

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

Application of Southern California Gas)
Company (U 904 G) for Approval of Low-)
Income Assistance Programs and Budgets for) A.06-06____
Program Years 2007 and 2008)
_____)

**APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY FOR APPROVAL OF
PROGRAM YEARS 2007 AND 2008
LOW-INCOME ASSISTANCE PROGRAMS AND FUNDING**

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June 30, 2006

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I. INTRODUCTION

Southern California Gas Company ("SoCalGas") hereby submits this Application in accordance with Rule 15 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure and Decision ("D.") 05-12-026 regarding low income assistance programs and funding for program year ("PY") 2007-2008. Ordering Paragraph ("OP") 5 directed San Diego Gas & Electric Company, SoCalGas, Pacific Gas and Electric Company, and Southern California Edison Company--investor-owned utilities ("IOU")--to file applications for Commission approval of low-income assistance programs and funding for PY 2007 and PY 2008 by July 1, 2006.¹

¹ OP 5 of D.05-10-026 states:

The utilities shall file 2007-08 funding applications no later than July 1, 2006. The utilities shall list separately their budgets and program goals for each year and participate in workshops to develop other application and reporting requirements. The utilities shall schedule and conduct workshops within 60 days of filing their applications, and invite the members of the Low Income Oversight Board, ORA, the Energy Division, and the public to attend the workshops.

II. BACKGROUND

SoCalGas manages the California Alternate Rates for Energy ("CARE") discount program along with its low income energy efficiency ("LIEE") program that serves low-income households with an annual income at or below 200%² of Federal Poverty Guidelines ("FPG").

In addition to directing IOUs to file applications no later than July 1, 2006, with separately stated budgets and program goals for each year, D.05-12-026 also directed utilities to: (1) plan LIEE program activities to reflect changes from a budget-directed plan to a goal-driven plan and budget; (2) reflect the results of the Needs Assessment, if it is available in a timely-manner,³ (3) reflect direct program experience and (4) identify and explain any fund shifting within CARE program categories that have been made.

Consistent with those directives, this Application represents SoCalGas' LIEE and CARE program plans and budgets for PY 2007 and PY 2008 with no material changes anticipated between the two program years.

III. OVERVIEW OF TESTIMONY

This application is supported by the testimony of Gregg Lawless, LIEE Programs Manager, and Carmen Rudshagen, CARE Program Manager. As explained in the attached testimony, these programs are consistent with the Commission's various directives.

Gregg Lawless--This testimony describes in detail the proposed LIEE program, supports the proposed funding level and explains generally why SoCalGas does not expect to require a rate change to support the LIEE program budgets of PY 2007 and PY 2008. Witness Lawless' testimony supports the following requests:

² D.05-10-044, "Interim Opinion Approving Various Emergency Program Changes in Light of Anticipated High Natural Gas Prices in the Winter of 2005-2006," issued on October 27, 2005, expanded CARE and LIEE eligibility participation to 200% of FPG, which expansion remains in effect.

³ As of the date of this filing, the Statewide Low Income Needs Assessment Report has not yet been completed and was not used in the development of SoCalGas' 2007/08 CARE program plan.

- Authorization to utilize the Impact Evaluation of the 2001 Statewide Low Income Energy Efficiency Program in calculating and reporting LIEE program benefits for PYs 2007 and 2008;
- Authorization to fund LIEE-related Natural Gas Appliance Testing ("NGAT") costs from the LIEE budget instead of from base rates and to adjust base rates accordingly;
- Authorization through an interim or bridge funding decision to continue LIEE funding into 2007 should the Commission not issue a decision on this Application by year-end 2006. Funding for the interim period would come from the 2007 program budget adopted by the Commission;
- Authorization through an interim or bridge funding decision to count accomplishments achieved, pending issuance of a decision, toward the adopted 2007 program;
- Authorization to carry over any LIEE unspent funds from PY 2006 into PY 2007 and any LIEE unspent funds from PY 2007 into PY 2008 for LIEE program services;
- Authorization to implement several program changes: reinstatement of targeted self-certification, categorical eligibility for enrollment, revisions to certain limitations on measure installations and addition of new measures;
- Authorization for funding for Measurement and Evaluation ("M&E");
- Authorization to streamline reporting requirements.

Carmen Rudshagen--This testimony describes in detail the CARE program, supports the increased CARE administrative budget and demonstrates that the proposed PY 2007-2008 program and budget are consistent with the Commission's various directives and policies.

Witness Rudshagen also explains generally why SoCalGas does not anticipate a rate change to support CARE budgets for PY 2007 and PY 2008 and requests the following:

- Authorization through an interim or bridge funding decision to continue CARE funding into 2007 should the Commission not issue a decision on this Application by year-end 2006. Funding for the interim period would come from the 2007 program budget adopted by the Commission;
- Authorization through an interim or bridge funding decision to count accomplishments achieved, pending issuance of a decision, toward the adopted 2007 program;
- Authorization to shift funds between administration categories as deemed appropriate over the 2007 and 2008 program years in order to provide the best service and conduct the most effective outreach;
- Authorization to continue the 2006 recertification pilots;
- Authorization to implement several program changes: increase in capitation fees, automatic enrollment, outbound telephone enrollment, categorical eligibility for enrollment and post-enrollment verification, internet-based enrollment and recertification, extended recertification period for customers on fixed income and recertification by phone;
- Authorization for M&E Funding; and
- Authorization to streamline reporting requirements.

SoCalGas' proposed LIEE funding of \$34.925 million per year for the LIEE program is higher than the currently authorized budget for PY 2006 of \$ 33.325 million. The increased budget will be used to provide funding for required LIEE NGAT activities. SoCalGas also

proposes to increase its administrative CARE budget to \$4.713 million annually from \$4.107 million, the currently authorized budget for 2006. The higher budget will be used to increase program participation through customer outreach and program system enhancements.

Notwithstanding the proposed increases to the LIEE and CARE budgets, SoCalGas is not proposing to increase rates at this time as a result of this application because current revenues should be sufficient to cover the anticipated budget increases. Should conditions change, however, requiring SoCalGas subsequently to increase rates as a result of this filing, SoCalGas expects the rate increase would be minimal. See Section IV, G below.

In sum, SoCalGas requests Commission approval of the proposed programs and associated budgets for PY 2007 and PY 2008.

IV. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Proposed Category, Issues to Be Considered, Need for Hearings and Proposed Schedule--Rule 6(a)

SoCalGas proposes that this proceeding be categorized as "ratesetting." SoCalGas believes that of the three categories of proceedings defined in the Rules, "ratesetting" appears best to capture the nature of this proceeding. Under Rule 6.1(c), proceedings that do not clearly fall into any of the three categories will be considered under the rules for the ratemaking category, unless and until the Commission determines otherwise. The central issue to be resolved in this proceeding is whether SoCalGas' LIEE and CARE programs and associated budgets for PY 2006 and PY 2007 comply with Commission directives and policies and should be adopted.

Because the Commission has approved the majority of the proposed programs though 2006 and because of the limited factual issues to be addressed in this proceeding, SoCalGas does

not anticipate a need for hearings. In the event hearings do become necessary, SoCalGas proposes two procedural schedules:

Schedule 1 (Assumes No Hearings)

June 30, 2006	Filing of Application
July 31, 2006	Comments on Application
August 14, 2006	Utilities' Replies to Comments
September 15, 2006	Proposed Decision
October 19, 2006	Final Decision

Schedule 2 (Assumes Abbreviated Hearing)

June 30, 2006	Filing of Application
July 31, 2006	Testimony of Non-Applicants/Interested Parties
August 16, 2006	Rebuttal Testimony
August 22-25, 2006	Prehearing Conference followed immediately by Hearings
September 21, 2006	Concurrent Opening Briefs
October 13, 2006	Concurrent Closing Briefs
November 14, 2006	Proposed Decision
December 14, 2006	Final Decision

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

B. Statutory Authority - Rule 15

This Application is made pursuant to Section 451, 701, 702, 728, and 729 of the Public Utilities Code of the State of California; the February 27, 2002 ACR; 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 15(a)

Applicant's legal name is Southern California Gas Company. SoCalGas is a public utility corporation organized and existing under the laws of the State of California, with its principal place of business at 555 West 5th Street, Los Angeles, California 90012.

D. Correspondence - Rule 15(b)

Correspondence or communication regarding this Application should be addressed to:

Joy Yamagata
Regulatory Manager
Southern California Gas Company
8330 Century Park Court
San Diego, California 92123-1550
Telephone: (858) 654-1755
Facsimile: (858) 654-1788
E-Mail: jyamagata@semprautilities.com

With a copy to:

Georgetta J. Baker
Attorney
Southern California Gas Company
101 Ash Street, HQ13
San Diego, California 92101-3017
Telephone: (619) 699-5064
Facsimile: (619) 699-5027
E-Mail: gbaker@sempra.com

E. Articles of Incorporation - Rule 16

SoCalGas 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 SoCalGas' Application No. 98-10-012, and is incorporated herein by reference.

F. Financial Statement, Balance Sheet and Income Statement – Rule 23(a)

Appendix A to this Application is SoCalGas' Balance Sheet as of March 31, 2006.

G. Rates – Rules 23(b) and 23(c)

SoCalGas is not proposing to increase rates at this time as a result of this application because current revenues should be sufficient to cover the anticipated budget increases. Should conditions change, however, requiring SoCalGas to increase rates as a result of this filing, SoCalGas expects the rate increase would be minimal, *i.e.*, the Public Purpose Program ("PPP") rate increase and would be reflected as part of SoCalGas' annual PPP rate update, filed *via* advice letter in October for rates effective January 1 of the following year.

H. Property and Equipment – Rule 23 (d)

SoCalGas owns natural gas transmission pipelines, compressor plants, distribution pipelines, services and appurtenant meters, regulators, metering and regulating stations, booster stations, general office buildings, regional and district office buildings, general shops, laboratory buildings, warehouses and other storage facilities, supplies and equipment necessary for the operation of its business. In addition, SoCalGas owns underground gas storage reservoirs at Playa del Rey, Honor Rancho, Aliso Canyon, Goleta and Montebello. SoCalGas' gas distribution system includes, as of December 31, 2004, 2,723 miles of transmission pipelines, 47,307 miles of distribution mains, and 45,954 miles of service lines.

Appendix B to this Application is a statement of SoCalGas' Cost of Property and Depreciation Reserve Applicable Thereto as of March 31, 2006.

I. Summary of Earnings – Rules 23(e) and 23(f)

Appendix C to this Application is a Summary of Earnings for SoCalGas for the 3 months ended March 31, 2006.

J. Exhibits and Readiness – Rule 23(g)

SoCalGas' prepared testimony and associated exhibits accompany this Application. SoCalGas is now ready to proceed with its showing.

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, SoCalGas 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, SoCalGas has computed its tax depreciation using the Accelerated Cost Recovery System. For years after 1986, SoCalGas 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. Proxy Statement – Rule 23(i)

SoCalGas' latest proxy statement was filed with the Commission on May 2, 2005 in connection with SoCalGas' Application No. 05-05-004, and is incorporated herein by reference.

L. Pass Through of Costs – Rule 23(l)

The changes that SoCalGas seeks in this Application reflect estimated costs to SoCalGas, and passes through to customers only costs that SoCalGas incurs for the services and commodities that it furnishes.

M. Service and Notice – Rule 24

SoCalGas is serving this Application on all parties to R.04-01-006. Within ten days of filing, SoCalGas will mail notice of this Application to the State of California and to cities and counties that SoCalGas serves and SoCalGas 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, SoCalGas 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.

IV. RELIEF REQUESTED

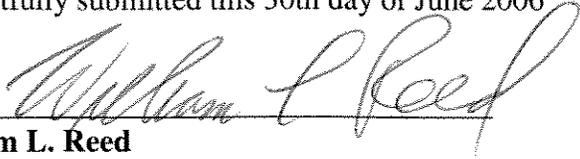
For the reasons set forth in this Application and accompanying testimony, SoCalGas respectfully asks the Commission to:

- 1) Consider this Application and grant all the relief requested herein.
- 2) Find that SoCalGas' proposals are in conformance with Commission directives and policies.
- 3) Find that SoCalGas' proposal to fund NGAT costs from the LIEE budget instead of from base rates is just and reasonable.

- 4) Approve SoCalGas' low-income assistance programs and budgets for PY 2007 and PY 2008 and permit the carry over of LIEE unspent funds from the previous year to be included in the following year's budget.
- 5) Find that SoCalGas' proposed LIEE and CARE program related and reporting requirement changes are reasonable and should be implemented as soon as possible upon approval by the Commission.
- 6) If a final decision has not been made prior to January 1, 2007, issue an interim or bridge funding decision as necessary authorizing SoCalGas to:
 - (a) Continue its LIEE and CARE programs in their current form;
 - (b) Continue to expend CARE and LIEE funding in 2007 based on the PY 2007 budget;
 - (c) Count program accomplishments achieved during this period toward adopted PY 2007 goals, funding for which would be the PY 2007 adopted budget.
- 7) Approve SoCalGas' request to be fund shift between CARE administrative categories.
- 8) Authorize SoCalGas to record all PY 2007 and PY 2008 program costs in appropriate balancing accounts.

- 9) Grant such other and further relief which the Commission finds to be just and reasonable.

Respectfully submitted this 30th day of June 2006

By: 

William L. Reed

Senior Vice President – Regulatory and Strategic Planning



Georgetta J. Baker

Attorney for:

SOUTHERN CALIFORNIA GAS COMPANY

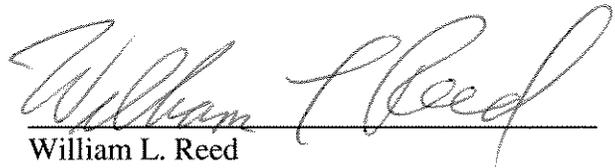
June 30, 2006

VERIFICATION

I am an officer of Southern California Gas 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 30th day of June, 2006 at San Diego, California.

A handwritten signature in cursive script that reads "William L. Reed". The signature is written in black ink and is positioned above a horizontal line.

William L. Reed
Senior Vice President – Regulatory and Strategic
Planning

Appendix A

SoCalGas' Financial Statement, Balance Sheet and Statement of Income and Retained Earnings

SOUTHERN CALIFORNIA GAS COMPANY
FINANCIAL STATEMENT
MARCH 31, 2006

(a) Amounts and Kinds of Stock Authorized:

Preferred Stock	160,000	shares	Par Value \$4,000
Preferred Stock	840,000	shares	Par Value \$21,000
Preferred Stock	5,000,000	shares	Without Par Value
Preference Stock	5,000,000	shares	Without Par Value
Common Stock	100,000,000	shares	Without Par Value

Amounts and Kinds of Stock Outstanding:

PREFERRED STOCK

6.0%	79,011	shares	\$1,975,275
6.0%	783,032	shares	19,575,800

COMMON STOCK

91,300,000	shares	834,888,907
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(b) Terms of Preferred Stock:

Full information as to this item is given in connection with Application No. 92-08-018, to which reference is hereby made.

(c) Brief Description of Mortgage:

Full information as to this item is given in Application No. 93-07-012, 96-09-036 and 03-07-008 to which references are hereby made.

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

	Nominal Date of Issue	Int. Paid A/C	Par Value	
			Authorized and Issued	Outstanding
<u>First Mortgage Bonds:</u>				
4.80% Series GG, due 2012	10-02-02	2183037	250,000,000	250,000,000
5.45% Series HH, due 2018	10-14-03	2183041	250,000,000	250,000,000
Var % Series II, due 2011	12-15-03	2183045	250,000,000	250,000,000
Var% Series JJ, due 2009	12-10-04	2183049	100,000,000	100,000,000
5.75% Series KK, due 2035	11-18-05	2183052	250,000,000	250,000,000
<u>Other Long-Term Debt</u>				
6.375% SFr. Foreign Interest Payment Securities	05-14-86	2183065	7,877,038	7,877,038
5.67% Medium-Term Note, due 2028	01-15-03	2183003	5,000,000	5,000,000

**SOUTHERN CALIFORNIA GAS COMPANY
FINANCIAL STATEMENT
MARCH 31, 2006**

<u>Other Indebtedness:</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Outstanding</u>	<u>Interest Paid in 2005</u>
Commercial Paper & ST Bank Loans	11/01/04	08/05/10	4.26%	87,800,000	\$46,157

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 @ 12-31-05</u>	<u>Dividends Declared</u>				
		2001	2002	2003	2004	2005
6.0%	79,011	\$118,516	\$118,516	\$118,516	\$118,516	\$118,516
6.0%	783,032	1,174,548	1,174,548	1,174,548	1,174,548	1,174,548
	<u>862,043</u>	<u>\$1,293,064</u>	<u>\$1,293,064</u>	<u>\$1,293,064</u>	<u>\$1,293,064</u>	<u>\$1,293,064</u>

Common Stock

Amount \$190,000,000 \$200,000,000 \$200,000,000 \$200,000,000 \$200,000,000 [1]

A balance sheet and a statement of income and retained earnings of Applicant for the three months ended March 31, 2006, are attached hereto.

[1] Southern California Gas Company dividend to parent company, Sempra Energy.

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
MARCH 31, 2006**

1. UTILITY PLANT		<u>2006</u>
101	UTILITY PLANT IN SERVICE	\$7,502,984,950
102	UTILITY PLANT PURCHASED OR SOLD	-
105	PLANT HELD FOR FUTURE USE	-
106	COMPLETED CONSTRUCTION NOT CLASSIFIED	-
107	CONSTRUCTION WORK IN PROGRESS	166,900,445
108	ACCUMULATED PROVISION FOR DEPRECIATION OF UTILITY PLANT	(3,246,664,632)
111	ACCUMULATED PROVISION FOR AMORTIZATION OF UTILITY PLANT	(15,934,163)
117	GAS STORED-UNDERGROUND	<u>57,026,560</u>
	TOTAL NET UTILITY PLANT	<u>4,464,313,160</u>

2. OTHER PROPERTY AND INVESTMENTS		
121	NONUTILITY PROPERTY	117,365,294
122	ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF NONUTILITY PROPERTY	(96,360,475)
123	INVESTMENTS IN SUBSIDIARY COMPANIES	-
124	OTHER INVESTMENTS	750,843
125	SINKING FUNDS	-
128	OTHER SPECIAL FUNDS	<u>5,192,156</u>
	TOTAL OTHER PROPERTY AND INVESTMENTS	<u>26,947,818</u>

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
ASSETS AND OTHER DEBITS
MARCH 31, 2006**

3. CURRENT AND ACCRUED ASSETS

		<u>2006</u>
131	CASH	38,072,359
132	INTEREST SPECIAL DEPOSITS	-
134	OTHER SPECIAL DEPOSITS	-
135	WORKING FUNDS	98,900
136	TEMPORARY CASH INVESTMENTS	327,492,704
141	NOTES RECEIVABLE	
142	CUSTOMER ACCOUNTS RECEIVABLE	672,938,453
143	OTHER ACCOUNTS RECEIVABLE	(597,777)
144	ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS	(7,408,483)
145	NOTES RECEIVABLE FROM ASSOCIATED COMPANIES	71,475,950
146	ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES	12,512,599
151	FUEL STOCK	-
152	FUEL STOCK EXPENSE UNDISTRIBUTED	-
154	PLANT MATERIALS AND OPERATING SUPPLIES	14,668,512
155	MERCHANDISE	26,542
156	OTHER MATERIALS AND SUPPLIES	-
163	STORES EXPENSE UNDISTRIBUTED	-
164	GAS STORED	10,357,826
165	PREPAYMENTS	4,987,909
171	INTEREST AND DIVIDENDS RECEIVABLE	9,768,054
173	ACCRUED UTILITY REVENUES	-
174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	12,310,093
175	DERIVATIVE INSTRUMENT ASSETS	385,105
176	LONG TERM PORTION OF DERIVATIVE ASSETS - HEDGES	-
	TOTAL CURRENT AND ACCRUED ASSETS	<u>1,167,088,746</u>

4. DEFERRED DEBITS

181	UNAMORTIZED DEBT EXPENSE	6,368,419
182	UNRECOVERED PLANT AND OTHER REGULATORY ASSETS	191,122,612
183	PRELIMINARY SURVEY & INVESTIGATION CHARGES	1,548,577
184	CLEARING ACCOUNTS	249,608
185	TEMPORARY FACILITIES	-
186	MISCELLANEOUS DEFERRED DEBITS	12,344,527
188	RESEARCH AND DEVELOPMENT	-
189	UNAMORTIZED LOSS ON REACQUIRED DEBT	39,478,374
190	ACCUMULATED DEFERRED INCOME TAXES	24,597,715
191	UNRECOVERED PURCHASED GAS COSTS	-
	TOTAL DEFERRED DEBITS	<u>275,709,832</u>

	<u><u>5,934,059,556</u></u>
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**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
MARCH 31, 2006**

5. PROPRIETARY CAPITAL

	<u>2006</u>
201 COMMON STOCK ISSUED	\$834,888,907
204 PREFERRED STOCK ISSUED	21,551,075
207 PREMIUM ON CAPITAL STOCK	-
208 OTHER PAID-IN CAPITAL	-
210 GAIN ON RETIRED CAPITAL STOCK	9,722
211 MISCELLANEOUS PAID-IN CAPITAL	31,306,680
214 CAPITAL STOCK EXPENSE	(143,261)
216 UNAPPROPRIATED RETAINED EARNINGS	534,007,632
219 ACCUMULATED OTHER COMPREHENSIVE INCOME	<u>(5,306,488)</u>
TOTAL PROPRIETARY CAPITAL	<u>1,416,314,267</u>

6. LONG-TERM DEBT

221 BONDS	1,100,000,000
224 OTHER LONG-TERM DEBT	12,877,038
225 UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-
226 UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	<u>(2,498,222)</u>
TOTAL LONG-TERM DEBT	<u>1,110,378,816</u>

7. OTHER NONCURRENT LIABILITIES

227 OBLIGATIONS UNDER CAPITAL LEASES - NONCURRENT	-
228.2 ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	70,050,863
228.3 ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	20,612,636
228.4 ACCUMULATED MISCELLANEOUS OPERATING PROVISIONS	-
230 ASSET RETIREMENT OBLIGATIONS	<u>513,322,413</u>
TOTAL OTHER NONCURRENT LIABILITIES	<u>603,985,912</u>

**SOUTHERN CALIFORNIA GAS COMPANY
BALANCE SHEET
LIABILITIES AND OTHER CREDITS
MARCH 31, 2006**

8. CURRENT AND ACCRUED LIABILITES

	<u>2006</u>
231 NOTES PAYABLE	-
232 ACCOUNTS PAYABLE	378,828,485
233 NOTES PAYABLE TO ASSOCIATED COMPANIES	-
234 ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	60,648,705
235 CUSTOMER DEPOSITS	85,505,823
236 TAXES ACCRUED	10,692,640
237 INTEREST ACCRUED	22,039,579
238 DIVIDENDS DECLARED	50,323,266
241 TAX COLLECTIONS PAYABLE	28,704,204
242 MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	254,206,906
243 OBLIGATIONS UNDER CAPITAL LEASES - CURRENT	-
244 DERIVATIVE INSTRUMENT LIABILITIES	32,466,771
245 DERIVATIVE INSTRUMENT LIABILITIES - HEDGES	-
	<hr/>
TOTAL CURRENT AND ACCRUED LIABILITIES	<u>923,416,379</u>

9. DEFERRED CREDITS

252 CUSTOMER ADVANCES FOR CONSTRUCTION	49,426,363
253 OTHER DEFERRED CREDITS	350,035,646
254 OTHER REGULATORY LIABILITIES	1,301,924,926
255 ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	37,825,377
257 UNAMORTIZED GAIN ON REACQUIRED DEBT	-
281 ACCUMULATED DEFERRED INCOME TAXES - ACCELERATED	-
282 ACCUMULATED DEFERRED INCOME TAXES - PROPERTY	140,751,870
283 ACCUMULATED DEFERRED INCOME TAXES - OTHER	-
	<hr/>
TOTAL DEFERRED CREDITS	<u>1,879,964,182</u>
	<hr/>
TOTAL LIABILITIES AND OTHER CREDITS	<u><u>5,934,059,556</u></u>

**SOUTHERN CALIFORNIA GAS COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31, 2006**

1. UTILITY OPERATING INCOME

400	OPERATING REVENUES		\$1,425,061,923
401	OPERATING EXPENSES	\$1,216,222,926	
402	MAINTENANCE EXPENSES	25,488,256	
403-7	DEPRECIATION AND AMORTIZATION EXPENSES	66,285,912	
408.1	TAXES OTHER THAN INCOME TAXES	16,085,606	
409.1	INCOME TAXES	40,832,840	
410.1	PROVISION FOR DEFERRED INCOME TAXES	2,051,059	
411.1	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(5,051,479)	
411.4	INVESTMENT TAX CREDIT ADJUSTMENTS	(586,048)	
411.6	GAIN FROM DISPOSITION OF UTILITY PLANT		
	TOTAL OPERATING REVENUE DEDUCTIONS		1,361,329,072
	NET OPERATING INCOME		63,732,851

2. OTHER INCOME AND DEDUCTIONS

415	REVENUE FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	
417	REVENUES FROM NONUTILITY OPERATIONS	-	
417.1	EXPENSES OF NONUTILITY OPERATIONS	(27,717)	
418	NONOPERATING RENTAL INCOME	78,075	
418.1	EQUITY IN EARNINGS OF SUBSIDIARIES	-	
419	INTEREST AND DIVIDEND INCOME	2,271,458	
419.1	ALLOWANCE FOR OTHER FUNDS USED DURING CONSTRUCTION	1,708,704	
421	MISCELLANEOUS NONOPERATING INCOME	171,583	
421.1	GAIN ON DISPOSITION OF PROPERTY	0	
	TOTAL OTHER INCOME	4,202,103	
425	MISCELLANEOUS AMORTIZATION	-	
426	MISCELLANEOUS OTHER INCOME DEDUCTIONS	698,969	
		698,969	
408.2	TAXES OTHER THAN INCOME TAXES	51,741	
409.2	INCOME TAXES	118,887	
410.2	PROVISION FOR DEFERRED INCOME TAXES	168,839	
411.2	PROVISION FOR DEFERRED INCOME TAXES - CREDIT	(312,665)	
420	INVESTMENT TAX CREDITS	(26,013)	
	TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	789	
	TOTAL OTHER INCOME AND DEDUCTIONS		3,502,345
	INCOME BEFORE INTEREST CHARGES		67,235,196
	NET INTEREST CHARGES*		17,665,238
	NET INCOME		\$49,569,958

*NET OF ALLOWANCE FOR BORROWED FUNDS USED DURING CONSTRUCTION. (\$728,073).

**SOUTHERN CALIFORNIA GAS COMPANY
STATEMENT OF INCOME AND RETAINED EARNINGS
THREE MONTHS ENDED MARCH 31, 2006**

3. RETAINED EARNINGS

RETAINED EARNINGS AT BEGINNING OF PERIOD, AS PREVIOUSLY REPORTED	\$534,760,940
NET INCOME (FROM PRECEDING PAGE)	49,569,958
DIVIDEND TO PARENT COMPANY	(50,000,000)
DIVIDENDS DECLARED - PREFERRED STOCK	(323,266)
OTHER RETAINED EARNINGS ADJUSTMENT	<u>-</u>
RETAINED EARNINGS AT END OF PERIOD	<u><u>\$534,007,632</u></u>

Appendix B

Plant Investment and Accumulated Depreciation

SOUTHERN CALIFORNIA GAS COMPANY

Plant Investment and Accumulated Depreciation

As of March 31, 2006

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE
INTANGIBLE ASSETS			
301	Organization	\$ 76,457	\$ -
302	Franchise and Consents	515,639	
	Total Intangible Assets	<u>\$ 592,096</u>	<u>\$ -</u>
UNDERGROUND STORAGE:			
350	Land	\$ 5,289,613	\$ -
350	Storage Rights	17,338,835	15,921,899
350	Rights-of-Way	25,354	10,575
351	Structures and Improvements	25,304,979	15,907,617
352	Wells	164,272,339	114,535,652
353	Lines	79,750,366	85,336,668
354	Compressor Station and Equipment	98,668,001	64,729,144
355	Measuring And Regulator Equipment	4,465,937	1,282,170
356	Purification Equipment	73,485,594	53,754,484
357	Other Equipment	6,210,120	2,183,972
	Total Underground Storage	<u>\$ 474,811,138</u>	<u>\$ 353,662,181</u>
TRANSMISSION PLANT- OTHER:			
365	Land	\$ 2,012,666	\$ -
365	Land Rights	20,482,571	11,665,477
366	Structures and Improvements	28,092,066	19,423,878
367	Mains	783,369,007	462,717,310
368	Compressor Station and Equipment	167,053,773	85,702,419
369	Measuring And Regulator Equipment	41,937,253	25,657,678
371	Other Equipment	3,505,454	1,341,077
	Total Transmission Plant	<u>\$ 1,046,452,789</u>	<u>\$ 606,507,838</u>
DISTRIBUTION PLANT:			
374	Land	\$ 28,252,058	\$ -
374	Land Rights	2,674,018	12,264
375	Structures and Improvements	169,917,778	46,758,427
376	Mains	2,515,879,449	1,391,660,726
378	Measuring And Regulator Equipment	51,577,086	35,117,017
380	Services	1,765,310,424	1,412,367,024
381	Meters	360,088,627	124,073,753
382	Meter Installation	213,084,368	154,404,538
383	House Regulators	99,557,347	38,134,566
387	Other Equipment	23,658,980	16,541,674
	Total Distribution Plant	<u>\$ 5,230,000,133</u>	<u>\$ 3,219,069,989</u>
GENERAL PLANT:			
389	Land	\$ 1,414,274	\$ -
389	Land Rights	74,300	-
390	Structures and Improvements	97,927,844	74,476,396
391	Office Furniture and Equipment	318,554,368	151,724,331
392	Transportation Equipment	1,715,839	1,271,984
393	Stores Equipment	630,664	574,665
394	Shop and Garage Equipment	48,776,324	21,676,746
395	Laboratory Equipment	7,011,481	3,662,126
396	Construction Equipment	95,317	67,027
397	Communication Equipments	109,184,150	66,448,076
398	Miscellaneous Equipment	4,775,807	(2,524,805)

SOUTHERN CALIFORNIA GAS COMPANY

Plant Investment and Accumulated Depreciation
As of March 31, 2006

ACCOUNT NUMBER	DESCRIPTION	ORIGINAL COSTS	ACCUMULATED RESERVE
	Total General Plant	<u>\$ 590,160,369</u>	<u>\$ 317,376,545</u>

Appendix C

Summary of Earnings

**SOUTHERN CALIFORNIA GAS COMPANY
SUMMARY OF EARNINGS
THREE MONTHS ENDED MARCH 31, 2006
(DOLLARS IN MILLIONS)**

<u>Line No.</u>	<u>Item</u>	<u>Amount</u>
1	Operating Revenue	1,425
2	Operating Expenses	<u>1,361</u>
3	Net Operating Income	<u><u>64</u></u>
4	Weighted Average Rate Base	2,449
5	Rate of Return*	8.68%

*Authorized Cost of Capital

Appendix D

List of Government Agencies

ATTORNEY GENERAL
STATE OF CALIFORNIA
1300 "I" STREET
SACRAMENTO, CA 95814

DEPARTMENT OF GENERAL SERVICES
STATE OF CALIFORNIA
915 CAPITOL MALL
SACRAMENTO, CA 95814

COUNTY CLERK
FRESNO COUNTY
2221 KERN ST.
FRESNO, CA 93721

COUNTY COUNSEL
FRESNO COUNTY
2220 TULARE ST., 5TH FLOOR
FRESNO, CA 93721

COUNTY CLERK
IMPERIAL COUNTY
EL CENTRO, CA 92243

DISTRICT ATTORNEY
IMPERIAL COUNTY
940 W. MAIN ST., STE. 101
EL CENTRO, CA 92243

COUNTY COUNSEL
KERN COUNTY
1415 TRUXTUN
BAKERSFIELD, CA 93301

CLERK OF THE BOARD
KERN COUNTY
1115 TRUXTUN
BAKERSFIELD, CA 93301

DISTRICT ATTORNEY
KINGS COUNTY
1400 W. LACEY BLVD.
HANFORD, CA 93230

COUNTY CLERK
KINGS COUNTY
1400 W. LACEY BLVD.
HANFORD, CA 93230

DISTRICT ATTORNEY
LOS ANGELES COUNTY
111 NO. HILL STREET
LOS ANGELES, CA 90012

COUNTY CLERK
LOS ANGELES COUNTY
12400 E. IMPERIAL HIGHWAY
NORWALK, CA 90650

DISTRICT ATTORNEY
ORANGE COUNTY
700 CIVIC CENTER DRIVE WEST
SANTA ANA, CA 92701

COUNTY CLERK
ORANGE COUNTY
700 CIVIC CENTER DR. RM D100
SANTA ANA, CA 92701

DISTRICT ATTORNEY
RIVERSIDE COUNTY
2041 IOWA AVE.
RIVERSIDE, CA 92501

COUNTY CLERK
RIVERSIDE COUNTY
4080 LEMON STREET
RIVERSIDE, CA 92501

COUNTY CLERK
SAN BERNARDINO COUNTY
175 W. 5TH ST
SAN BERNARDINO, CA 92415

DISTRICT ATTORNEY
SAN BERNARDINO COUNTY
175 W. 5TH ST.
SAN BERNARDINO, CA 92415

COUNTY CLERK
SAN LUIS OBISPO COUNTY
COURT HOUSE ANNEX
SAN LUIS OBISPO, CA 93408

DISTRICT ATTORNEY
SAN LUIS OBISPO COUNTY
COURT HOUSE ANNEX
SAN LUIS OBISPO, CA 93408

COUNTY CLERK
SANTA BARBARA COUNTY
105 E. ANAPUMA ST.
SANTA BARBARA, CA 93102

DISTRICT ATTORNEY
SANTA BARBARA COUNTY
105 E. ANAPUMA ST.
SANTA BARBARA, CA 93102

COUNTY CLERK
TULARE COUNTY
CIVIC CENTER
VISALIA, CA 93277

DISTRICT ATTORNEY
TULARE COUNTY
CIVIC CENTER
VISALIA, CA 93277

DISTRICT ATTORNEY
VENTURA COUNTY
800 SO. VICTORIA AVE.
VENTURA, CA 93009

COUNTY CLERK
VENTURA COUNTY
800 SO. VICTORIA AVE.
VENTURA, CA 93009

CITY CLERK
YUCAIPA CITY
34272 YUCAIPA BLVD.
YUCAIPA, CA 92399

CITY ATTORNEY
ADELANTO CITY HALL
P.O. BOX 10
ADELANTO, CA 92301

CITY CLERK
ADELANTO CITY HALL
P. O. BOX 10
ADELANTO, CA 92301

CITY ATTORNEY
AGOURA HILLS CITY HALL
30101 AGOURA CT., #102
AGOURA HILLS, CA 91301

CITY CLERK
AGOURA HILLS CITY HALL
30101 AGOURA CT., #102
AGOURA HILLS, CA 91301

CITY ATTORNEY
ALHAMBRA CITY HALL
111 S. FIRST ST
ALHAMBRA, CA 91801

CITY CLERK
ALHAMBRA CITY HALL
111 S. FIRST ST.
ALHAMBRA, CA 91801

CITY ATTORNEY
ANAHEIM CITY HALL
P.O. BOX 3222
ANAHEIM, CA 92803

CITY CLERK
ANAHEIM CITY HALL
P.O. BOX 3222
ANAHEIM, CA 92803

CITY CLERK
ARCADIA CITY HALL
240 W. HUNTINGTON DR.
ARCADIA, CA 91006

CITY ATTORNEY
ARCADIA CITY HALL
240 W. HUNTINGTON DR
ARCADIA, CA 91006

CITY ATTORNEY
ARROYO GRANDE CITY HALL
214 E. BRANCH ST
ARROYO GRANDE, CA 93420

CITY CLERK
ARROYO GRANDE CITY HALL
214 E. BRANCH ST.
ARROYO GRANDE, CA 93420

CITY ATTORNEY
ARTESIA CITY HALL
18747 CLARKDALE AVE.
ARTESIA, CA 90701

CITY CLERK
ARTESIA CITY HALL
18747 CLARKDALE AVE.
ARTESIA, CA 90701

CITY ATTORNEY
ARVIN CITY HALL
200 CAMPUS DR.
ARVIN, CA 93203

CITY CLERK
ARVIN CITY HALL
200 CAMPUS DR.
ARVIN, CA 93203

CITY ATTORNEY
ATASCADERO CITY HALL
6500 PALMA AVE.
ATASCADERO, CA 93422

CITY CLERK
ATASCADERO CITY HALL
6500 PALMA AVE.
ATASCADERO, CA 93422

CITY ATTORNEY
AVENAL CITY HALL
919 SKYLINE AVE.
AVENAL, CA 93204

CITY CLERK
AVENAL CITY HALL
919 SKYLINE AVE.
AVENAL, CA 93204

CITY ATTORNEY
AZUSA CITY HALL
213 E. FOOTHILL BLVD.
AZUSA, CA 91702

CITY CLERK
AZUSA CITY HALL
213 E. FOOTHILL BLVD.
AZUSA, CA 91702

CITY ATTORNEY
BAKERSFIELD CITY HALL
1501 TRUXTUN AVE.
BAKERSFIELD, CA 93301

CITY CLERK
BAKERSFIELD CITY HALL
1501 TRUXTUN AVE.
BAKERSFIELD, CA 93301

CITY ATTORNEY
BALDWIN PARK CITY HALL
14403 E. PACIFIC AVE.
BALDWIN PARK, CA 91706

CITY CLERK
BALDWIN PARK CITY HALL
14403 E. PACIFIC AVE.
BALDWIN PARK, CA 91706

CITY ATTORNEY
BANNING CITY HALL
99 EAST RAMSEY ST.
BANNING, CA 92220

CITY CLERK
BANNING CITY HALL
99 EAST RAMSEY ST.
BANNING, CA 92220

CITY ATTORNEY
BEAUMONT CITY HALL
550 6TH AVE.
BEAUMONT, CA 92223

CITY CLERK
BEAUMONT CITY HALL
550 6TH AVE.
BEAUMONT, CA 92223

CITY ATTORNEY
BELL CITY HALL
6330 PINE AVE.
BELL, CA 90201

CITY CLERK
BELL CITY HALL
6330 PINE AVE.
BELL, CA 90201

CITY ATTORNEY
BELL GARDENS CITY HALL
7100 SO. GARFIELD AVE.
BELL GARDENS, CA 90201

CITY CLERK
BELL GARDENS CITY HALL
7100 SO. GARFIELD AVE.
BELL GARDENS, CA 90201

CITY ATTORNEY
BELLFLOWER CITY HALL
16600 E. CIVIC CENTER DR.
BELLFLOWER, CA 90706

CITY CLERK
BELLFLOWER CITY HALL
16600 E. CIVIC CENTER DR.
BELLFLOWER, CA 90706

CITY ATTORNEY
BEVERLY HILLS CITY HALL
450 NO. CRESCENT DR.
BEVERLY HILLS, CA 90210

CITY CLERK
BEVERLY HILLS CITY HALL
450 NO. CRESCENT DR.
BEVERLY HILLS, CA 90210

CITY ATTORNEY
BIG BEAR LAKE CITY
P. O. BOX 2800
BIG BEAR LAKE, CA 92315

CITY CLERK
BIG BEAR LAKE CITY
P. O. BOX 2800
BIG BEAR LAKE, CA 92315

CITY CLERK
BLYTHE CITY HALL
200 NO. SPRING ST.
CITY OF BLYTHE, CA 92225

CITY ATTORNEY
BLYTHE CITY HALL
200 NO. SPRING ST.
CITY OF BLYTHE, CA 92225

CITY ATTORNEY
BRADBURY CITY HALL
600 WINSTON AVE.
BRADBURY, CA 91010

CITY CLERK
BRADBURY CITY HALL
600 WINSTON AVE.
BRADBURY, CA 91010

CITY ATTORNEY
BRAWLEY CITY HALL
400 MAIN ST.
BRAWLEY, CA 92227

CITY CLERK
BRAWLEY CITY HALL
400 MAIN STREET
BRAWLEY, CA 92227

CITY ATTORNEY
BREA CITY HALL
1 CIVIC CENTER CIRCLE
BREA, CA 92621

CITY CLERK
BREA CITY HALL
1 CIVIC CENTER CIRCLE
BREA, CA 92621

CITY ATTORNEY
BUENA PARK CITY HALL
6650 BEACH BLVD.
BUENA PARK, CA 90620

CITY CLERK
BUENA PARK CITY HALL
6650 BEACH BLVD.
BUENA PARK, CA 90620

CITY ATTORNEY
BURBANK CITY HALL
275 E. OLIVE AVE.
BURBANK, CA 91502

CITY CLERK
BURBANK CITY HALL
275 E. OLIVE AVE.
BURBANK, CA 91502

CITY CLERK
CALEXICO CITY HALL
408 HEBER AVE.
CALEXICO, CA 92231

CITY ATTORNEY
CALIFORNIA CITY CITY HALL
21000 HACIENDA BLVD.
CALIFORNIA CITY, CA 93505

CITY CLERK
CALIFORNIA CITY CITY HALL
21000 HACIENDA BLVD.
CALIFORNIA CITY, CA 93505

CITY ATTORNEY
CALIPATRIA CITY HALL
101 NO. LAKE AVE.
CALIPATRIA, CA 92233

CITY CLERK
CALIPATRIA CITY HALL
101 NO. LAKE AVE.
CALIPATRIA, CA 92233

CITY ATTORNEY
CAMARILLO CITY HALL
601 CARMEN DRIVE
CAMARILLO, CA 93010

CITY CLERK
CAMARILLO CITY HALL
601 CARMEN DRIVE
CAMARILLO, CA 93010

CITY ATTORNEY
CANYON LAKE CITY
31532 RAILROAD CANYON RD, #101
CANYON LAKE, CA 92587

CITY CLERK
CANYON LAKE CITY
31532 RAILROAD CANYON RD, #101
CANYON LAKE, CA 92587

CITY ATTORNEY
CARPINTERIA CITY HALL
5775 CARPINTERIA AVE.
CARPINTERIA, CA 93013

CITY CLERK
CARPINTERIA CITY HALL
5775 CARPINTERIA AVE.
CARPINTERIA, CA 93013

CITY ATTORNEY
CARSON CITY HALL
701 E. CARSON ST.
CARSON, CA 90745

CITY CLERK
CARSON CITY HALL
701 E. CARSON ST.
CARSON, CA 90745

CITY ATTORNEY
CATHEDRAL CITY CITY HALL
68625 PEREZ ROAD
CATHEDRAL CITY, CA 92234

CITY CLERK
CATHEDRAL CITY CITY HALL
68625 PEREZ ROAD
CATHEDRAL CITY, CA 92234

CITY ATTORNEY
CERRITOS CITY HALL
BLOOMFIELD AND 183RD ST.
CERRITOS, CA 90701

CITY CLERK
CERRITOS CITY HALL
BLOOMFIELD AND 183RD ST.
CERRITOS, CA 90701

CITY ATTORNEY
CHINO CITY HALL
13220 CENTRAL AVE.
CHINO, CA 91710

CITY CLERK
CHINO CITY HALL
13220 CENTRAL AVE.
CHINO, CA 91710

CITY CLERK
CLAREMONT CITY HALL
207 HARVARD AVE.
CLAREMONT, CA 91711

CITY ATTORNEY
CLAREMONT CITY HALL
207 HARVARD AVE.
CLAREMONT, CA 91711

CITY ATTORNEY
COACHELLA CITY HALL
1515 SIXTH ST.
COACHELLA, CA 92236

CITY CLERK
COACHELLA CITY HALL
1515 SIXTH ST.
COACHELLA, CA 92236

CITY ATTORNEY
COLTON CITY HALL
650 N. LACADENA DR.
COLTON, CA 92324

CITY CLERK
COLTON CITY HALL
650 N. LACADENA DR.
COLTON, CA 92324

CITY ATTORNEY
COMMERCE CITY HALL
5655 JILSON ST.
COMMERCE, CA 90040

CITY CLERK
COMMERCE CITY HALL
5655 JILSON ST.
COMMERCE, CA 90040

CITY ATTORNEY
COMPTON CITY HALL
205 SO. WILLOWBROOK AVE.
COMPTON, CA 90220

CITY CLERK
COMPTON CITY HALL
205 SO. WILLOWBROOK AVE.
COMPTON, CA 90220

CITY ATTORNEY
CORCORAN CITY HALL
1033 CHITTENDEN AVE.
CORCORAN, CA 93212

CITY CLERK
CORCORAN CITY HALL
1033 CHITTENDEN AVE.
CORCORAN, CA 93212

CITY ATTORNEY
CORONA CITY HALL
815 W. SIXTH ST.
CORONA, CA 91720

CITY CLERK
CORONA CITY HALL
815 W. SIXTH ST.
CORONA, CA 91720

CITY ATTORNEY
COSTA MESA CITY HALL
77 FAIR DRIVE
COSTA MESA, CA 92626

CITY CLERK
COSTA MESA CITY HALL
77 FAIR DRIVE
COSTA MESA, CA 92626

CITY ATTORNEY
COVINA CITY HALL
125 E. COLLEGE ST.
COVINA, CA 91723

CITY CLERK
COVINA CITY HALL
125 E. COLLEGE ST.
COVINA, CA 91723

CITY ATTORNEY
CUDAHY CITY HALL
5240 SANTA ANA ST.
CUDAHY, CA 90201

CITY CLERK
CUDAHY CITY HALL
5240 SANTA ANA ST.
CUDAHY, CA 90201

CITY ATTORNEY
CULVER CITY CITY HALL
9770 CULVER BLVD.
CULVER CITY, CA 90230

CITY CLERK
CULVER CITY CITY HALL
9770 CULVER BLVD.
CULVER CITY, CA 90230

CITY ATTORNEY
CYPRESS CITY HALL
5275 ORANGE AVE.
CYPRESS, CA 90630

CITY CLERK
CYPRESS CITY HALL
5275 ORANGE AVE.
CYPRESS, CA 90630

CITY ATTORNEY
DANA POINT CITY
33282 GOLDEN LANTERN ST.
DANA POINT, CA 92629

CITY CLERK
DANA POINT CITY
33282 GOLDEN LANTERN ST.
DANA POINT, CA 92629

CITY ATTORNEY
DELANO CITY HALL
1015 11TH AVE.
DELANO, CA 93215

CITY CLERK
DELANO CITY HALL
1015 11TH AVE.
DELANO, CA 93215

CITY ATTORNEY
DESERT HOT SPRINGS CITY HALL
65950 PIERSON BL.
DESERT HOT SPRINGS, CA 92240

CITY CLERK
DESERT HOT SPRINGS CITY HALL
65950 PIERSON BL.
DESERT HOT SPRINGS, CA 92240

CITY ATTORNEY
DIAMOND BAR CITY
21660 E. COPLEY DR. #100
DIAMOND BAR, CA 91765

CITY CLERK
DIAMOND BAR CITY
21660 E. COPLEY DR., #100
DIAMOND BAR, CA 91765

CITY ATTORNEY
DINUBA CITY HALL
1390 E. ELIZABETH WAY
DINUBA, CA 93618

CITY CLERK
DINUBA CITY HALL
1390 E. ELIZABETH WAY
DINUBA, CA 93618

CITY ATTORNEY
DOWNEY CITY HALL
8425 2ND ST.
DOWNEY, CA 90241

CITY CLERK
DOWNEY CITY HALL
8425 2ND ST.
DOWNEY, CA 90241

CITY CLERK
DUARTE CITY HALL
1600 HUNTINGTON DR.
DUARTE, CA 91010

CITY ATTORNEY
DUARTE CITY HALL
1600 HUNTINGTON DR.
DUARTE, CA 91010

CITY ATTORNEY
EL CENTRO CITY HALL
1275 MAIN ST.
EL CENTRO, CA 92243

CITY CLERK
EL CENTRO CITY HALL
1275 MAIN ST.
EL CENTRO, CA 92243

CITY ATTORNEY
EL MONTE CITY HALL
11333 VALLEY BLVD.
EL MONTE, CA 91734

CITY CLERK
EL MONTE CITY HALL
11333 VALLEY BLVD.
EL MONTE, CA 91734

CITY ATTORNEY
EL SEGUNDO CITY HALL
350 MAIN ST.
EL SEGUNTO, CA 90245

CITY CLERK
EL SEGUNDO CITY HALL
350 MAIN ST.
EL SEGUNDO, CA 90245

CITY ATTORNEY
EXETER CITY HALL
P. O. BOX 237
EXETER, CA 93221

CITY CLERK
EXETER CITY HALL
P. O. BOX 237
EXETER, CA 93221

CITY ATTORNEY
FARMERSVILLE CITY HALL
147 E. FRONT ST.
FARMERSVILLE, CA 93223

CITY CLERK
FARMERSVILLE CITY HALL
147 E. FRONT ST.
FARMERSVILLE, CA 93223

CITY ATTORNEY
FILLMORE CITY HALL
524 SESPE AVE.
FILLMORE, CA 93015

CITY CLERK
FILLMORE CITY HALL
524 SESPE AVE.
FILLMORE, CA 93015

DEP. CITY CLERK
FONTANA CITY
8353 SIERRA AVE.
FONTANA, CA 92335

CITY ATTORNEY
FONTANA CITY HALL
8353 SIERRA AVE.
FONTANA, CA 92335

CITY ATTORNEY
FOUNTAIN VALLEY CITY HALL
10200 SLATER AVE.
FOUNTAIN VALLEY, CA 92708

CITY CLERK
FOUNTAIN VALLEY CITY HALL
10200 SLATER AVE.
FOUNTAIN VALLEY, CA 92708

CITY ATTORNEY
FOWLER CITY
128 SOUTH FIFTH
FOWLER, CA 23625

CITY CLERK
FOWLER CITY
128 SOUTH FIFTH
FOWLER, CA 93625

CITY ATTORNEY
FULLERTON CITY HALL
303 W. COMMONWEALTH
FULLERTON, CA 92632

CITY CLERK
FULLERTON CITY HALL
303 W. COMMONWEALTH
FULLERTON, CA 92632

CITY ATTORNEY
GARDEN GROVE CITY HALL
11300 STANFORD AVE.
GARDEN GROVE, CA 92640

CITY CLERK
GARDEN GROVE CITY HALL
11300 STANFORD AVE.
GARDEN GROVE, CA 92640

CITY ATTORNEY
GARDENA CITY HALL
1700 W 162ND ST.
GARDENA, CA 90247

CITY CLERK
GARDENA CITY HALL
1700 W 162ND ST.
GARDENA, CA 90247

CITY ATTORNEY
GLENDALE CITY HALL
613 E. BROADWAY
GLENDALE, CA 91205

CITY CLERK
GLENDALE CITY HALL
613 E. BROADWAY
GLENDALE, CA 91205

CITY ATTORNEY
GLENDORA CITY HALL
116 E. FOOTHILL BLVD.
GLENDORA, CA 91740

CITY CLERK
GLENDORA CITY HALL
116 E. FOOTHILL BLVD.
GLENDORA, CA 91740

CITY ATTORNEY
GRAND TERRACE CITY HALL
22795 BARTON ROAD
GRAND TERRACE, CA 92324

CITY CLERK
GRAND TERRACE CITY HALL
22795 BARTON ROAD
GRAND TERRACE, CA 92324

CITY ATTORNEY
GROVER CITY CITY HALL
154 SO. 8TH ST.
GROVER CITY, CA 93433

CITY CLERK
GROVER CITY CITY HALL
154 SO. 8TH ST.
GROVER CITY, CA 93433

CITY ATTORNEY
GUADALUPE CITY HALL
918 OBISPO ST.
GUADALUPE, CA 93434

CITY CLERK
GUADALUPE CITY HALL
918 OBISPO ST.
GUADALUPE, CA 93434

CITY ATTORNEY
HANFORD CITY HALL
400 NO. DOUTY
HANFORD, CA 93230

CITY CLERK
HANFORD CITY HALL
400 NO. DOUTY
HANFORD, CA 93230

CITY ATTORNEY
HAWAIIAN GARDENS CITY HALL
21815 PIONEER BLVD.
HAWAIIAN GARDENS, CA 90716

CITY CLERK
HAWAIIAN GARDENS CITY HALL
21815 PIONEER BLVD.
HAWAIIAN GARDENS, CA 90716

CITY ATTORNEY
HAWTHORNE CITY HALL
4455 W. 126TH ST.
HAWTHORNE, CA 90250

CITY CLERK
HAWTHORNE CITY HALL
4455 W. 126TH ST.
HAWTHORNE, CA 90250

CITY ATTORNEY
HEMET CITY HALL
450 E. LATHAN AVE.
HEMET, CA 92343

CITY CLERK
HEMET CITY HALL
450 E. LATHAN AVE.
HEMET, CA 92343

CITY ATTORNEY
HERMOSA BEACH CITY HALL
1315 VALLEY DR.
HERMOSA BEACH, CA 90254

CITY CLERK
HERMOSA BEACH CITY HALL
1315 VALLEY DR.
HERMOSA BEACH, CA 90254

CITY ATTORNEY
HESPERIA CITY
15776 MAIN STREET
HESPERIA, CA 92345

CITY CLERK
HESPERIA CITY
15776 MAIN STREET
HESPERIA, CA 92345

CITY ATTORNEY
HIDDEN HILLS CITY HALL
6165 SPRING VALLEY RD.
HIDDEN HILLS, CA 91302

CITY CLERK
HIDDEN HILLS CITY HALL
6165 SPRING VALLEY RD.
HIDDEN HILLS, CA 91302

CITY ATTORNEY
HIGHLAND CITY
26985 BASE LINE
HIGHLAND, CA 92346

CITY CLERK
HIGHLAND CITY
26985 BASE LINE
HIGHLAND, CA 92346

CITY ATTORNEY
HOLTVILLE CITY HALL
121 W. 5TH ST.
HOLTVILLE, CA 92250

CITY CLERK
HOLTVILLE CITY HALL
121 W. 5TH ST.
HOLTVILLE, CA 92250

CITY ATTORNEY
HUNTINGTON BEACH CITY HALL
2000 MAIN ST.
HUNTINGTON BEACH, CA 92648

CITY CLERK
HUNTINGTON BEACH CITY HALL
2000 MAIN ST.
HUNTINGTON BEACH, CA 92648

CITY ATTORNEY
HUNTINGTON PARK CITY HALL
6550 MILES AVE.
HUNTINGTON PARK, CA 90255

CITY CLERK
HUNTINGTON PARK CITY HALL
6550 MILES AVE.
HUNTINGTON PARK, CA 90255

CITY ATTORNEY
IMPERIAL CITY HALL
420 SO. IMPERIAL AVE.
IMPERIAL, CA 92251

CITY CLERK
IMPERIAL CITY HALL
420 SO. IMPERIAL AVE.
IMPERIAL, CA 92251

CITY ATTORNEY
INDIAN WELLS CITY HALL
44-950 EL DORADO DR.
INDIAN WELLS, CA 92210

CITY CLERK
INDIAN WELLS CITY HALL
44-950 EL DORADO DR.
INDIAN WELLS, CA 92210

CITY ATTORNEY
INDIO CITY HALL
150 CIVIC CENTER MALL
INDIO, CA 92202

CITY CLERK
INDIO CITY HALL
150 CIVIC CENTER MALL
INDIO, CA 92202

CITY ATTORNEY
INDUSTRY CITY HALL
15651 STANFORD ST.
CITY OF INDUSTRY, CA 91744

CITY CLERK
INDUSTRY CITY HALL
15651 STANFORD ST.
CITY OF INDUSTRY, CA 91744

CITY ATTORNEY
INGLEWOOD CITY HALL
1 MANCHESTER BLVD.
INGLEWOOD, CA 90301

CITY CLERK
INGLEWOOD CITY HALL
1 MANCHESTER BLVD.
INGLEWOOD, CA 90301

CITY ATTORNEY
IRVINE CITY HALL
P. O. BOX 19575
IRVINE, CA 92713

CITY CLERK
IRVINE CITY HALL
P. O. BOX 19575
IRVINE, CA 92713

CITY ATTORNEY
IRWINDALE CITY HALL
5050 NO. IRWINDALE AVE.
IRWINDALE, CA 91706

CITY CLERK
IRWINDALE CITY HALL
5050 NO. IRWINDALE AVE.
IRWINDALE, CA 91706

CITY ATTORNEY
KINGSBURG CITY HALL
1401 DRAPER ST.
KINGSBURG, CA 93631

CITY CLERK
KINGSBURG CITY HALL
1401 DRAPER ST.
KINGSBURG, CA 93631

CITY ATTORNEY
LA CANADA FLINTRIDGE
300 SOUTH GRAND SUITE 1500
LOS ANGELES, CA 90071

CITY CLERK
LA CANADA FLINTRIDGE CITY HALL
1327 FOOTHILL BLVD.
LA CANADA FLINTRIDGE, CA 91011

CITY ATTORNEY
LA HABRA CITY HALL
CIVIC CENTER
LA HABRA, CA 90631

CITY CLERK
LA HABRA CITY HALL
CIVIC CENTER
LA HABRA, CA 90631

CITY ATTORNEY
LA HABRA HEIGHTS CITY HALL
1245 NO. HACIENDA BLVD.
LA HABRA HEIGHTS, CA 90631

CITY CLERK
LA HABRA HEIGHTS CITY HALL
1245 NO. HACIENDA BLVD.
LA HABRA HEIGHTS, CA 90631

CITY ATTORNEY
LA MIRADA CITY HALL
13700 SO. LA MIRADA BLVD.
LA MIRADA, CA 90638

CITY CLERK
LA MIRADA CITY HALL
13700 SO. LA MIRADA BLVD.
LA MIRADA, CA 90638

CITY ATTORNEY
LA PALMA CITY HALL
7822 WALKER ST.
LA PALMA, CA 90623

CITY CLERK
LA PALMA CITY HALL
7822 WALKER ST.
LA PALMA, CA 90623

CITY ATTORNEY
LA PUENTE CITY HALL
15900 E. MAIN ST.
LA PUENTE, CA 91744

CITY CLERK
LA PUENTE CITY HALL
15900 E. MAIN ST.
LA PUENTE, CA 91744

CITY ATTORNEY
LA QUINTA CITY HALL
P. O. BOX 1504
LA QUINTA, CA 92253

CITY CLERK
LA QUINTA CITY HALL
P. O. BOX 1504
LA QUINTA, CA 92253

CITY ATTORNEY
LA VERNE CITY HALL
3660 D STREET
LA VERNE, CA 91750

CITY CLERK
LA VERNE CITY HALL
3660 D STREET
LA VERNE, CA 91750

CITY ATTORNEY
LAGUNA BEACH CITY HALL
505 FOREST AVE.
LAGUNA BEACH, CA 92651

CITY CLERK
LAGUNA BEACH CITY HALL
505 FOREST AVE.
LAGUNA BEACH, CA 92651

CITY ATTORNEY
LAGUNA NIGUEL CITY
27821 LA PAZ ROAD
LAGUNA NIGUEL, CA 92656

CITY CLERK
LAGUNA NIGUEL CITY
27821 LA PAZ ROAD
LAGUNA NIGUEL, CA 92656

CITY ATTORNEY
LAKE ELSINORE CITY HALL
130 S. MAIN ST.
LAKE ELSINORE, CA 92330

CITY CLERK
LAKE ELSINORE CITY HALL
130 S. MAIN ST.
LAKE ELSINORE, CA 92330

CITY ATTORNEY
LAKEWOOD CITY HALL
5050 CLARK AVE.
LAKEWOOD, CA 90714

CITY CLERK
LAKEWOOD CITY HALL
5050 CLARK AVE.
LAKEWOOD, CA 90714

CITY ATTORNEY
LANCASTER CITY HALL
44933 N. FERN AVE.
LANCASTER, CA 93534

CITY CLERK
LANCASTER CITY HALL
44933 N. FERN AVE.
LANCASTER, CA 93534

CITY ATTORNEY
LAWNDALE CITY
611 ANTON BL., SUITE 1400
COSTA MESA, CA 92628

CITY CLERK
LAWNDALE CITY HALL
14717 BURIN AVE.
LAWNDALE, CA 90260

CITY ATTORNEY
LEMOORE CITY HALL
119 FOX ST.
LEMOORE, CA 93245

CITY CLERK
LEMOORE CITY HALL
119 FOX ST.
LEMOORE, CA 93245

CITY ATTORNEY
LINDSAY CITY HALL
251 E. HONOLULU ST.
LINDSAY, CA 93247

CITY CLERK
LINDSAY CITY HALL
251 E. HONOLULU ST.
LINDSAY, CA 93247

CITY ATTORNEY
LOMA LINDA CITY
11800 Central Ave, Suite 125
CHINO, CA 91710

CITY CLERK
LOMA LINDA CITY HALL
25541 BARTON RD.
LOMA LINDA, CA 92354

CITY ATTORNEY
LOMITA CITY HALL
24300 NARBONNE AVE.
LOMITA, CA 90717

CITY CLERK
LOMITA CITY HALL
24300 NARBONNE AVE.
LOMITA, CA 90717

CITY ATTORNEY
LOMPOC CITY HALL
100 CIVIC CENTER PLAZA
LOMPOC, CA 93438

CITY CLERK
LOMPOC CITY HALL
100 CIVIC CENTER PLAZA
LOMPOC, CA 93438

CITY ATTORNEY
LONG BEACH CITY HALL
333 W. OCEAN BLVD.
LONG BEACH, CA 90802

CITY CLERK
LONG BEACH CITY HALL
333 W. OCEAN BLVD.
LONG BEACH, CA 90802

CITY ATTORNEY
LOS ALAMITOS CITY HALL
3191 KATELLA
LOS ALAMITOS, CA 90720

CITY CLERK
LOS ALAMITOS CITY HALL
3191 KATELLA
LOS ALAMITOS, CA 90720

CITY ATTORNEY
LOS ANGELES CITY HALL
200 NO. SPRING ST.
LOS ANGELES, CA 90012

CITY CLERK
LOS ANGELES CITY HALL
200 NO. Main St., Ste 1216.
LOS ANGELES, CA 90012-4125

CITY ATTORNEY
LYNWOOD CITY HALL
11330 BULLIS RD.
LYNWOOD, CA 90262

CITY CLERK
LYNWOOD CITY HALL
11330 BULLIS RD.
LYNWOOD, CA 90262

CITY ATTORNEY
MANHATTAN BEACH CITY HALL
1400 HIGHLAND AVE.
MANHATTAN BEACH, CA 90266

CITY CLERK
MANHATTAN BEACH CITY HALL
1400 HIGHLAND AVE.
MANHATTAN BEACH, CA 90266

CITY ATTORNEY
MARICOPA CITY HALL
P. O. BOX 548
MARICOPA, CA 93252

CITY CLERK
MARICOPA CITY HALL
P. O. BOX 548
MARICOPA, CA 93252

CITY ATTORNEY
MAYWOOD CITY HALL
4319 E. SLAUSON AVE.
MAYWOOD, CA 90270

CITY CLERK
MAYWOOD CITY HALL
4319 E. SLAUSON AVE.
MAYWOOD, CA 90270

CITY ATTORNEY
MCFARLAND CITY HALL
401 W. KERN
MCFARLAND, CA 93250

CITY CLERK
MCFARLAND CITY HALL
401 W. KERN
MCFARLAND, CA 93250

CITY ATTORNEY
MISSION VIEJO CITY
25909 PALA, STE. 150
MISSION VIEJO, CA 92691

CITY CLERK
MISSION VIEJO CITY
25909 PALA, STE. 150
MISSION VIEJO, CA 92691

CITY ATTORNEY
MONROVIA CITY HALL
415 SO. IVY AVE.
MONROVIA, CA 91016

CITY CLERK
MONROVIA CITY HALL
415 SO. IVY AVE.
MONROVIA, CA 91016

CITY ATTORNEY
MONTCLAIR CITY HALL
5111 BENITO ST.
MONTCLAIR, CA 91763

CITY CLERK
MONTCLAIR CITY HALL
5111 BENITO ST.
MONTCLAIR, CA 91763

CITY ATTORNEY
MONTEBELLO CITY HALL
1600 BEVERLY BLVD.
MONTEBELLO, CA 90640

CITY CLERK
MONTEBELLO CITY HALL
1600 BEVERLY BLVD.
MONTEBELLO, CA 90640

CITY ATTORNEY
MONTEREY PARK CITY HALL
320 W. NEWMARK AVE.
MONTEREY PARK, CA 91754

CITY CLERK
MONTEREY PARK CITY HALL
320 W. NEWMARK AVE.
MONTEREY PARK, CA 91754

CITY ATTORNEY
MOORPARK CITY HALL
799 MOORPARK AVE.
MOORPARK, CA 93021

CITY CLERK
MOORPARK CITY HALL
799 MOORPARK AVE.
MOORPARK, CA 93021

CITY ATTORNEY
MORENO VALLEY CITY HALL
P. O. BOX 1440
MORENO VALLEY, CA 92556

CITY CLERK
MORENO VALLEY CITY HALL
P. O. BOX 1440
MORENO VALLEY, CA 92556

CITY ATTORNEY
MORRO BAY CITY HALL
DUNES ST. & SHASTA AVE.
MORRO BAY, CA 93442

CITY CLERK
MORRO BAY CITY HALL
DUNES ST. & SHASTA AVE.
MORRO BAY, CA 93442

CITY ATTORNEY
MURIETA CITY HALL
26442 BECKMAN CT.
MURIETA, CA 92562

CITY CLERK
MURIETA CITY HALL
26442 BECKMAN CT.
MURIETA, CA 92562

CITY ATTORNEY
NEEDLES CITY
817 3rd Street
NEEDLES, CA 92363

CITY CLERK
NEEDLES CITY
1111 BAILEY AVE.
NEEDLES, CA 92363

CITY ATTORNEY
NEWPORT BEACH CITY HALL
3300 NEWPORT BLVD.
NEWPORT BEACH, CA 92660

CITY CLERK
NEWPORT BEACH CITY HALL
3300 NEWPORT BLVD.
NEWPORT BEACH, CA 92660

CITY ATTORNEY
NORCO CITY HALL
3954 OLD HAMNER AVE.
NORCO, CA 91760

CITY CLERK
NORCO CITY HALL
3954 OLD HAMNER AVE.
NORCO, CA 91760

CITY ATTORNEY
NORWALK CITY HALL
12700 NORWALK BLVD.
NORWALK, CA 90650

CITY CLERK
NORWALK CITY HALL
12700 NORWALK BLVD.
NORWALK, CA 90650

CITY ATTORNEY
OJAI CITY HALL
401 SO. VENTURA ST.
OJAI, CA 93023

CITY CLERK
OJAI CITY HALL
401 SO. VENTURA ST.
OJAI, CA 93023

CITY ATTORNEY
ONTARIO CITY HALL
303 "B" ST.
ONTARIO, CA 91764

CITY CLERK
ONTARIO CITY HALL
303 "B" ST.
ONTARIO, CA 91764

CITY ATTORNEY
ORANGE CITY HALL
300 E. CHAPMAN AVE.
ORANGE, CA 92666

CITY CLERK
ORANGE CITY HALL
300 E. CHAPMAN AVE.
ORANGE, CA 92666

CITY ATTORNEY
ORANGE COVE CITY HALL
555 SIXTH ST.
ORANGE COVE, CA 93646

CITY CLERK
ORANGE COVE CITY HALL
555 SIXTH ST.
ORANGE COVE, CA 93646

CITY ATTORNEY
OXNARD CITY HALL
305 W. THIRD ST.
OXNARD, CA 93030

CITY CLERK
OXNARD CITY HALL
305 W. THIRD ST.
OXNARD, CA 93030

CITY ATTORNEY
PALM DESERT CITY HALL
73510 FRED WARING DR.
PALM DESERT, CA 92260

CITY CLERK
PALM DESERT CITY HALL
73510 FRED WARING DR.
PALM DESERT, CA 92260

CITY ATTORNEY
PALM SPRINGS CITY HALL
P. O. BOX 2743
PALM SPRINGS, CA 92263

CITY CLERK
PALM SPRINGS CITY HALL
P. O. BOX 2743
PALM SPRINGS, CA 92263

CITY ATTORNEY
PALMDALE CITY HALL
708 EAST PALMDALE BLVD.
PALMDALE, CA 93550

CITY CLERK
PALMDALE CITY HALL
708 EAST PALMDALE BLVD.
PALMDALE, CA 93550

CITY CLERK
PALOS VERDES ESTATES
340 PALOS VERDES DRIVE W.
PALOS VERDES ESTATES, CA 90274

CITY ATTORNEY
PALOS VERDES ESTATES CITY
300 SO. GRAND AVE., STE. 1500
LOS ANGELES, CA 90071

CITY ATTORNEY
PARAMOUNT CITY HALL
16400 SO. COLORADO ST.
PARAMOUNT, CA 90274

CITY CLERK
PARAMOUNT CITY HALL
16400 SO. COLORADO ST.
PARAMOUNT, CA 90274

CITY ATTORNEY
PARLIER CITY HALL
1100 E. PARLIER AVE.
PARLIER, CA 93648

CITY CLERK
PARLIER CITY HALL
1100 E. PARLIER AVE.
PARLIER, CA 93648

CITY ATTORNEY
PASADENA CITY HALL
100 NO. GARFIELD AVE.
PASADENA, CA 91109

CITY CLERK
PASADENA CITY HALL
100 NO. GARFIELD AVE.
PASADENA, CA 91109

CITY ATTORNEY
PASO ROBLES CITY HALL
801 4TH ST.
PASO ROBLES, CA 93446

CITY CLERK
PASO ROBLES CITY HALL
801 4TH ST.
PASO ROBLES, CA 93446

CITY ATTORNEY
PERRIS CITY HALL
101 NO. "D" ST.
PERRIS, CA 92370

CITY CLERK
PERRIS CITY HALL
101 NO. "D" ST.
PERRIS, CA 92370

CITY ATTORNEY
PICO RIVERA CITY HALL
6615 PASSONS BLVD.
PICO RIVERA, CA 90660

CITY CLERK
PICO RIVERA CITY HALL
6615 PASSONS
PICO RIVERA, CA 90660

CITY ATTORNEY
PISMO BEACH CITY HALL
1000 BELLO ST.
PISMO BEACH, CA 93449

CITY CLERK
PISMO BEACH CITY HALL
1000 BELLO ST.
PISMO BEACH, CA 93449

CITY ATTORNEY
PLACENTIA CITY HALL
401 E. CHAPMAN AVE.
PLACENTIA, CA 92670

CITY CLERK
PLACENTIA CITY HALL
401 E. CHAPMAN AVE
PLACENTIA, CA 92670.

CITY ATTORNEY
POMONA CITY HALL
505 SO. GAREY
POMONA, CA 91769

CITY CLERK
POMONA CITY HALL
505 SO. GAREY
POMONA, CA 91769

CITY ATTORNEY
PORT HUENEME CITY HALL
250 NO. VENTURA RD.
PORT HUENEME, CA 93041

CITY CLERK
PORT HUENEME CITY HALL
250 NO. VENTURA RD.
PORT HUENEME, CA 93041

CITY ATTORNEY
PORTERVILLE CITY HALL
291 NO. MAIN ST.
PORTERVILLE, CA 93257

CITY CLERK
PORTERVILLE CITY HALL
291 NO. MAIN ST.
PORTERVILLE, CA 93257

CITY ATTORNEY
RANCHO CUCAMONGA CITY HALL
P. O. Box 807
RANCHO CUCAMONGA, CA 91729

CITY CLERK
RANCHO CUCAMONGA CITY HALL
P. O. Box 807
RANCHO CUCAMONGA, CA 91729

CITY ATTORNEY
RANCHO MIRAGE CITY
RANCHO MIRAGE CITY HALL
RANCHO MIRAGE, CA 92270

CITY CLERK
RANCHO MIRAGE CITY
RANCHO MIRAGE CITY HALL
RANCHO MIRAGE, CA 92270

CITY CLERK
RANCHO PALOS VERDES
30940 HAWTHORNE BLVD.
RANCHO PALOS VERDES, CA 90274

CITY ATTORNEY
RANCHO PALOS VERDES CITY
333 SOUTH HOPE, 38TH FLOOR
LOS ANGELES, CA 90071

CITY ATTORNEY
REDLANDS CITY HALL
P. O. BOX 280
REDLANDS, CA 92373

CITY CLERK
REDLANDS CITY HALL
P. O. BOX 280
REDLANDS, CA 92373

CITY ATTORNEY
REDONDO BEACH CITY HALL
415 DIAMOND ST.
REDONDO BEACH, CA 90277

CITY CLERK
REDONDO BEACH CITY HALL
415 DIAMOND ST.
REDONDO BEACH, CA 90277

CITY ATTORNEY
REEDLEY CITY HALL
845 "G" ST.
REEDLEY, CA 93654

CITY CLERK
REEDLEY CITY HALL
845 "G" ST.
REEDLEY, CA 93654

CITY ATTORNEY
RIALTO CITY HALL
150 SO. PALM AVE.
RIALTO, CA 92376

CITY CLERK
RIALTO CITY HALL
150 SO. PALM AVE.
RIALTO, CA 92376

CITY ATTORNEY
RIVERSIDE CITY HALL
3900 MAIN ST.
RIVERSIDE, CA 92522

CITY CLERK
RIVERSIDE CITY HALL
3900 MAIN ST.
RIVERSIDE, CA 92522

CITY ATTORNEY
ROLLING HILLS CITY HALL
#2 PORTUGUESE BEND RD.
ROLLING HILLS, CA 90274

CITY CLERK
ROLLING HILLS CITY HALL
#2 PORTUGUESE BEND RD.
ROLLING HILLS, CA 90274

CITY ATTORNEY
ROLLING HILLS ESTS. CITY HALL
4045 PALOS VERDES DR.
ROLLING HILLS ESTS., CA 90274

CITY CLERK
ROLLING HILLS ESTS. CITY HALL
4045 PALOS VERDES DR.
ROLLING HILLS ESTS., CA 90274

CITY ATTORNEY
ROSEMEAD CITY HALL
8838 E. VALLEY BLVD.
ROSEMEAD, CA 91770

CITY CLERK
ROSEMEAD CITY HALL
8838 E. VALLEY BLVD.
ROSEMEAD, CA 91770

CITY CLERK
SAN BERNARDINO CITY HALL
300 NO. "D" STREET
SAN BERNARDINO, CA 92418

CITY ATTORNEY
SAN BERNARDINO CITY HALL
300 NO. "D" STREET
SAN BERNARDINO, CA 92418

CITY ATTORNEY
SAN CLEMENTE CITY HALL
100 AVENIDA PRESIDIO
SAN CLEMENTE, CA 92672

CITY CLERK
SAN CLEMENTE CITY HALL
100 AVENIDA PRESIDIO
SAN CLEMENTE, CA 92672

CITY ATTORNEY
SAN DIMAS CITY HALL
245 E. BONITA AVE.
SAN DIMAS, CA 91773

CITY CLERK
SAN DIMAS CITY HALL
245 E. BONITA AVE.
SAN DIMAS, CA 91773

CITY ATTORNEY
SAN FERNANDO CITY HALL
117 MACNEIL ST.
SAN FERNANDO, CA 91340

CITY CLERK
SAN FERNANDO CITY HALL
117 MACNEIL ST.
SAN FERNANDO, CA 91340

CITY ATTORNEY
SAN GABRIEL CITY HALL
532 WEST MISSION DR.
SAN GABRIEL, CA 91778

CITY CLERK
SAN GABRIEL CITY HALL
532 WEST MISSION DR.
SAN GABRIEL, CA 91778

CITY ATTORNEY
SAN JACINTO CITY HALL
209 E. MAIN ST.
SAN JACINTO, CA 92383

CITY CLERK
SAN JACINTO CITY HALL
209 E. MAIN ST.
SAN JACINTO, CA 92383

CITY ATTORNEY
SAN JUAN CAPISTRANO CITY HALL
32400 PASEO ADELANTO
SAN JUAN CAPISTRANO, CA 92675

CITY CLERK
SAN JUAN CAPISTRANO CITY HALL
32400 PASEO ADELANTO
SAN JUAN CAPISTRANO, CA 92675

CITY ATTORNEY
SAN LUIS OBISPO CITY HALL
990 PALM STREET
SAN LUIS OBISPO, CA 93401

CITY CLERK
SAN LUIS OBISPO CITY HALL
990 PALM ST.
SAN LUIS OBISPO, CA 93401

CITY ATTORNEY
SAN MARINO CITY HALL
2200 HUNTINGTON DR.
SAN MARINO, CA 91108

CITY CLERK
SAN MARINO CITY HALL
2200 HUNTINGTON DR.
SAN MARINO, CA 91108

CITY ATTORNEY
SANGER CITY
1700 7TH STREET
SANGER, CA 93657

CITY CLERK
SANGER CITY
1700 7TH STREET
SANGER, CA 93657

CITY ATTORNEY
SANTA ANA CITY HALL
22 CIVIC CENTER PLAZA
SANTA ANA, CA 92701

CITY CLERK
SANTA ANA CITY HALL
22 CIVIC CENTER PLAZA
SANTA ANA, CA 92701

CITY ATTORNEY
SANTA BARBARA CITY HALL
DE LA GUERRA PLAZA
SANTA BARBARA, CA 93102

CITY CLERK
SANTA BARBARA CITY HALL
DE LA GUERRA PLAZA
SANTA BARBARA, CA 93102

CITY ATTORNEY
SANTA CLARITA CITY
23920 VALENCIA BLVD., #300
SANTA CLARITA, CA 91355

CITY CLERK
SANTA CLARITA CITY
23920 VALENCIA BLVD., #300
SANTA CLARITA, CA 91355

CITY ATTORNEY
SANTA FE SPRINGS CITY HALL
11710 TELEGRAPH RD.
SANTA FE SPRINGS, CA 90670

CITY CLERK
SANTA FE SPRINGS CITY HALL
11710 TELEGRAPH RD.
SANTA FE SPRINGS, CA 90670

CITY ATTORNEY
SANTA MARIA CITY HALL
110 EAST COOK ST.
SANTA MARIA, CA 93454

CITY CLERK
SANTA MARIA CITY HALL
110 EAST COOK ST.
SANTA MARIA, CA 93454

CITY ATTORNEY
SANTA MONICA CITY HALL
1685 MAIN ST.
SANTA MONICA, CA 90401

CITY CLERK
SANTA MONICA CITY HALL
1685 MAIN ST.
SANTA MONICA, CA 90401

CITY ATTORNEY
SANTA PAULA CITY HALL
970 VENTURA ST.
SANTA PAULA, CA 93060

CITY CLERK
SANTA PAULA CITY HALL
970 VENTURA ST.
SANTA PAULA, CA 93060

CITY ATTORNEY
SEAL BEACH CITY HALL
211 8TH ST.
SEAL BEACH, CA 90740

CITY CLERK
SEAL BEACH CITY HALL
211 8TH ST.
SEAL BEACH, CA 90740

CITY ATTORNEY
SELMA CITY HALL
1814 TUCKER ST.
SELMA, CA 93662

CITY CLERK
SELMA CITY HALL
1814 TUCKER ST.
SELMA, CA 93662

CITY ATTORNEY
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Application No. A. 06-06-_____
Exhibit No: _____
Witness: Lawless, Gregg

**PREPARED DIRECT TESTIMONY OF GREGG LAWLESS ON BEHALF OF
SOUTHERN CALIFORNIA GAS COMPANY'S LOW-INCOME ASSISTANCE
PROGRAM PLANS AND BUDGETS FOR PROGRAM YEARS 2007 AND 2008**

Before the Public Utilities Commission
Of the State of California

June 30, 2006

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1 **PREPARED DIRECT TESTIMONY OF GREGG LAWLESS ON BEHALF OF**
2 **SOUTHERN CALIFORNIA GAS COMPANY’S LOW INCOME ASSISTANCE**
3 **PROGRAM PLANS AND BUDGETS FOR PROGRAM YEARS 2007 AND 2008**
4

5 **I. INTRODUCTION**

6 In accordance with the California Public Utilities Commission’s (Commission
7 or CPUC) directives as set forth in Decision (D.) 05-12-026, dated December 15, 2005,
8 Southern California Gas Company (SoCalGas) hereby submits this testimony in support
9 of its Application requesting approval of its Low Income Energy Efficiency (LIEE)
10 program plans and budgets for program year (PY) 2007 and 2008. Specifically, Ordering
11 Paragraph (OP) 5 provides:

12 The utilities shall file 2007-08 funding applications no later than
13 July 1, 2006. The utilities shall list separately their budgets and program
14 goals for each year and participate in workshops to develop other
15 application and reporting requirements. The utilities shall schedule and
16 conduct workshops within 60 days of filing their applications, and invite
17 the members of the Low Income Oversight Board, ORA, the Energy
18 Division, and the public to attend the workshops.

19 D. 05-12-026 also directed utilities to plan program activities to reflect a change
20 from a budget-directed plan to a goal-driven plan and budget. As demonstrated in this
21 Application and attendant testimony, SoCalGas has complied with these directives.

22 In addition to presenting SoCalGas’ LIEE program plans and budgets for PY
23 2007 and PY 2008, SoCalGas also proposes the following revisions to its LIEE program
24 for Commission approval:

- 25 • Proposed goal-based program plan
- 26 • Funding of Natural Gas Appliance Testing (NGAT)¹ costs from the LIEE
27 program instead of from base rates
- 28 • Targeted self-certification as an outreach and enrollment strategy for the
29 LIEE program
- 30 • Additional measures for inclusion in the program and changes to
31 installation requirements for certain measures

¹ The term “NGAT” refers to the current natural gas appliance testing protocols that are specific to the LIEE programs which were adopted in D. 01-03-028, D. 01-12-020, and D. 03-11-020. NGAT testing is not currently funded through the LIEE program.

1 **II. BACKGROUND**

2 SoCalGas' LIEE program provides income-eligible² residential households with
3 basic weatherization measures, in-home energy education, NGAT, and appliance repair
4 and replacements. Basic weatherization measures include ceiling insulation, water heater
5 blankets, door weatherstripping, caulking, low flow shower heads, faucet aerators, wall
6 outlet gaskets, water heater pipe wrap, and minor home repairs aimed at reducing
7 infiltration. The LIEE appliance service component consists of the repair or replacement
8 of inoperable or hazardous natural gas furnaces and water heaters in owner-occupied
9 dwellings. Weatherization and appliance services are provided by licensed private
10 contractors and licensed local community based organizations (CBOs). SoCalGas
11 provides comprehensive services to its LIEE program participants, in accordance with
12 Public Utilities Code §2790, to ensure that qualified customers receive as many of the
13 program measures as are feasible. Installation of LIEE measures and program services
14 conform to the Statewide Weatherization Installation Standards and Statewide Policy and
15 Procedures manuals adopted by the Commission in its March 29, 2006 Ruling. NGAT
16 testing is also conducted in accordance with Commission adopted statewide standards.

17 The in-home energy education component as provided by SoCalGas covers tips
18 on both electricity and gas usage for customers residing in an overlapping utility area
19 through a joint agreement with Southern California Edison Company (SCE) is designed
20 to inform customers on how to reduce their energy bills by modifying certain household
21 electric and natural gas energy use habits. In-home energy education is conducted at the
22 same time customers are qualified and enrolled in the LIEE program.

23 A variety of methods are used to contact and inform customers about the
24 availability of LIEE, including: 1) cross promotion with the California Alternate Rates
25 for Energy (CARE) program and other customer assistance programs; 2) distribution of
26 informational flyers and door hangers in program-eligible neighborhoods; 3) participation
27 in community events, exhibits, and workshops; 4) leveraging agreements with local
28 agencies providing services under the California Department of Community Services and

² Per D.05-10-044, effective November 1, 2005, the LIEE program's income eligibility guidelines changed to 200% of the Federal Poverty Guidelines (FPG) for all customers participating in the LIEE program. Prior to November 1, 2005, LIEE income eligibility guidelines were 175% of the FPG for most households and 200% of the FPG for seniors and customers with a permanent disability.

1 Development's Low Income Home Energy Assistance Program (LIHEAP); 5) media
2 advertising, direct mail campaigns, and telemarketing; 6) SoCalGas' website; and 7)
3 presentations on the LIEE program and on energy conservation to customers and
4 community groups. SoCalGas' LIEE program outreach and promotional materials are
5 provided in multiple languages.

6 In. D. 05-04-052, the Commission directed SoCalGas and any other investor-owned
7 utility (IOU) that delivers energy education at a location other than the customer's home
8 to have these activities assessed by the Statewide LIEE Standardization Team in the next
9 measurement assessment process.³ OP 14 of D. 05-10-044 ordered SoCalGas to convene
10 a meeting with interested parties to discuss a common low-income energy efficiency
11 educational strategy and inform the Assigned Commissioner and all other parties to this
12 proceeding of their plans by letter. SoCalGas held a meeting on November 9, 2005 with
13 interested parties and on December 5, 2005 sent a letter to the Assigned Commissioner to
14 report on the outcome of the meeting. Interested parties recommended that SoCalGas
15 and San Diego Gas & Electric Company (SDG&E) should continue to offer energy
16 education workshops as part of their LIEE programs until further study can be done and
17 that the LIEE Standardization Team should be charged with conducting the evaluation of
18 energy education workshops. The Commission has not yet taken action on
19 recommendations contained in the report. SoCalGas proposes in this application to
20 continue to provide the energy conservation information that was included in workshops
21 in a somewhat different manner, consolidated with information on all assistance
22 programs in presentations to customer and community groups.

23 SoCalGas has leveraged its LIEE program services under an agreement with local
24 community-based organizations under contract with the California Department of
25 Community Services and Development (DCSD) to provide services under its LIHEAP
26 program⁴ in accordance with §327(a) of the Public Utilities Code⁵ and D.00-07-020.

³ At the present time, SDG&E and SoCalGas are the only IOUs that offer energy education workshops as part of their LIEE programs.

⁴ The LIHEAP program offers energy bill assistance and weatherization services to income-qualified Californians.

⁵ AB 1393, enacted in 1999, added §327 to the Public Utilities Code which required electric and gas corporations who participate in the CARE program to leverage funds collected to fund low income energy efficiency and rate assistance programs with funds available from state and federal sources and to work

1 Current leveraging relationships between local LIHEAP agencies and SoCalGas are
2 described below:

- 3 • DCSD-funded CBOs that also participate in the IOU's LIEE programs submit
4 annual reports to DCSD detailing the amount of matching dollars they obtain
5 under their LIEE contracts. DCSD submits the report to the federal
6 Department of Health and Human Services (DHHS), thereby qualifying
7 California to receive additional LIHEAP funds.
- 8 • Other LIHEAP services offered by local CBOs (funded by federal, state, or
9 local government funding sources) are made available to LIEE participants
10 including: Home Energy Assistance Program (HEAP) energy bill assistance,
11 LIHEAP Energy Crisis Intervention Payment, consumer credit counseling,
12 housing renovation programs, food and clothing referrals, job training and
13 assistance, child care services, transportation services, recycling services,
14 youth and family services, senior protection services, legal assistance,
15 handyman services, drug and domestic violence prevention counseling, the
16 Healthy Families program services and Head Start. SoCalGas works with
17 these agencies to provide information about LIEE and other SoCalGas energy
18 assistance programs to pass on to their clients participating in these programs.

19 **A. Winter Programs**

20 In. D. 05-10-044, the Commission approved various changes to SoCalGas' LIEE
21 program which were developed in anticipation of high natural gas prices in the winter of
22 2005 and 2006.⁶ SoCalGas' LIEE winter program initiatives included the following: 1)
23 self-certification of LIEE eligibility for households located within specific targeted
24 neighborhoods believed to have a high probability of meeting the program's eligibility
25 requirements; 2) replacement of natural gas central forced air furnaces with an Annual
26 Fuel Utilization Efficiency (AFUE) rating of 65 or lower with models with an AFUE
27 rating of 80 or 92 depending on climate zone; and 3) replacement of leaky or broken
28 natural gas water heaters. These program changes were implemented from

with local agencies and community-based organizations, and other entities to ensure efficient and effective delivery of the programs.

⁶ The Winter Programs were in effect November 1, 2005 through April 30, 2006.

1 November 1, 2005 through April 30, 2006. Beginning May 1, 2006 normal procedures
2 for income verification and furnace replacements were resumed.

3 **B. 2006 LIEE Program**

4 On December 15, 2005, the Commission issued D. 05-12-026 which approved the
5 IOU's PY 2006 and PY 2007 low income program plans and funding and approved two
6 new program measures for implementation in 2006: 1) central air conditioner
7 replacement in climate zones 14 and 15, and 2) duct testing and sealing in single family
8 and mobile homes with gas space heating in all climate zones and for homes with electric
9 space heating in climate zones 10 - 16.

10 D. 05-12-026 also directed utilities to manage their budgets for 2006 in a manner
11 that accelerates LIEE program participation and results in at least 5 – 10% more homes
12 being treated than originally planned. Utilities were also directed to seek a 2006 budget
13 augmentation through an application to be filed no later than April 14, 2006.

14 On March 30, 2006, SDG&E and Southern California Gas Company filed a joint
15 motion requesting Commission authorization to extend the targeted self-certification
16 enrollment process authorized for the winter programs in D. 05-10-044 until the
17 Commission issues a decision on the utilities' April 14, 2006 applications.

18 On April 14, 2006, SoCalGas made a compliance filing to inform the Commission
19 that it had sufficient funds to increase LIEE program participation by 5-10% and did not
20 seek a budget augmentation for 2006. SoCalGas also requested authorization to continue
21 its targeted self-certification enrollment process implemented for the winter programs
22 through the end of 2006.⁷

23 **C. Pending Legislation and Regulatory Actions That May Impact Future**
24 **LIEE Programs**

25 As of the date of this filing, several pieces of legislation are pending that may
26 have an impact on the LIEE program in the future. The CPUC and California Energy
27 Commission (CEC) also are considering some initiatives that could impact future LIEE
28 programs. SoCalGas' program proposals for PY 2007 and PY 2008 have not addressed

⁷ SoCalGas suspended its targeted self-certification enrollment process on May 1, 2006 pending the Commission's final determination of its April 14, 2006 Compliance Filing.

1 the following as they are still pending resolution by the legislature or regulatory
2 commissions.

- 3 • **Senate Bill 1816** – would require the Commission, in consultation with
4 the LIOB and the gas and electrical corporations that participate in the
5 CARE program to establish a program to go into effect on July 1, 2007
6 and to continue until December 31, 2013 to annually replace 50,000 old
7 gas furnaces, as defined, in residential dwelling units, as defined, occupied
8 by customers eligible for the CARE program. Implementation of this
9 proposal would significantly increase SoCalGas’ proposed program costs.

- 10 • **Senate Bill 1534** – would require the California Health and Human
11 Services Agency, the Commission, the State Department of Education,
12 and the Department of Insurance to work together to ensure that
13 individuals and families meeting equivalent eligibility requirements for
14 low income programs administered by these entities are concurrently
15 enrolled in all available programs for which they are eligible. This bill
16 would require the entities to work to create a single low-income
17 application to cover all services afforded to low income populations and
18 would allow these entities to establish a Low Income Advisory Board to
19 implement the bills requirements. Implementation of this proposal could
20 significantly increase SoCalGas’ proposed program costs.

- 21 • **Assembly Bill 2723**⁸ – would establish the Low Income Housing and
22 Development and Nonprofit Building Program to help finance solar
23 energy systems in eligible low income residential housing located in the
24 service areas of an electrical corporation and would authorize the CEC to
25 expend the revenues in the fund upon the appropriation by the Legislature.
26 The bill would also require that all unencumbered moneys in the fund on
27 January 1, 2006, and thereafter be administered by the Public Utilities
28 Commission for cost-effective energy efficiency measures in low income
29 residential housing that benefit ratepayers. Pursuant to D.06-01-026, the
30 CPUC also is determining implementation of its solar initiative which
31 designates 10% of funds for low-income customers and affordable
32 projects. SoCalGas’ proposals for PY 2007 and PY 2008 do not reflect
33 potential impacts of future solar activities.

34 **III. FUNDING OF LIEE-RELATED NGAT TESTS**

35 In 1998, the Commission directed that low-income program funds were not to be
36 used to perform LIEE-related carbon monoxide (CO) testing, now known as NGAT.⁹

⁸ In D. 06-01-026 the CPUC established the California Solar Initiative which requires 10% of the annual funding to be set aside for low-income customers and affordable housing projects.

⁹ See D. 98-06-063 (Ordering Paragraph 7) and D. 00-07-020 at p. 108.

1 This direction was based on the Commission’s belief that “carbon monoxide testing
2 conducted under the LIEE program is part of the “routine” service to ratepayers and is
3 already authorized in rates.” However, NGAT testing conducted under the LIEE
4 program is not part of SoCalGas’ routine service. As is the case for other LIEE program
5 services, NGAT testing for the LIEE program is provided by CBOs and private
6 contractors--not by SoCalGas personnel. The contracts and costs related to NGAT
7 testing for LIEE are managed by the same SoCalGas personnel who oversee the total
8 LIEE program. NGAT testing activities and expenditures are not related to other internal
9 gas services or costs for non-LIEE customers. Also, since 2001 the Commission has
10 ordered several changes to its LIEE program-specific NGAT testing policies and
11 procedures that now comprise the current NGAT procedures. Such procedures are over
12 and above those of routine non-LIEE residential gas service offerings. Therefore,
13 SoCalGas requests that the Commission revise its policy for funding of NGAT testing
14 through LIEE based on current circumstances so that appropriate costs for these tests can
15 be recovered along with all other program costs.

16 SoCalGas notes that since 2001 the Commission has adopted policies for LIEE-
17 related NGAT testing that have specified and increased the number and types of testing
18 required. The following describes the Commission directives that have resulted in the
19 number and nature of LIEE-related NGAT tests being performed today.

- 20 1. On March 15, 2001, the Commission adopted D.01-03-028 approving the
21 Phase 2 recommendations of the statewide LIEE programs Standardization
22 Team. The decision adopted a statewide minimum NGAT testing standard
23 for use by all utilities beginning in 2002, which required that NGAT
24 testing be completed for all LIEE homes that had gas appliances. The
25 minimum testing requirements included, among other things, room
26 ambient NGAT tests and appliance ambient tests only on forced air and
27 non-ducted heating units. (Prior to January 2002, SoCalGas only
28 conducted LIEE-related NGAT test at the request of a customer.)
- 29 2. On December 11, 2001, the Commission adopted D.01-12-020 approving
30 Phase 3 recommendations of the Standardization Team, with more detailed
31 protocols for LIEE-related NGAT testing. The Commission also directed

1 that the costs of NGAT testing be reported net of the costs associated with
2 any other LIEE program activities taking place in conjunction with NGAT
3 testing visits to customers' homes.

- 4 3. On November 11, 2003, D.03-11-020 approved the project team's Phase 4
5 recommendations. These recommendations required a significant increase
6 in NGAT testing activities beginning in 2004, including testing all gas
7 appliances in weatherized homes except clothes dryers, with ambient tests
8 conducted with all the appliances off, then with all of them on.

9 Appliances that fail the initial tests could be subject to flue gas NGAT
10 testing.

11 As a result of the requirements in these decisions, LIEE-related NGAT tests have
12 become more complex and require more time to complete than in the past. The
13 Commission's increased emphasis on NGAT for homes weatherized under LIEE and
14 additional time requirements are significantly different than SoCalGas' routine service
15 protocols. The impact of these more complex requirements has increased the costs of
16 providing weatherization services to our low-income customers beginning in 2004.

17 To comply with the Commission's directives, SoCalGas included the projected
18 costs of LIEE-related NGAT testing in its 2004 Cost of Service (COS) Application
19 Proceeding.¹⁰ A similar request was included in SDG&E's 2004 COS Application, A.02-
20 12-028. In rebuttal testimony, both SoCalGas and SDG&E proposed that funding for
21 LIEE-related NGAT testing be set and authorized in the LIEE proceeding where the
22 weatherization activity levels are established. In a Settlement reached with interested
23 parties, SoCalGas agreed to "seek funding for CO testing through the same process and
24 mechanism in which SoCalGas recovers the costs of its Direct Assistance Program which
25 includes balancing account treatment.¹¹ If funding other than base rates is authorized by
26 the Commission prior to a decision in the next SoCalGas cost of service or General Rate
27 Case, SoCalGas will contemporaneously reduce base rates."

28 To comply with the terms of the Settlement Agreement, SoCalGas again
29 requested Commission reconsideration of its policy that LIEE-related NGAT testing

¹⁰ A. 02-12-027

¹¹ The term "Direct Assistance Program" is synonymous with the term "Low Income Energy Efficiency" program.

1 should be funded through base rates. In A. 04-07-010, which requested approval of
2 SoCalGas' low income assistance programs and funding for 2005, SoCalGas sought
3 Commission approval to LIEE-related NGAT testing through the public purpose program
4 rather than through base rates which was not adopted.

5 The Commission denied SoCalGas' request in D. 05-04-052 stating that:

6 We do not believe that SDG&E and SoCalGas have adequately
7 demonstrated that we should change from the status quo and move
8 funding for LIEE-related CO testing from base rates to PGC funding.
9 We believe safety testing is a normal utility function for a gas utility
10 and should be paid for out of base rates LIEE funding is limited in
11 amount and is designated to fund activities that help low income
12 customers save energy. Safety on the other hand is something the
13 utilities owe all customers, whether they are low income or not. Such
14 testing should not depend on a separate stream of funding, but should
15 be guaranteed for any customer receiving utility service. Thus, CO
16 testing should continue to be funded from base rates. (at page 66).

17 SoCalGas respectfully points out that the NGAT test is specifically designed to
18 address the needs of low-income households that receive infiltration measures through
19 the LIEE program. These circumstances are very different from situations where other
20 non-LIEE customers are provided routine gas safety services. They are different from
21 other utility services just as the installation of infiltration measures for LIEE customers is
22 different. SoCalGas continues to believe that the NGAT tests should be funded through
23 the public purpose program funds along with all other LIEE program costs, since the tests
24 have become an integral element of the LIEE program and are regulated along with other
25 LIEE program policies and procedures.

26 In addition, the amount of funds required for NGAT testing is directly related to
27 the number of homes that receive infiltration measures under the LIEE program, which is
28 determined through different proceedings and schedules than currently occurs with
29 NGAT testing being included in base rates. This results in SoCalGas being unable to
30 accurately estimate costs for NGAT tests in base rate proceedings that are not related to
31 the procedures in which the determining factors for the required budgets are decided. For
32 example, SoCalGas must estimate its 2008-2010 costs for NGAT testing in its General
33 Rate Case (GRC) to be filed later this year without knowing what LIEE programs or
34 budgets will be in place for those years. This uncertainty has always existed with the

1 current process. However, the need to resolve the uncertainty is especially critical now
2 that the Commission is shifting its focus from budget-directed program plans and budgets
3 to goal-directed plans and budgets, and the future goal-directed approach has not yet been
4 finalized.

5 Accordingly, SoCalGas renews its request that the Commission provide that costs
6 for LIEE-related NGAT testing be recovered along with other LIEE costs through the
7 PPP surcharge. SoCalGas does not propose to conduct NGAT tests with funds currently
8 allocated for the LIEE program, thus not taking away from other program activities to
9 fund the NGAT tests. Having LIEE-related NGAT testing addressed in LIEE
10 proceedings will allow for all LIEE activities and costs to be considered in one place,
11 consistent with the way the program is operated. Funding decisions for LIEE-related
12 NGAT testing can then appropriately reflect and be consistent with decisions in LIEE
13 proceedings regarding the nature and number of these tests.

14 SoCalGas plans to conduct NGAT tests for 44,700 homes in PY 2007 and 44,700
15 homes in PY 2008. The cost estimated for this testing is \$1.6 million in PY 2007 and \$1.6
16 million in PY 2008. All tests will be performed by contractors at the time or shortly after
17 weatherization services are provided. These actions will result in SoCalGas' new PY
18 2007 LIEE budget to total \$34.925 million and \$34.925 million in PY 2008.

19 SoCalGas currently collects \$1.245 million in base rates for LIEE-related NGAT
20 tests. Should the Commission approve SoCalGas' request to charge the costs for these
21 tests to the PPP surcharge, SoCalGas will adjust its base margin for PY 2007 accordingly.

22 SoCalGas also will include these costs for NGAT tests in its 2008 GRC
23 application this year, since the outcome for this issue will not be known at the time the
24 GRC application is finalized. Should the Commission authorize SoCalGas to charge
25 LIEE-related NGAT testing to the PPP surcharge; SoCalGas will adjust its GRC request
26 accordingly.

27 **IV. PROPOSED LIEE PROGRAM PLANS FOR PY 2007 AND PY 2008**

28 **A. PY 2007 – PY 2008 LIEE Program Objectives**

29 In D.05-12-026, the Commission directed the utilities to change the way program
30 activities are planned from a budget-directed plan to a goal-driven plan and budget.

1 SoCalGas proposes a direction for PY 2007 and PY 2008 that focuses on helping low-
2 income customers reduce their bills through maximizing energy savings per customers
3 and increasing overall energy savings from its LIEE program.

4 Low-income customers face many economic pressures, including rising housing,
5 medical, fuel other costs. While natural gas prices for the 2005-06 winter did not
6 increase as much as had been anticipated, all of these economic pressures cause low-
7 income customers to make choices about how to allocate their limited funds. These
8 customers need financial relief, and utility low-income programs should be focused on
9 providing this relief. The CARE 20% discount and other payment assistance programs
10 provide some financial assistance. The LIEE program can best assist these customers by
11 focusing on lowering energy usage and therefore lowering energy bills. This has been
12 one of the factors for LIEE programs, but there are areas of improvement that can give
13 more emphasis to program services that maximize energy savings.

14 To determine LIEE plans and budgets for PY 2007 and PY 2008, SoCalGas first
15 looked at the gas savings targets for LIEE that were established in D.05-09-043 and
16 Advice Letter 3588 which addressed all energy efficiency plans and savings goals. The
17 Advice Letter established an annual gas savings goal for SoCalGas' LIEE program of
18 946,000 therms, 923,000 therms, and 923,000 therms for 2006 – 2008 respectively.
19 SoCalGas proposes to increase this therm savings goal by 15% for its PY 2007 and PY
20 2008 LIEE program by maximizing the savings per customers through the kinds of
21 measures that are installed. SoCalGas also will work with the other utilities to determine
22 how best to apply climate zones to the program to provide greater assistance to customers
23 based on their need.

24 SoCalGas proposes to pursue these energy savings with no increase in its 2006
25 authorized LIEE budget of \$33.325 million and with a small increase in LIEE-related
26 NGAT costs. This can be accomplished through efficiencies in program operations and
27 through targeting measures with higher energy savings. While SoCalGas has already
28 achieved significant cost efficiencies in its program, particularly in reductions to the
29 number of furnaces being replaced versus repaired, SoCalGas will continue to look for
30 areas where more can be accomplished with available funds so that the program utilizes
31 funds in the most efficient and beneficial manners to assist low-income customers. Since

1 more can be achieved with existing funds, there is no need to unnecessarily increase rates
 2 for all ratepayers (including low-income customers) who bear the cost of the program and
 3 who face the same economic pressures as low-income customers. SoCalGas believes that
 4 this proposed approach for determining its PY 2007 and PY 2008 LIEE programs and
 5 budgets best serves the needs of its low-income customers by focusing on achieving
 6 energy savings and reducing their bills, thereby providing them much-needed financial
 7 relief while balancing impacts on all customers who pay the costs of the program.

8 **1. Energy Savings Goal**

9 In this Application, SoCalGas used the 2001 LIEE Load Impact study measure
 10 evaluation data in computing the projected benefits of measures currently offered in its
 11 LIEE program and the updated database for energy efficiency resources (DEER) for the
 12 tankless water heater measure proposed for PY 2007 and PY 2008. Additionally for the
 13 duct testing and sealing measure, SoCalGas used the measure assessment evaluation
 14 conducted by the LIEE Standardization Project Team (Report filed with Commission on
 15 May 2, 2005) in computing the projected benefits for its PY 2007 and PY 2008 LIEE
 16 programs. The energy savings for the PY 2007 and PY 2008 LIEE program are outlined
 17 below and in the tables contained in Attachment A-2. Although the Commission has not
 18 yet formally adopted the results of the 2001 Load Impact Study, D. 05-12-026 authorized
 19 the use of the study results as the most recent analysis available for calculating LIEE
 20 energy savings estimates.¹²

21
 22 **Each Year for PY 2007 and PY 2008**

Services	# Installations	Therm Savings
Duct sealing	3,233	73,486
In Home Energy Education	44,700	0
Repair or replace natural gas appliance	6,917	175,867
Weatherization	44,700	805,496
New Measure		
Tankless Water Heater	75	2,100
Total		1,056,949

¹² See Conclusion of Law 7.

1 **B. PY 2007 – PY 2008 LIEE Program Plan & Budget**

2 **1. Outreach and Enrollment**

3 In PYs 2007 and 2008, SoCalGas will continue to increase program awareness
4 and participation by employing a variety of outreach methods. These activities include:
5 1) bill package messages and newsletter articles; 2) mass media advertising and press; 3)
6 collateral brochures and door hangers; 4) targeted direct mail; 5) targeted telephone
7 outreach; 6) community and neighborhood events; and 7) enhanced phone services.
8 SoCalGas plans to continue improving its outreach by enhancing traditional methods,
9 implementing new efforts, implementing operational improvements, and telephone
10 service enhancements for maximum effectiveness. Outlined below is SoCalGas’
11 outreach plan focusing on targeted marketing to low-income customers.

12 **Bill Package** – SoCalGas plans to place articles in the customer bill newsletter,
13 “GasCompany News” in English and Spanish to further program outreach. These
14 messages will be timed to coincide with other outreach activities including direct mail
15 and mass media (print / radio) to provide mutual message reinforcement.

16 **Mass Media** – SoCalGas multimedia advertising campaigns will continue to
17 target select print publications and radio stations to help promote LIEE programs to
18 eligible, non-enrolled customers. These avenues may include multilingual print
19 advertising in English, Spanish and Asian languages, and Spanish and English radio spots
20 during peak traffic drive times to further increase overall customer awareness. SoCalGas
21 also plans to continue to promote LIEE public interest news stories for targeted print
22 publications and other outlets for additional program awareness opportunities.

23 **Collateral** – Information about the LIEE program is included in SoCalGas’
24 Customer Assistance programs brochure, *A Guide to Savings, Service, and Safety*. This
25 brochure, offered in English, Spanish, Korean, Vietnamese and Chinese, list all available
26 assistance programs including LIEE and are distributed at outreach events and
27 presentations, at bill payment offices, through the customer contact center and other
28 communication outreach avenues. Additionally, SoCalGas has recently developed an
29 LIEE specific program brochure (English and Spanish) that will be available for
30 distribution in third quarter 2006. This brochure will also be translated into Korean,
31 Vietnamese and Chinese by 2007. Further, SoCalGas provides English and Spanish

1 language LIEE door hangers for distribution in program-eligible neighborhoods by LIEE
2 contractors to educate and provide information to hard-to-reach customers who often do
3 not respond to direct mail or phone solicitations and may not frequent social service
4 agencies.

5 **Web** – SoCalGas updates LIEE information and continues to seek new and
6 innovative methods to draw low-income customers to the SoCalGas website for LIEE
7 program information.

8 **Targeted Direct Mail** – Direct mail permits SoCalGas to reach the constantly
9 changing customer base in a cost effective manner by targeting new customers in areas
10 that have been identified through census data as having significant populations that may
11 be eligible for the LIEE program. This method also includes targeted outreach to
12 customers participating in the CARE program whose home has not received LIEE
13 services within the past 10 years.

14 **Targeted Telephone Outreach** – SoCalGas will explore utilizing an outside firm
15 to contact both CARE/LIEE and potential CARE customers who have not responded to
16 LIEE direct mail efforts in a manner similar to what is currently being done at SDG&E.
17 This will allow SoCalGas to supplement the outreach activities of its program contractors
18 by providing customer leads that might not otherwise be identified.

19 **Community Events** – SoCalGas plans to maintain its high level of participation in
20 community events held in predominantly hard-to-reach areas.

21 **Neighborhood Events** - In addition to traditional events, SoCalGas partners with
22 various cities in its service territory by working with their representatives, local
23 politicians, state elected officials and various community organizations to conduct
24 targeted Neighborhood Events. These events include customers having their homes
25 weatherized through the LIEE program, enrolling in other SoCalGas programs, and also
26 receiving other types of non-utility funded services (*e.g.* Handyman, Paint Your Heart
27 Out upgrades) during the day’s festivities. SoCalGas plans to continue using these types
28 of events to successfully connect with low-income customers in underserved areas.

1 categorically enrolled in LIEE. SoCalGas believes that due to the vigorous eligibility
2 process that is required for these programs prior to enrollment, those customers who
3 qualify and participate in these programs also qualify for LIEE. SoCalGas proposes to
4 permit customers who participate in these programs to qualify for LIEE by simply
5 providing documentation that they participate in one of these programs.

6 Due to the differences in how some of these means-tested programs define
7 qualifying households and total family income, SoCalGas will work with the other
8 utilities to determine how best to implement categorical eligibility and to finalize the list
9 of means-tested programs that would be included for categorical enrollment in LIEE.

10 SoCalGas believes that adoption of categorical eligibility for the LIEE program
11 will help to further simplify the LIEE enrollment process and will help to encourage more
12 qualified hard-to-reach customers to enroll in the LIEE program.

13 **4. New Measure Proposed for PY 2007 and PY 2008**

14 SoCalGas proposes the addition of one new measure for inclusion in its PY 2007
15 and PY 2008 LIEE program. SoCalGas proposes the installation of tankless water
16 heaters in eligible homes that would otherwise have a standard water heater replaced with
17 a high efficiency storage tank system due to leaks or inoperability. Tankless water heaters
18 have the potential to save an additional 15 – 20% on water heater costs and can result in
19 annual bill savings of \$60 – \$75.

20 SoCalGas expects to achieve a total annual energy savings of 1,057 MTherms in
21 PY 2007 and 1,057 MTherms in PY 2008 from its LIEE program. The design and
22 implementation of SoCalGas' LIEE program will continue to comply with all
23 Commission directives and legislative mandates.

24 **V. COMPLIANCE ISSUES**

25 **A. Program Revisions**

26 The Assigned Commissioner issued a Ruling on March 22, 2000, which directed
27 the LIEE Joint Utility Standardization Project Team (Team) to establish standards for
28 LIEE program policies and procedures along with weatherization installation standards
29 which would be applicable statewide. Over time, through various Decisions and Rulings,

1 the Commission also has directed the Team to undertake a number of other LIEE
2 program evaluations, including cost effectiveness analysis on measures and solicitation
3 and evaluation of new measures for inclusion in the LIEE program.

4 In D. 05-12-026, the Commission stated that “[T]he Standardization Team shall
5 not undertake any new activities unless and until it is authorized to do so as a result of the
6 July 2006 applications, or as otherwise directed by the Assigned Commissioner.” The
7 Team has not been given any new assignments and currently has no work pending.

8 The Joint Utilities¹³ will continue to comply with all Commission decisions
9 relative to the current LIEE Policy and Procedures Manual and the Weatherization
10 Installations Standards Manual. Should it become necessary to evaluate new program
11 policies, procedures, measures, or other matters contained in these Commission
12 directives, this can be accomplished without the need to reinstitute the Standardization
13 Team. The utilities will work together with other interested parties to address program
14 issues, including conducting workshops to obtain public input. The utilities also will
15 work with the Energy Division staff to determine where Commission review and
16 approval is necessary for any program changes related to matters covered in the
17 Commission directives. This will allow necessary program changes to be addressed until
18 the next program applications are filed with the Commission.

19 **B. Public Workshops**

20 SoCalGas and SCE jointly conducted a public workshop at SoCalGas’ Energy
21 Resource Center in Downey California on May 17, 2006 and at SCE’s Foothill Service
22 Center in Fontana California on May 30, 2006 to give a brief overview of program
23 changes under consideration for the CARE program and the LIEE program for PY 2007
24 and PY 2008 and to obtain input on the programs from interested parties. In Attachment
25 C, SoCalGas has included a copy of the LIEE presentation provided at the workshop and
26 the minutes of the workshop.

¹³ The Joint Utilities are Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), SoCalGas and San Diego Gas & Electric Company.

1 **VI. REPORTING REQUIREMENTS**

2 The current annual reporting requirements for the LIEE programs were
3 established by the Reporting Requirements Manual (RRM) Working Group under the
4 direction of the Commission during 2001 and adopted by the Commission in 2002. In
5 D.01-05-033, the Commission implemented the rapid deployment of SBX1 5 funds and
6 directed the utilities to file regular status reports on their rapid deployment efforts.
7 PG&E, SCE, SoCalGas, and SDG&E (IOUs), Energy Division, and the Division of
8 Ratepayer Advocates developed the monthly and quarterly Rapid Deployment Reports
9 over the early months of rapid deployment and have made modifications to those reports
10 over time, as appropriate.

11 Looking ahead to PY 2007 and PY 2008 LIEE reporting requirements, the IOUs
12 have evaluated the reporting requirements of the programs with the objective of making
13 improvements to the reporting by streamlining data and eliminating duplicative data
14 while continuing to provide information on the programs which is meaningful and
15 provides value to the Commission and other stakeholders. The results of the IOUs’
16 efforts are contained in Attachment D.

17 In summary, the IOUs are recommending the following instead of continuing with
18 the existing “Monthly Reports on Rapid Deployment Efforts.”

- 19 • That the current monthly Rapid Deployment reports be replaced with
20 “Monthly Reports on Low Income Assistance Programs¹⁴”
- 21 • That the monthly reports contain the same information each month thus
22 eliminating quarterly reports
- 23 • That obsolete information and tables be eliminated
- 24 • That tables with similar information be combined

25 The Joint Utilities are also recommending modifications to the LIEE Annual
26 Report as contained in Attachment D.

27 Therefore, in order to improve reporting on the Low Income Assistance
28 Programs, SoCalGas asks the Commission to adopt the Joint Utilities’ recommendations
29 found in Attachment D.

¹⁴ The low income assistance refers to the CARE and LIEE programs.

1 **VII. MEASUREMENT AND EVALUATION**

2 2005 Load Impact Evaluation

3 As directed in D.05-04-052, the statewide impact evaluation of the 2005 LIEE
4 programs is well underway. The total cost for this study is estimated at \$600,000.¹⁵
5 SoCalGas' portion of this total is 25% or \$150,000. The study takes place over a three-
6 year period (2005, 2006 and 2007). For PY 2007, SoCalGas estimates that 40%
7 (\$60,000) will be spent. Additionally, an impact evaluation would be expected in PY
8 2007 if the previous two-year cycle for requiring impact evaluations continues to be
9 followed, with the currently mandated study being the 2005 LIEE programs evaluation.
10 SoCalGas estimates that the statewide cost for the PY 2007 LIEE impact study will be
11 \$600,000 with SoCalGas' portion of the total at 25% or \$150,000.

12 LIEE Process Evaluation

13 A process evaluation is projected because one has not been done for several years,
14 and with the changes in the program, it would be prudent to conduct an evaluation of the
15 effectiveness and efficiency of the program design and operations. The total statewide
16 cost estimated for the process evaluation is \$150,000. SoCalGas' portion of the total is
17 25% or \$37,500 for PY 2007.

18 Annual Bill Savings Study

19 As directed in D.01-12-020, the annual Bill Savings analysis must be filed by
20 May 1 of each year. The estimated cost for this project is \$25,000.¹⁶ SoCalGas' share is
21 25% or \$6,250.

22 Independent Natural Gas Furnace Study

23 The natural gas IOUs jointly propose a statewide independent study of natural gas
24 furnaces to address several of the issues raised by some parties in the 2005 and 2006 low-
25 income proceedings such as whether LIEE furnace replacements should be based on the
26 age of the appliance for safety reasons, In D.05-10-044, the Commission found that it

¹⁵ The statewide study is being conducted by West Hill Energy & Computing, Inc. The budget estimates used by SoCalGas are based on estimates provided by West Hill Energy & Computing, Inc.

¹⁶ The statewide Bill Savings Study will be conducted by Equipoise Consulting. The budget estimates used by SoCalGas are based on the estimates provided by Equipoise Consulting.

1 lacks any factual basis for making a determination on the merits of replacing older wall
2 and floor furnaces based on claims that newer models have important safety mechanisms
3 that older furnaces do not. In order to assess the merits of whether the age of a furnace
4 should be used to as a criteria for furnace replacement in the LIEE program and to help
5 address other furnace replacement issues such as efficiency gains, the IOUs ask the
6 Commission to authorize the natural gas IOUs to undertake a statewide furnace study to
7 be conducted by an independent contractor in PY 2007. The utilities propose that PG&E
8 be directed to administrator the selection process and contract on behalf of the natural gas
9 IOUs. The total cost for the independent furnace study is estimated to be \$150,000.
10 SoCalGas' portion of the total is 36% or \$53,571 for PY 2007.

11 New Studies

12 SoCalGas proposes a statewide reserve of \$300,000 for additional study
13 requirements that may be developed before the end of PY 2008. Possible uses could
14 include updating the cost-effectiveness model with the Commission's newly adopted
15 avoided costs for energy efficiency programs and/or a study to improve estimates of non-
16 energy benefits. Utility personnel and other stakeholders have raised questions about the
17 methods used to develop the current values assigned to non-energy benefits of the
18 programs, and the currently used values come from a study that is now several years old.
19 SoCalGas' share of this reserve would be \$37,500 per year for PY 2007 and PY 2008.

20 **VIII. LIEE PROGRAM IMPACT EVALUATION**

21 In OP 9 of D. 05-012-026, the Commission, without adopting or approving the
22 results, authorized the use of the Impact Evaluation of the 2001 Statewide Low Income
23 Energy Efficiency Program for calculating the energy savings for the LIEE program
24 activities on a case by case basis until the Commission can address and resolve Low
25 Income Energy Efficiency-related issues in the 2006 Annual Earnings Assessment
26 Proceeding. In this Application, SoCalGas used the 2001 LIEE Load Impact study
27 measure evaluation data in computing the projected benefits of measures currently
28 offered in its LIEE program and DEER for the tankless water heater measure proposed
29 for PY 2007 and PY 2008. Additionally for the duct testing and sealing measure,
30 SoCalGas used the measure assessment evaluation conducted by the LIEE

1 Standardization Team to compute the projected benefits for its PY 2007 and PY 2008
2 LIEE programs. The projected benefits for all of the measures proposed for PY 2007 and
3 PY 2008 are contained in Attachment A-2.

4 **IX. REQUEST TO CONTINUE FUNDING**

5 SoCalGas seeks Commission authorization to continue funding for the PY 2007
6 LIEE program as a contingency if the Commission is delayed in issuing a decision on this
7 Application to prevent a delay in implementing the PY 2007 program on January 1, 2007.
8 For PY 2007, the funding level would be set at the 2006 levels and program
9 accomplishments achieved beginning on January 1, 2007 would be counted toward the
10 PY 2007 program goals. SoCalGas requests approval to continue LIEE funding in order
11 to prevent disruption in the program if a decision in this proceeding has been delayed.

12 **X. CONCLUSION**

13 SoCalGas requests that the Commission authorize the program plans and budgets
14 proposed in this application for SoCalGas' LIEE program for PY 2007 and PY 2008.

15 This concludes my prepared direct testimony.

1 **QUALIFICATIONS**

2 My name is Gregg E. Lawless. My business address is 8335 Century Park Court,
3 San Diego, CA. 92123. I am employed at San Diego Gas and Electric Company
4 (SDG&E) as a Customer Assistance Manager.

5 I joined SDG&E in 1977 and have held management positions in accounting,
6 customer service, energy conservation, marketing, and purchasing. My work experience
7 has included the development, implementation of residential and commercial demand-
8 side management programs; account executive responsible for marketing demand side
9 management programs to governmental entities; supervision of customer contact
10 personnel in SDG&E's customer contact center. From November 1996 through March
11 2002, I was employed by the non-regulated subsidiaries of Sempra Energy where I held
12 various positions responsible for marketing business solutions to governmental agencies;
13 negotiating and managing customer contracts, and management of regional sales activity.

14 I assumed my current position managing the Direct Assistance Program in April
15 2003. My principal responsibilities include the oversight of the Direct Assistance
16 Programs for San Diego Gas & Electric Company and Southern California Gas
17 Company. I have provided written testimony before the Commission in A.04-07-011 and
18 A.04-07-010 in the PY 2005 Low-income Assistance proceeding for SDG&E and
19 SoCalGas, respectively. Additionally, I have provided written testimony in A.05-06-013
20 and A.05-06-012 in the PY 2006/07 Low-Income Assistance proceeding for SDG&E and
21 SoCalGas, respectively. I am also Chair of the Statewide Low Income Energy Efficiency
22 Project Standardization Team.

23 I hold a Bachelors Degree in Accounting from San Diego State University.

Application No. A. 06-06-_____
Exhibit No: _____
Witness: Rudshagen, Carmen

**PREPARED DIRECT TESTIMONY OF CARMEN RUDSHAGEN ON BEHALF
OF SOUTHERN CALIFORNIA GAS COMPANY'S CALIFORNIA ALTERNATE
RATES FOR ENERGY PROGRAM PLANS AND BUDGETS FOR PROGRAM
YEARS 2007 AND 2008**

Before the Public Utilities Commission
Of the State of California

June 30, 2006

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1 **PREPARED DIRECT TESTIMONY OF CARMEN RUDSHAGEN ON BEHALF**
2 **OF SOUTHERN CALIFORNIA GAS COMPANY'S CALIFORNIA ALTERNATE**
3 **RATES FOR ENERGY PROGRAM PLANS AND BUDGETS FOR PROGRAM**
4 **YEARS 2007 AND 2008**
5

6 **I. INTRODUCTION**

7 In accordance with Decision (D.) 05-12-026, issued by the California Public Utilities
8 Commission (CPUC or Commission) on December 15, 2005, Southern California Gas Company
9 (SoCalGas) hereby submits this testimony in support of its Application requesting approval of its
10 California Alternate Rates for Energy (CARE) program plans and budgets for program year (PY)
11 2007 and PY 2008. Specifically, Ordering Paragraph (OP) 5 provides:

12 The utilities shall file 2007-08 funding applications no later than July 1, 2006.
13 The utilities shall list separately their budgets and program goals for each year
14 and participate in workshops to develop other application and reporting
15 requirements. The utilities shall schedule and conduct workshops within 60 days
16 of filing their applications, and invite the members of the Low Income Oversight
17 Board, ORA, the Energy Division, and the public to attend the workshops.

18 D. 05-12-026 also directed utilities to (1) reflect the results of the Needs Assessment, if it
19 is available in a timely-manner,¹ and direct program experience and (2) identify and explain any
20 fund shifting within program categories that have been made. As demonstrated in this
21 Application and attendant testimony, SoCalGas has complied with each of those directives.

22 This testimony presents SoCalGas' plans and budgets for its PY 2007 and PY 2008
23 CARE program. SoCalGas is requesting the following:

- 24 1. Approval of its PY 2007 and PY 2008 CARE program plans and forecasted
25 administrative costs;
- 26 2. Approval to continue current CARE program and funding into PY 2007 should the
27 Commission be delayed in issuing a decision in this proceeding before year-end 2006;

¹ As of the date of this filing, the Statewide Low Income Needs Assessment Report has not yet been completed and was not used in the development of SoCalGas' 2007/08 CARE program plan.

1 3. Authorization to implement CARE program changes and activities as described in this
2 testimony and further in Attachment B-3.

3 **II. BACKGROUND**

4 CARE is a low-income ratepayer assistance program providing qualified residential
5 customers and qualifying group living facilities a 20% discount on their monthly energy bill.
6 The program is funded through a Public Purpose Program (PPP) surcharge paid through non-
7 participating customers' energy bills. The CARE program was established through a legislative
8 mandate and was implemented by the Commission in 1989.² In D.92-04-024 the program was
9 expanded to qualified non-profit group living facilities such as women's shelters and homeless
10 shelters. In D.95-10-047, the Commission expanded the program to qualified agricultural
11 employee housing facilities. In D.05-04-052, the Commission authorized agricultural housing
12 facilities managed by the Office of Migrant Services and other non-profit migrant farm worker
13 housing centers to qualify for the CARE discount.

14 In October 2005, the Commission issued D. 05-10-044 approving various new initiatives
15 for low income programs in anticipation of high natural gas prices during the winter of 2005 –
16 2006 (Winter Programs). The Decision revised the CARE program's income eligibility
17 guidelines from households with incomes at or below 175% of the Federal Poverty Guidelines
18 (FPG) to households with incomes at or below 200% of the FPG. It authorized utilities to
19 temporarily suspend CARE's random post-enrollment verification and recertification processes.
20 D. 05-10-044 also authorized SoCalGas to extend the recertification period for customers who
21 were exempted from recertification during the winter period from 2 years to 4 years and
22 authorized SoCalGas to implement a temporary process to enroll certain prospective CARE-
23 qualified households by telephone from November 1, 2005 through April 30, 2006³. SoCalGas'
24 CARE Winter Program telephone enrollment process focused on customers who had not
25 returned applications requested from the call center or who had not responded to its direct mail

² Senate Bill 987. The CARE program was formerly known as the Low Income Ratepayer Assistance Program or "LIRA".

³ Utilities were permitted to use census-block or other income-related data to identify fruitful geographic areas to focus a telephone campaign. SoCalGas' CARE Winter Program process focused on telephone enrollment of customers who had not returned applications requested from the call center or who did not respond to direct mail campaign and reside in geographic areas found to have high percentages of low income customers.

1 campaign to households located in geographic areas believed to have a high percentages income
2 qualified customers.

3 In December 2005, the Commission issued D. 05-12-026 which approved PY 2006 and
4 PY 2007 program plans and budgets for the large investor-owned utilities (IOUs). The Decision
5 authorized SoCalGas to conduct the following pilot program for the CARE program:

- 6 • **Recertification Process Improvement Pilot** - allows SoCalGas to utilize its new
7 post enrollment verification probability model to evaluate the likelihood that CARE
8 participants who are to be recertified qualify for the program and to exclude the most
9 likely eligible customers (85% probability the household meets the CARE eligibility
10 guidelines) from the two-year recertification cycle. These customers would instead
11 be asked to recertify their eligibility every four years instead of every two years.

12 Implementation of this pilot was postponed due to the Commission's temporary
13 suspension of CARE recertification during the winter period. SoCalGas seeks Commission
14 authorization to continue this CARE pilot through the end of PY 2007 and to evaluate the pilot
15 for its effectiveness in maintaining income qualified customers in the CARE program. SoCalGas
16 proposes to conduct the evaluation during PY 2008 and will report the results of the pilot and its
17 recommendation on whether to continue these recertification activities in the future in its next
18 CARE program planning cycle for PY 2009 through PY 2011⁴

19 Ordering Paragraph 5 of D.05-12-026 directed utilities to conduct workshops within 60
20 days of filing their applications and invite the members of the Low Income Oversight
21 Board (LIOB), the Energy Division, and the public to attend. SoCalGas and Southern California
22 Edison held joint public workshops on May 17, 2006, and May 30, 2006, and invited parties to
23 provide input on PY 2007/08 program plans. A workshop report is included as Attachment C-1
24 of this testimony.

25 As of the date of this filing, there is pending legislation that may have an impact on the
26 CARE program in the future. Senate Bill (SB) 1534 would require the California Health and

⁴ In D. 05-12-026 at 5, the Commission articulated its preference to bring the utility low income program planning cycle in sync with the energy efficiency program's three year planning cycle which is scheduled to terminate at the end of 2008.

1 Human Services Agency, the Commission, the State Department of Education, and the
2 Department of Insurance to work together to ensure that individuals and families meeting
3 equivalent eligibility requirements for low income programs administered by these entities are
4 concurrently enrolled in all available programs for which they are eligible. This bill would
5 require the entities to create a single low-income application to cover all services afforded to low
6 income populations and would allow these entities to establish a Low Income Advisory Board to
7 implement the bill's requirements. SoCalGas' CARE program proposals for PY 2007 and PY
8 2008 have not made provisions for implementing SB 1534 since the bill is still being considered
9 by the legislature at the time of this filing.

10 **III. CARE PROGRAM PROPOSALS FOR PY 2007 AND PY 2008**

11 As shown in Attachment B-1, SoCalGas is proposing an annual administrative budget of
12 \$4.713 million each year for PY 2007 and PY 2008, an increase of \$600,000 over the PY 2006
13 budget authorized in D. 05-12-026.⁵ This increase will restore the CARE administrative budget
14 to the pre-2005 level and is needed to cover additional customers now eligible for the CARE
15 program (at the 200% FPG level) and additional outreach activities that are needed to enhance
16 program awareness and enrollment.

17 SoCalGas estimates CARE subsidy costs of \$ 122.7 million for PY 2007 and \$126.4
18 million for PY 2008 based on its estimated CARE participation levels of 1,379,700 in PY 2007
19 and 1,426,500 in PY 2008.

20 The administrative costs included in SoCalGas' CARE program budgets are not included
21 in base rates and are funded through the public purpose program surcharge. Cost categories are
22 defined in the Regulatory Reporting Manual Working Group (RRMWG) Report which was last
23 revised in January 2002.⁶ Cost categories are delineated in Attachment B-1 along with the
24 authorized expenditures for PY 2006, and the planned PY 2007 and PY 2008 budgets.

⁵ In D. 06-04-011, issued April 4, 2006, the Commission corrected certain typographical errors in Tables 1 and 2 of D. 05-12-026 to reflect the SoCalGas' correct CARE authorized budget.

⁶ These costs include labor, non-labor and contract expenses for outreach, regulatory compliance, processing of applications, recertification, verification, measurement and evaluation, and other general administrative expenses. In D. 05-04-052 (at 88) the Commission reiterated its directive requiring utilities to standardize their budget categories. To be consistent with other utilities, SoCalGas has included *Vacation*, *Sick Leave*, and *Payroll taxes* in the labor category of its 2007 and 2008 budgets SoCalGas has worked with the other utilities to ensure uniformity

1 In D 05-12-026, the Commission authorized utilities the flexibility to reallocate 2006
2 CARE program budgets between cost categories as needed, but directed them to identify and
3 explain any funding shifts that they have made up to that point in their next applications. No
4 funding shifting between cost categories was required through May 2006 nor does SoCalGas
5 anticipate significant fund shifting between cost categories during the remainder of 2006.
6 SoCalGas believes that over the PY 2007 and PY 2008 planning cycle, there will be a
7 continued need to have flexibility to reallocate funds between budget categories and requests that
8 the Commission authorize the continued ability to shift funds between cost categories during PY
9 2007 and PY 2008.

10 As of the end of May 2006, SoCalGas had 1.242 million customers enrolled in the CARE
11 program and projects participation will continue to increase to 1.3 million by year-end 2006.
12 Since 2001, SoCalGas has had a net increase in CARE participation (new enrollments, less
13 attrition) by approximately 693,000 or 127%. In order to achieve this net increase in
14 participation, SoCalGas received and processed 2.2 million new CARE applications during this
15 same time frame, of which 1.7 million were approved and added to the program. The net
16 enrollment number of 693,000 represents 40% of the total applications approved, due to the
17 number of customers who are dropped from the program for a variety of reasons. SoCalGas has
18 found that many CARE customers are leaving the program as they close their accounts and move
19 outside SoCalGas' territory. Others may be dropped from the program because they fail to
20 recertify or verify their eligibility when asked to do so by SoCalGas. Several of SoCalGas'
21 proposals in this application were developed to address the issue of potentially dropping eligible
22 customers from CARE because they do not respond to mailed requests for information.

23 SoCalGas' objective for PY 2007 and PY 2008 is to increase its net CARE participation
24 by 80,000 in PY 2007 and 47,000 in PY 2008 and to achieve an increase in its CARE
25 penetration rate of 78% in PY 2007 and 79% in PY 2008 assuming there will be no further
26 changes in the CARE income eligibility guidelines over the next two years. SoCalGas has
27 established these targets for CARE in an effort to contribute to the Commission's goal of
28 enrolling 100% of the CARE qualified customers who wish to participate in the program.

between categorized costs and SoCalGas' overall budget has been allocated in a manner that is consistent with the RRMWG Report, see, e.g., D. 01-12-020.

1 **A. Outreach**

2 Building on past success and experience gained from various outreach and
3 communications campaigns, SoCalGas plans to continue the use of targeted direct mail, bill
4 inserts, and select print publications to increase customer awareness of the CARE program
5 among the eligible, non-enrolled customer base. To improve customer responses from these
6 communications efforts, SoCalGas will concurrently run radio and some television advertising to
7 help build customer awareness. Based on the historical response rates of 9% for direct mail and
8 0.7% for bill inserts for the CARE program, SoCalGas estimates that new CARE enrollments
9 will increase by 100,000 per program year. New methods of outreach and communication may
10 also be tested and evaluated for their effectiveness in encouraging qualified, hard-to-reach
11 customers to enroll in the CARE program. SoCalGas will continue to improve its traditional
12 outreach methods, evaluate and implement new efforts, and identify methods to facilitate the
13 enrollment process in order to encourage the hardest-to-reach qualified customers to enroll in the
14 CARE program.

15 SoCalGas has planned \$2.555 million in annual outreach costs for PY 2007 and \$2.626
16 million in PY 2008, for the outreach plans outlined below:

17 **1. Bill Package**

18 SoCalGas will notify all customers about the CARE program through bilingual
19 (English/Spanish) bill inserts twice in each program year, which includes the annual notification
20 before the highest bill season.⁷ The annual notification will be supported by TV, radio, and print
21 media advising customers to check their bill for the application. SoCalGas also plans to
22 distribute two additional bill inserts during the year; one to provide CARE information in five
23 languages and the other to promote the CARE program to CARE Expansion program
24 participants. The cost for the bill inserts is estimated to be \$300,000 for PY 2007 and \$310,000
25 for PY 2008.

26 In addition to bill inserts, SoCalGas will use the bill package in several other ways to
27 provide information to potential CARE applicants. SoCalGas plans to use the customer

⁷ Each year, SoCalGas is required to send a CARE application form to all residential customers who are not enrolled in the CARE program. The annual notification campaign occurs in early summer after the CARE income guidelines are updated each year.

1 newsletter, “*Gas Company News*,” to inform customers about CARE at least three times each
2 program year. The bill message section of the customer bill will contain at least one additional
3 CARE promotional message in addition to the quarterly bilingual messages already mandated by
4 the Commission. Finally, the outgoing and return bill envelope flap will provide a CARE
5 message during the program year, timed to coincide with other outreach activities including
6 direct mail and mass media to provide mutual message reinforcement. There is no additional
7 cost to the CARE program for using these other bill package opportunities.

8 **2. Customer Contact**

9 SoCalGas Customer Service Representatives in its Call Centers will continue to inform
10 customers about the CARE program when they initiate or transfer service, during billing and
11 credit calls, and when customers request bill payment arrangements or extensions. Field
12 Collectors will continue to provide information about the CARE program with collection notices
13 left at customers’ homes. Customer contact costs to the CARE program for these activities are
14 limited solely to the production and printing of collateral materials.

15 **3. Targeted Direct Mail Campaign**

16 Targeted direct mail continues to be an effective outreach method, providing nearly
17 20,000 returned applications between January and May 2006, with an approval rate of 74%.
18 Targeted direct mail provides a cost effective method for SoCalGas to contact new, potentially
19 eligible customers. Direct mail also permits SoCalGas to expeditiously reach the constantly
20 changing customer base by targeting new customers in areas that have been identified through
21 census data as having significant populations that may be eligible for CARE. It has also proven
22 effective in targeting the newly eligible segment of customers whose incomes are between 175%
23 and 200% of FPG. For example, during 2006 15% of the applications returned through direct
24 mail efforts were from customers within this income range. SoCalGas plans to continue targeted
25 direct mail outreach to approximately 400,000 customers each year, for an estimated cost of
26 \$235,000 per program year, with a target of receiving about 40,000 new CARE applications
27 through direct mail each year.

1 **4. Direct Mail Campaign to Non-Profit Group Living Facilities**

2 SoCalGas plans to implement a direct mail campaign targeted to the operators of non-
3 profit group living facilities and their affiliates to encourage qualifying facilities to enroll in
4 CARE. Non-profit group living facilities (such as women shelters, homeless shelters, and
5 transitional housing facilities) have historically been difficult to reach because of their need to
6 protect the privacy of their residents. During PY 2007 and PY 2008 SoCalGas plans to mail
7 CARE information to the management of approximately 5,000 facilities and their satellite
8 facilities to encourage them to enroll in CARE. The estimated cost of this direct mail campaign
9 is \$5,000 per year.

10 **5. Multi-Language Mass Media and Support Advertising**

11 SoCalGas mass media advertising campaigns will use radio, print, and television as the
12 primary communication channels for promoting the CARE program in PY 2007 and PY 2008.
13 Radio advertising will consist of 60, 30, and 15 second spots during peak traffic drive times and
14 20-second spots during non-peak traffic drive times. Print ads will be placed in various trade
15 magazines and publications that reflect the CARE customer profile. Television promotions will
16 consist of 15-second television sponsorships.

17 In order to maximize the effectiveness of these efforts in promoting CARE awareness
18 and enrollment, the development of all CARE mass media advertising will be strategically
19 released to coincide or leverage with other pertinent advertising campaigns, such as winter
20 energy conservation and safety campaigns when appropriate.

21 The estimated cost for SoCalGas' CARE mass media campaign is \$500,000 for PY 2007
22 and \$518,000 for PY 2008.

23 **6. Capitation Contracts**

24 Community Based Organizations (CBOs) and other organizations and agencies fill an
25 important niche in providing outreach and access to the CARE program. Some customers
26 respond to agencies because they are able to establish a relationship with the potential enrollee
27 and build trust about CARE and other assistance programs. SoCalGas considers partnerships

1 with these groups to be an essential element in reaching customers who are eligible for the
2 CARE program.

3 In D. 01-05-033, the Commission determined that CBOs and other agencies that help
4 their clients fill out CARE applications would be paid a capitation fee of up to \$12 per approved
5 CARE enrollment.⁸ SoCalGas currently has capitation contracts with 32 contractors and CBOs
6 that help clients complete CARE applications and submit them to SoCalGas for processing, with
7 four of these contracts newly implemented in 2006. Capitation fees have remained unchanged
8 since they were established in 2001. Therefore, beginning in January 2007, SoCalGas proposes
9 increasing the capitation fee from a maximum of \$12 per approved CARE application to a
10 maximum of up to \$15 for each approved application. For PY 2007 and PY 2008, SoCalGas is
11 requesting \$100,000 each year to be allocated for capitation contracts.

12 **7. Third Party CARE Outreach**

13 SoCalGas will initiate a Third Party CARE Outreach program to help increase CARE
14 outreach and enrollments and to encourage agencies to increase their enrollment efforts.
15 Contracts will be offered to organizations proposing innovative and cost-effective methods to
16 identify and enroll hard-to-reach customers in the CARE program. Methods used in this third
17 party program may include neighborhood community events, outbound calling, door-to-door
18 campaigns, or other community activities identified by the third party(ies) as opportunities for
19 CARE outreach and enrollment. Each contract will include enrollment goals and thresholds for
20 approved new CARE sign-ups.

21 SoCalGas is requesting \$522,000 in PY 2007 and in PY 2008 for its third party outreach
22 activities.

23 **8. Community Outreach**

24 Since 2001, SoCalGas has conducted community outreach events that are designed to
25 attract a large number of CARE-eligible customers and to encourage the participants to enroll in

⁸ Utilities were also given the latitude to contract with different entities at various levels of “capitation” fee (ranging from \$0 to \$12) to appropriately address the specific circumstances of each “capitation” agency. The decision also provided utilities the discretion to not offer “capitation” fees when, for example, new enrollments result from separately-funded CARE outreach activities.

1 the CARE program. During PY 2007 and PY 2008, SoCalGas will continue its grass roots
2 outreach efforts with local agencies to focus their efforts on qualified customers in targeted
3 market segments such as senior citizens, lower wage workers, schools, and faith-based groups.
4 A special focus will continue for non-English speaking customer segments. SoCalGas believes
5 that direct personal contact provided by community agencies will effectively encourage
6 customers who do not typically respond to mass media and direct mail campaigns to enroll in
7 CARE. SoCalGas will continue to participate in targeted community events such as health fairs,
8 senior and school resource fairs to increase its outreach presence in the community.
9 Opportunities will also be sought to conduct neighborhood events involving residents in specific
10 high-need areas to promote CARE and other assistance programs. SoCalGas will continue
11 working with local and state governmental representatives to help their CARE-eligible
12 constituents learn about and enroll in CARE.

13 **B. Automatic Enrollment**

14 In. D. 02-07-033, the Commission adopted a program to provisionally enroll participants
15 of California's Low Income Home Energy Assistance Program (LIHEAP), the Women, Infants,
16 and Children's (WIC) program, MediCal programs, and Healthy Families Program in the CARE
17 program. Subsequently, in an Assigned Commissioner's Ruling (ACR) dated May 5, 2004, the
18 Commission authorized a modified program with Department of Community Services and
19 Development's (DCSD) LIHEAP participants negating the need to implement certain
20 components of the program initially envisioned by the Commission. The ACR further ordered
21 utilities to mail an opt-out letter to "potential customers" immediately upon receipt of the list of
22 LIHEAP participants for DCSD. SoCalGas implemented this modified automatic enrollment
23 program in 2004. Since the Automatic Enrollment program began, SoCalGas has received four
24 lists of LIHEAP clients from DCSD resulting in 5,422 customers automatically enrolled into the
25 CARE program. Those not enrolled were either already on CARE or were no longer a SoCalGas
26 customer. SoCalGas has included costs for continuing the automatic enrollment program in its
27 PY 2007 and PY 2008 CARE Billing System/Programming budgets.

28 SoCalGas proposes to seek additional opportunities for automatic enrollment or data
29 sharing with municipal utilities with service territories that overlap with SoCalGas' that have
30 programs with the same income requirements as CARE.

1 **C. Enrollment, Recertification, and Verification**

2 In 2005, the CARE income guidelines increased from 175% to 200% of the FPG,
3 increasing the number of potentially-eligible customers in SoCalGas' service territory by
4 218,700. Although this change will likely continue to increase CARE processing workload for
5 PY 2007 and PY 2008, SoCalGas anticipates offsetting the costs by implementing proposed
6 program improvements to further simplify CARE enrollment, recertification, and income
7 verification processes for CARE customers. Proposed program enhancements are described
8 below.

9 **1. Outbound Telephone Enrollment**

10 As part of its 2005-2006 winter programs, SoCalGas received Commission approval to
11 implement a process of enrolling CARE customers by telephone. Contacted customers were
12 located within highly targeted geographic areas with a high density of program-eligible
13 households. These targeted customers either did not return a CARE application form requested
14 through SoCalGas' call center, or did not respond to its Targeted Direct Mail campaign
15 informing them about the program. SoCalGas used two methods of phone enrollment.

16 1. Between November 1, 2005 and April 30, 2006, CARE program staff
17 contacted customers by telephone to assist them enroll in the CARE program.
18 CARE Program staff successfully enrolled 2,700 customers by telephone.

19 2. Beginning on March 29, 2006, SoCalGas began using an automated
20 outbound dialing (OBD) system to contact potentially-eligible CARE customers,
21 provide them detailed information about the program, and invite them to enroll in
22 the program by telephone. Using the OBD system, SoCalGas enrolled 4,067 of
23 those customers contacted.

24 SoCalGas suspended Outbound Telephone Enrollments when the winter programs ended
25 on April 30, 2006. To evaluate its effectiveness and to determine if this method of enrollment
26 led to a higher percentage of unqualified customers enrolling in the CARE program,⁹ SoCalGas

⁹ In Ordering Paragraph 4 of D. 05-10-044, the Commission directed utilities to track the data for phone enrollment carefully to determine if this method of enrollment leads to a higher percentage of unqualified customers signing up for CARE discounts.

1 used its post-enrollment verification (PEV) probability model to determine how many of the
2 customers that were enrolled by phone during the winter programs should be asked to verify
3 their income. The probability model uses neighborhood income information, maximum winter
4 monthly consumption, and dwelling type to calculate the likelihood of customers being eligible
5 for CARE. Customers enrolled through direct staff contact or through the OBD system have an
6 average probability of CARE eligibility of 90%, compared to 84% of non-telephone enrollments,
7 demonstrating that the phone enrollment process did not result in more ineligible customers
8 being enrolled in CARE.

9 Based on these results, SoCalGas requests Commission authorization to implement a
10 CARE telephone enrollment process using the OBD system for PY 2007 and PY 2008.
11 SoCalGas also proposes to continue to use its PEV probability model to randomly screen
12 applicants enrolled by phone and to determine if they will be required to verify their income,
13 consistent with the PEV method used for other customers enrolled in CARE.

14 SoCalGas projects that an estimated 14,700 customers will be enrolled in CARE each
15 year through the OBD system.

16 **2. Categorical Eligibility for CARE Enrollment and Post Enrollment** 17 **Verification (PEV)**

18 SoCalGas requests Commission authorization to adopt a categorical eligibility process for
19 the CARE program where customers will be deemed eligible and enrolled in the CARE program
20 based on participation in another Local, State, or Federal means-tested program when one or
21 more means-tested program(s) is the only source of income for the household.¹⁰ The proposal is
22 somewhat similar to the program-based eligibility process adopted in 2005 for the Universal
23 Lifeline Telephone Service.¹¹ SoCalGas has reviewed the income eligibility for several means-
24 tested programs in California and has determined that participants of programs such as MediCal,

¹⁰ In D. 99-07-016, the Commission defined “categorical eligibility” as qualifying for CARE based on a customer showing proof of participation in other public assistance programs such as Aid to Families with Dependent Children. D. 01-05-033 further defined “categorical eligibility” as automatic eligibility for CARE when a customer participates in another public assistance program such as LIHEAP.

¹¹ D. 05-04-026, Decision Adopting New Universal Lifeline Telephone Service Certification and Verification Processes. Because income eligibility guidelines and other program eligibility criteria for ULTS differ from CARE, SoCalGas does not propose to adopt the exact “program based” enrollment adopted by the Commission for the ULTS program.

1 Food Stamps, Temporary Assistance for Needy Families (TANF), and WIC and other programs
2 with income eligibility guidelines at or below 200% of the FPG may be eligible to be
3 categorically enrolled in the CARE program based on their participation in these programs.

4 SoCalGas believes that due to the vigorous eligibility process that is required for these
5 programs prior to enrollment, those customers who qualify and participate in them also qualify
6 for CARE. SoCalGas proposes to permit customers who participate in these other programs to
7 qualify for CARE by indicating on their application for enrollment that they participate in one of
8 the programs above-referenced programs. Customers will be able to self-certify their
9 participation on one or more of these programs on the CARE application and for recertification.
10 They can also provide documentation demonstrating their participation in the program(s) as part
11 of the PEV process in-lieu of providing income documentation.

12 Due to differences in how some of these programs define qualifying households and total
13 family income, SoCalGas will work through the details with the other utilities to determine how
14 best to implement categorical eligibility and to finalize the list of means-tested programs that
15 would be included for categorical enrollment in CARE. SoCalGas believes that adoption of
16 categorical enrollment for the CARE program will further simplify the CARE enrollment process
17 and encourage more qualified customers to enroll in CARE.

18 **3. Internet-Based Enrollments and Recertification**

19 The number of CARE applications downloaded from the SoCalGas web site and
20 subsequently mailed in continues to increase each year. During the first five months of 2006,
21 approximately 2,700 customers used internet applications to apply for CARE. Of these, 53%
22 were successfully enrolled in the CARE program and an additional 760 applications were used as
23 recertification documents. Of those enrolled, 76% were from customers at or below 175% of
24 FPG. Beginning in PY 2007, SoCalGas plans to provide an interactive internet-based CARE
25 application that customers may use to apply for the CARE discount. Based on SoCalGas'
26 current internet structure, this new internet-based process will be implemented in two phases and
27 will be designed to save customers time and postage, while also expediting their enrollment.

28 Phase I will consist of web-based customer communications having a manual back-end
29 enrollment processing component. Phase II will incorporate both web-based customer

1 communications and automated enrollment processing. The implementation target for Phase I is
2 early 2007. Phase II is scheduled to be implemented during PY 2008. SoCalGas projects this
3 enhancement to provide an additional 3,000 – 5,000 new CARE enrollments each program
4 year.¹²

5 The estimated costs for implementing SoCalGas' internet based enrollments during PY
6 2007 and PY 2008 are for IT programming and are included in the Billing System/Programming
7 cost category below.

8 **4. Recertification of "Fixed Income" Customers**

9 Currently, residential CARE customers are required to recertify their eligibility every two
10 years. Sub-metered tenants are required to recertify their eligibility annually. Recertification
11 requests are mailed to CARE customers and to be returned to SoCalGas within 90 days.
12 SoCalGas has researched various income sources and has determined that fixed-income
13 households have one of the following sources of income which are unlikely to change
14 significantly over time:

- 15 • Social Security
- 16 • Supplemental Security Income (SSI)
- 17 • Pensions

18 SoCalGas has observed that approximately 25 – 30% of the customers who are asked to
19 recertify fail to respond to recertification requests and are ultimately dropped from the program.
20 SoCalGas believes that by implementing a four-year recertification requirement for residential
21 CARE customers on a fixed income as defined above would help reduce the number of CARE-
22 qualified customers who are dropped from the program merely because they fail to respond to
23 recertification requests. Customer groups receiving the most benefit from this program
24 enhancement would be seniors, the largest group of fixed-income customers, and customers with
25 a permanent disability who are receiving SSI benefits. SoCalGas will work with the other
26 utilities to jointly refine the definition of fixed-income customers who would qualify for the four-
27 year recertification period.

¹² SoCalGas plans to also continue to research ways to improve CARE customer internet based processes to improve service and reduce program costs with an objective of real-time online CARE enrollment and approval after 2008.

1 In order to track customers who would qualify for this program change, SoCalGas would
2 need to make some modifications to its CARE system. SoCalGas would also realize some cost
3 savings due to the reduction in the number of recertification requests that would be mailed out
4 during PY 2007 and PY 2008. SoCalGas has estimated the system enhancement cost for PY
5 2007 to be \$100,000 which is included as part of the Billing System/Programming cost category
6 below.

7 **5. Recertification By Phone**

8 As part of its objective to ease the recertification process for CARE customers, SoCalGas
9 proposes an additional way to renew customer eligibility by allowing recertification by telephone
10 24 hours a day. An Interactive Voice Responsive system will prompt callers for household size
11 and income and will provide immediate real-time approval.

12 In-bound CARE customer recertification will not only benefit the customer but also the
13 program. SoCalGas can: 1) extend operational hours without increasing staff; 2) expect cost
14 savings as a result of processing fewer recertification requests being manually processed; 3)
15 realize a reduction in postage costs and 4) reduce the costs to archive CARE recertification
16 documents. SoCalGas also proposes to phone customers who have not responded to
17 recertification requests to provide them the opportunity to recertify their CARE eligibility by
18 phone.

19 SoCalGas plans to implement enhancements to its current telephone system and CARE
20 computer system for this revised CARE recertification process. The estimated costs of the
21 telephone system and computer system enhancements have been included in the Billing
22 System/Programming cost category below.

23 SoCalGas anticipates that implementation of the system enhancements and program
24 changes described above will reduce processing costs in PY2008 and has reduced the processing
25 budget for that year accordingly. Therefore, SoCalGas is requesting Processing, Recertification,
26 and Verification cost for PY 2007 of \$866,000 and \$873,000 for PY 2008. These budget
27 projections are for CARE applications processes and CARE application scanning service
28 contract costs. The lower processing costs for PY 2007 and PY 2008, in comparison to the 2006

1 authorized budget, are the result of various operational improvements implemented during 2006
2 and for streamlined processes being proposed for PY 2007 and PY 2008.

3 SoCalGas anticipates starting the CARE eligible probability model for its PEV and
4 Recertification processes in January 2007. Combining the implementation of the probability
5 model with the system enhancements and program changes described above would reduce
6 processing costs in PY 2007 and PY 2008. Therefore, SoCalGas is requesting a lower budget, in
7 comparison to the 2006 authorized budget, of \$866,000 for PY 2007 and \$873,000 for PY 2008.
8 These budgets are for CARE application processes and CARE application scanning service
9 contract cost.

10 **D. Billing System/Programming**

11 SoCalGas Billing System/Programming cost category include IT costs to maintain
12 CARE functions in SoCalGas' billing system., CARE database, system reports, data exchanges
13 with other assistance programs, and to implement system enhancements to comply with
14 regulatory mandates and improve operational efficiencies. Total projected Billing
15 System/Programming costs are \$393,000 for PY 2007 and \$380,000 for PY 2008, which reflects
16 an increase of \$91,000 for PY 2007 and a \$78,000 increase in PY 2008 over the 2006 authorized
17 budget. Several customer and billing information changes and other telephone system
18 enhancements outlined above such as internet based applications, recertification by telephone,
19 automatic and categorical enrollment, four-year recertification for fixed income customers, and a
20 streamlined post enrollment verification process are the primary reasons for the increases in this
21 cost category.

22 **E. Measurement and Evaluation**

23 SoCalGas has projected a total Measurement and Evaluation (M&E) budget for PY 2007
24 and PY 2008 is \$5,175 respectively. This category includes costs for the annual joint utilities'
25 CARE program eligibility update and the Commission's Statewide Needs Assessment.

26 SoCalGas assumed the Commission's Statewide Needs Assessment will be completed
27 during 2006. However, in the event that the completion of the Needs Assessment is further
28 delayed, SoCalGas has budgeted \$91,000 in 2007 for it represents SoCalGas' pro rata share of
29 the remaining Needs Assessment budget. Should the Needs Assessment be completed and

1 invoiced to SoCalGas by year-end 2006, SoCalGas will reallocate the \$91,000 to another cost
2 category if needed. SoCalGas does not anticipate any other Commission ordered M&E studies
3 for PY 2007 & PY 2008 for the CARE program.

4 **F. Regulatory Compliance and Energy Division Costs**

5 SoCalGas' costs reflected in the Regulatory Compliance category include labor and non-
6 labor costs for complying with Commission reporting requirements, supporting CARE
7 regulatory filings, and responding to data requests from the Commission and others. Regulatory
8 compliance costs for PY 2007 & PY 2008 are expected to be consistent with PY 2006 and are
9 estimated at \$ 206,000 and \$ 213,000 respectively.

10 SoCalGas has additionally budgeted \$83,000 in PY 2007 and \$ 86,000 in PY 2008 for
11 Energy Division CARE program support. These estimates are based on PY 2005 and PY 2006
12 average monthly program costs.

13 **G. General Administration**

14 Costs in this category include labor and non-labor costs associated with the day-to-day
15 operations of the CARE program management staff and additional expenses such as office
16 supplies, employee travel expenses, market research, employee training and development and
17 office equipment. Projected costs for General Administration for PY 2007 and PY 2008 are
18 \$514,000 and \$530,000, an increase of \$163,146 in PY 2007 and \$179,000 over the 2006
19 authorized budget for this cost category. The increase is primarily required to implement the
20 proposed program changes described in this testimony and to manage the multi-faceted CARE
21 program.

22 **IV. PROJECTED CARE SUBSIDY AND BENEFITS COSTS**

23 SoCalGas' estimate of its subsidy and benefit costs of \$122.7 million for PY 2007 and
24 \$126.4 million for PY 2008 is based on its projected enrollments in the CARE program for PY
25 2007 and PY 2008. The lower costs of PY 2007 are a result of estimated commodity costs. See
26 Attachment B-2 for estimates of CARE participation.

27 SoCalGas will update its gas surcharge rate in its annual advice letter filing made in the
28 4th quarter of each year. SoCalGas believes a better estimate of subsidy charges will be available

1 at that time as new eligibility estimates will be available and a more current level of enrollment
2 will have been achieved.

3 **V. REPORTING REQUIREMENTS**

4 The current annual reporting requirements for the CARE programs were established by
5 the Reporting Requirements Manual Working Group (RRMWG) under the direction of the
6 Commission during 2001 and adopted by the Commission in 2002. In (D.) 01-05-033, the
7 Commission implemented the rapid deployment of SBX1 5 funds and directed the utilities to file
8 regular status reports on their rapid deployment efforts. Pacific Gas and Electric Company,
9 Southern California Edison Company, Southern California Gas Company, and San Diego Gas &
10 Electric Company (the Joint Utilities), Energy Division, and the Division of Ratepayer
11 Advocates¹³ developed the monthly and quarterly Rapid Deployment Reports over the early
12 months of rapid deployment and have made modifications to those reports over time, as
13 appropriate.

14 Currently a report is filed each month to provide an update on CARE and LIEE
15 achievements and expenditures. The monthly reports contain four CARE program tables:

- 16 • Table 6 – CARE Program Expenses
- 17 • Table 10 – CARE Rapid Deployment Progress
- 18 • Table 11 – CARE Random Post Enrollment Verification Results
- 19 • Table 16 – CARE Participation – Combined Rural and Urban

20 Every third month (January, April, July, and October) a more detailed report containing
21 additional tables is filed. The “quarterly” reports contain the quantitative tables listed above plus
22 six additional tables which are described in Attachment D. Additionally, the report filed every
23 three months contains a narrative table designed to detail the rapid deployment outreach efforts
24 of the utilities.

25 Looking ahead to PY 2007 and PY 2008 CARE reporting requirements, the Joint
26 Utilities have evaluated the reporting requirements of the programs with the objective of making
27 improvements to the reporting by streamlining data and eliminating duplicative data while

¹³ Known at the time as Office of Ratepayer Advocates

1 continuing to provide information on the utilities' programs which is meaningful and provides
2 value to the Commission and other stakeholders. The results of the Joint Utilities' efforts are
3 contained in Attachment D.

4 In summary, the Joint Utilities are recommending the following instead of continuing
5 with the existing "Monthly Reports on Rapid Deployment Efforts."

- 6 • That the current monthly Rapid Deployment reports be replaced with "Monthly
7 Reports on Low Income Assistance Programs".
- 8 • That the monthly reports contain the same information each month thus
9 eliminating quarterly reports.
- 10 • That obsolete information and tables be eliminated.
- 11 • That tables with similar information be combined.
- 12 • That CARE tables 6, 10, 11, and 12 be retained with Table 12 combining
13 information from Table 16.

14 The Joint Utilities are also recommending that the CARE Annual Report not be modified
15 at this time.

16 Therefore, in order to improve reporting on the Low Income Assistance Programs,
17 SoCalGas asks the Commission to adopt the Joint Utilities' recommendations found in
18 Attachment D.

19 **VI. REQUEST TO CONTINUE FUNDING**

20 To avoid program disruption, SoCalGas seeks Commission authorization to continue
21 funding for the PY 2007 CARE program as a contingency if the Commission is delayed in
22 issuing a decision prior to January 1, 2007. The funding amount and the source of funds would
23 be the PY 2007 planned CARE administrative budget, until the Commission authorizes a
24 budget. Enrollments and participation rates and other program accomplishments achieved during
25 any delayed decision would be counted as PY 2007 program achievements.

26 **VII. CONCLUSION**

27 SoCalGas respectfully requests the Commission to approve the CARE program plans and
28 budgets for PY 2007 and PY 2008 as described in this testimony.

1 **QUALIFICATIONS**
2 **OF**
3 **CARMEN A. RUDSHAGEN**

4 My name is Carmen Rudshagen. My business address is 555 West 5th Street,
5 Los Angeles, CA. 90012. I am employed at the Southern California Gas Company (SoCalGas)
6 as the Customer Assistance Manager – CARE. My principal responsibilities are to manage both
7 SoCalGas’ and San Diego Gas and Electric Company’s (SDG&E’s) CARE programs.

8 I joined SoCalGas in 1979 and have held numerous positions of increasing responsibility
9 in the following departments over the last 25 years: Customer Services Staff, Billing and
10 Collections Staff, Technical Staff Support, and Policy Staff.

11 I have been continuously involved with the CARE Program since 1992 and expanded
12 those responsibilities to include management of other customer assistance programs for
13 SoCalGas, including the Gas Assistance Fund, which is a customer-performance funded bill
14 assistance program, and the Low Income Home Energy Assistance program, which is federally-
15 funded bill assistance program administered by the Department of Community Services.

16 In 2002 I assumed responsibility for managing the SDG&E CARE Program. I have
17 previously appeared before the Commission at Rapid Deployment Status Conferences and
18 previously provided written testimony as part of the low- income programs application
19 proceedings for Program Years 2002 – 2005.

List of Attachments

A. LIEE

1. Proposed Budget
2. Planning Assumptions
 - Units, Energy Savings, Demand Savings
3. Matrix – Proposal for 2007/08

B. CARE

1. Proposed Budget Categories
2. IOU Participation Estimates
3. Matrix – Proposal for 2007/08

C. Workshops

1. LIEE & CARE Workshop Summary
2. LIEE & CARE Workshop Presentation

D. IOU's Recommendation to Reporting Requirements

Attachment A

- **Proposed Budget**
- **Planning Assumptions**
- **Matrix – Proposal for 2007/08**

SoCalGas - PY 2007-2008 LIEE GAS BUDGET CATEGORY COMPARISON

LIEE Cost Category	PY 2006 Year-End Estimated	PY 2007 Year-End Projected	PY 2008 Year-End Projected
ENERGY EFFICIENCY			
Gas Appliances	\$7,771,713	\$5,545,241	\$5,545,241
Electric Appliances	\$0	\$0	\$0
Weatherization	\$20,213,633	\$16,866,660	\$16,866,660
Outreach & Assessment	\$5,505,920	\$5,026,515	\$5,026,515
In Home Education	\$480,000	\$447,000	\$447,000
Education Workshops	\$384,360	\$0	\$0
OTHER PROGRAM ACTIVITIES			
Training Center	\$79,859	\$91,538	\$91,538
Inspections	\$2,113,120	\$2,058,676	\$2,058,676
Advertising	\$200,000	\$200,000	\$200,000
M&E	\$207,380	\$113,030	\$113,030
Regulatory Compliance	\$110,758	\$278,512	\$278,512
Other Administration	\$2,861,397	\$2,657,828	\$2,657,829
OVERSIGHT COSTS			
CPUC Energy Division	\$40,000	\$40,000	\$40,000
TOTAL PROGRAM COSTS			
Total Program	\$39,968,140	\$33,325,000	\$33,325,000
NGAT		\$1,600,000	\$1,600,000
Total LIEE Program Costs		\$34,925,000	\$34,925,000

SoCalGas - LIEE Planning Assumption Units, Energy Savings, and Demand Savings

Measures	Unit	PY 2006 Year-End Estimated				PY 2007 Year-End Projected				PY 2008 Year-End Projected						
		# of Units	kWh (Annual)	kW	Therms (Annual)	# of Units	kWh (Annual)	kW	Therms (Annual)	# of Units	kWh (Annual)	kW	Therms (Annual)			
Furnaces																
- Repair - Gas	Each	4,837	-	-	107,289	4,816	-	-	106,833	4,816	-	-	106,833			
- Replacement - Gas	Each	3,100	-	-	101,868	2,101	-	-	69,034	2,101	-	-	69,034			
- Repair - Electric	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Replacement - Electric	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Infiltration & Space Conditioning																
- Gaskets for Cover Plates	Each	39,718	-	-	-	36,987	-	-	-	36,987	-	-	-			
- Duct Sealing	Home	1,425	-	-	32,390	3,233	-	-	73,486	3,233	-	-	73,486			
- Evaporative Coolers	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Evaporative Coolers Maintenance	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Evaporative Cooler/Air Cond. Covers	Each	4,577	-	-	4,576	4,262	-	-	4,262	4,262	-	-	4,262			
- Heat Pump Replacement	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Air Conditioner Replacement - Room	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Air Conditioner Replacement - Central	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Air Conditioner Tune-up/Service	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Weatherization																
- Attic Insulation	Home	1,922	-	-	44,569	1,790	-	-	41,515	1,790	-	-	41,515			
- Attic Access Weatherization	Each	NAV	-	-	-	NAV	-	-	-	HAV	-	-	-			
- Weatherstripping - Door	Each	45,618	-	-	94,647	42,482	-	-	88,140	42,482	-	-	88,140			
- Caulking	Home	2,108	-	-	3,327	1,963	-	-	3,099	1,963	-	-	3,099			
- Minor Home Repairs	Home	42,227	-	-	169,255	39,324	-	-	157,618	39,324	-	-	157,618			
Water Heater Savings																
- Water Heater Blanket	Each	4,811	-	-	52,365	4,481	-	-	48,769	4,481	-	-	48,769			
- Low Flow Showerhead	Each	44,143	-	-	345,417	41,108	-	-	321,671	41,108	-	-	321,671			
- Water Heater Replacement - Gas	Each	75	-	-	1,425	-	-	-	-	-	-	-	-			
- Water Heater Replacement - Electric	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Tankless Water Heater	Each	N/A	N/A	N/A	N/A	75	-	-	2,100	75	-	-	2,100			
- Water Heater Pipe Wrap	Home	622	-	-	2,706	579	-	-	2,519	579	-	-	2,519			
- Faucet Aerators	Each	45,892	-	-	148,084	42,737	-	-	137,902	42,737	-	-	137,902			
Miscellaneous Measures	Home	4,320	-	-	-	4,023	-	-	-	4,023	-	-	-			
Lighting Measures																
- Compact Fluorescents (inc. porchlights)	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Porchlights fixture replacement	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Interior Hardwire CFL fixtures	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
- Torchieres Replacement	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Refrigerators	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Pool Pump	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A			
Energy Education																
- Outreach & Assessment	Home	48,000	-	-	-	44,700	-	-	-	44,700	-	-	-			
- In-Home Education	Home	48,000	-	-	-	44,700	-	-	-	44,700	-	-	-			
- Education Workshops	Participant	20,060	-	-	-	-	-	-	-	-	-	-	-			
Homes Served																
- Total Number of Homes Treated	Home	48,000					44,700					44,700				
- Total Number of Homes Weatherized	Home	48,000					44,700					44,700				
Total Savings			-	-	1,107,918		-	-	1,056,949		-	-	1,056,949			

Beginning in 2007, SoCalGas' new measure is Tankless Water Heaters.

Attachment A-3
SoCalGas LIEE Program Proposals for 2007 and 2008

Proposal	Description	Benefits	Current Practice
1. LIEE-Related NGAT Funding	Include funding for LIEE-related NGAT tests in LIEE program funds and recovery from PPP surcharge.	Allows all LIEE program elements to be addressed in one proceeding; consideration of NGAT tests along with LIEE program goals, allowing for better estimates of funds required.	Funds for LIEE-related tests are recovered in base rates and addresses in GRC proceedings, separate from LIEE proceedings.
2. Targeted Self-Certification for Enrollment	Allow self-certification for customers in targeted areas with high percentage of low-income customers.	Allows more customers to be served; reduces program costs; includes customers who may not be able to provide income documentation but who are very likely to be eligible.	All customers must provide income documentations, except for 2005-06 winter when this self-certification was allowed as part of Winter Programs.
3. Categorical Eligibility	Allow customers to enroll in LIEE through provision of documentation that they participate in pre-determined means-tested state or federal program.	Increase enrollments by simplifying process for customers; reach customers who might not otherwise apply.	Participation in other programs is currently not a factor for enrollment.
4. New Measure – Tankless Water Heaters	Replace leaking or inoperable water heaters with tankless water heater.	Tankless water heaters have potential to provide significant energy savings.	Leaking or inoperable water heaters are replaced with standard water heaters.

Attachment B

- **Proposed Budget**
- **IOU Participation Estimates**
- **Matrix – Proposal for 2007/08**

**ATTACHMENT B-1
SOUTHERN CALIFORNIA GAS COMPANY
CARE PY 2007-2008 PROPOSED PROGRAM BUDGET**

CARE BUDGET CATEGORIES	2006 Authorized	2007 Planned	2008 Planned
Outreach	\$ 2,177,495	\$ 2,554,765	\$ 2,625,886
Automatic Enrollment	\$ 10,000	\$ -	\$ -
Proc., Certification and Verification	\$ 990,223	\$ 866,470	\$ 873,049
Bill System/Programming	\$ 301,218	\$ 392,631	\$ 379,600
Pilots	\$ -	\$ -	\$ -
Measurement and Evaluation	\$ 5,000	\$ 96,000	\$ 5,175
Regulatory Compliance	\$ 189,289	\$ 206,082	\$ 213,056
General Administration	\$ 351,024	\$ 514,170	\$ 530,447
LIOB	\$ -	\$ -	\$ -
CPUC Energy Division Staff	\$ 83,000	\$ 83,000	\$ 85,905
Total Expenses	\$ 4,107,249	\$ 4,713,118	\$ 4,713,118
Subsidies and Benefits	\$ 95,036,000	\$ 122,681,125	\$ 126,365,941
Total Program Costs and Discounts	\$ 99,143,249	\$ 127,394,243	\$ 131,079,059

Attachment B-2
Southern California Gas Company
CARE PY 2006 - 2008 Estimated Participation

	Total Enrolled 12-31-05	Total Enrolled Through May 2006	PY 2006 Estimated Eligible	Estimated Net PY 2006 Enrollments	Estimated Year End PY 2006 Participation	Estimated PY 2006 Goal Rate	Estimated PY 2007 Net Enrollments	Estimated Year End PY 2007 Participation	Estimated PY 2007 Goal Rate (a)	Estimated PY 2007 Net Enrollments	Estimated Year End PY 2008 Participation	Estimated PY 2008 Goal Rate (a)
(Source)	(1)	6/21/06 RD Report	(2)	(3)	(Col. B+E)	(Col. F/D)	(2)	(Col. F+H)	(Col. I/D)	(2)	(Col. F+H)	(Col. I/D)
SCG	1,149,859	173,641	1,743,539	150,002	1,299,861	75%	79,862	1,379,723	78%	46,726	1,426,449	80%

(a) Estimated PY2007 and 2008 Goal Rate will fluctuate based on updated CARE Eligibility information to be filed September 2006 and September 2007.

(1) CARE Annual Reports, dated 5/1/06

(2) Each utility's estimate based on eligibility rates filed 10/17/05; rates for PY2007 and 2008 still to be developed. SCG has factored in estimated meter growth.

(3) Most recent estimates of 2006 net enrollments.

Attachment B-3

SoCalGas CARE Program Proposals for 2007 and 2008

Proposal	Description	Benefits	Current Practice
1. Reallocation of Budget Funds	Continuation of flexibility to reallocate funds between budget cost categories as needed.	Allows ability to respond to changing needs within program activities without delays.	Currently authorized.
2. Continuation of 2006 Recertification Pilot	Use probability model for recertification through 2007; those who pass would be recertified every four years; evaluate in 2008.	Reduce number of eligible customers dropped for non-response: reduce program costs.	All residential customers are recertified every two years.
2. Capitation Fees	Increase capitation fee to up to \$15 per enrollment.	Encourages more participation and enrollments from agencies.	Current fee is up to \$12 per enrollment.
3. Automatic Enrollment	Automatic enrollment with agencies for programs with same income requirements as CARE.	Increase enrollment; reduce program costs.	Automatic enrollment authorized for certain state programs.
4. Outbound Telephone Enrollment	Enrollment by telephone of customers in targeted areas who have requested CARE applications or have not responded to direct mail campaigns.	Enroll more eligible customers who typically do not respond by mail.	Winter Program allowed phone enrollments; not part of current program.
5. Categorical Eligibility for CARE Enrollment and Post Enrollment Verification (PEV)	Allow customers to enroll in CARE through self-certification that they participate in pre-determined means-tested state or federal program. Allow proof of participation to fulfill PEV requirements.	Increase enrollments by simplifying process for customers; reach customers who might not otherwise apply; increase number of eligible customers who respond to PEV requests and therefore are not dropped from CARE.	Participation in other programs is currently not a factor for enrollment or PEV.
6. Internet-Based Enrollment and Recertification	Provide for enrollment and recertification through internet applications submitted on-line.	Increase enrollments for customers who typically do not respond by mail; reduce program costs.	Internet applications must be downloaded and submitted by mail.
7. Recertification of Fixed Income Customers	Four-year recertification process for customers with household income based on pre-determined fixed-income sources,	Reduce number of eligible customers dropped for non-response to recertification requests; reduce program costs.	All residential customers recertify every two years.
8. Recertification by Phone	Provide option for customers to recertify eligibility by telephone through IVR system. Also, contact customers who have not responded to recertification materials and recertify by phone.	Reduce number of eligible customers dropped for non-response to recertification requests; reduce program costs.	Customers currently must recertify by mail.

Attachment C

- **Summary of Public Workshop**
- **Presentation Material**

SoCalGas / SCE 2007 / 2008 Workshop Presentation on CARE and LIEE Applications

5/17/2006

On May 17, 2006, Southern California Gas Company (SoCalGas) and Southern California Edison Company (SCE) jointly held a Public Workshop at SoCalGas' Energy Resource Center in Downey California to give a brief overview of program changes under consideration for the California Alternates Rates for Energy (CARE) program and the Low Income Energy Efficiency (LIEE) program for 2007 and 2008 and to obtain input on the programs from interested parties.¹

The following interested parties attended the workshop:

Gregg Lawless – SDG&E and SoCalGas	Adam Knowles – SDG&E and SoCalGas
Yvette Vazquez – SDG&E and SoCalGas	Athena Wang – SoCalGas
Joy Yamagata – SDG&E and SoCalGas	Mauricio Blanco – SCE
Dave Cantrell – SDG&E and SoCalGas	Jack Parkhill - SCE
Kathy Wickware – SDG&E and SoCalGas	Roberto Del Real – SCE
Craig Allen – SoCalGas	Pete Zanzot – SCE
Karen Spurgeon – SoCalGas	Ron Garcia – Reliable Energy
Richard Shaw - ASSERT	Richard Villasenor – TELACU
Alex Sotomayer – Maravilla	Jim Lucas – SoCalGas
Arlys Kyzar – SoCalGas	Sally Godsey – Riverside
Lida Cing-Mars – Riverside	Darryl Johnson – CAPSBC
Bill Warren –CAPSBC	Guadalupe Rodriguez – VICS
Richard Vazquez - CRS/VICS	Isabel Garibez – Reliable Energy
Jay Thomas – ACH Supply	Art Cisneros – VICS
Kirk Morales – SoCalGas	Monte Winegar – Winegard Energy
Traco Smis – LAWorks	Eddie Jimenez – Proteus
Jose Landeros - Proteus	

The following interested parties participated in the workshop via teleconference:

Bobby Scaret – SWG	Hazlyn Fortune – Energy Division
Rachael Grimblot - SWG	Irma DePratti – SDG&E
Tracy Penington – CAC	Jennifer Palombo - SDG&E
Mike Folgerson - CAC	

The workshop commenced with introductions from all of the attendees. A hardcopy of the presentation was distributed to attendees at the workshop.

¹ In Decision 05-12-026, the California Public Utilities Commission directed the utilities to conduct workshops on its 2007 and 2008 Applications.

Yvette Vazquez, Customer Assistance Program Manager, provided an overview of the Commission directives in Decision 05-12-026 for the utilities' 2007 and 2008 low income program applications.

California Alternative Rates for Energy (CARE) program

Athena Wang, SoCalGas Senior Energy Programs Advisor, provided a brief overview of SoCalGas' CARE program and changes under consideration. See attached presentation.

Pete Zanzot, SCE CARE program manager, also provided a brief overview of SCE's CARE program and changes under consideration. See attached presentation.

Eddie Jimenez asked if the utilities are considering increasing the capitation fee. Eddie also offered to provide information on why the contractors need the fee to increase. Eddie agreed to contact Athena and Pete directly.

Both SoCalGas and SCE indicated that the capitation fees are being considered.

There were no other questions and this concluded the CARE presentation.

Low Income Energy Efficiency (LIEE) program

Gregg Lawless, SoCalGas Customer Assistance Manager - LIEE, and Roberto Del Real, LIEE Program Manager, jointly provided a brief overview of the LIEE program. See attached presentation.

Comments

- Bill Warren inquired about expanding central A/C over other climate zones, not just 14 & 15. Roberto Del Real responded that it is currently being considered.
- Richard Villasenor mentioned that he believes NGAT is currently causing a 15% reduction in units. Richard stated that in 2005 they lost approximately 1,000 customers. Not only lose SoCalGas enrollments, but also SCE enrollments because then they can't find 3 measures. Proposing to eliminate Pre-NGAT (venting, CVA, etc). Currently, there is no reimbursement for contractors that walk away from homes and no evidence that NGAT is necessary. Does want to keep the post-NGAT testing. Of the 15%, 10% is due to CVA and other 5% is due to other issues.
- Ron Garcia mentioned that contractors are spending a lot of time upfront with Energy Education but not getting reimbursed if they have to walk away from customers. Ron wants to make Energy Education a measure, CVA a measure, etc. since they are all providing a service. Ron stated that we should count each item separately as a measure and the contractor would receive a payment for each.

- Lupe Rodriguez mentioned that they are walking away from 60% of apartment complexes due to CVA. Not getting reimbursed for time. Installing showerheads and aerators, but this is not what the customers need.
- Ron Garcia mentioned that for non-SCE areas, adding electric measures will not solve the 3 measure minimum problem.
- Richard Shaw mentioned that a lot of other programs are adding new measures and are cost beneficial (torchieres). Why do some programs implement measures that are proven to be cost beneficial and other programs do not. If there is a proven energy savings measure, it should be available for all programs. Roberto Del Real responded that SCE is currently considering torchieres as a measure to add this year as well as some others.
- Richard Shaw mentioned that there were some homes that were “partially” serviced by other organization (two measures) and then do not have enough measures for low income program. Other non-low income programs need to do initial assessment and determine if low income. If so, then refer to low income programs to fully service customers. Roberto Del Real responded that SCE is talking within their own organization as far as all measures being offered by all internal programs. Roberto agreed that utilities need to work together and understand each others programs. For these cases that come up, contractors need to notify the utilities. Gregg Lawless responded that Commissioner Grueneich is over the Energy Efficiency (EE) and LIEE programs, so we should begin to see more communication between the programs.
- Richard Shaw mentioned that Energy Education should be a measure. Propose to create a service package for homes that cannot be serviced due to CVA or whatever reason (drop outs). Utility companies are not tracking these homes and should be tracking these to eliminate return visits to enroll customer without previous knowledge that home has CVA issue. Service package will then enable utilities to include these in their counts, the customer is served and contractors are reimbursed. Utilities will get true numbers as far as how many eligible homes are out there.
- Richard Shaw mentioned that he has a problem with measure approval process for LIEE program. If torchieres are so energy efficient and proven to be cost beneficial by another program, why does it need to follow the LIEE lengthy process for measures to be approved? If one program approves a measure, then the others should be able to implement it. Roberto Del Real responded that he agrees with Richard and for those “proven” measures, they will attempt to implement.
- Richard Shaw mentioned that the Commission needs to give utilities more flexibility to the utilities as far as implementing measures and budgeting. If we are going to maximize energy savings to our customers, we need the flexibility.

- Richard Villasenor mentioned that renters are not eligible for appliances. Richard would like to see consideration for rental units to receive furnace repair and replacement. Majority of rentals have inoperative furnaces. Gregg Lawless and Roberto Del Real responded that the utilities are currently looking at this.
- Richard Villasenor mentioned that anytime you repair a furnace, you should install a CO detector.
- Ron Garcia mentioned that he thinks CO testers should be installed for both repair and replacements.
- Darryl Johnson mentioned that if CO testers are installed, this should alleviate CVA problems.
- Richard Villasenor mentioned that he wants to have a specific line item cap for dual packs so they can be replaced, which then enables customer to receive weatherization measures.
- Ron Garcia asked if SDG&E walks away from dual pack homes that need to be replaced? Ron says that he knows SoCalGas and SCE are trying to work something out regarding dual packs, but again, doesn't solve municipality territories. Gregg Lawless responded that he is not sure if SDG&E walks away from dual pack homes. Roberto Del Real responded that SCE does not have problem since they do not have a cap on roof top units but they do have a restriction of only replacing operational roof packs in climate zone 14 and 15. Gregg Lawless also responded that we need to figure out a mechanism to service these customers.
- Eddie Jimenez asked how many homes are utilities looking to service in 2007 and 2008?

Roberto Del Real responded that at this point, it will depend on the mix of newly proposed measures. Not sure yet.

Gregg Lawless responded that SoCalGas' focus is energy savings and these savings are part of the EE Application. SoCalGas is looking to increase the energy savings by 20-25%. SoCalGas has spoken with its contractors and nothing has come up as far as new measures. SoCalGas is currently considering tankless water heaters as a measure.

Jack Parkhill mentioned that some measures will come on board that they cannot foresee right now but there will be a budget place holder for these measures. Before dollars are spent, SCE will notify Commission of proposal.

- Hazlyn Fortune mentioned that she has a concern that having a blanket place holder is to high level. Need to have some type of “off the cuff” proposal and/or some type of process for approval process of new measures.
- Eddie Jimenez mentioned that in the past they did furnace repair and replacement and many furnaces that were repaired should have been replaced. Just a general comment: Proteus serves 4,000 customers/year. Their staff talks with customers and some of the customer comments are as follows:
 - LIEE should service/replace stoves, microwaves, Wx, cooler maintenance, a/c maintenance, washer/dryer, ceiling fans (they currently do this but only on existing fixtures)
- Bill Warren asked where is customer comfort and safety in regards to energy savings? Gregg Lawless responded that it doesn't really change from where we are today since we are not eliminating anything, only maybe adding tankless water heaters.
- Darryl Johnson mentioned that implementation of measures should take into consideration the number of visits to the home. That way a contractor only has to make 1 trip to the customer's home.
- Richard Shaw mentioned 1) some agencies have remote areas that they serve and requesting that utilities provide a “remote mileage payment” for homes that are in remote areas. 2) Water conservation becoming a very important factor. Need to look at existing water measures and water in general in a somewhat different light. Water has been included under the LIOB and need to look at under new framework. 3) Solar Initiative – Great emphasis being put on solar energy and our programs need to look at it and keep up with what is happening. Solar Bill involves California Energy Commission. (SB 2723)
- Ron Garcia asked if SoCalGas could further explain LIEE energy savings and EE energy mechanism. Gregg Lawless responded that the LIEE energy savings are included under EE application and are now working much closer with EE. Yvette Vazquez also mentioned that in the EE proceeding for 2006-2008, the application stated the specific energy savings from LIEE is included as part of the EE proposed savings.
- Ron Garcia mentioned that one of the big energy savings is replacing furnaces with a rating of 65 AFUE or less with rating of 92 AFUE. Ron believes this is a big cost savings and should be a measure. Gregg Lawless responded that this needs to be part of the WIS process. Ron Garcia mentioned that the original analysis was run sometime back at a lower price/therm. Asking to rerun numbers based on existing therm price. Also Ron asked SCE to take a look at cooling measures at existing rates and may include additional climate zones. Roberto Del Real responded that SCE is currently looking at this for additional climate zones. There is no current process to implement new measures. Ron Garcia stated that some of the measures he is looking at were approved some time back.

- Ron Garcia mentioned that he is unclear about the 4,000 customer additions for SoCalGas' CARE program. Athena Wang responded that this is only for outbound calls where 20K were made and 4K were signed up. Both groups need to work closely with CARE group to enroll CARE PEV customers. Gregg Lawless also responded that SoCalGas is working on this and will be done in the future.
- Hazlyn Fortune asked if we know the new measures for 2007/08. Roberto Del Real responded that SCE is looking into Torchieres, new climate zones for certain measures, and some pilots. Hazlyn recommended that in the applications, the utilities should propose a process on how to implement new measures.
- Eddie Jimenez asked if SoCalGas and SCE are implementing a database similar to PG&E? Gregg Lawless responded that SoCalGas is looking to implement in Jan 07'. Roberto Del Real responded that SCE is currently working out the details internally as far as getting a system up and running and making the process easier for the contractors and customers.
- Eddie Jimenez mentioned that he is glad to hear that and encourages utilities to have an online system.
- Ron Garcia mentioned that for SCE, in addition to looking at energy savings, need to look at peak load.

There were no other questions and this concluded the LIEE presentation.



SoCalGas Edison
2007-2008 Low Incon

SoCalGas & Edison 2007-2008 Low Income Programs Application

Public Workshop

May 17, 2006

Energy Resource Center

Downey, CA

D-05.12.026

- The utilities shall file 2007-08 funding applications no later than July 1, 2006
- The utilities shall conduct workshops within 60 days of filing their applications
- These applications shall reflect an effort to change from budget-directed planning to goal-driven planning and budgets

Low Income Programs:

- Low Income Energy Efficiency (LIEE)
 - Edison – Energy Management Assistance (EMA)
 - SoCalGas – Direct Assistance Program (DAP)
- California Alternate Rates for Energy (CARE)
 - Edison and SoCalGas – rate discount

CARE

- CARE provides a **20% rate discount** to income-qualified customers
- Income eligibility set at 200% of Federal Poverty Level Guidelines

CARE - SoCalGas

Proposals being considered for 2007 and 2008 Application

- Continuation of Approved Proposals
- Program Changes
- New Outreach Initiatives

CARE - SoCalGas

- Continuation of SCG Approved 2005/06 Proposals
 - Winter Initiative outbound telephone enrollment
 - Recertification pilot using probability model to identify most likely qualified customers to recertify every four years

CARE - SoCalGas

- Program Changes Under Consideration
 - Internet based CARE application
 - Recertification by phone
 - Revise recertification requirements for customers on fixed income
 - Modify post enrollment verification request

CARE - SoCalGas

- New Outreach Initiatives
 - Expansion of third party outreach
 - Offer reimbursement options for current capitation contractors
 - Sub-metered tenant brochure

CARE - Edison

Goals

- Enroll 100% of eligible customers willing to participate
- Maximize enrollment through a multifaceted outreach approach
- Minimize attrition by simplifying recertification and verification

CARE - Edison

Maximize Enrollment

- Continue targeted mailings to under-penetrated areas
- Expand use of in-language communications
- Utilize print, TV, and radio
- Print applications with customer data
- Offer Internet enrollment

CARE - Edison

- Capitation Fee Program
- Consumer Affairs
- Public Affairs
- Equal Opportunity/Supplier Diversity
- Affinity Groups
- Data Exchanges
- Bill Messaging
- Authorized Payment Agents

CARE - Edison

Minimize Attrition

- Continue phone-assisted completion of applications
- Continue recertification through a voice-response unit (VRU)
- Simplify verification request process
- Mail directly to sub-metered tenants
- Offer Internet recertification

Workshop Recommendations

- To increase capitation fee

LIEE

- Offers no-cost home improvement services to eligible, income-qualified renters and homeowners aimed at reducing energy consumption and costs
- Income eligibility set at 200% of Federal Poverty Level Guidelines

LIEE Measures

Non-Weather Sensitive

- Compact fluorescent lamps
- Hard wired CFL porch lights
- High efficiency refrigerators
- Faucet aerators
- Low flow shower heads
- Water heater blankets
- Water heater pipe wrap

Weather Sensitive

- Evaporative cooler/ AC covers
- High efficiency room AC
- High efficiency central AC
- Evaporative coolers
- Duct testing and sealing
- Outlet gaskets
- Caulking
- Attic insulation
- Minor home repairs
- Weather stripping doors
- Weather stripping attic access
- Gas furnace repair/replacement

LIEE- SoCalGas

- Focus on energy savings in concert with Energy Efficiency proceeding
- Continue with targeted self certification
- Explore cost savings opportunities
- Seek changes to balancing account treatment

LIEE - Edison

- Increase number of customers serviced from those projected for 2006
- Introduce new Energy Efficiency Measures
- Expand climate zone/area approval for installation of cooling measures
- Continue a modified self certification for all approved program measures

Discussion

- What changes would enhance these programs
 - Low income customer needs
 - Goals
 - Budget
 - Outreach
 - Implementation/installation

Workshop Recommendations

- Eliminate Pre-NGAT
- Contractor payment for Pre-NGAT and Education
- Inclusion of EE measures to LIEE
- Conflicts with EE Multi-Family
- Energy Education as a measure
- Service package for minimal measures

Workshop

Recommendations

- Use energy efficiency cost effectiveness analysis of EE for use in LIEE
- Offer all measures to Renters
- Include CO monitors for replacement
- Add line item for inclusion of Roof packs under Minor Home Repair
- Evaluation of measures that are outside of dual fuel utilities
- Customers request stoves, cooler maintenance, microwaves, a/c maintenance, washers, dryers, ceiling fans
- One trip to customer home for LIEE services

Workshop Recommendations

- Increased Payment for Transportation in Rural areas
- Look into water and solar measures
- Replace existing furnaces with 65% or lower AFUE rating
- Look at Peak load hours
-

SoCalGas / SCE's 2007 / 2008 Workshop Presentation on CARE and LIEE Applications

May 30, 2006

On May 30, 2006, Southern California Gas Company (SoCalGas) and Southern California Edison Company (SCE) jointly held a Public Workshop at SCE's Foothill Service Center in Fontana California to give a brief overview of program changes under consideration for the California Alternates Rates for Energy (CARE) program and the Low Income Energy Efficiency (LIEE) program for 2007 and 2008 and to obtain input on the programs from interested parties.¹

The following interested parties attended the workshop:

Jack Parkhill – SCE
Roberto Del Real - SCE
Athena Wang – SoCalGas
Yvette Vazquez – SDG&E/SoCalGas
Gregg Lawless – SDG&E/SoCalGas
Adam Knowles – SoCalGas
Dave Cantrell - SoCalGas
Jim Lucas – SoCalGas
Jeannie Harrell– SCE
Pete Zanzot - SCE

The following interested parties participated in the workshop via teleconference:

Mariana Campbell – Division of Ratepayer Advocates
Kathy Wickware – SDG&E/SoCalGas
Arthur Jimenez – Division of Ratepayer Advocates

The workshop commenced with introductions from all of the attendees. A hardcopy of the presentation was distributed to attendees at the workshop. An electronic copy of the presentation was provided to Mariana Campbell prior to commencing the workshop.

Jack Parkhill, SCE's Low Income Manager, provided an overview of the Commission directives in Decision 05-12-026 for the utilities' 2007 and 2008 low income program applications.

California Alternative Rates for Energy (CARE) program

Athena Wang, SoCalGas Senior Energy Programs Advisor, provided a brief overview of SoCalGas' CARE program and changes under consideration. See attached presentation.

¹ In Decision 05-12-026, the California Public Utilities Commission directed the utilities to conduct workshops on its 2007 and 2008 Applications.

Mariana Campbell asked if SoCalGas is looking at the capitation fee. Athena Wang responded that the utilities are considering increasing the capitation fee to \$15.00.

Mariana Campbell asked SoCalGas to clarify the compensation for outreach by agency to enroll CARE customers. Mariana suggested that the utilities should provide a description of the difference of the fee for third party outreach efforts versus the existing capitation fee. Jack Parkhill mentioned that SCE is considering other fee structures for services, not only looking at capitation fees.

Athena Wang added that a separate RFP is issued for third party outreach contracts and agencies are paid to conduct outreach and enrollment (such as a door-to-door outreach campaign). Third party outreach contracts do not pay a fee per enrollment similar to what is paid to capitation contractors. Capitation fees are paid to agencies who submit approved CARE applications for clients who are visiting their office for other services.

Jack Parkhill reported that SCE has received a number of unsolicited proposals for third party outreach efforts.

Pete Zanzot, SCE CARE Program Manager, also provided a brief overview of SCE's CARE program and changes under consideration. See attached presentation.

Pete Zanzot stated that SCE did a study about a year ago to determine why SCE was experiencing a 70% drop in CARE customers who were asked to verify through post enrollment verification. They found that most customers who did not respond did not understand what documents they needed to provide.

SCE also indicated that they may not include internet recertification in their Application.

There were no other questions and this concluded the CARE presentation.

Low Income Energy Efficiency (LIEE) program

Gregg Lawless, SoCalGas Customer Assistance Manager - LIEE, and Roberto Del Real – Project Manager – LIEE, jointly provided a brief overview of the LIEE program. See attached presentation.

Mariana Campbell inquired as to what new measures were being considered by SCE. Roberto Del Real responded by saying that SCE was considering torchiere lamps, A/C in different climate zones, pool pumps and eliminating some of the existing rules that limit the installation of certain measures (CFL limits, etc).

Mariana Campbell asked about tankless water heaters and where they would be installed. Jack Parkhill stated that they would be in low income neighborhoods. Mariana Campbell

asked if the tankless water heaters would be a pilot. Jack Parkhill responded that it could be a measure since saving water is now an important part of energy savings.

Jack Parkhill mentioned that SCE was considering solar measures, but has recently decided to consider other measures instead, mainly due to the California Solar Initiative (CSI).

Gregg Lawless mentioned that SoCalGas is considering tankless water heaters, on a limited basis. The costs for installation of tankless water heaters has not been determined yet, SoCalGas though anticipates there may be complications with the installation. SoCalGas estimates that 50 – 70 tankless water heaters could be installed. SoCalGas is assuming that tankless water heaters would provide a 20% savings.

Mariana Campbell asked if the tankless water heaters for SoCalGas would be a pilot.

Gregg Lawless responded that it would be more like a measure, but with a limited application.

There were no other questions and this concluded the LIEE presentation.

The workshop ended at 11:30 a.m.

SoCalGas & Edison 2007-2008 Low Income Programs Application

Public Workshop

May 30, 2006

Foothill Service Center

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D-05.12.026

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Attachment D

- **IOU's Recommendations to Reporting**

Attachment D
Investor-Owned Utilities' Recommendations for
PY 2007 and PY 2008
Monthly and Annual Reporting
of Low Income Assistance Programs

Background:

The current annual reporting requirements for the CARE and LIEE programs were established by the Reporting Requirements Manual (RRM) Working Group under the direction of the Commission during 2001 and adopted by the Commission in 2002. In (D.) 01-05-033 the Commission implemented the rapid deployment of SBX1 5 funds and directed the utilities to file regular status reports on their rapid deployment efforts. The utilities and the Energy Division developed the monthly and quarterly Rapid Deployment (RD) Reports over the early months of rapid deployment and have made modifications to those reports as appropriate.

Looking ahead to 2007 and 2008 CARE and LIEE reporting requirements, the IOUs (San Diego Gas & Electric, Southern California Gas Company, Southern California Edison Company, and Pacific Gas and Electric) reviewed the reporting requirements for the RD and the Annual Reports. The following issues were identified:

- Current RD reporting frequencies and tables reflect SBX1 5 funding and legislative requirements and requests from Commission personnel who are no longer involved with the programs. Quarterly reporting does not reflect calendar year quarters but an adjusted timeframe to reflect SBX1 5 reporting to the legislature by the CPUC which is no longer required.
- RD reports are not concise. It may be difficult for Commission staff and the LIOB to easily find meaningful information in the reports.
- LIEE Annual Report Tables are not aligned with RD reporting tables and do not always provide meaningful information.

Upon completion of the review the IOUs drew an overriding conclusion, defined objectives for reporting on the programs, and developed recommendations in support of those objectives which are presented below.

Conclusion:

Current reporting frequencies and tables which reflect SBX1 5 funding and legislative requirements are obsolete and can be improved to better meet the information requirements of the Commission.

ATTACHMENT D
IOUS PY2007 AND PY2008 LOW INCOME PROGRAMS
REPORTING REQUIREMENTS

Reporting Objectives:

- Provide meaningful information to the Commission and interested parties while streamlining the reporting process and report content to achieve efficiencies.
- Improve reports so that they are clear and concise, and easy to read (e.g., larger print, format).
- Ensure reports provide key information which is sufficiently informative without being overly detailed.
- Ensure reports are of value to the Commission in its role of overseeing the utilities' low-income programs.
- Information may be expanded over time to reflect information requests from current Commission staff and LIOB.

Recommendations:

Reporting Frequency and Titling of the Reports:

- The same tables should be filed monthly.
- Reports for a given month will be due the 21st of the following month.
- Some RD tables should be moved to the LIEE Annual Report Tables and Technical Appendix Tables, which will continue to be due May 1 of the subsequent year.
- The monthly reports should be renamed as "Low-Income Assistance Programs Monthly Reports."

Monthly Report and Tables

- A brief narrative overview which highlights program activity during the month and/or year-to-date should be filed each month in addition to quantitative tables showing the results for the programs.
- The following revisions should be made to the monthly report tables in order to provide useful and sufficient information to the Commission while creating efficiencies in the reporting process.

Tables A, B, C, LIEE Outreach, CARE Outreach and Leveraging, CARE Media Outreach -- Delete. This information is provided in annual LIEE and CARE reports.

Table 1, LIEE Program Expense – Keep. Delete SBX1 5 columns; remove LIAB/LIOB rows; move Indirect Costs below Totals.

ATTACHMENT D
IOUS PY2007 AND PY2008 LOW INCOME PROGRAMS
REPORTING REQUIREMENTS

Tables 2, 2A, LIEE Direct Purchase and Installation Contractor Expenses and Contractor Legend -- Delete. This information can be provided on an ad hoc basis if requested. This table is obsolete. It helped assure compliance with SBX1 5 which is no longer required.

Table 3, LIEE SBX1 5 Percentage of Expenditures – Delete. No longer applicable; SBX1 5 funds are no longer available.

Table 4, LIEE Measure Installations – Keep. Make YTD; delete measures dropped per CPUC directive; capture new measures as approved in this proceeding; delete SBX1 5 columns and only report on base program completed & expensed; delete initiated not completed because the info may not be accurate and was originally intended to provide forward looking information on the rapid deployment efforts; expand to include impact information currently reported in Table 5.

Table 4A, LIEE Installations by Housing Types – Move to LIEE Annual Report. Make YTD; take out SBX1 5 columns; remove “Goal” columns since no formal service goals for single and multi-family residences have been established.

Table 5, LIEE Energy Impacts -- Merge into Table 4; and report YTD only; delete SBX1 5 columns.

Tables 5A, 5 B, 5C, LIEE Average Bill Savings – Move 5A to LIEE Annual Report. Make YTD; delete 5B and 5C.

Table 6 – CARE Expenses – Keep. Drop SBX1 5 columns; delete LIAB/LIOB rows; move Indirect Costs below Totals.

Tables 7, 7A, CARE Leveraging and Outreach Contractor Expense and Contractor Legend – Delete. Obsolete because they were originally established to refer to pre-Rapid Deployment CARE outreach pilot programs.

Tables 8, 8A, CARE Capitation Fees by Contractor and Contractor legend – Delete. Total Fees are captured in Table 6, Capitation Enrollments in Tables 10 and 16. Table initially provided useful information in early stages of CARE capitation program to measure utilities’ progress in signing up capitation contractors. However, information on capitation contracts and outreach results is included in the CARE Annual report.

Table 9, CARE SBX1 5 Percentage of Expenditures for Mass Marketing – Delete. SBX1 5 funds are no longer available.

Table 10, CARE Enrollment, Recertification, and Attrition – Keep. Merge columns from Table 16 into this Table; the table provides useful and timely information on the CARE program.

ATTACHMENT D
IOUS PY2007 AND PY2008 LOW INCOME PROGRAMS
REPORTING REQUIREMENTS

Table 11, CARE Random Verification Results – Keep. This table provides useful information in an area that is of interest to stakeholders.

Tables 11A, 11B, CARE Random Verification Outreach Results SBX1 5 and non SBX1 5 – Delete. SBX1 5 funds no longer available; outreach strategies initially funded by SBX1 5 have been incorporated into the utilities' base funding for CARE.

Table 12, CARE Enrollments – Keep. Delete separate columns for fuel type and urban/rural split; provide one table only that provides CARE enrollment by county.

Tables 13A - 13F, Urban/Rural LIEE Installations – Delete. This information can be provided on an ad hoc basis if required at any future time.

Tables 14, 15, 16 Rural, Urban, and Combined CARE Participation – Delete. Merge Table 16 data that is not reported elsewhere into Table 10.

Tables 17 - 24, Summary of Homes Treated, LIEE Base Program – Delete. This information can be provided on an ad hoc basis if required at any future time.

Table 25 - 28, Summary Energy and Bill Savings LIEE Base Program – Delete. This information can be provided on an ad hoc basis if required at any future time.

Table 29, Summary Rural and Urban CARE Capitation Contractors – Delete. Utilities have demonstrated program delivery throughout their service areas. Information can be produced on an ad hoc basis if required at any future time.

Table 30, LIEE Penetration – Move to LIEE Annual Report. This table provides a longer-term perspective on LIEE program penetration over a rolling 10 year period more appropriate to an annual report than a monthly report.

Attached one are the recommended monthly reporting tables revised per the IOUs recommendations.

ATTACHMENT D
IOUs PY2007 AND PY2008 LOW INCOME PROGRAMS
REPORTING REQUIREMENTS

LIEE Annual Report and Technical Appendix Tables

IOUs recommend that the existing LIEE Annual Report and Technical Appendix Tables be replaced with the attached tables.

Attachment D

- **Low Income Assistance Program
Tables**

	A	B	C	D	E	F
1	Table 2¹ - LIEE Measure Installations & Savings - Utility Name - Through Month 20XX					
2			Completed & Expensed Installations			
3	Measures	Units	Quantity	kWh (Annual)	kW	Therms (Annual)
4	Furnaces					
5	- Repair - Gas	Each				
6	- Replacement - Gas	Each				
7	- Repair - Electric	Each				
8	- Replacement - Electric	Each				
9						
10	Infiltration & Space Conditioning.					
11	- Gaskets for Cover Plates	Each				
12	- Duct Sealing	Home				
13	- Evaporative Coolers	Each				
14	- Evaporative Cooler/Air Cond. Covers	Each				
15	- Air Conditioner Replacement - Room	Each				
16	- Air Conditioner Replacement - Central	Each				
17						
18	Weatherization					
19	- Attic Insulation	Home				
20	- Attic Access Weatherization	Each				
21	- Weatherstripping - Door	Each				
22	- Caulking	Home				
23	- Minor Home Repairs	Home				
24						
25	Water Heater Savings					
26	- Water Heater Blanket	Home				
27	- Low Flow Showerhead	Home				
28	- Water Heater Replacement - Gas	Each				
29	- Water Heater Replacement - Electric	Each				
30	- Water Heater Pipe Wrap	Home				
31	- Faucet Aerators	Each				
32						
33	Miscellaneous Measures	Home				
34						
35	Lighting Measures					
36	- Compact Fluorescents (inc. porchlights)	Each				
37	- Porchlights fixture replacement	Each				
38						
39	Refrigerators	Each				
40						
41	Energy Education					
42	- Outreach & Assessment	Home				
43	- In-Home Education	Home				
44	- Education Workshops	Participants				
45						
46	Pilots					
47	- Pilot					
48						
49	Homes Served					
50	- Total Number of Homes Treated	Home				
51	- Total Number of Homes Weatherized	Home				
52						
53	Total Savings					
54						
55						
56	¹ Table 4 and Table 5 in the former Rapid Deployment Reports					
57						

	A	B	C	D	E	F	G	H	I	J
1	Table 3¹ - CARE Program Expenses - Utility Name - Through Month 20XX									
2		Year to Date			Budget			% of Budgeted Spent YTD		
3	CARE Program:	Electric	Gas	Electric & Gas	Electric	Gas	Electric & Gas	Electric	Gas	Electric & Gas
4	Outreach									
5	- Capitation Fees									
6	- Automatic Enrollment									
7	- Other Outreach									
8	Total Outreach									
9										
10	Processing/ Certification/Verification									
11	Billing System /Programming									
12										
13	Pilots									
14	- Pilot									
15	- Pilot									
16	- Pilot									
17	Total Pilots									
18										
19	Measurement & Evaluation									
20	Regulatory Compliance									
21	Other Administration									
22	CPUC Energy Division									
23										
24	SUBTOTAL MANAGEMENT COSTS									
25										
26	CARE Rate Discount									
27	Service Establishment Charge Discount									
28										
29	TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS									
30										
31	kWh Surcharge Exemption									
32										
33	Indirect Costs									
34										
35	1 Table 6 in the former Rapid Deployment Reports									
36										
37										
38										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	TABLE 4'- CARE Enrollment, Recertification, Attrition, and Penetration - Utility Name - Through Month 20XX														
2	Gross Enrollment										Enrollment		Total CARE Participants	Estimated CARE Eligible	Penetration Rate % (M/N)
3	Automatic Enrollment			Capitation	Other Sources ²	Total (D+E+F)	Recertification	Total Adjusted (G+H)	Attrition (Drop Offs)	Net (I-J)	Net Adjusted (K-H)				
4	Inter- Utility	Inter- Agency	Combined (B+C)												
5	January														
6	February														
7	March														
8	April														
9	May														
10	June														
11	July														
12	August														
13	September														
14	October														
15	November														
16	December														
17	Total Annual														
18															
19															
20	¹ Table 10 in the former Rapid Deployment Reports														
21	² Not Including Recertification Enrollment														

	A	B	C	D	E	F	G	H	I
1	Table 5¹ - CARE Standard Random Verification Results - Utility Name - Through Month 20XX								
2	Table 51 - CARE Standard Random Verification Results - Utility Name - Through Month 20XX	Total CARE Population	Participants Requested to Verify	% of Population Total	Participants Dropped (Due to no response)	Participants Dropped (Verified as Ineligible)	Total Dropped	% Dropped through Random Verification	% of Total Population Dropped
3									
4	January								
5	February								
6	March								
7	April								
8	May								
9	June								
10	July								
11	August								
12	September								
13	October								
14	November								
15	December								
16	Total Annual								
17	¹ Table 11 in former Rapid Deployment Reports								
18									
19									
20									
21									
22									
23									

	A	B	C	D	E	F
1	Table 6¹ - CARE Enrollment by County - Utility Name - Through Month 20XX					
2	County	Estimated Eligible	Gross Enrollments		Total Participants	Penetration Rate
3			April	YTD		
4	County 1					0%
5	County 2					0%
6	County 3					0%
7	County 4 (etc.,)					0%
8						
9	TOTALS					0%
10	¹ Table 12 in former Rapid Deployment Reports					
11						
12						
13						
14						
15						
16						

Attachment D

- **Recommended Annual Report Tables**

	A	B	C	D	E	F
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2			Completed & Expensed Installations			
3			Measures	Units	Quantity	kWh (Annual)
4	Furnaces					
5	- Repair - Gas	Each				
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11	- Gaskets for Cover Plates	Each				
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24						
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27	- Low Flow Showerhead	Home				
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31	- Faucet Aerators	Each				
32						
33	Miscellaneous Measures					
34						
35	Lighting Measures					
36	- Compact Fluorescents (inc. porchlights)	Each				
37	- Porchlights fixture replacement	Each				
38	- Interior Hardwire CFL fixtures	Each				
39	- Torchieres Replacement	Each				
40						
41	Refrigerators					
42						
43	Energy Education					
44	- Outreach & Assessment	Home				
45	- In-Home Education	Home				
46	- Education Workshops	Participants				
47						
48	Pilot					
49	- Pilot					
50						
51	Homes Served					
52	- Total Number of Homes Treated	Home				
53	- Total Number of Homes Weatherized	Home				
54						
55	Total Savings					

	A	B	E	F	I	J	K												
1	<p>LIEE Homes Treated by Dwelling Type</p> <p>Utility Name</p> <p>Calendar Year</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Metering</th> <th>Total</th> <th>% of Total Units</th> </tr> </thead> <tbody> <tr> <td>Single Family Units</td> <td></td> <td></td> </tr> <tr> <td>Multi-Family Units</td> <td></td> <td></td> </tr> <tr> <td>Master-Metered Units</td> <td></td> <td></td> </tr> </tbody> </table> <p>Formerly Table 4A from RD reports</p>							Metering	Total	% of Total Units	Single Family Units			Multi-Family Units			Master-Metered Units		
Metering								Total	% of Total Units										
Single Family Units																			
Multi-Family Units																			
Master-Metered Units																			
2																			
3																			
4																			
5																			
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12																			
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14																			
15																			
16																			
17																			
18																			

	A	B	C	D
1	SUMMARY TABLE 5 LIEE PENETRATION Calendar Year			
2				
3				
4				
5	Year ¹	Homes Treated	Estimated Eligible in Current Year	Current Year Penetration Rate for Homes Treated
6	1997			
7	1998			
8	1999			
9	2000			
10	2001			
11	2002			
12	2003			
13	2004			
14	2005			
15	2006			
16	Total Homes Treated in 10 Years			
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				

¹10 Years of activity are reported.

Formerly Table 30 from RD reports

	A	B	C	D
1	TABLE TA _1			
2	Average Annual Bill Savings per Customer			
3	Utility Name			
4	Calendar Year			
5				
6				
7				
8			Based on Year-End Installations Completed and Expensed	
9				
10			kWh	Therm
11		Annual Savings		
12		Current Rate	\$	\$
13		Number of Customers Treated		
14		Average 1st Year Bill Savings/Customer	\$	
15		Average Lifecycle Bill Savings/Customer	\$	
16				
17				
18				
19		Formerly Table 5A of RD reports		

	A	B	C
1	TABLE TA _3		
2	ENERGY RATES USED FOR BILL SAVINGS CALCULATIONS		
3	Utility Name		
4	Year	\$/kWh	\$/Therm
5	Last Year		
6	This Year +1		
7	This Year +2		
8	This Year +3		
9	This Year +4		
10	This Year +5		
11	This Year +6		
12	This Year +7		
13	This Year +8		
14	This Year +9		
15	This Year +10		
16	This Year +11		
17	This Year +12		
18	This Year +13		
19	This Year +14		
20	This Year +15		
21	This Year +16		
22	This Year +16		
23	This Year +17		
24	This Year +18		
25	This Year +19		
26	This Year +20		
27	This Year +21		
28	This Year +22		
29	This Year +23		
30			
31			
32	Formerly TA _8 of AEAP Report.		

	A	B	C	D	E	F	G																				
1	TABLE TA _4																										
2	BILL SAVINGS																										
3	Utility Name																										
4																											
5																											
6	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Program Year</th> <th style="width: 15%;">Program Costs</th> <th style="width: 15%;">Program Lifecycle Bill Savings</th> <th style="width: 15%;">Program Bill Savings/ Cost Ratio</th> <th style="width: 15%;">Per Home Average Lifecycle Bill Savings</th> </tr> </thead> <tbody> <tr> <td>Last Year -2</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Last Year -1</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Last Year</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Program Year	Program Costs	Program Lifecycle Bill Savings	Program Bill Savings/ Cost Ratio	Per Home Average Lifecycle Bill Savings	Last Year -2					Last Year -1					Last Year						
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7																											
8																											
9																											
10																											
11																											
13																											
14	Formerly Table TA _9 from AEAP Report.																										

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY FOR APPROVAL OF PROGRAM YEARS 2007 AND 2008 LOW-INCOME ASSISTANCE PROGRAMS AND FUNDING** on all parties identified in **R.04-01-006** on the attached service list 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 30th day of June, 2006.



Joel Delloso