Families to 80% of the Area Median Income. In California, the "Area" is defined as the County. Includes some adjustments based on family size. For San Diego County see: http://www.huduser.org/portal/datasets/il/il2010/2010summary.pdf For Los Angeles County See: http://www.huduser.org/portal/datasets/il/il2010/2010summary.pdf	Does not count food stamps, income from government training, or wages of minors-under 18. Does count SSI benefits for minor children.	Counts all people living in the homes weather related or not.	No.	http://portal.hud.gov/hudportal/HUD?src=/states/california

Attachment B

Attachment B-1

**PY 2012 - 2014 CARE Proposed Program Budget
San Diego Gas & Electric Company**

CARE Budget Categories	2011 Authorized	2012 Planned	2013 Planned	2014 Planned
Outreach	\$ 1,734,261	\$ 2,069,410	\$ 2,283,171	\$ 2,300,352
Processing, Certification, Recertification	\$ 230,015	\$ 209,305	\$ 216,278	\$ 223,296
Post Enrollment Verification	\$ -	\$ 116,183	\$ 118,626	\$ 81,074
IT Programming	\$ 452,687	\$ 560,195	\$ 538,841	\$ 544,887
Cool Centers	\$ -	\$ 57,456	\$ 59,122	\$ 60,778
Pilots	\$ -	\$ -	\$ -	\$ -
Measurement and Evaluation	\$ 4,326	\$ 22,500	\$ 22,500	\$ 22,500
Regulatory Compliance	\$ 196,401	\$ 154,917	\$ 160,136	\$ 165,362
General Administration	\$ 423,927	\$ 492,559	\$ 505,430	\$ 518,406
CPUC Energy Division Staff	\$ 102,900	\$ 49,535	\$ 53,002	\$ 56,712
SUBTOTAL MANAGEMENT COSTS	\$ 3,144,517	\$ 3,732,059	\$ 3,957,106	\$ 3,973,368
Subsidies and Benefits	\$ 48,231,658	\$ 73,857,625	\$ 82,630,988	\$ 83,614,933
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	\$ 51,376,175	\$ 77,589,684	\$ 86,588,094	\$ 87,588,301

Note: CARE customers are exempt from paying costs for Department of Water Resources Bonds (DWR-BC), CARE Public Purpose Program, and the California Solar Initiative (CSI). During the 2012 - 2014 period, SDG&E estimates these exemptions will total \$57,572,275. SDG&E Exemptions for DWR-BC and CSI are based on current DWR-BC, current CSI rates, and forecasted CARE Sales.

Attachment B-2

**PY 2012 - 2014 CARE Estimated Participation
San Diego Gas & Electric Company**

	Total Enrolled 12-31-10	Total Enrolled Through March 2011	PY 2011 Estimated Eligible	Estimated Net PY 2011 Enrollments	Estimated Year End PY 2011 Participation	Estimated PY 2011 Goal Rate	Estimated PY 2012 Net Enrollments	Estimated Year End PY 2012 Participation	Estimated PY 2012 Goal Rate (a)	Estimated PY 2013 Net Enrollments	Estimated Year End PY 2013 Participation	Estimated PY 2013 Goal Rate (a)	Estimated PY 2014 Net Enrollments	Estimated Year End PY 2014 Participation	Estimated PY 2014 Goal Rate (a)
(Source)	(1)	4/21/11 RD Report (4)	(2)	(3)	(Col. B+E)	(Col. F/D)	(2)	(Col. F+H)	(Col. I/D)	(2)	(Col. I+K)	(Col. L/D)	(2)	(Col. L+N)	(Col. O/D)
SDG&E	293,438	299,419	358,328	17,319	310,757	86%	14,210	324,967	89%	7,886	332,853	90%	4,387	337,240	90%

(a) Estimated PY2012, PY2013 and PY2014 Goal Rate will fluctuate based on updated CARE Eligibility information to be filed September 2011, September 2012 and September 2013.

(1) CARE Annual Reports, dated 5/1/12

(2) Each utility's estimate based on eligibility rates filed.

(3) Most recent estimates of net enrollments.

(4) March data, filed April 21, 2011, was provided as this was the most current data available prior to the application filing date.

Attachment B-3

**PY 2010-2011 CARE Outreach and Penetration Information
San Diego Gas & Electric Company**

CARE PY 2010				
Outreach Method	Total Cost	Estimated # of Customers Reached	Estimated # of Customers Enrolled*	Percent of Net Enrollments for PY 2010
Direct Mail	\$ 38,470	32,000	1,036	1.21%
Telephone Campaigns	\$ 118,173	680,000	18,306	21.39%
Bill Inserts	\$ 80,000	1,000,000	3,930	4.59%
LIEE Leveraging	\$ -	6,200	2,500	2.92%
System (Call Center)	\$ -	42,000	9,200	10.75%
Capitation	\$ 41,656	n/a	5,200	6.08%
Third Party Contractor	\$ 130,715	40,000	8,900	10.40%
Outreach Labor and Expenses	\$ 519,384	n/a	36,505	42.66%
Mass Marketing	\$ 784,731	n/a	n/a	n/a
Misc. Outreach Expenses	\$ 73,093	n/a	n/a	n/a
Total	\$ 1,786,222	1,800,200	85,577	100.00%

CARE PY 2011				
Outreach Method	Total Cost	Estimated # of Customers Reached	Estimated # of Customers Enrolled*	Percent of Net Enrollments for PY 2011
Direct Mail	\$ 40,000	160,000	5	0.02%
Telephone	\$ 115,000	250,000	3,240	14.93%
Bill Inserts	\$ 80,000	1,000,000	101	0.47%
LIEE Leveraging	\$ -	5,000	437	2.01%
System (Call Center)	\$ -	40,000	2,705	12.46%
Capitation	\$ 50,000	n/a	1,282	5.91%
Third Party Contractor	\$ 150,000	30,000	2,137	9.85%
Outreach Labor and Expenses	\$ 380,200	n/a	11,795	54.35%
Mass Marketing	\$ 684,000	n/a	n/a	n/a
Misc. Outreach Expenses	\$ 209,060	n/a	n/a	n/a
	\$ 1,708,260	1,485,000	21,702	100.00%

* Data on estimated number of customers enrolled may not be available for certain types of outreach.

Attachment B-4

**PY 2012 - 2014 CARE and ESAP Rate Impacts - Electric
San Diego Gas & Electric Company**

PY 2012	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	17.995	0.316	0.015	0.044	0.009	0.384	18.379
Commercial	17.268	0.316	0.015	0.044	0.009	0.384	17.652
Industrial	13.572	0.316	0.015	0.044	0.009	0.384	13.956
Agricultural	16.820	0.316	0.015	0.044	0.009	0.384	17.204
Lighting	15.379	0.000	0.000	0.000	0.000	0.000	15.379
System	15.590	0.316	0.015	0.044	0.009	0.384	15.974

PY 2013	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	17.995	0.360	0.016	0.045	0.009	0.430	18.425
Commercial	17.268	0.360	0.016	0.045	0.009	0.430	17.698
Industrial	13.572	0.360	0.016	0.045	0.009	0.430	14.002
Agricultural	16.820	0.360	0.016	0.045	0.009	0.430	17.25
Lighting	15.379	0.000	0.000	0.000	0.000	0.000	15.379
System	15.590	0.360	0.016	0.045	0.009	0.430	16.02

PY 2014	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential	17.995	0.364	0.016	0.045	0.009	0.434	18.429
Commercial	17.268	0.364	0.016	0.045	0.009	0.434	17.702
Industrial	13.572	0.364	0.016	0.045	0.009	0.434	14.006
Agricultural	16.820	0.364	0.016	0.045	0.009	0.434	17.254
Lighting	15.379	0.000	0.000	0.000	0.000	0.000	15.379
System	15.590	0.364	0.016	0.045	0.009	0.434	16.024

Attachment B-5

PY 2012 - 2014 CARE and ESAP Rate Impacts - Gas (cents/Therm)
San Diego Gas & Electric Company

PY 2012	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential (non CARE)	2.21	2.86	0.18	2.40	0.48	5.92	8.13
Residential (CARE)	2.06	-	-	2.40	0.48	2.88	4.93
Commercial [1]	8.37	2.86	0.18	0.79	0.16	3.98	12.36
Industrial [2]	8.16	2.86	0.18	0.39	0.08	3.51	11.67
Agricultural	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lighting	N/A	N/A	N/A	N/A	N/A	N/A	N/A
System	N/A	N/A	N/A	N/A	N/A	N/A	N/A

PY 2013	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential (non CARE)	2.21	2.98	0.19	2.50	0.47	6.13	8.35
Residential (CARE)	2.06	0.00	0.00	2.50	0.47	2.97	5.02
Commercial [1]	8.37	2.98	0.19	0.82	0.15	4.14	12.51
Industrial [2]	8.16	2.98	0.19	0.41	0.08	3.65	11.81
Agricultural	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lighting	N/A	N/A	N/A	N/A	N/A	N/A	N/A
System	N/A	N/A	N/A	N/A	N/A	N/A	N/A

PY 2014	Average Rate Excluding CARE/ESAP Surcharge	CARE Subsidy Portion of Rate	CARE Administration Portion of Rate	ESAP Program Portion of Rate	ESAP Administration Portion of Rate	Total CARE/ESAP Surcharge	Average Rate Including CARE/ESAP Surcharge
Customer Type							
Residential (non CARE)	2.21	3.04	0.19	2.57	0.48	6.28	8.49
Residential (CARE)	2.06	0.00	0.00	2.57	0.48	3.05	5.11
Commercial [1]	8.37	3.04	0.19	0.84	0.16	4.23	12.60
Industrial [2]	8.16	3.04	0.19	0.42	0.08	3.73	11.89
Agricultural	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lighting	N/A	N/A	N/A	N/A	N/A	N/A	N/A
System	N/A	N/A	N/A	N/A	N/A	N/A	N/A

[1] Core C/I

[2] NonCore C/I

Natural Gas CARE subsidy for this table is illustrative. Actual 2012 CARE subsidy will be updated in an Advice Letter filing by October 31st per Ordering Paragraph 22 in D.04-08-010.

Attachment B-6

Low Income Customer Usage Levels San Diego Gas & Electric Company

		PY 2010		PY 2011 (Projected)		PY 2012 (Projected)		PY 2013 (Projected)		PY 2014 (Projected)	
		Number of CARE Customers	Number of Customers Treated by ESAP	Number of CARE Customers	Number of Customers Treated by ESAP	Number of CARE Customers	Number of Customers Treated by ESAP	Number of CARE Customers	Number of Customers Treated by ESAP	Number of CARE Customers	Number of Customers Treated by ESAP
Electric	Total	283,596	21,593	310,759	20,000	324,967	20,000	332,853	20,000	337,240	20,000
	Tier 1	149,096	11,786	163,377	10,917	170,846	10,917	174,992	10,917	177,298	10,917
	Tier 2	43,163	3,420	47,296	3,168	49,459	3,168	50,659	3,168	51,327	3,168
	Tier 3	55,926	4,140	61,283	3,834	64,085	3,834	65,640	3,834	66,505	3,834
	Tier 4	35,411	2,247	38,803	2,081	40,577	2,081	41,562	2,081	42,110	2,081
	Tier 5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gas	Total	186,052	21,593	192,840	20,000	201,273	20,000	206,041	20,000	208,721	20,000
	Below Baseline	122,794	14,413	127,274	13,350	132,840	13,350	135,987	13,350	137,756	13,350
	Above Baseline	63,258	7,180	65,566	6,650	68,433	6,650	70,054	6,650	70,965	6,650

Tier 1: up to 100% of baseline allowance

Tier 2: 101% to 130% of baseline allowance

Tier 3: 131% to 200% of baseline allowance

Tier 4: >200% of baseline allowance

Attachment B-7

**PY 2012 - 2014 CARE Pilots and Studies
San Diego Gas & Electric Company**

Line No.	Statewide Study	Total Cost	Percent paid by Utility	Total Cost paid by Utility
-	-	-	-	-
Total	-	-	-	-

Note: SDG&E is not proposing any pilots or studies for the CARE program during the 2012-2014 program cycle.