



A  Sempra Energy utility®

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June 30, 2014

Advice No. 4661  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Energy Efficiency Incentive Awards for Program Years (PY) 2012 and 2013**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) its PY 2012 and 2013 energy efficiency (EE) incentive mechanism award in the amount of \$5,824,913. This filing is made in compliance with Decision (D.) 13-09-023, dated September 5, 2013, and D.12-12-032, dated December 20, 2012, in Rulemaking (R.) 12-01-005.

**Background**

In D.12-12-032, the Commission adopted a shareholder incentive mechanism for the 2010-2012 EE program cycle. The Commission authorized an annual award to be earned in the form of: 1) a management fee equal to five percent of actual EE portfolio expenditures, and 2) an additive performance bonus associated with conformance with the *ex ante* workpaper and custom project review processes. For each of these awards, the Commission directed utilities to use actual expenditures for the respective award year, as verified in the Utility Audit, Finance and Compliance Branch (UAFCB) reports.<sup>1</sup>

In D.13-09-023, the Commission adopted the Efficiency Savings and Performance Incentive (ESPI) mechanism for the 2013-2014 EE program cycle and beyond. The ESPI consists of the following components:

1. Non-Resource Program Management Fee

For the implementation of non-resource programs, the Investor Owned Utilities (IOUs) will receive a management fee equal to three percent of non-resource program expenditures, exclusive of administrative costs. The IOUs will use actual expenditures for the respective award year, as verified in the UAFCB reports. The

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<sup>1</sup> D.12-12-032, mimeo., at 39.

potential earnings for the Non-Resource Program Management Fee are capped at three percent of the authorized 2013-2014 non-resource program budgets and will be paid according to the schedule outlined below.

2. Codes & Standards (C&S) Program Management Fee

For the implementation of the C&S Program, the IOUs will receive a management fee equal to 12 percent of C&S program expenditures, exclusive of administrative costs. The IOUs will use actual expenditures for the respective award year, as verified in the UAFCB reports. The potential earnings for the C&S Program Management Fee are capped at 12 percent of the authorized 2013-2014 C&S program budget and will be paid according to the schedule outlined below.

3. *Ex Ante* Review Process Performance Award

The Energy Division will conduct an annual assessment of the IOUs conformance with the *ex ante* review requirements established by the Commission. The assessment will generate a score, using a scale of 1 to 100, which will be multiplied, as a percentage, by three percent of the resource program expenditures, exclusive of administrative costs. The IOUs will use actual expenditures for the respective award year, as verified in the UAFCB reports. The potential earnings for the *Ex Ante* Review Process Performance Award are capped at three percent of the authorized 2013-2014 resource program budget and will be paid according to the schedule outlined below.

4. Energy Efficiency Resource Savings Performance Award

For the implementation of resource programs, the IOUs are awarded an opportunity to earn an incentive based on the amount of net lifecycle energy savings achieved. The incentive is calculated as follows:

$$[\text{Gross Annual Savings}] \times [\text{Net to Gross Ratio}] \times [\text{Effective Useful Life}] \times [\text{Earnings Coefficient}] = [\text{Total Earnings}]$$

The potential earnings for the Energy Efficiency Resource Savings Performance Award are capped at nine percent of the authorized 2013-2014 resource program budget and will be paid according to the schedule outlined below.

The Commission adopted the following schedule which outlines the payment sequence associated with the individual components of the ESPI:

- Claims for ESPI awards covering the first PY of each cycle shall be made during the first following year (PY +1) for the following elements:

- Non-Resource Program Management Fee
  - C&S Program Management Fee
  - *Ex Ante* Review Process Performance Award
  - Preliminary *Ex Ante* Deemed Measure Savings Award
- Claims for ESPI awards covering the first PY of each cycle shall be made during the second following year (PY +2) for the following elements:
    - *Ex Post* Verified Custom Measure Savings Award
    - *Ex Post* Verified Deemed Measure Savings Award
    - True Up of Preliminary *Ex Ante* Deemed Measure Savings Award

The IOUs were authorized to consolidate their incentive claims covering 2012 and the first installment of the 2013 claim into a single advice letter filing to be submitted on June 30, 2014.<sup>2</sup> An itemized summary of the calculated awards is provided in Table 1, below.

The Commission directs the UAFCB to make the completed EE audit reports public in order to verify the expenditures incurred by the IOUs. The 2012 EE audit final report was issued on June 27, 2014. However, the UAFCB was not able to start the 2013 EE audit before this filing. In anticipation of this circumstance, on June 9, 2014, Commission Staff issued a memorandum (Commission Staff Memo) stating this Advice Letter will use utility-reported information to calculate the incentive award. A copy of the memo is provided in Attachment A. The 2013 EE audit is expected to be completed before the Advice Letter due next year which will contain a new calculation component to true-up and reconcile any differences between utility-reported and Commission-verified information associated with the audit.

Ordering Paragraph (OP) 4 of D.13-09-023 orders SoCalGas to file this Advice Letter as Tier 3, which requires a Resolution to be issued by the Commission. In order to effectuate processing the ESPI mechanism as outlined in the Commission Staff Memo, SoCalGas requests that the Commission provide any necessary clarifications to the operation of the ESPI mechanism in the final Resolution. Given the challenges of conducting an annual audit in the timeframe established by D.13-09-023, SoCalGas supports the altered schedule envisioned in the Commission Staff Memo as it appropriately balances the importance of timely and reliable annual earnings with the ratepayer protection provided by regular financial audits. In its Resolution, SoCalGas asks that the Commission, following consultation with the Audit Branch of the Water Division to formalize an audit schedule with specific deadlines to ensure final audit reports are available in time to support the "PY + 2" calculations, consistent with the approach outlined in the Commission Staff Memo. SoCalGas requests that final audit reports are made available at least two weeks in advance of the June 30 ESPI Advice Letter due date.

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<sup>2</sup> D.13-09-023, mimeo., at 96 (OP 6).

Furthermore, SoCalGas requests that the Commission explicitly prescribe that any outcome of the financial audit be treated similarly as the currently adopted True-Up Mechanism.<sup>3</sup> That is, should an adjustment be warranted due to differences between utility-reported and audit-verified expenses, such adjustment would be treated as an offset in the next year (or “PY + 2”) earnings claim. One of the Commission’s stated goals for energy efficiency earnings is to send a signal to the investment community that energy efficiency earnings are regular, reliable, and timely.<sup>4</sup> Any action that may obligate IOUs to restate prior year’s earnings would undermine that goal. As a result, SoCalGas supports the True-Up Mechanism adopted in D.13-09-023 and identified in the Commission Staff Memo as the appropriate way to address this issue, and requests that the Commission explicitly affirm this approach in its Resolution.

In accordance with the requirements set forth in D.13-09-023 and D.12-12-032, SoCalGas’ total EE incentive award is \$5,824,913, as illustrated in Table 1 below.

Table 1: Energy Efficiency Incentive Awards for PY 2012 and 2013

Energy Efficiency Incentive Award	Earnings Amount	Earnings Cap
2010-2012 Shareholder Incentive Mechanism		
PY 2012 Management Fee	\$4,036,242	N/A
PY 2012 Performance Bonus	\$ 290,609	N/A
2013-2014 Efficiency Savings and Performance Incentive		
Non-Resource Program Management Fee	\$ 110,342	\$ 256,359
C&S Program Management Fee	\$ 24,963	\$ 181,413
<i>Ex Ante</i> Review Process Performance Award	\$ 784,105	\$ 4,183,118
Energy Efficiency Resource Savings Performance Award	\$ 578,652	\$12,549,354
<b>TOTAL</b>	<b>\$5,824,913</b>	

#### Calculation of 2012 Shareholder Incentive Award

SoCalGas’ EE incentive award for PY 2012 is \$4,326,851, which is based on the incentive award formula prescribed in D.12-12-032 and the 2012 program expenditures of \$80,724,848, as reported in the UAFCB report.<sup>5</sup> The PY 2012 incentive award is calculated as follows:

<sup>3</sup> D.13-09-023, mimeo., at 52.

<sup>4</sup> D.13-09-023, mimeo., at 83.

<sup>5</sup> Financial, Management, and Regulatory Compliance Examination Report of Southern California Gas Company (SCG) EE Programs For the Period January 1, 2011 through December 31, 2012, dated June 27, 2014, and available at: [http://www.cpuc.ca.gov/PUC/Water/Available+Documents/Downloadable+Reports/Utility Audit Finance and Compliance Reports.htm](http://www.cpuc.ca.gov/PUC/Water/Available+Documents/Downloadable+Reports/Utility+Audit+Finance+and+Compliance+Reports.htm)

**1. Management Fee**

The management fee for PY year 2012 is calculated as:

$$\$80,724,848 \times 5\% = \$4,036,242$$

**2. Performance Bonus**

The performance bonus, capped at an additional 1 percent of utility expenditures, represents a measurement score of the *ex ante* review process across four categories (with a total of 11 metrics). The SoCalGas score as provided in the Appendix of D.12-12-032 for the 2010-2012 program cycle is 36, which is expressed as 0.36% of actual program expenditures.<sup>6</sup> The performance bonus for PY 2012 is calculated as:

$$\$80,724,848 \times 0.36\% = \$290,609$$

**3. Total Award for 2012**

The total PY 2012 incentive award claim is:

$$\$4,036,242 + \$290,609 = \$4,326,851$$

The total award level, which is 5.36% of the \$80,724,848 expense level for 2012, is consistent with the percentage SoCalGas is directed to use in OP 2 of D.12-12-032. SoCalGas respectfully submits this request is reasonable, is identical to the calculation process submitted for the PY 2011 award and approved by Commission Resolution G-3491,<sup>7</sup> and should be approved upon review.

**Calculation of Initial 2013 Shareholder Incentive Award**

SoCalGas' initial EE incentive award for PY 2013 is \$1,498,062 which is based on the incentive award formula associated with the ESPI components prescribed in D.13-09-023. The remainder of the award associated with PY 2013 will be contained in the 2015 Advice Letter covering the *ex post* deemed and custom measure awards, the true-up of the preliminary deemed measure awards, and if accepted in the Resolution, if necessary, a true-up associated with audit-verified expenditures. Tables showing additional detail regarding the derivation of the initial EE incentive award for 2013 are provided in Attachment B. The initial PY 2013 incentive award is calculated as follows:

<sup>6</sup> D.12-12-032, mimeo., at 18 (Appendix).

<sup>7</sup> Resolution G-3491, issued December 6, 2013, which approved SoCalGas Advice No. 4542-G.

### **1. Non-Resource Program Management Fee**

The Non-Resource Program Management Fee is calculated as an earnings award equal to three percent of non-resource program expenditures, exclusive of administrative costs. In the calculations included in D.13-09-023, the SoCalGas programs categorized as non-resource include: Statewide Emerging Technologies Program, Statewide Workforce Education & Training, Statewide Integrated Demand-Side Management, and CRM. As reported in the SoCalGas 2013 EE Annual Report,<sup>8</sup> the non-resource program expenditures for PY 2013, excluding administrative costs, were \$3,678,072.

The Non-Resource Program Management Fee for PY 2013 is calculated as:

$$\$3,678,072 \times 3\% = \$110,342$$

### **2. C&S Program Management Fee**

The C&S Program Management Fee is calculated as an earnings award equal to 12 percent of C&S program expenditures, exclusive of administrative costs. As reported in the SoCalGas 2013 EE Annual Report, the C&S program expenditures for PY 2013, excluding administrative costs, were \$208,021.

The C&S Program Management Fee for PY 2013 is calculated as:

$$\$208,021 \times 12\% = \$24,963$$

### **3. Ex Ante Review Process Performance Award**

The *Ex Ante* Review Process Performance Award is calculated based on the performance score for each IOU, as prescribed in Attachments 5 and 7 of D.13-09-023. This score is taken as a percentage applied to three percent of EE resource program expenditures, exclusive of administrative costs. On March 28, 2014, the Commission issued SoCalGas its 2013 performance score of 66.5,<sup>9</sup> which is expressed as 0.665.<sup>10</sup> As reported in the SoCalGas 2013 EE Annual Report, the resource program expenditures for PY 2013, excluding administrative costs, was \$39,303,489.

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<sup>8</sup> Southern California Gas Company Energy Efficiency Programs Annual Report, 2013 Results, May 1, 2014.

<sup>9</sup> Memorandum from CPUC *Ex Ante* Review Staff on *Final 2013 Efficiency Savings and Performance Incentive Ex Ante Review Performance Scores* on March 28, 2014 issued to the service lists of R.12-01-005 and R.13-11-005.

<sup>10</sup> The Memorandum incorrectly identifies the SoCalGas score as 66 out of 100 on page 1, whereas the score identified on page 2 and throughout the document is 66.5 out of 100. In the review meeting performed with Commission Staff on May 21, 2014, it was confirmed that the correct SoCalGas score was 66.5.

The *Ex Ante* Review Process Performance Award for PY 2013 is calculated as:

$$\$39,303,489 \times 3\% \times 66.5\% = \$784,105$$

#### **4. Energy Efficiency Resource Savings Performance Award**

For the implementation of resource programs, SoCalGas has an opportunity to earn an incentive based on the total amount of net lifecycle savings it achieves. According to the ESPI mechanism, and the adopted earnings schedule, SoCalGas is eligible to earn an incentive from the PY 2013 deemed measure activity, excluding those deemed measures identified as uncertain by the Commission.<sup>11</sup> This is referred to as the Preliminary *Ex Ante* Deemed Measure Savings Award.

First, SoCalGas calculated the net lifecycle energy savings associated with the eligible *ex ante* deemed measure activity in PY 2013. This was done utilizing the following formula:

$$[\text{Unit Count}] \times [\text{Gross Annual Savings}] \times [\text{Net to Gross Ratio}] \times [\text{Effective Useful life}] \\ = [\text{Net Lifecycle Savings}]$$

SoCalGas completed this calculation on a measure level basis and summed the results so that the total net lifecycle savings for eligible deemed measures in PY 2013 is 27,127,275 therms.<sup>12</sup> The unit count and *ex ante* calculation parameters are included as part of the SoCalGas 2013 EE Annual Report, and are in accordance with the Database for Energy Efficient Resources (DEER) and/or the non-DEER workpapers approved by Commission Staff.

Second, SoCalGas multiplied the net lifecycle savings by the earnings rate coefficient, as provided in D.13-09-023, Attachment 1, Table 3. This was done utilizing the following formula:

$$[\text{Net Lifecycle Savings}] \times [\text{Earnings Rate Coefficient}] = [\text{Total Earnings}]$$

The Preliminary *Ex Ante* Deemed Measure Savings Award for PY 2013 is calculated as:

$$27,127,275 \times (\$21,331/1,000,000) = \$578,652$$

#### **5. Initial Award for 2013**

The initial PY 2013 incentive award claim is represented in Table 2 below.

<sup>11</sup> Memorandum from Katie Wu on *Final ESPI Uncertain List for 2013-14* on December 6, 2013 issued to the service list of R.12-01-005.

<sup>12</sup> See Attachment B, Table 3, Preliminary *Ex Ante* Deemed Measure Savings Award Table.

Table 2: Energy Efficiency Incentive Awards for PY 2013

Energy Efficiency Incentive Award	Earnings Amount
Non-Resource Program Management Fee	\$110,342
C&S Program Management Fee	\$24,963
<i>Ex Ante</i> Review Process Performance Award	\$784,105
Energy Efficiency Resource Savings Performance Award	\$578,652
<b>TOTAL</b>	<b>\$1,498,062</b>

### Dispensation of the Shareholder Incentive Award

D.13-09-023 directed the utilities to file a Tier 3 Advice Letter with the claim for the PY 2012 and initial PY 2013 awards according to the schedule set forth in Attachment 6.<sup>13</sup> This submission is thus in compliance with Commission orders, and is intended to accommodate the processing schedule outlined in D.13-09-023.

The table below summarizes the revenue requirement impact by class of service. In addition, SoCalGas provides herein as Attachment C the annual Natural Gas Transportation Rate Revenues table comparing present and proposed rates associated with inclusion of the 2012 and initial 2013 shareholder incentive award in its gas transportation rates.

Revenue Requirement Impact by Class of Service Includes FF&U		
Class of Service	Applicable Rate Schedules	Increase/ (decrease) \$000's
Core	GR, GS, GM, GO-AC, G-NGVR, GL, G-10, G-AC, G-EN, G-NGV	\$5,479
Noncore	GT-F, GT-I, GT-TLS	\$418
Total		\$5,897

<sup>13</sup> D.13-09-023, mimeo., at 95 and 96 (OP 4 and 6).



**Protests**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date of this Advice Letter which is July 20, 2014. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

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

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

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

Attn: Steve Hruby  
Regulatory Case Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-mail: [shruby@semprautilities.com](mailto:shruby@semprautilities.com)

**Effective Date**

OP 4 of D.13-09-023 orders SoCalGas to file this Advice Letter as Tier 3 and, as such, requires a Resolution to be issued by the Commission. SoCalGas respectfully requests that it be approved by the Commission at the earliest opportunity, and before year-end 2014, so that it may provide the desired market certainty associated with energy efficiency shareholder awards, and be included with other authorized rate changes in the January 1, 2015 gas transportation rate change.

**Notice**

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list and the Commission's service lists in R.12-01-005 and R.13-11-005. Address change requests to the GO 96-B should be directed by electronic mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov)

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Rasha Prince  
Director – Regulatory Affairs

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

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

Utility type:

ELC     GAS  
 PLC     HEAT     WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric    GAS = Gas  
PLC = Pipeline    HEAT = Heat    WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 4661

Subject of AL Energy Efficiency Incentive Awards for Program Years 2012 and 2013

Keywords (choose from CPUC listing): Energy Efficiency

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

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

D.13-09-023, D.12-12-032

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

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

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

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: Rate change 1/1/15    No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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

Tariff schedules affected: None

Service affected and changes proposed<sup>1</sup> See Advice Letter

Pending advice letters that revise the same tariff sheets: None

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

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Southern California Gas Company  
Attention: Sid Newsom  
555 West 5<sup>th</sup> Street, GT14D6  
Los Angeles, CA 90013-1011  
[SNewsom@semprautilities.com](mailto:SNewsom@semprautilities.com)  
[tariffs@socalgas.com](mailto:tariffs@socalgas.com)

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

**ATTACHMENT A**

**Advice No. 4661**

**Commission Staff Memo**

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



To: All Parties in R.13-11-005 and R.12-01-005

From: Katie Wu, Energy Division

Date: June 9, 2014

Subject: Additional Detail on Implementation of the Efficiency Savings and Performance Incentive (ESPI) Mechanism

To all parties:

Since adoption of the ESPI, Commission staff has begun implementation of the tasks prescribed in D.13-09-023, the decision adopting the ESPI. Staff is coordinating internally to ensure that the deadlines are met and IOUs have the information needed to ultimately file award claims each June. During the course of these activities, staff found that the annual energy efficiency audit performed by the Commission's Audit Branch would not be complete by June of the year following program implementation. In order to conduct a robust audit, the Commission audit team requires at least nine months to complete an audit.

As such, in order to meet the deadlines set in D.13-09-023 and allow adequate time for IOU EE audits to be complete, the incentive distribution process is described in more detail below. In general, incentive awards in the year following program year (i.e., PY +1) will be calculated using utility-reported information and incentive awards in the year two years after program year (i.e., PY +2) will be calculated based on Commission-verified information. The PY+2 incentive payment will include a true-up to reconcile any differences between utility-reported and Commission-verified information. Program years 2013 and 2014 are referenced below for illustrative purposes; the process will be identical each year unless and until the Commission modifies the ESPI.

1. By June 30 of the year following the program year (e.g., 2014 for 2013 program activities), each utility will file a Tier 3 Advice Letter to Energy Division to request energy efficiency incentive award payments for:
  - a. Non-resource management fee: Equal to 3% of the utility's reported expenditures on non-resource programs during the previous program year.
  - b. Codes and standards management fee: Equal to 12% of the utility's reported expenditures on codes and standards programs during the previous program year.
  - c. Ex ante review performance: Equal to 3% of the utility's reported expenditures on resource programs (excluding administrative costs) during the previous program year multiplied by the utility's ex ante review score determined in accordance with Attachment 5 of D.13-09-023.

- d. Energy savings with ex ante parameter estimates: Equal to the utility's net lifecycle reported savings and installation rates multiplied by the adopted earnings rates coefficients, determined in accordance with Attachment 1 of D.13-09-023. Only savings from deemed measures not included on the ESPI Uncertain List are included in this calculation.
2. By June 30 two years after the program year (e.g., 2015 for PY 2013), each utility will file a Tier 3 Advice Letter to Energy Division to request:
    - a. Incentive awards for energy savings with ex post parameter estimates: Equal to the utility's net lifecycle verified savings and installation rates from two program years ago (e.g., savings subject to ex post verification in 2013 will be awarded in 2015) for deemed measures on the ESPI Uncertain List and custom projects and measures.
    - b. A true-up of award payments distributed the previous year for items a-d in Item 1 above for two years prior (e.g., for PY2013 in the 2015 Advice Letter) based on verified expenditures and measure installation rates. The true-up will reconcile any differences between the utility-reported versus Commission-audited expenditures / Commission-verified measure installation rates. Publicly available Commission-led audits and EM&V studies will be used to verify expenditures and installation rates, respectively.
    - c. Incentive award payments for items a-d listed above for the previous program year (e.g., for PY2014 in the 2015 Advice Letter) based on reported expenditures.

This process is summarized in a table in the attached appendix. Commission staff finds that this incentive distribution process will allow utilities to reliably predict energy efficiency incentive awards while protecting ratepayers from potentially overpaying for energy efficiency incentive awards.

If parties have any questions or concerns regarding this incentive distribution process, please contact Katie Wu at [katie.wu@cpuc.ca.gov](mailto:katie.wu@cpuc.ca.gov) or 415.703.2452.

APPENDIX: Incentive Distribution Process Summary

<b>Program Year + 1</b> <b>(uses utility-reported data)</b>	<b>Program Year + 2</b> <b>(uses Commission-verified data)</b>
Non-resource Management Fee	Energy Savings from custom projects and measures
Codes and Standards Management Fee	Deemed Energy Savings with ex post parameters (i.e., savings from the ESPI Uncertain List measures)
Ex Ante Review Performance Award	True-up of all PY+1 payments using Commission audited expenditures and verified installation rates
Deemed Energy Savings with ex ante parameters	

**ATTACHMENT B**

**Advice No. 4661**

**Derivation of EE Incentive Award**



Table 1 - SoCalGas 2013 Energy Efficiency Program Expenditures

Program ID	Program Name	2013 SoCalGas EE Expenditures					Total Expenditures Excluding Administrative Costs	ESPI Component Classification
		Administrative	Marketing	Direct Implementation	EM&V	Total		
	<b>Statewide CALSPREE Program</b>							
SCG3701	Energy Advisor	\$ 19,314	\$ 8,872	\$ 138,449	\$ -	\$ 166,635	\$ 147,322	Resource Program
SCG3702	Plug Load and Appliances	\$ 466,146	\$ 732,842	\$ 3,167,042	\$ -	\$ 4,366,030	\$ 3,899,885	Resource Program
SCG3703	Plug Load and Appliances - POS	\$ 171,362	\$ 936	\$ 1,839,359	\$ -	\$ 2,011,656	\$ 1,840,295	Resource Program
SCG3704	Multifamily EE Rebate Program	\$ 126,076	\$ 64,885	\$ 700,116	\$ -	\$ 891,076	\$ 765,001	Resource Program
SCG3705	Energy Upgrade California Home Upgrade Program	\$ 372,219	\$ 347,863	\$ 3,206,547	\$ -	\$ 3,926,629	\$ 3,554,410	Resource Program
SCG3706	Residential HVAC	\$ 4,303	\$ 2,016	\$ 14,390	\$ -	\$ 20,709	\$ 16,406	Resource Program
SCG3707	Residential New Construction	\$ 251,987	\$ 85,503	\$ 1,288,712	\$ -	\$ 1,626,202	\$ 1,374,215	Resource Program
	<b>Statewide Commercial EE Program</b>							
SCG3708	Energy Advisor	\$ 29,488	\$ 220	\$ 189,046	\$ -	\$ 218,754	\$ 189,266	Resource Program
SCG3709	Continuous Energy Improvement	\$ 3,195	\$ 950	\$ 18,586	\$ -	\$ 22,731	\$ 19,536	Resource Program
SCG3710	Calculated Incentives	\$ 145,563	\$ 80,036	\$ 1,105,497	\$ -	\$ 1,331,096	\$ 1,185,533	Resource Program
SCG3711	Deemed Incentives	\$ 598,958	\$ 537,128	\$ 2,697,673	\$ -	\$ 3,833,758	\$ 3,234,800	Resource Program
SCG3712	Nonresidential HVAC	\$ 2,606	\$ -	\$ 22,184	\$ -	\$ 24,790	\$ 22,184	Resource Program
	<b>Statewide Industrial EE Program</b>							
SCG3713	Energy Advisor	\$ 90,520	\$ -	\$ 551,970	\$ -	\$ 642,490	\$ 551,970	Resource Program
SCG3714	Continuous Energy Improvement	\$ 4,316	\$ 896	\$ 22,795	\$ -	\$ 28,007	\$ 23,691	Resource Program
SCG3715	Calculated Incentives	\$ 796,886	\$ 179,070	\$ 5,483,532	\$ -	\$ 6,459,487	\$ 5,662,601	Resource Program
SCG3716	Deemed Incentives	\$ 161,936	\$ 200,041	\$ 644,679	\$ -	\$ 1,006,656	\$ 844,719	Resource Program
	<b>Statewide Agricultural EE Program</b>							
SCG3717	Energy Advisor	\$ 3,324	\$ -	\$ 20,203	\$ -	\$ 23,527	\$ 20,203	Resource Program
SCG3718	Continuous Energy Improvement	\$ 954	\$ 20	\$ 5,742	\$ -	\$ 6,716	\$ 5,762	Resource Program
SCG3719	Calculated Incentives	\$ 88,057	\$ 10,392	\$ 618,879	\$ -	\$ 717,328	\$ 629,271	Resource Program
SCG3720	Deemed Incentives	\$ 56,868	\$ 16,279	\$ 293,867	\$ -	\$ 367,014	\$ 310,146	Resource Program
	<b>Statewide Emerging Technologies Program</b>							
SCG3721	Technology Development Support	\$ 15,094	\$ -	\$ 135,554	\$ -	\$ 150,648	\$ 135,554	Non-Resource Program
SCG3722	Technology Assessment Support	\$ 224,684	\$ 74	\$ 730,658	\$ -	\$ 955,416	\$ 730,732	Non-Resource Program
SCG3723	Technology Introduction Support	\$ 31,707	\$ 1,823	\$ 189,021	\$ -	\$ 222,551	\$ 190,843	Non-Resource Program
	<b>Statewide Codes &amp; Standards Program</b>							
SCG3724	Building Codes & Compliance Advocacy	\$ 9,785	\$ 13	\$ 86,986	\$ -	\$ 96,783	\$ 86,999	C&S Program
SCG3725	Appliance Standards Advocacy	\$ 5,113	\$ -	\$ 35,289	\$ -	\$ 40,402	\$ 35,289	C&S Program
SCG3726	Compliance Enhancement	\$ 7,799	\$ -	\$ 47,648	\$ -	\$ 55,447	\$ 47,648	C&S Program
SCG3727	Reach Codes	\$ 2,684	\$ -	\$ 15,865	\$ -	\$ 18,549	\$ 15,865	C&S Program
SCG3728	Planning Coordination	\$ 3,556	\$ -	\$ 22,221	\$ -	\$ 26,777	\$ 22,221	C&S Program
	<b>Statewide Workforce Education &amp; Training Program</b>							
SCG3729	Centergies	\$ 293,502	\$ 154,416	\$ 1,971,651	\$ -	\$ 2,419,570	\$ 2,126,067	Non-Resource Program
SCG3730	Connections	\$ 28,467	\$ -	\$ 301,128	\$ -	\$ 329,595	\$ 301,128	Non-Resource Program
SCG3731	Strategic Planning	\$ 1,789	\$ -	\$ 10,110	\$ -	\$ 11,899	\$ 10,110	Non-Resource Program
	<b>Statewide Marketing Education &amp; Outreach</b>							
SCG3733	ME&O	\$ 20,096	\$ 188,528	\$ 64,495	\$ -	\$ 273,119	\$ 253,023	Not Applicable
	<b>Statewide Integrated Demand-Side Management</b>							
SCG3734	IDSM	\$ 53,841	\$ 16,353	\$ 157,783	\$ -	\$ 227,976	\$ 174,136	Non-Resource Program
	<b>Statewide Finance Program</b>							
SCG3735	On-Bill Financing	\$ 63,712	\$ 39,676	\$ 275,179	\$ -	\$ 378,567	\$ 314,855	Resource Program
SCG3736	ARRA-Originated Financing	\$ 101,332	\$ 203,132	\$ 62,271	\$ -	\$ 366,735	\$ 265,403	Resource Program
SCG3737	New Financing Offerings	\$ 20,883	\$ 3,607	\$ 183,550	\$ -	\$ 208,039	\$ 187,156	Resource Program
	<b>Local Institutional Partnership Programs</b>							
SCG3738	CA Department of Corrections and Rehabilitation Partnership	\$ 38,793	\$ 2,666	\$ 24,554	\$ -	\$ 66,013	\$ 27,220	Resource Program
SCG3739	California Community College Partnership	\$ 56,244	\$ 13,414	\$ 183,365	\$ -	\$ 253,023	\$ 196,779	Resource Program
SCG3740	UC/CSU/IOU Partnership	\$ 119,171	\$ 12,700	\$ 162,912	\$ -	\$ 294,783	\$ 175,612	Resource Program
SCG3741	State of CA/IOU Partnership	\$ 28,528	\$ 2,752	\$ 30,029	\$ -	\$ 61,309	\$ 32,781	Resource Program

Table 1 - SoCalGas 2013 Energy Efficiency Program Expenditures

Program ID	Program Name	2013 SoCalGas EE Expenditures					Total Expenditures Excluding Administrative Costs	ESPI Component Classification
		Administrative	Marketing	Direct Implementation	EM&V	Total		
<b>Local Government Partnership Programs</b>								
SCG3742	Los Angeles County Partnership	\$ 24,410	\$ 11,358	\$ 22,821	\$ -	\$ 58,589	\$ 34,179	Resource Program
SCG3743	Kern County Partnership	\$ 24,379	\$ 11,376	\$ 41,110	\$ -	\$ 76,865	\$ 52,486	Resource Program
SCG3744	Riverside County Partnership	\$ 18,926	\$ 3,621	\$ 27,754	\$ -	\$ 50,302	\$ 31,376	Resource Program
SCG3745	San Bernardino County Partnership	\$ 31,531	\$ 3,629	\$ 58,937	\$ -	\$ 94,097	\$ 62,566	Resource Program
SCG3746	Santa Barbara County Partnership	\$ 32,474	\$ 21,222	\$ 29,147	\$ -	\$ 82,843	\$ 50,368	Resource Program
SCG3747	South Bay Cities Partnership	\$ 45,156	\$ 29,288	\$ 65,707	\$ -	\$ 140,151	\$ 94,995	Resource Program
SCG3748	San Luis Obispo County Partnership	\$ 32,123	\$ 21,356	\$ 45,572	\$ -	\$ 99,051	\$ 66,928	Resource Program
SCG3749	San Joaquin Valley Partnership	\$ 20,672	\$ 7,693	\$ 32,256	\$ -	\$ 60,622	\$ 39,950	Resource Program
SCG3750	Orange County Partnership	\$ 22,317	\$ 14,154	\$ 19,587	\$ -	\$ 56,059	\$ 33,741	Resource Program
SCG3751	Statewide Energy Efficiency Collaborative Partnership	\$ 8,766	\$ 2,188	\$ 66,577	\$ -	\$ 77,532	\$ 68,766	Resource Program
SCG3752	Community Energy Partnership	\$ 31,339	\$ 11,873	\$ 65,853	\$ -	\$ 109,065	\$ 77,725	Resource Program
SCG3753	Desert Cities Partnership	\$ 4,572	\$ 202	\$ 3,535	\$ -	\$ 8,309	\$ 3,737	Resource Program
SCG3754	Ventura County Partnership	\$ 32,848	\$ 9,094	\$ 35,814	\$ -	\$ 77,756	\$ 44,909	Resource Program
SCG3755	Local Government Energy Efficiency Pilots	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Resource Program
SCG3773	New Partnership Programs	\$ 56,374	\$ 7,793	\$ 36,928	\$ -	\$ 101,095	\$ 44,721	Resource Program
SCG3774	LG Regional Resource Placeholder	\$ 107,697	\$ 249	\$ 97,661	\$ -	\$ 205,607	\$ 97,910	Resource Program
SCG3776	Gateway Cities Partnership	\$ 7,769	\$ 2,491	\$ 6,610	\$ -	\$ 16,869	\$ 9,101	Resource Program
SCG3777	San Gabriel Valley COG Partnership	\$ 12,720	\$ 7,226	\$ 13,827	\$ -	\$ 33,773	\$ 21,053	Resource Program
SCG3778	City of Santa Ana Partnership	\$ 7,325	\$ 2,364	\$ 8,572	\$ -	\$ 18,261	\$ 10,936	Resource Program
SCG3779	West Side Cities Partnership	\$ 16	\$ -	\$ 155	\$ -	\$ 171	\$ 155	Resource Program
SCG3780	City of Simi Valley Partnership	\$ 6,099	\$ 9,418	\$ 4,967	\$ -	\$ 20,484	\$ 14,385	Resource Program
SCG3781	City of Redlands Partnership	\$ 6,418	\$ 3,227	\$ 11,667	\$ -	\$ 21,311	\$ 14,893	Resource Program
SCG3782	City of Beaumont Partnership	\$ 6,579	\$ 3,773	\$ 11,372	\$ -	\$ 21,725	\$ 15,146	Resource Program
SCG3783	Western Riverside Energy Partnership	\$ 8,731	\$ 2,425	\$ 15,742	\$ -	\$ 26,898	\$ 18,167	Resource Program
<b>Third Party Programs</b>								
SCG3756	Energy Challenger	\$ 10,404	\$ 1,925	\$ 70,183	\$ -	\$ 82,512	\$ 72,108	Resource Program
SCG3757	Small Industrial Facility Upgrades	\$ 45,388	\$ 10,400	\$ 262,776	\$ -	\$ 318,563	\$ 273,175	Resource Program
SCG3758	Program for Resource Efficiency in Private School	\$ 43,502	\$ 48,094	\$ 368,844	\$ -	\$ 460,440	\$ 416,938	Resource Program
SCG3759	On Demand Efficiency	\$ 109,220	\$ 50,848	\$ 2,398,210	\$ -	\$ 2,558,278	\$ 2,449,058	Resource Program
SCG3760	HERS Rater Training Advancement	\$ 32,221	\$ 16,862	\$ 473,396	\$ -	\$ 522,479	\$ 490,258	Resource Program
SCG3761	Multi-Family Home Tune-Up	\$ 130,883	\$ 10,429	\$ 1,517,791	\$ -	\$ 1,659,103	\$ 1,528,220	Resource Program
SCG3762	Community Language Efficiency Outreach	\$ 27,421	\$ 15,969	\$ 220,432	\$ -	\$ 263,822	\$ 236,401	Resource Program
SCG3763	Multi-Family Direct Therm Savings	\$ 201,438	\$ 95,949	\$ 1,643,690	\$ -	\$ 1,941,077	\$ 1,739,639	Resource Program
SCG3764	LivingWise	\$ 80,377	\$ 42,868	\$ 886,271	\$ -	\$ 1,009,516	\$ 929,139	Resource Program
SCG3765	Manufactured Mobile Home	\$ 216,336	\$ 118,058	\$ 2,688,482	\$ -	\$ 3,022,875	\$ 2,806,540	Resource Program
SCG3766	SaveGas	\$ 78,340	\$ 46,492	\$ 175,764	\$ -	\$ 300,596	\$ 222,257	Resource Program
SCG3768	California Sustainability Alliance	\$ 50,231	\$ 57,640	\$ 432,845	\$ -	\$ 540,716	\$ 490,485	Resource Program
SCG3769	Portfolio of the Future	\$ 42,259	\$ 5,152	\$ 443,803	\$ -	\$ 491,214	\$ 448,954	Resource Program
SCG3770	PACE Energy Savings Project	\$ 57,543	\$ 40,442	\$ 678,403	\$ -	\$ 776,388	\$ 718,845	Resource Program
SCG3771	Innovative Designs for Energy Efficiency Activities (IDEEA365)	\$ 40,374	\$ -	\$ 76,255	\$ -	\$ 116,630	\$ 76,255	Resource Program
<b>Local Programs</b>								
SCG3775	CRM	\$ 1,436,972	\$ -	\$ 9,502	\$ -	\$ 1,446,475	\$ 9,502	Non-Resource Program
SCG3784	SoCalREN - Energy Upgrade California Home Upgrade Program	\$ 217,947	\$ 62,762	\$ 161,123	\$ -	\$ 441,831	\$ 223,885	Not Applicable
SCG3785	SoCalREN - Finance	\$ 72,328	\$ 276,512	\$ 69,197	\$ -	\$ 418,037	\$ 345,708	Not Applicable
SCG3786	SoCalREN - SoCalREC	\$ 40,075	\$ 14,775	\$ 330,069	\$ -	\$ 384,919	\$ 344,844	Not Applicable
SCG3772	Evaluation Measurement & Verification	\$ -	\$ -	\$ -	\$ 407,221	\$ 407,221	\$ 407,221	Not Applicable
<b>SoCalGas Energy Efficiency Portfolio</b>		<b>\$ 8,003,355</b>	<b>\$ 4,008,299</b>	<b>\$ 40,348,743</b>	<b>\$ 407,221</b>	<b>\$ 52,767,618</b>	<b>\$ 44,764,263</b>	
Non-Resource Program Total		\$ 2,086,056	\$ 172,666	\$ 3,505,406	\$ -	\$ 5,764,129	\$ 3,678,072	
C&S Program Total		\$ 28,937	\$ 13	\$ 208,009	\$ -	\$ 236,958	\$ 208,021	
Resource Program Total		\$ 5,537,915	\$ 3,293,044	\$ 36,010,445	\$ -	\$ 44,841,405	\$ 39,303,489	

Table 2 - SoCalGas 2013 ESP1 Components

2013 Earnings		Non-Admin Expenditures	Earnings Rate					Total
Component 1	Non-Resource Program Management Fee	\$ 3,678,072	3%					\$ 110,342
Component 2	Codes & Standards Program Management Fee	\$ 208,021	12%					\$ 24,963
Component 3	Ex Ante Review Process Performance Award	\$ 39,303,489	3%	EAR Score	66.5%			\$ 784,105
Component 4	Energy Efficiency Resource Savings Performance Award	MWH	\$ -	MW	-	\$ -	MMTh	Earnings Coefficient
							27	\$ 21,331
Total	Initial 2013 ESP1 Earnings							\$ 1,498,062

Table 1 - SoCalGas 2013 Energy Efficiency Resource Savings Performance

Measure	Annual Therm Savings (Gross)	Average Net to Gross Ratio (NTG)	Average Effective Useful Life (EUL)	Lifecycle Therm Savings (Net)
<b>Deemed Measures: Preliminary Ex Ante Savings Award</b>				
2013 Basic Path 10%	73	85%	16.5	1,024
2013 Energy Star Dishwasher	33,813	55%	11.0	204,569
2013 ENERGY STAR®-QUALIFIED CLOTHES WASHERS	3,775	31%	11.0	12,873
Attic Insulation R-19	50,210	28%	20.0	281,223
Basic 10% Prescriptive (summer Special) - C29	63	85%	16.5	884
CDHW recirculation pump demand control (1093 Therms)	731,217	55%	15.0	6,032,540
CDHW recirculation pump demand control (1745 Therms)	3,490	55%	15.0	28,793
Central Gas Energy Star 92% AFUE	708	55%	20.0	7,783
Central Gas Furnace 95% AFUE	19,079	70%	20.0	267,099
Central System Gas Boiler: Space and Water Heating	5,700	55%	20.0	62,700
Central System Gas Boiler: Water Heating Only	11,250	55%	20.0	123,750
Central System Natural Gas Water Heater	20,303	23%	11.0	51,367
Com Clothes Washer 0.70, CEE Tier III MEF>=2.4, WF<=4.0	366	60%	11.0	2,413
CommercialBir-DWH-LRG>200MBtuh-Tier1-0.84TE	26,073	60%	20.0	312,873
CommercialBir-DWH-LRG>200MBtuh-Tier2-0.90TE	27,153	70%	20.0	380,142
CommercialBir-DWH-SML<=200MBtuh-Tier1-0.84EF	4,956	60%	20.0	59,472
Demand Control Recirculation Pump Gas Water Heater High Rise Building	15,941	55%	15.0	131,512
Demand Control Recirculation Pump Gas Water Heater Low Rise Building	63,027	55%	15.0	519,971
Domestic Hot Water Control	19,244	60%	15.0	173,196
Duct Test and Seal - High to Low	142,043	85%	18.0	2,173,258
EER Commercial Combination Oven-Gas <15 pan capacity	4,480	60%	12.0	32,256
EER Commercial Fryer-Gas	224,093	60%	12.0	1,613,470
EER Commercial Full-Size Convection Oven-Gas	49,266	60%	12.0	354,715
EER Commercial Gas Conveyor Oven Large	23,868	60%	12.0	171,850
EER Commercial Griddle-Gas	5,264	60%	12.0	37,901
EER Commercial Rack Oven-Gas	67,328	60%	12.0	484,762
EER Commercial Steamer-Gas	33,363	60%	12.0	240,214
Greenhouse Heat Curtain	115,123	46%	5.0	264,784
HIGH-EFFICIENCY CLOTHES WASHER, MEF>=2.4, WF<=4.0	196,178	70%	11.0	1,510,573
Infrared Film for Greenhouses	163,205	46%	5.0	375,370
LADWP 2013 Basic 10%	118	85%	16.5	1,655
Large Outdoor Pool Cover	61,323	60%	6.0	220,761
NATURAL GAS POOL HEATER >=84% TE	6,571	55%	5.0	18,071
Natural Gas Storage Water Heater Tier I (EF>= 0.62 )	7,481	23%	11.0	18,927
Natural Gas Storage Water Heater Tier II (EF>= 0.67 )	556	23%	11.0	1,407
ProcessBoiler-Steam-83%CE	44,596	60%	20.0	535,151
ProcessBoiler-Water-Tier1-85%CE	21,612	60%	20.0	259,345
ProcessBoiler-Water-Tier2-90%CE	28,207	70%	20.0	394,895
SCE 2012 Basic Path 10%	471	85%	16.5	6,606
SCE Home Upgrade 10%	208	85%	16.5	2,916
Small Outdoor Pool Cover	62,523	60%	6.0	225,084
SpaceHeatingBoilers-Steam-Large-0.83CE	907	60%	20.0	10,886
SpaceHeatingBoilers-Steam-Medium-0.83CE	1,764	60%	20.0	21,162
SpaceHeatingBoilers-Water-MediumLarge-Tier2-0.90CE	19,717	70%	20.0	276,032
SpaceHeatingBoilers-Water-Medium-Tier1-0.85CE	21,686	60%	20.0	260,235
SpaceHeatingBoilers-Water-Small-Tier1-0.84AFUE	1,455	60%	20.0	17,460
Steam Trap Replacement - Commercial/Other	12,019	68%	6.0	49,038
StorageWaterHeaters(LRG>75MBTUH)-Tier1-0.83TE	10,816	60%	15.0	97,348
StorageWaterHeaters(LRG>75MBTUH)-Tier2-0.90TE	91,277	70%	15.0	958,407
Tank Insulation - High Temperature Applic. (LF) 1 in	45,716	60%	7.0	192,008
Tank Insulation - High Temperature Applic. (LF) 2 in	26,031	60%	7.0	109,331
Tank Insulation - Low Temperature Applic. (LF) 1 in	241	60%	7.0	1,014
Tank Insulation - Low Temperature Applic. (LF) 2 in	4,903	60%	7.0	20,591
Tankless Water Heater Tier I (EF=0.82-0.89)	60,053	70%	20.0	840,745
Tankless Water Heater Tier II (EF>=0.90)	3,765	69%	20.0	52,032
TanklessWaterHeaters-Large(>200MBTUH)-Tier1-0.80TE	6,869	60%	20.0	82,430
TanklessWaterHeaters-Large(>200MBTUH)-Tier2-0.90TE	33,547	70%	20.0	469,652
TanklessWaterHeaters-Small(<=200MBTUH)-Tier1-0.80EF	25,932	60%	20.0	311,180
TanklessWaterHeaters-Small(<=200MBTUH)-Tier2-0.90EF	89,624	70%	20.0	1,254,733
Thermostatic Valve and 1.6 GPM SH	1,778	55%	10.0	9,782
Tier I tankless water heater (2012 incentive level)	2,732	55%	20.0	30,054
Tier II tankless water heater (2012 incentive level)	452	55%	20.0	4,970
W/H-Boiler Controllers = < 34 Units	95,240	55%	15.0	785,730
W/H-Boiler Controllers = > 35 Units	326,960	55%	15.0	2,697,420
Wall Blow-In R-0 to R-13 Insulation - SF	75,805	28%	20.0	424,510
Water Heating - Clothes Washer MEF= 2.0/ WF=6.0	113,553	31%	11.0	387,217
Water Heating -Commercial Pool Heater	55,052	60%	5.0	165,155
<b>Preliminary Ex Ante Deemed Measure Savings Award Total</b>	<b>3,422,212</b>	<b>58%</b>	<b>13.6</b>	<b>27,127,275</b>

Table 1 - SoCalGas 2013 Energy Efficiency Resource Savings Performance

Measure	Annual Therm Savings (Gross)	Average Net to Gross Ratio (NTG)	Average Effective Useful Life (EUL)	Lifecycle Therm Savings (Net)
<b>Deemed Measures: Ex Post Verified Savings Award</b>				
Faucet Aerator, Bathroom Sink, 1.0 gpm	50,377	63%	10.0	315,197
Faucet Aerator, Bathroom Sink, 1.5 gpm	2,933	85%	10.0	24,933
Faucet Aerator, Kitchen Sink, 1.5 gpm	205,872	64%	10.0	1,317,754
LivingWise School Energy Kit	167,059	70%	10.0	1,169,410
Low Flow Showerhead, 1.5 gpm	388,221	70%	10.0	2,717,549
Low Flow Showerhead, 1.7 gpm	24,893	85%	10.0	211,587
Purchased Second Showerhead, 1.5 gpm	1,089	55%	10.0	5,989
Water Saving Kit	1,081,685	55%	10.0	5,949,268
Pipe Insulation - Industrial - Hot Water < 1" pip e	126	60%	11.0	832
Pipe Insulation - Industrial - Hot Water >= 1" pip e	106,993	60%	11.0	706,153
Pipe Insulation - Industrial - Low pressure steam <15 psi < 1" pipe	2,957	60%	11.0	19,515
Pipe Insulation - Industrial - Low pressure steam <15 psi >= 1" pipe	7,342	60%	11.0	48,455
Pipe Insulation - Industrial - Medium Pressure steam >=15 psi < 1" pipe	26,412	60%	11.0	174,319
Pipe Insulation - Industrial - Medium pressure steam >=15 psi >= 1" pip e	261,352	60%	11.0	1,724,923
Pipe Insulation - Lg Com >=12 hr - Hot Water < 1" pipe	15,771	60%	11.0	104,087
Pipe Insulation - Lg Com >=12 hr - Hot Water >= 1" pipe	41,313	60%	11.0	272,664
Pipe Insulation - Lg Com >=12 hr - Low pressure steam <15 psi < 1" pipe	1,366	60%	11.0	9,017
Pipe Insulation - Lg Com >=12 hr - Low pressure steam <15 psi >= 1" pipe	4,750	60%	11.0	31,351
Pipe Insulation - Lg Com >=12 hr - Medium Pressure steam >=15 psi < 1" pipe	480	60%	11.0	3,168
Pipe Insulation - Lg Com >=12 hr - Medium pressure steam >=15 psi >= 1" pipe	138,768	60%	11.0	915,869
Pipe Insulation - Sm Com <12 hr - Hot Water < 1" pipe	20	60%	11.0	131
Pipe Insulation - Sm Com <12 hr - Hot Water >= 1" pipe	1,127	60%	11.0	7,438
Pipe Insulation - Sm Com <12 hr - Medium Pressure steam >=15 psi < 1" pipe	3,231	60%	11.0	21,323
Pipe Insulation - Sm Com <12 hr - Medium pressure steam >=15 psi >= 1" pipe	3,928	60%	11.0	25,927
<b>Ex Post Verified Deemed Measure Savings Award Total</b>	<b>2,538,063</b>	<b>61%</b>	<b>10.2</b>	<b>16,776,857</b>
<b>Custom Measures: Ex Post Verified Savings Award</b>				
SCG3757 - Small Industrial Facility Upgrades Custom Measures	183,986	50%	12.5	1,152,950
SCG3719 - Agricultural Calculated Incentives Custom Measures	321,516	54%	8.5	1,489,503
SCG3705 - Energy Upgrade California Home Upgrade Program Custom Measures	121,109	85%	16.5	1,698,551
SCG3707 - Residential New Construction Custom Measures	220,248	55%	16.5	1,998,754
SCG3710 - Commercial Calculated Incentives Custom Measures	1,240,889	50%	12.9	7,974,842
SCG3715 - Industrial Calculated Incentives Custom Measures	11,462,880	50%	13.0	75,353,035
<b>Ex Post Verified Custom Measure Savings Award Total</b>	<b>13,550,627</b>	<b>51%</b>	<b>13.0</b>	<b>89,667,635</b>
<b>SoCalGas 2013 Energy Efficiency Resource Savings Performance Total</b>	<b>19,510,902</b>	<b>53%</b>	<b>12.8</b>	<b>132,571,767</b>

**ATTACHMENT C**

**Advice No. 4661**

**Summary of Present and Proposed Rates**

**TABLE 1**  
**Natural Gas Transportation Rate Revenues**  
**Southern California Gas Company**  
**January 2014 Rates**

1/1/2014 RD Model for AL4661 v6-30-2014

	Present Rates			Proposed Rates			Changes			
	Jan-1-14	Proposed	Jan-1-14	Jan-1-14	Proposed	Jan-1-14	Revenue	Rate	% Rate	
	Volumes	Rate	Revenues	Volumes	Rate	Revenues	Change	Change	change	
	Mth	\$/therm	\$000's	Mth	\$/therm	\$000's	\$000's	\$/therm	%	
	A	B	C	D	E	F	G	H	I	
1	<b>CORE</b>									
2	Residential	2,483,989	\$0.61537	\$1,528,573	2,483,989	\$0.61715	\$1,532,994	\$4,420	\$0.00178	0.3%
3	Commercial & Industrial	970,519	\$0.32356	\$314,017	970,519	\$0.32461	\$315,043	\$1,027	\$0.00106	0.3%
4										
5	NGV - Pre SempraWide	117,231	\$0.10094	\$11,834	117,231	\$0.10119	\$11,863	\$29	\$0.00025	0.2%
6	SempraWide Adjustment	117,231	(\$0.00512)	(\$600)	117,231	(\$0.00514)	(\$603)	(\$3)	(\$0.00003)	0.5%
7	NGV - Post SempraWide	117,231	\$0.09583	\$11,234	117,231	\$0.09605	\$11,260	\$26	\$0.00022	0.2%
8										
9	Gas A/C	1,210	\$0.09350	\$113	1,210	\$0.09372	\$113	\$0	\$0.00023	0.2%
10	Gas Engine	18,080	\$0.11605	\$2,098	18,080	\$0.11634	\$2,104	\$5	\$0.00030	0.3%
11	<b>Total Core</b>	<b>3,591,030</b>	<b>\$0.51685</b>	<b>\$1,856,035</b>	<b>3,591,030</b>	<b>\$0.51838</b>	<b>\$1,861,514</b>	<b>\$5,479</b>	<b>\$0.00153</b>	<b>0.3%</b>
12										
13	<b>NONCORE COMMERCIAL &amp; INDUSTRIAL</b>									
14	Distribution Level Service	982,465	\$0.07628	\$74,940	982,465	\$0.07649	\$75,153	\$214	\$0.00022	0.3%
15	Transmission Level Service (2)	457,697	\$0.02055	\$9,407	457,697	\$0.02060	\$9,428	\$21	\$0.00005	0.2%
16	Total Noncore C&I	<b>1,440,163</b>	<b>\$0.05857</b>	<b>\$84,347</b>	<b>1,440,163</b>	<b>\$0.05873</b>	<b>\$84,581</b>	<b>\$234</b>	<b>\$0.00016</b>	<b>0.3%</b>
17										
18	<b>NONCORE ELECTRIC GENERATION</b>									
19	Distribution Level Service									
20	Pre SempraWide	353,995	\$0.03460	\$12,250	353,995	\$0.03470	\$12,283	\$33	\$0.00009	0.3%
21	SempraWide Adjustment	353,995	(\$0.00553)	(\$1,956)	353,995	(\$0.00555)	(\$1,964)	(\$8)	(\$0.00002)	0.4%
22	Distribution Level Post SempraWide	353,995	\$0.02908	\$10,293	353,995	\$0.02915	\$10,318	\$25	\$0.00007	0.2%
23	Transmission Level Service (2)	2,472,969	\$0.01920	\$47,492	2,472,969	\$0.01925	\$47,604	\$112	\$0.00005	0.2%
24	<b>Total Electric Generation</b>	<b>2,826,964</b>	<b>\$0.02044</b>	<b>\$57,785</b>	<b>2,826,964</b>	<b>\$0.02049</b>	<b>\$57,923</b>	<b>\$137</b>	<b>\$0.00005</b>	<b>0.2%</b>
25										
26	<b>TOTAL RETAIL NONCORE</b>	<b>4,267,127</b>	<b>\$0.03331</b>	<b>\$142,132</b>	<b>4,267,127</b>	<b>\$0.03340</b>	<b>\$142,504</b>	<b>\$371</b>	<b>\$0.00009</b>	<b>0.3%</b>
27										
28	<b>WHOLESALE &amp; INTERNATIONAL</b>									
29	Wholesale Long Beach (2)	117,093	\$0.01910	\$2,237	117,093	\$0.01915	\$2,242	\$5	\$0.00005	0.2%
30	SDGE Wholesale	1,230,285	\$0.01196	\$14,715	1,230,285	\$0.01198	\$14,745	\$30	\$0.00002	0.2%
31	Wholesale SWG (2)	81,737	\$0.01910	\$1,561	81,737	\$0.01915	\$1,565	\$4	\$0.00005	0.2%
32	Wholesale Vernon (2)	116,135	\$0.01910	\$2,218	116,135	\$0.01915	\$2,224	\$5	\$0.00005	0.2%
33	International (2)	53,990	\$0.01910	\$1,031	53,990	\$0.01915	\$1,034	\$2	\$0.00005	0.2%
34	<b>Total Wholesale &amp; International &amp; SDGE</b>	<b>1,599,240</b>	<b>\$0.01361</b>	<b>\$21,763</b>	<b>1,599,240</b>	<b>\$0.01364</b>	<b>\$21,809</b>	<b>\$47</b>	<b>\$0.00003</b>	<b>0.2%</b>
35										
36	<b>TOTAL NONCORE</b>	<b>5,866,366</b>	<b>\$0.02794</b>	<b>\$163,895</b>	<b>5,866,366</b>	<b>\$0.02801</b>	<b>\$164,313</b>	<b>\$418</b>	<b>\$0.00007</b>	<b>0.3%</b>
37										
38	Unbundled Storage			\$30,516			\$30,516	\$0		
39										
40	<b>Total (excluding BTS)</b>	<b>9,457,396</b>	<b>\$0.21681</b>	<b>\$2,050,446</b>	<b>9,457,396</b>	<b>\$0.21743</b>	<b>\$2,056,343</b>	<b>\$5,897</b>	<b>\$0.00062</b>	<b>0.3%</b>
41										
42	BTS Amount (3)	2,924	\$0.14233	\$151,880	2,924	\$0.14233	\$151,880	\$0	\$0.00000	0.0%
43	<b>SYSTEM TOTAL w/ SL, FAR, TLS, SW</b>	<b>9,457,396</b>	<b>\$0.23287</b>	<b>\$2,202,326</b>	<b>9,457,396</b>	<b>\$0.23349</b>	<b>\$2,208,223</b>	<b>\$5,897</b>	<b>\$0.00062</b>	<b>0.3%</b>
44										
45	EOR Revenues	156,187	\$0.02427	\$3,790	156,187	\$0.02433	\$3,799	\$9	\$0.00006	0.2%
46	<b>Total Throughput w/ EOR Mth/yr</b>	<b>9,613,583</b>			<b>9,613,583</b>					