BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Gas Company (U904G) for Authority to Increase its Gas Revenue Requirements to Reflect its Accomplishments for Demand-Side Management Program Years 1995 and 1997, Energy Efficiency Program Year 1999, and Low-Income Program Years 1998 and 1999 in the 2000 Annual Earnings Assessment Proceeding ("AEAP"))	Application 00-05-002

APPLICATION

OF

SOUTHERN CALIFORNIA GAS COMPANY

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May 1, 2000

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APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY

Southern California Gas Company ("SoCalGas") hereby initiates its 2000 Annual Earnings Assessment Proceeding ("AEAP") pursuant to the "Protocols and Procedures For the Verification of Costs, Benefits, and Shareholder Earnings From Demand-Side Management Programs" ("Protocols"),[1/] pursuant to Resolutions E-3578 and E-3592 addressing Energy Efficiency ("EE") Program Year 1999 ("PY99") efforts, and pursuant to the Case Management Statement of the Office of Ratepayer Advocates ("ORA"), Pacific Gas and Electric Company ("PG&E"), San Diego Gas and Electric Company ("SDG&E"), Southern California Edison Company ("SCE"), SoCalGas, and Residential Energy Efficiency Clearing House, Inc. filed on November 2, 1999 and identified as Exhibit 35 ("1999 AEAP Case Management Statement") for the PY98 Low-Income Energy Efficiency ("LIEE") earnings claim.[2/] By this AEAP application, SoCalGas respectfully requests authority from the California Public Utilities Commission ("Commission") to increase its gas revenue requirements for service rendered on and

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1/ Adopted by California Public Utilities Commission Decision 93-05-063; revised in January 1997 pursuant to Decisions 94-05-063, 94-10-059, 94-12-021, 95-12-054, and 96-12-079.

2/ Decision 99-03-056 – Conclusion of Law 5 and Ordering Paragraph 10.

after January 1, 2001, in order to permit SoCalGas to recover: (1) its total gas incentives claim for performance of 1999 energy efficiency programs, (2) its first incentives claims for performance of its 1999 LIEE program and second incentives claim for performance of its 1998 LIEE program, (3) its first earnings claim for performance of 1997 Demand-Side Management ("DSM") programs that were committed in 1997 and paid out in 1999, (4) its second earnings claim for performance of its 1997 DSM programs that were committed in 1997 and paid out in 1998, and (5) its third earnings claim for performance of its 1995 DSM programs.

I.

OVERVIEW OF CLAIMS

SoCalGas' PY99 energy efficiency incentive claim is $2,805,359, plus interest, franchise fees, and uncollectibles. SoCalGas requests that the recovery of the adopted incentive be collected in one year and therefore seeks approval of a change in rates effective January 1, 2001.

SoCalGas' PY98 LIEE lifecycle incentive claim is $216,304. SoCalGas' second earnings claim for the PY98 program is $108,152 (50% of the lifecycle incentive), plus interest from July 1, 1999, franchise fees, and uncollectibles. Decision 98-06-063 ("Order Modifying Resolution E-3515"), Ordering Paragraph 6, states that the existing incentive mechanism should continue to apply for low-income programs. As such, SoCalGas applied the calculation methodology adopted for the low-income program in D. 94-10-059 ("Interim Opinion on DSM Shareholder Incentives") to determine the amount of incentive excluding interest, franchise fees, and uncollectibles. The recovery of the low-income incentive claim for PY98, and as described in the 1999 AEAP Case Management Statement, establishes the collection of the first 50% of the lifecycle claim upon approval of the 1999 AEAP and the second 50% to be authorized in the 2000 AEAP upon completion of a statewide first-year load impact evaluation of the PY98 LIEE Program.

SoCalGas' PY99 LIEE lifecycle incentive claim is $205,031. SoCalGas is filing its claim consistent with the PY98 LIEE earnings collection schedule. Therefore, SoCalGas' first earnings claim for the PY99 LIEE program in this AEAP is $102,515. SoCalGas will file for the second 50% of its PY99 LIEE incentive in the 2001 AEAP.

Set forth in Appendix A hereto is SoCalGas' earnings claim summary for PY98 and PY99 LIEE earnings.

SoCalGas' PY97 first earnings claim for Energy Edge program projects committed in 1997 and completed in 1999 is $36,485 plus interest, franchise fees, and uncollectibles. This represents 25% of $145,940, which is the total estimated lifecycle shareholder incentive earnings generated by SoCalGas' performance of this program. This first earnings claim for SoCalGas' 1997 DSM programs is 25% of SoCalGas' share of the projected savings from this DSM program. Set forth in Appendix B hereto is SoCalGas' first earnings claim summary (Tables E-1, E-2, and E-3) for PY97 earnings.

SoCalGas' PY97 second earnings claim is $347,659 for the Energy Edge program projects committed in 1997 and completed in 1998, plus interest, franchise fees, and uncollectibles. The revised total estimated lifecycle shareholder incentive earnings for SoCalGas' 1997 Energy Edge program in this claim, as stipulated to in the 1999 AEAP, A.99-05-002, etc., is $1,390,636. This PY97 second earnings claim is the difference between 50% of the revised lifecycle shareholder incentive earnings for the 1997 Energy Edge program and the first earnings claim made in the 1999 AEAP for 1997 DSM programs (not including the Energy Edge program claim discussed above for projects completed in 1999). Set forth in Appendix C hereto is SoCalGas' second earnings claim summary (Tables E-1, E-2, and E-3) for PY97 earnings.

SoCalGas' PY95 third earnings claim is $869,792 plus interest, franchise fees, and uncollectibles. This PY95 third earnings claim is the difference between 75% of the lifecycle shareholder incentive earnings for 1995 DSM programs and the sum of previous earnings claims for 1995 DSM programs. Set forth in Appendix D hereto is SoCalGas' earnings claim summary (Tables E-1, E-2, and E-3) for PY95 earnings.

II.
BACKGROUND

The purpose of this annual AEAP filing is to provide Commission review of: (1) earnings claims from prior years' energy efficiency and DSM programs, 1998 LIEE programs, and 1999 EE and LIEE programs, and (2) modifications, if necessary, to the adopted M&E Protocols (as may be proposed by the California Demand Side Management Advisory Committee ("CADMAC")). This AEAP specifically addresses SoCalGas' energy efficiency and low-income claim for PY99 incentives, SoCalGas' second incentives claim associated with the PY98 LIEE program, SoCalGas' first earnings claim for PY97 earnings for projects installed and completed in 1999, SoCalGas' second earnings claim for PY97 earnings for projects installed and completed in 1998, and SoCalGas' third earnings claim for PY95 earnings.

A. PY99 ENERGY EFFICIENCY PROGRAMS

For SoCalGas' PY99 energy efficiency programs, SoCalGas filed Advice No. ("AL") 2760-G requesting approval of its 1999 energy efficiency program plans, budgets, and performance incentive award mechanism on November 16, 1998, as required by the Assigned Commissioner's Ruling in Rulemaking 98-07-037 dated September 23, 1998. In order to avoid any disruption in program delivery due to the potential delay in the approval of its proposed PY99 programs, SoCalGas filed AL 2766-G, which requested authorization to continue in 1999 the Residential New Construction program and continue program planning and design activities for the 1999 programs. Resolution E-3581, issued December 17, 1998, granted authorization to undertake these activities through the end of February 1999.

On December 17 and 21, 1998, the California Board for Energy Efficiency ("CBEE") filed preliminary and final recommendations and comments on its review of the utilities advice letters on their PY99 energy efficiency program proposals. Subsequently, the utilities submitted comments in response to the CBEE's comments and provided an alternate performance incentive award mechanism on January 13, 1999.

On February 18, 1999, the Commission issued Resolution E-3589 authorizing month-to-month funding and program delivery, and permitted pre-implementation tasks necessary for timely deployment of the 1999 programs.

SoCalGas' AL 2760-G-A. PY99 program area budget and revised program budget and January 13, 1999 alternative performance incentive award mechanism for PY99 energy efficiency programs was authorized by Resolution E-3578 issued on March 18, 1999. In addition, the resolution adopted uncontested Policy Rule changes as Interim, and also ordered the utilities to file supplemental advice letters providing additional details on the program descriptions by March 25, 1999. Resolution E-3592, issued on April 1, 1999, adopted the final PY99 utility programs, including plans, budgets, and incentive mechanisms. Furthermore, it adopted other changes to the Policy Rules. A letter from the Energy Division dated June 7, 1999 informed the utilities that the supplemental advice letters were considered compliant with Resolution E-3592, with an effective date of June 14, 1999. The resolution, however, did not authorize the market assessment and evaluation ("MA&E") expenditures until the utilities filed additional information on the MA&E activities. SoCalGas filed AL 2760-G-B on May 3, 1999. A letter from the Energy Division dated June 7, 1999 informed the utilities that the supplemental advice letters were considered compliant with Resolution E-3592, with an effective date of June 14, 1999.

B. PY99 and PY98 LOW-INCOME ENERGY EFFICIENCY PROGRAMS

Decision 98-06-063 ("Order Modifying Resolution E-3515") Ordering Paragraph 6 states that the existing incentive mechanism should continue to apply to low-income energy efficiency programs. As such, SoCalGas applied the calculation methodology adopted for the low-income energy efficiency program in D. 94-10-059 ("Interim Opinion on DSM Shareholder Incentives") to determine the amount of incentive excluding interest, franchise fees, and uncollectibles. The recovery of the low-income energy efficiency incentive claim for PY98 and as described in the 1999 AEAP Case Management Statement establishes, upon approval of the 1999 AEAP, the collection of the first 50% of the lifecycle claim and the second 50% to be authorized in the 2000 AEAP upon completion of a statewide first-year load impact evaluation of the PY98 LIEE program.

SoCalGas is filing its claim for its PY99 LIEE program consistent with the PY98 LIEE earnings collection schedule. SoCalGas will file for the second half of its PY99 LIEE incentives in the 2001 AEAP.

C. PRE-1998 PROGRAMS

For programs prior to 1998, AEAP applications to claim and recover earnings from prior years' programs are governed specifically by Section I.C. of the Protocols (page 8) and Appendix C of the Protocols. SoCalGas' shareholder earnings claims for prior year programs must be formally linked with Chapter VIII of SoCalGas' Demand-Side Management and Energy Efficiency Programs Annual Report and Technical Appendix ("Annual Report"). The current Annual Report is included with this Application as Exhibit SoCalGas-2. A preliminary Chapter VIII was provided to ORA, as a separate document, on April 17, 2000. The final Chapter VIII, which identifies and documents the shareholder earnings currently claimed from SoCalGas' performance of its 1995 and 1997 DSM programs, is contained in Exhibit SoCalGas-2.

In D. 94-10-059 ("Interim Opinion on DSM Shareholder Incentives for Program Years 1995 through 1997"), the Commission adopted a new shareholder incentive mechanism for SoCalGas. Under this shared savings mechanism, shareholders earn at a fixed rate of 30% of a performance earnings basis that is based on net resource benefits with no cap, for both Residential and Nonresidential Portfolios, after meeting the 75% minimum performance standards (for the first earnings claim only). Additionally, there is a cost-effectiveness guarantee that requires shareholders to compensate ratepayers for 100% of any losses in resource benefits. This must be done on a portfolio basis across the four earnings claims. For those DSM programs that provide services where savings are difficult to quantify or that serve equity goals, a performance adder mechanism was adopted. This mechanism essentially allows the four major California investor-owned utilities ("Utilities") to earn 5% of expenditures once a minimum performance standard is achieved.

III.

SUMMARY OF PERFORMANCE FOR PY99 AND 98 PROGRAMS

A. PY99 EARNINGS

SoCalGas' 1999 non-low-income energy efficiency program performance under the adopted incentive mechanism produced an earnings claim of $2,805,395. Appendix A contains SoCalGas' PY99 incentives claim summary (Tables E-1, E-2, E-3, and E-4). The 1999 incentive performance award mechanism is comprised of four categories, namely: Base Award, Administrative and Program Processes, Market Changes/Effects, and Aggressive Implementation. Failure to achieve an award in any single category did not preclude the achievement of awards in any of the remaining categories. Two levels of effort (*i.e.*, milestones) within each category and corresponding incentive amounts were established and approved by the Commission in Resolution E-3578. Failure to meet the level 1 milestones resulted in the default to level 2 milestones and corresponding incentive levels. The maximum total award resulting from SoCalGas' 1999 non-low-income energy efficiency programs was capped at $2,991,000. The proposed incentive claim associated with 1999 efforts is $2,805,395, which is categorized as follows:

- Base Award – Milestones in this category focused on the timing of the roll-out of programs, particularly statewide efforts. SoCalGas achieved ten of ten first level milestones, earning $957,000.
- Program Processes Award – Milestones in this category focused on performance in processing program activities and results achieved in certain programs. SoCalGas achieved eight of nine first level milestones, earning $957,000.
- Market Changes/Effects Award – Milestones in this category focused on the achievement of measure targets. To achieve a first tier award, 100% of the measure target must have been met, and to achieve a second tier award – 70% to 99% of the measure target must have been met. In 1999, SoCalGas achieved two of the first tier awards (Residential Upstream Appliances – Water Heaters and Statewide Residential Upstream Appliances – Clothes Washers) earning $239,500. None of the second tier awards were met. Therefore, total awards under the Market Changes/Effects Award Category are $239,500.
- Aggressive Implementation Award – This category could be achieved only after spending/committing 70% of the budget within a program area during 1999. The amount of award would increase linearly to the maximum level set at the 90% spending/commitment target. Program area awards would be reduced by 10% for each program (within the program area) that is less than 50% of the authorized budget. In 1999, all programs within each program

area met the spending threshold of 50%, which results in a total of $651,894 in incentives.

SoCalGas' award for the LIEE program is a total of $205,031. SoCalGas proposes to collect the PY99 LIEE earnings in two earnings claims: 50% of the $205,031, or $102,515, to be authorized by the 2000 AEAP for collection in rates in 2001; and the remaining 50% to be authorized in the 2001 AEAP for collection in rates in 2002. This two-year collection period is consistent with the "Joint Recommendation On The Program Year 2000 Low-Income Energy Efficiency Shareholder Incentive Mechanism" submitted on November 10, 1999.[3] Therefore, the total PY99 LIEE earnings amount requested by SoCalGas in the first claim is $108,847, including interest from July 1, 2000 through December 2001 and franchise fees and uncollectibles.

B. PY98 EARNINGS

The 1999 AEAP Case Management Statement describes the agreement of the parties regarding the collection of the PY98 LIEE incentives. Based on the agreement, PY98 Utility shareholder incentives would be collected in two installments: 50% to be authorized by the 1999 AEAP for collection in rates in 2000; and the remaining 50% to be authorized after the completion of the PY98 first year statewide load impact evaluation and submitted in the 2000 AEAP for collection in rates in 2001. SoCalGas jointly filed with PG&E, SCE, and SDG&E the first-year load impact evaluation of the PY98 LIEE program on April 17, 2000.

Therefore, consistent with the 1999 AEAP Case Management Statement, SoCalGas' second earnings claim for the PY98 LIEE program is $126,231, including interest from July 1, 1999 through December 2000, franchise fees and uncollectibles.

[3] Exhibit 66 in Phase 2 of the 1999 AEAP.

IV.

SUMMARY OF PERFORMANCE FOR PY97 AND PY94 PROGRAMS

A. PY97 EARNINGS FOR PROJECTS INSTALLED IN 1999 (FIRST EARNINGS CLAIM)

All of SoCalGas' DSM programs for 1997 were terminated before the end of calendar year 1997, except for the Energy Edge program and the Residential Pilot Bidding program. The Energy Edge program involved some contracts that were entered into in 1997 under PY97 program rules, but that were installed in 1999. This program is therefore eligible for earnings under the PY97 earnings mechanism pursuant to Decision 94-10-059, entitled "Interim Opinion on DSM Shareholder Incentives: Implementation Phase." SoCalGas' first year earnings claim for the PY97 program is subject to the shared savings incentive mechanism. Under this mechanism, earnings are calculated at 30% of a performance earnings basis. The performance earnings basis for this mechanism is defined as two-thirds of the Total Resource Cost net benefits plus one-third of the Utility Cost net benefits.

SoCalGas' 1997 Energy Edge program performance under the adopted incentive mechanism produced a projected lifecycle earnings of $145,940. The first earnings claim of $36,485 represents the first installment (25%) of the projected lifecycle earnings for PY97 projects committed in 1997 and completed in 1999.

B. PY97 EARNINGS (SECOND EARNINGS CLAIM)

SoCalGas' second earnings claim for its 1997 projects committed in 1997 and completed in 1998 for the Energy Edge program is $347,659, which represents 50% of the new revised total projected lifecycle shareholder earnings of $1,391,000 for its 1997 DSM programs, less the first earnings claim for PY97. The revised total projected lifecycle shareholder earnings are based upon the stipulation in the 1999 AEAP, A.99-05-002, etc.

In this application, SoCalGas is deferring its request for the second earnings claim for its Residential Pilot Bidding program. Due to a delay in the receipt of information from the program's contractor, a review of the information and resolution of issues could not be completed in time for this AEAP filing. SoCalGas will therefore submit its respective earnings claim in the 2001 AEAP or include it in the appropriate AEAP consistent with the earnings distribution schedule for third earnings claims.

C. PY95 EARNINGS (THIRD EARNINGS CLAIM)

SoCalGas' third earnings claim for its 1995 DSM programs is $869,792, which represents 75% of the total projected lifecycle shareholder earnings of $3,479,000 for its 1995 DSM programs, less the sum of the previous earnings claims for PY95.

V.

ESTIMATED ANNUAL REVENUE REQUIREMENT CHANGES AND PROPOSED RATE CHANGES

Amortization of the total earnings claim for PY95, PY97, PY98, and PY99 earnings of $4,787,041 (which includes applicable interest from July 1, 1995 on PY95 earnings, from July 1, 1997 on PY97 earnings, from July 1, 1998 on PY97 earnings in 1998, from July 1, 1998 on PY98 earnings, and from July 1, 1999 on PY99 earnings, plus franchise fees and uncollectibles) will produce an equivalent annual base rate revenue requirement increase, over the current authorized base rate revenue requirements, of $4,787,041. The foregoing proposed annual revenue requirement changes (*i.e.*, changes to the authorized margin) are requested to take effect on January 1, 2001.

The increases proposed in this application are based solely on the DSM incentive mechanisms described in this application and in Exhibits SoCalGas-1A, SoCalGas-1B, and SoCalGas-1C. The total authorized level of revenue requirements for 2001 will also depend upon the Commission's decisions on other SoCalGas applications.

The proposed revenue requirement increases for each customer classification are identified in the following table:

ESTIMATED REVENUE REQUIREMENT INCREASE EFFECTIVE JANUARY 1, 2001

Customer Class	Proposed Revenue Requirement Increase ($000)	(%)
GAS CORE		
Residential	$3491	0.22%
Commercial	$969	0.27%
Transportation	$327	0.39%
GAS NONCORE		
Commercial/Industrial	0	0%
Cogeneration	0	0%
UEG	0	0%
Total Gas	$4787	0.21%

Statements of SoCalGas' present rates and the proposed rates necessary to recover the requested revenue requirement increases on an annual basis (with an assumed effective date of January 1, 2001), are included herewith as Appendix F. SoCalGas requests that the gas distribution revenue requirement increases become effective in early 2001.

The proposed base rate revenue requirement change in Appendix F has been allocated on the basis of an equal percentage of gas margin across each customer class.

SoCalGas therefore requests that the gas revenue requirement increases become effective in early 2001 at the time of other changes then being proposed.

VI.

STATUTORY AND PROCEDURAL REQUIREMENTS

A. SCOPING ISSUES – RULE 6

Commission Rule 6(a) (1) requires SoCalGas to state in this application "the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule." SoCalGas proposes to categorize this application as a ratesetting proceeding. SoCalGas does not believe hearings will be necessary. The issues to be considered are (1) whether SoCalGas' claims for earnings requested herein should be approved and (2) whether modifications to the Protocols (as may be proposed by CADMAC) should be approved. If hearings are necessary, this application can proceed according to the schedule proposed in Appendix E.

B. STATUTORY AUTHORITY - RULE 15

This application is made pursuant to Sections 451, 454, 491, 701, 728, and 729 of the Public Utilities Code of the State of California, the Commission's Rules of Practice and Procedure, and prior decisions, orders, and resolutions of this Commission.

C. LEGAL NAME AND CORRESPONDENCE - RULES 15(A) AND 15(B)

The exact name of the applicant is Southern California Gas Company. SoCalGas is a corporation organized under the laws of the State of California. It is a gas corporation subject to the jurisdiction of this Commission, engaged in the business of providing public utility gas service in southern and central California. SoCalGas' principal place of business is 555 West Fifth Street, Los Angeles, California 90013-1011. Its telephone number is 213-244-2955. Its attorney in this matter is Judith L. Young.

Correspondence or communications regarding this application should be addressed to:

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D. ARTICLES OF INCORPORATION - RULE 16

A certified copy of SoCalGas' Articles of Incorporation, as last amended, is currently on file with the Commission.

E. FINANCIAL STATEMENT, BALANCE SHEET, AND INCOME STATEMENT - RULE 23(A)

SoCalGas' Financial Statement and Balance Sheet as of December 31, 1999, and Income Statement for the period ended December 31, 1999 are attached to this application as Appendix G.

F. PRESENT AND PROPOSED RATES - RULE 23(B) AND 23(C)

A statement of SoCalGas' currently effective and proposed rates for gas service is set forth in Appendix F. SoCalGas' current rates and charges for gas service are contained in its gas tariffs and schedules on file with the Commission. These tariffs and schedules are filed with, and made effective by, the Commission in its decision, orders, resolutions, and approvals of advice letter filings made pursuant to Commission General Order 96-A.

G. DESCRIPTION OF PROPERTY AND EQUIPMENT - RULE 23(D)

A general description of SoCalGas' property and equipment was previously filed with the Commission in connection with SoCalGas' Application No. 96-03-053 and is incorporated herein by reference. A statement of account of the original cost and depreciation reserve attributable thereto is attached to this application as Appendix H.

H. SUMMARY OF REVENUE CHANGES - RULE 23(E)

A summary of revenue changes, as proposed herein, is attached to this application as Appendix I.

I. INDEX TO APPENDICES AND EXHIBITS TO THIS APPLICATION - RULE 23(G)

SoCalGas' submission in support of this application includes the following, which are incorporated herein by reference.

Appendices to Application:

Appendix A	PY98 Earnings Claim Summary Tables
Appendix B	PY98 Second Earnings Claim Summary Tables
Appendix C	PY97 First Earnings Claim Summary Tables for 1998 Installations
Appendix D	PY97 Second Earnings Claim Summary Tables
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Appendix I	Summary of Revenue Changes

Appendix J	Proxy Statement
Appendix K	Service List of City, County, and State Officials
Appendix L	Service List of Potential Parties

Exhibits to Application:

SoCalGas-1A	Testimony of Southern California Gas Company for Program Years 1995-97 Earnings
SoCalGas-1B	Testimony of Southern California Gas Company for Program Year 1999 Energy Efficiency Earnings
SoCalGas-1C	Testimony of Southern California Gas Company for Program Years 1999 and 1998 Low Income Earnings
SoCalGas-2	SoCalGas' Demand-Side Management and Energy Efficiency Programs Annual Report and Technical Appendix, May 2000 ("Annual Report")

J. DEPRECIATION - RULE 23(H)

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)

A copy of SoCalGas' latest Proxy Statement sent to its shareholders dated March 22, 2000 is included herein as Appendix J.

L. STATEMENT PURSUANT TO RULE 23(L)

The increase sought in this application does not reflect and pass through to customers only increased costs to SoCalGas for the services or commodities furnished by it.

M. SERVICE OF NOTICE - RULE 24

A list of the cities and counties affected by the rate changes resulting from this application is attached as Appendix K. The State of California is also a customer of SoCalGas whose rates would be affected by the proposed revisions. As provided in Rule 24, a notice describing in general terms the proposed revenue increases and rate changes will be mailed to the officials identified in Appendix K. The notice will state that a copy of this application and related attachments will be furnished by SoCalGas upon written request.

Within ten days following the filing of this application, SoCalGas will publish at least once in a newspaper of general circulation in each county in which the changes proposed here will become effective, a notice, in general terms, of the changes proposed in this application. This notice will state that a copy of this application and related attachments may be examined at the Commission's offices and such offices of SoCalGas as are specified in its notice. A similar notice will be included in the regular bills mailed to all customers within 45 days of the filing date of this application.

SoCalGas will serve a copy of this application and related Exhibits on all parties of record to the 1999 AEAP proceeding (A.99-05-002, etc.) and to members of the Low-Income Advisory Board. SoCalGas will mail a Notice of Availability of this application and related exhibits to all parties of record in Rulemaking (R.) 98-07-037. The service lists for A.99-05-002, etc., and R. 98-07-037, identifying potentially interested parties, is attached as Appendix L to this application.

VII.
CONCLUSION

SoCalGas respectfully requests the Commission order the proposed revenue requirement (margin) increases and other relief requested herein become effective January 1, 2001, and issue its decision:

1) Finding that under the energy efficiency performance incentive mechanism in effect for the 1999 programs, SoCalGas' total earnings claim for PY99 is $2,805,395 plus interest, franchise fees, and uncollectibles and this amount is to be collected in one year; finding that under the DSM shareholder incentive mechanisms in effect for the 1997 programs, SoCalGas' first earnings claim for 1997 DSM programs is $36,485, and the second earnings claim for SoCalGas' 1997 DSM programs is $347,659 plus interest, franchise fees, and uncollectibles, and finding that under the DSM shareholder incentive mechanisms in effect for the 1995 programs, SoCalGas' third earnings claim for 1995 DSM programs is $869,792 plus interest, franchise fees, and uncollectibles; finding that SoCalGas' PY99 LIEE first incentive claim is $102,515, plus interest, franchise fees and uncollectibles; and finding that SoCalGas' PY98 LIEE second earnings claim is $108,152, plus interest, franchise fees and uncollectibles;

2) Authorizing and granting authority to SoCalGas to increase its authorized gas base rate revenue requirements by $4,787,041 effective January 1, 2001;

3) Ordering that the increases in gas rates proposed in this application be made effective for service rendered on and after January 1, 2001;

4) Approving the modifications to the Protocols, if any, proposed by CADMAC; and

5) Granting such other, further, or different relief which this Commission finds to be just and reasonable.

Dated this 1st day of May 2000.

Respectfully submitted,

SOUTHERN CALIFORNIA GAS COMPANY

Richard M. Morrow

Richard M. Morrow
Vice President - Customer Services & Marketing

Judith L. Young

Judith L. Young
Attorney for
Southern California Gas Company

VERIFICATION

I am an officer of the applicant corporation herein and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

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

Executed on May 1, 2000, at Los Angeles, California.

Richard M. Morrow

Richard M. Morrow
Vice President - Customer Services &
Marketing

CERTIFICATE OF MAILING

(NOTICE OF MAILING)

I hereby certify that in compliance with Rule 24 of the Commission's Rules of Practice and Procedures, within ten days after the filing of this "Application" with the Commission, I will cause a notice of the proposed changes in revenues and rates to be mailed to the cities and counties on the attached list.

By: Jan Szabo ______________________ Date: May 1, 2000

Jan Szabo

CERTIFICATE OF SERVICE

I hereby certify that a copy of the **APPLICATION OF SOUTHERN CALIFORNIA GAS COMPANY (U 904G)** has been sent to all parties of record in the 1999 AEAP (A.99-05-002, etc.) and to members of the Low Income Advisory Board, properly stamped and addressed. I have also sent a Notice of Availability of this Application to all parties of record in Rulemaking 98-07-037, properly stamped and addressed.

By: Jan Szabo

Jan Szabo

Date: May 1, 2000

ATTACHMENT A
SHAREHOLDER ADMINISTRATIVE PERFORMANCE INCENTIVES FOR PY99
(Natural Gas)
($000)

Milestone Mechanism	Earnings
Base	957
Process	957
Market Effects	240
Aggressive Implementation	652
Total	2,805

CAP	**2,991**
Total After Imposing Cap:	**2,805**

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

	SHARED SAVINGS PROGRAMS												
	Retrofit Energy Efficiency Incentive Programs						New Construction Programs			Portfolio			Total
	RWRI	RAEI	CEEI	IEEI	AEEI	Total	Res	Nonres	Total	Res	Nonres	Total	w/MC
FORECAST													
Costs and Benefits For Earnings (000's $)													
1 Measurement Costs													
2 Administration													
3 Program Incentives													
4 Program Costs													
8 Incremental Measure Costs, net (IMCn)													
9 Resource Benefits, net (RBn)													
Target Earnings (000's $)													
16 Target Earnings Rate (TER) (%)		30%	30%			30%				30%	30%	30%	30%
17 Performance Earnings Basis, at target (PEBt)													
18 Target Earnings													
TRC BCR, with Earnings													
UC BCR, with Earnings													-
RECORDED - FIRST EARNINGS CLAIM (1995 AEAP)													
Costs and Benefits For Earnings (000's $)													
Recorded Measurement Costs[1]													
Recorded Administration													
Recorded Program Incentives			$ 126			$ 126					$ 126	$ 126	$ 126
Recorded Incremental Measure Costs, net			$ 685			$ 685					$ 685	$ 685	$ 685
Recorded Resource Benefits, net			$ 985			$ 985					$ 985	$ 985	$ 985
Recorded Performance Earnings Basis (PEB)			$ 486			$ 486					$ 486	$ 486	$ 486
Recorded PEB/PEBt (%) (Minimum 75%)													0%
Recorded Earnings			$ 146			$ 146					$ 146	$ 146	$ 146
TRC BCR, with Earnings			1.19			1.19					1.19	1.19	1.19
UC BCR, with Earnings			3.63			3.63					3.63	3.63	3.63
Earnings Distribution Share (1st Claim)	25%	25%	25%		25%	25%	25%	25%	25%	25%	25%	25%	25%
Earnings Claim for Recovery (1st Claim)			$ 36			$ 36					$ 36	$ 36	$ 36
Second Earnings Claim:													
Revised Resource Benefits, net													
Recorded PEB													
Revised Earnings													
Earnings Distribution Share (2nd Claim)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Recorded Earnings (for 2nd Claim)													
Earnings Recovered from 1st Claim													
Recorded Incremental Earnings													
Third Earnings Claim:													
Revised Resource Benefits, net													
Recorded PEB													
Revised Earnings													
Earnings Distribution Share (3rd Claim)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Recorded Earnings (for 3rd Claim)													
Earnings Recovered from 1st and 2nd Claim													
Recorded Incremental Earnings													
Fourth Earnings Claim:													
Revised Resource Benefits, net													
Recorded PEB													
Revised Earnings													
Earnings Distribution Share (4th Claim)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Recorded Earnings (for 4th Claim)													
Earnings Recovered from 1st, 2nd, and 3rd Claim													
Recorded Incremental Earnings													
Total Earnings			$ 36			$ 36					$ 36	$ 36	$ 36

Table E-2
Recorded Costs and Benefits for Shareholder Incentives Programs
By End Use Element
Program Year: 1997
Program: Energy Edge (CEEI) [Page 1 of 1]
(in thousands of 1997 Dollars)

		End Use Totals						Number of Units						Average Per Unit ($ dollars)					
	First Earnings Claim	MISC(e) Energy Edge					TOTAL	MISC(e) Energy Edge					TOTAL	MISC(e) Energy Edge					TOTAL
1	Measurement Costs	n/a	n/a	n/a	n/a	n/a	n/a	1						n/a	n/a	n/a	n/a	n/a	n/a
2	Administration																		
3	Program Incentives	$ 126					$ 126							$ 125,552					
4	Program Costs	$ 126					$ 126							$ 125,552					
5	Incremental Measure Costs, gross	$ 914					$ 914							$ 913,823					
6	Resource Benefits, gross	$ 1,314					$ 1,314							$ 1,313,633					
7	Net-to-Gross Ratio	0.75					0.75												
8	Incremental Measure Costs, net	$ 685					$ 685							$ 685,367					
9	Resource Benefits, net	$ 985					$ 985							$ 985,225					
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Please note: Program Incentive costs for this program actually represent the allocated costs of Energy Edge studies for SCG customers; no incentives were actually given for individual measures or equipment. An individual study captures multiple measures and the study cost is allocated across measures covered by individual studies.

Table E-3
Components of Resource Benefit Values
Program Year: 1997
Program: Energy Edge (CEEI)
Earnings Claim: First Year
(1997 Dollars)
Page 1 of 1

Average Load Impacts Per Unit (Gross)

	MISC(e) Energy Edge																	
Year	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
1998		3,360,246.00	25,501.70															
1999		3,360,246.00	25,501.70															
2000		3,360,246.00	25,501.70															
2001		3,360,246.00	25,501.70															
2002		3,360,246.00	25,501.70															
2003		3,360,246.00	25,501.70															
2004		3,360,246.00	25,501.70															
2005		3,360,246.00	25,501.70															
2006		3,360,246.00	25,501.70															
2007		3,360,246.00	25,501.70															
2008																		
2009																		
2010																		
2011																		
2012																		
2013																		
2014																		
2015																		
2016																		
2017																		
2018																		
2019																		
2020																		
2021																		
2022																		
SUM (Lifecycle)		33,602,460.00	255,017.00															
PV			$ 1,313,633															

	MISC(e) Energy Edge																	
	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
# of Units:			1															
Resource Benefit ($000, gross):			$ 1,314															
Net-to-Gross Ratio:			0.75															
Resource Benefit ($000, net):			$ 985															
Impact Study References: Study used for Forecast Required 1st LIY Study, 2nd Claim Required Persistence, 3rd Claim Required Persistence, 4th Claim	Study ID #			Study ID #			Study ID #			Study ID #			Study ID #			Study ID #		

Notes:
(1) Values reported in lower section are used to calculate PV for each end use element in a 'bottom-up' approach, i.e., PV=RBg/# of units

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

	SHARED SAVINGS PROGRAMS												
	Retrofit Energy Efficiency Incentive						New Construction			Portfolio			Total
	RWRI	RAEI	CEEI	IEEI	AEEI	Total	Res	Nonres	Total	Res	Nonres	Total	w/MC
FORECAST													
Costs and Benefits For Earnings (000's $)													
1 Measurement Costs			$ 51			$ 51					$ 51	$ 51	$ 51
2 Administration		$ 174	$ 650			$ 824				$ 174	$ 650	$ 824	$ 824
3 Program Incentives		$ 489	$ 100			$ 589				$ 489	$ 100	$ 589	$ 589
4 Program Costs		$ 663	$ 750			$ 1,413				$ 663	$ 750	$ 1,413	$ 1,413
8 Incremental Measure Costs, net (IMCn)		$ 1,532	$ 200			$ 1,732				$ 1,532	$ 200	$ 1,732	$ 1,732
9 Resource Benefits, net (RBn)		$ 2,228	$ 3,209			$ 5,437				$ 2,228	$ 3,209	$ 5,437	$ 5,437
Target Earnings (000's $)													
16 Target Earnings Rate (TER) (%)		30%	30%			30%				30%	30%	30%	30%
17 Performance Earnings Basis, at target (PEBt)		$ 870	$ 2,393			$ 3,262				$ 870	$ 2,393	$ 3,262	$ 3,211
18 Target Earnings		$ 261	$ 718			$ 979				$ 261	$ 718	$ 979	$ 979
TRC BCR, with Earnings		1.13	2.05			1.54				1.13	2.05	1.54	1.54
UC BCR, with Earnings		2.41	2.19			2.27				2.41	2.19	2.27	2.27
RECORDED - FIRST EARNINGS CLAIM (1999 AEAP)													
Costs and Benefits For Earnings (000's $)													
Recorded Measurement Costs'			$ 51			$ 51					$ 51	$ 51	$ 51
Recorded Administration		$ 16				$ 16				$ 16		$ 16	$ 16
Recorded Program Incentives		$ 489	$ 818			$ 1,307				$ 489	$ 818	$ 1,307	$ 1,307
Recorded Incremental Measure Costs, net		$ 538	$ 2,950			$ 3,487				$ 538	$ 2,950	$ 3,487	$ 3,487
Recorded Resource Benefits, net		$ 658	$ 6,875			$ 7,533				$ 658	$ 6,875	$ 7,533	$ 7,533
Recorded Performance Earnings Basis (PEB)		$ 121	$ 4,635			$ 4,756				$ 121	$ 4,635	$ 4,756	$ 4,705
Recorded PEB/PEBt (%) (Minimum 75%)		14%	194%			146%				14%	194%	146%	147%
Recorded Earnings		$ 36	$ 1,391			$ 1,427				$ 36	$ 1,391	$ 1,427	$ 1,412
TRC BCR, with Earnings		1.12	1.58			1.53				1.12	1.58	1.53	1.53
UC BCR, with Earnings		1.22	3.11			2.74				1.22	3.11	2.74	2.75
Earnings Distribution Share (1st Claim)	25%	25%	25%		25%	25%	25%	25%	25%	25%	25%	25%	25%
Earnings Claim for Recovery (1st Claim)		$ 9	$ 348			$ 357				$ 9	$ 348	$ 357	$ 353
Second Earnings Claim:													
Revised Resource Benefits, net			$ 6,875			$ 6,875					$ 6,875	$ 6,875	$ 6,875
Recorded PEB			$ 4,635			$ 4,635					$ 4,635	$ 4,635	$ 4,635
Revised Earnings			$ 1,391			$ 1,391					$ 1,391	$ 1,391	$ 1,391
Earnings Distribution Share (2nd Claim)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Recorded Earnings (for 2nd Claim)			$ 695			$ 695					$ 695	$ 695	$ 695
Earnings Recovered from 1st Claim			$ 348			$ 348					$ 348	$ 348	$ 348
Recorded Incremental Earnings			$ 348			$ 348					$ 348	$ 348	$ 348
Third Earnings Claim:													
Revised Resource Benefits, net													
Recorded PEB													
Revised Earnings													
Earnings Distribution Share (3rd Claim)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Recorded Earnings (for 3rd Claim)													
Earnings Recovered from 1st and 2nd Claim													
Recorded Incremental Earnings													
Fourth Earnings Claim:													
Revised Resource Benefits, net													
Recorded PEB													
Revised Earnings													
Earnings Distribution Share (4th Claim)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Recorded Earnings (for 4th Claim)													
Earnings Recovered from 1st, 2nd, and 3rd Claim													
Recorded Incremental Earnings													
Total Earnings		$ 9	$ 695			$ 704				$ 9	$ 695	$ 704	$ 701

Table E-2
Recorded Costs and Benefits for Shareholder Incentives Programs
By End Use Element
Program Year: 1997
Program: Com'l Equipment Replacement (CEEI) [Page 1 of 5] -- Please note, Program Totals are on Page 5
(in thousands of 1997 Dollars)

End Use Totals

	First Earnings Claim	MISC(e) County of Riverside - light	AC(e) County of Riverside - Chiller combination	MISC(e) County of Riverside - EMS	MISC(e) Santa Barbara School District - light	WATHT(g) Santa Barbara School District - pool cover	MISC(e) City of Riverside Group 1 - light
1	Measurement Costs	n/a	n/a	n/a	n/a	n/a	n/a
2	Administration						
3	Program Incentives	$ 168		$ 241	$ 35	$ 2	$ 26
4	Program Costs	$ 168		$ 241	$ 35	$ 2	$ 26
5	Incremental Measure Costs, gross	$ 859		$ 1,366	$ 588	$ 33	$ 212
6	Resource Benefits, gross	$ 1,204	$ 886	$ 1,937	$ 816	$ 121	$ 159
7	Net-to-Gross Ratio	0.75	0.75	0.75	0.75	0.75	0.75
8	Incremental Measure Costs, net	$ 644		$ 1,024	$ 441	$ 25	$ 159
9	Resource Benefits, net	$ 903	$ 664	$ 1,453	$ 612	$ 91	$ 119
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A

Number of Units

	First Earnings Claim	MISC(e) County of Riverside - light	AC(e) County of Riverside - Chiller combination	MISC(e) County of Riverside - EMS	MISC(e) Santa Barbara School District - light	WATHT(g) Santa Barbara School District - pool cover	MISC(e) City of Riverside Group 1 - light
1	Measurement Costs	1	1	1	1	1	1
2	Administration						
3	Program Incentives						
4	Program Costs						
5	Incremental Measure Costs, gross						
6	Resource Benefits, gross						
7	Net-to-Gross Ratio						
8	Incremental Measure Costs, net						
9	Resource Benefits, net						
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A

Average Per Unit ($ dollars)

	First Earnings Claim	MISC(e) County of Riverside - ligh	AC(e) County of Riverside - Chiller combination	MISC(e) County of Riverside - EMS	MISC(e) Santa Barbara School District - light	WATHT(g) Santa Barbara School District pool cover	MISC(e) City of Riverside Group 1 - light
1	Measurement Costs	n/a	n/a	n/a	n/a	n/a	n/a
2	Administration						
3	Program Incentives	$ 168,186		$ 241,087	$ 35,403	$ 1,986	$ 26,460
4	Program Costs	$ 168,186		$ 241,087	$ 35,403	$ 1,986	$ 26,460
5	Incremental Measure Costs, gross	$ 858,546		$ 1,365,952	$ 588,046	$ 32,986	$ 211,704
6	Resource Benefits, gross	$ 1,204,453	$ 885,571	$ 1,937,385	$ 816,120	$ 121,314	$ 158,848
7	Net-to-Gross Ratio						
8	Incremental Measure Costs, net	$ 643,909		$ 1,024,464	$ 441,035	$ 24,739	$ 158,778
9	Resource Benefits, net	$ 903,340	$ 664,178	$ 1,453,039	$ 612,090	$ 90,985	$ 119,136
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A

Please note: Program Incentive costs for this program actually represent the allocated costs of Energy Edge studies for SCG customers; no incentives were actually given for individual measures or equipment. An individual study captures multiple measures as depicted on these tables, and the study cost is allocated across measures covered by individual studies.

Table E-2
Recorded Costs and Benefits for Shareholder Incentives Programs
By End Use Element
Program Year: 1997
Program: Com'l Equipment Replacement (CEEI) [Page 2 of 5] -- Please note, Program Totals are on Page 5
(in thousands of 1997 Dollars)

End Use Totals

	First Earnings Claim	MISC(e) City of Riverside Group 1 - traffic lights	MISC(e) City of Riverside Group 1 - motor	MISC(e) City of Riverside Group 1 - EMS-City of Riverside	AC(e) City of Riverside Group 1 - chillers & air handling system	MISC(e) Kilroy Realty Corp. - light	MISC(e) Naval Warfare Ass. Div. Corona - light
1	Measurement Costs	n/a	n/a	n/a	n/a	n/a	n/a
2	Administration						
3	Program Incentives		$ 0	$ 58	$ 6	$ 43	$ 49
4	Program Costs		$ 0	$ 58	$ 6	$ 43	$ 49
5	Incremental Measure Costs, gross	$ (696)	$ 0	$ 473	$ 48	$ 320	$ 222
6	Resource Benefits, gross	$ 777	$ 5	$ 333	$ 1,076	$ 323	$ 231
7	Net-to-Gross Ratio	0.75	0.75	0.75	0.75	0.75	0.75
8	Incremental Measure Costs, net	$ (522)	$ 0	$ 355	$ 36	$ 240	$ 166
9	Resource Benefits, net	$ 582	$ 4	$ 250	$ 807	$ 243	$ 173
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A

Number of Units

	First Earnings Claim	MISC(e) City of Riverside Group 1 - traffic lights	MISC(e) City of Riverside Group 1 - motor	MISC(e) City of Riverside Group 1 - EMS-City of Riverside	AC(e) City of Riverside Group 1 - chillers & air handling system	MISC(e) Kilroy Realty Corp. - light	MISC(e) Naval Warfare Ass. Div. Corona - light
1	Measurement Costs	1	1	1	1	1	1
2	Administration						
3	Program Incentives						
4	Program Costs						
5	Incremental Measure Costs, gross						
6	Resource Benefits, gross						
7	Net-to-Gross Ratio						
8	Incremental Measure Costs, net						
9	Resource Benefits, net						
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A

Average Per Unit ($ dollars)

	First Earnings Claim	MISC(e) City of Riverside Group 1 - traffic lights	MISC(e) City of Riverside Group 1 - motor	MISC(e) City of Riverside Group 1 - EMS-City of Riverside	AC(e) City of Riverside Group 1 - chillers & air handling system	MISC(e) Kilroy Realty Corp. - light	MISC(e) Naval Warfare Ass. Div. Corona - light
1	Measurement Costs	n/a	n/a	n/a	n/a	n/a	n/a
2	Administration						
3	Program Incentives		$ 11	$ 57,936	$ 5,857	$ 43,000	$ 48,836
4	Program Costs		$ 11	$ 57,936	$ 5,857	$ 43,000	$ 48,836
5	Incremental Measure Costs, gross	$ (695,825)	$ 86	$ 473,001	$ 47,820	$ 320,077	$ 221,950
6	Resource Benefits, gross	$ 776,533	$ 5,074	$ 333,223	$ 1,076,240	$ 323,392	$ 230,949
7	Net-to-Gross Ratio						
8	Incremental Measure Costs, net	$ (521,869)	$ 65	$ 354,751	$ 35,865	$ 240,058	$ 166,462
9	Resource Benefits, net	$ 582,400	$ 3,805	$ 249,917	$ 807,180	$ 242,544	$ 173,212
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A

Please note: Program Incentive costs for this program actually represent the allocated costs of Energy Edge studies for SCG customers; no incentives were actually given for individual measures or equipment. An individual study captures multiple measures as depicted on these tables, and the study cost is allocated across measures covered by individual studies.

Table E-2
Recorded Costs and Benefits for Shareholder Incentives Programs
By End Use Element
Program Year: 1997
Program: Com'l Equipment Replacement (CEEI) [Page 3 of 5] -- Please note, Program Totals are on Page 5
(in thousands of 1997 Dollars)

		End Use Totals						Number of Units						Average Per Unit ($ dollars)					
	First Earnings Claim	MISC(e) Naval Warfare Ass. Div. Corona - motor	MISC(e) City of Lawndale light	AC(e) City of Lawndale - chiller	AC(e) City of Lawndale - package AC	MISC(e) City of Lawndale - EMS-City of Lawndale	MISC(e) City of Lawndale - traffic lights	MISC(e) Naval Warfare Ass. Div. Corona - motor	MISC(e) City of Lawndale - light	AC(e) City of Lawndale - chiller	AC(e) City of Lawndale - package AC	MISC(e) City of Lawndale - EMS-City of Lawndale	MISC(e) City of Lawndale - traffic lights	MISC(e) Naval Warfare Ass. Div. Corona - motor	MISC(e) City of Lawndale - light	AC(e) City of Lawndale - chiller	AC(e) City of Lawndale - package AC	MISC(e) City of Lawndale - EMS-City of Lawndale	MISC(e) City of Lawndale - traffic lights
1	Measurement Costs	n/a	n/a	n/a	n/a	n/a	n/a	1	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a	n/a
2	Administration																		
3	Program Incentives	$ 0	$ 5	$ 1	$ 0	$ 26								$ 164	$ 5,343	$ 894	$ 96	$ 25,878	
4	Program Costs	$ 0	$ 5	$ 1	$ 0	$ 26								$ 164	$ 5,343	$ 894	$ 96	$ 25,878	
5	Incremental Measure Costs, gross		$ 24	$ 4	$ 0	$ 118	$ (18)								$ 24,269	$ 4,061	$ 438	$ 117,545	$ (18,471)
6	Resource Benefits, gross		$ 27	$ 15	$ 2	$ 37	$ 22								$ 27,494	$ 15,061	$ 1,972	$ 36,908	$ 22,202
7	Net-to-Gross Ratio	0.75	0.75	0.75	0.75	0.75	0.75												
8	Incremental Measure Costs, net		$ 18	$ 3	$ 0	$ 88	$ (14)								$ 18,202	$ 3,046	$ 328	$ 88,159	$ (13,854)
9	Resource Benefits, net		$ 21	$ 11	$ 1	$ 28	$ 17								$ 20,621	$ 11,295	$ 1,479	$ 27,681	$ 16,652
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Please note: Program Incentive costs for this program actually represent the allocated costs of Energy Edge studies for SCG customers; no incentives were actually given for individual measures or equipment. An individual study captures multiple measures as depicted on these tables, and the study cost is allocated across measures covered by individual studies.

Table E-2
Recorded Costs and Benefits for Shareholder Incentives Programs
By End Use Element
Program Year: 1997
Program: Com'l Equipment Replacement (CEEI) [Page 4 of 5] -- Please note, Program Totals are on Page 5
(in thousands of 1997 Dollars)

		End Use Totals						Number of Units						Average Per Unit ($ dollars)					
	First Earnings Claim	MISC(e) City of Lawndale economizer	MISC(e) LA County Fairplex - Pomona - light	MISC(e) LA County Fairplex - Pomona - EMS-Fairplex	MISC(e) Christian Missionary Alliance - light	AC(e) Riverside Community College - chiller	MISC(e) Mojave USD - light	MISC(e) City of Lawndale - economizer	MISC(e) LA County Fairplex - Pomona - light	MISC(e) LA County Fairplex - Pomona - EMS-Fairplex	MISC(e) Christian Missionary Alliance - light	AC(e) Riverside Community College - chiller	MISC(e) Mojave USD - light	MISC(e) City of Lawndale - economizer	MISC(e) LA County Fairplex - Pomona - light	MISC(e) LA County Fairplex - Pomona - EMS-Fairplex	MISC(e) Christian Missionary Alliance - light	AC(e) Riverside Community College - chiller	MISC(e) Mojave USD - light
1	Measurement Costs	n/a	n/a	n/a	n/a	n/a	n/a	1	1	1	1	1	1	n/a	n/a	n/a	n/a	n/a	n/a
2	Administration																		
3	Program Incentives	$ 0			$ 7	$ 35	$ 98							$ 289			$ 7,413	$ 34,600	$ 97,888
4	Program Costs	$ 0			$ 7	$ 35	$ 98							$ 289			$ 7,413	$ 34,600	$ 97,888
5	Incremental Measure Costs, gross	$ 1			$ 51	$ 81	$ 141							$ 1,311			$ 51,353	$ 80,684	$ 140,510
6	Resource Benefits, gross	$ 13			$ 213	$ 548	$ 88							$ 13,125			$ 213,471	$ 548,455	$ 88,213
7	Net-to-Gross Ratio	0.75	0.75	0.75	0.75	0.75	0.75												
8	Incremental Measure Costs, net	$ 1			$ 39	$ 61	$ 105							$ 983			$ 38,515	$ 60,513	$ 105,382
9	Resource Benefits, net	$ 10			$ 160	$ 411	$ 66							$ 9,844			$ 160,103	$ 411,341	$ 66,160
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Please note: Program Incentive costs for this program actually represent the allocated costs of Energy Edge studies for SCG customers; no incentives were actually given for individual measures or equipment. An individual study captures multiple measures as depicted on these tables, and the study cost is allocated across measures covered by individual studies.

Table E-2

Recorded Costs and Benefits for Shareholder Incentives Programs

By End Use Element

Program Year: 1997

Program: Com'l Equipment Replacement (CEEI) [Page 5 of 5] -- Please note, Program Totals are on Page 5

(In thousands of 1997 Dollars)

		End Use Totals					Number of Units				Average Per Unit ($ dollars)			
	First Earnings Claim	AC(e) Mojave USD - package AC	MISC(e) Mojave USD - light timers	MISC(e) Los Angeles Flower Mart - light		Total	AC(e) Mojave USD - package AC	MISC(e) Mojave USD - light timers	MISC(e) Los Angeles Flower Mart - light		AC(e) Mojave USD - package AC	MISC(e) Mojave USD - light timers	MISC(e) Los Angeles Flower Mart - light	
1	Measurement Costs	n/a	n/a	n/a			1	1	1		n/a	n/a	n/a	
2	Administration													
3	Program Incentives	$ 0	$ 2	$ 15		$ 818					$ 385	$ 1,726	$ 15,000	
4	Program Costs	$ 0	$ 2	$ 15		$ 818					$ 385	$ 1,726	$ 15,000	
5	Incremental Measure Costs, gross	$ 1	$ 3	$ 103		$ 3,933					$ 726	$ 3,256	$ 102,675	
6	Resource Benefits, gross	$ 79	$ 56	$ 195		$ 9,166					$ 78,639	$ 56,367	$ 195,143	
7	Net-to-Gross Ratio	0.75	0.75	0.75		0.75								
8	Incremental Measure Costs, net	$ 1	$ 2	$ 77		$ 2,950					$ 545	$ 2,442	$ 77,006	
9	Resource Benefits, net	$ 59	$ 42	$ 146		$ 6,875					$ 58,979	$ 42,275	$ 146,357	
	Second Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Third Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

and the study cost is allocated across measures covered by individual studies.

Table E-3
Components of Resource Benefit Values
Program Year: 1997
Program: Com'l Equipment Replacement (CEEI)
Earnings Claim: 2nd Year
(1997 Dollars)

Average Load Impacts Per Unit (Gross)

	MISC(e) County of Riverside - light			AC(e) County of Riverside - Chiller combination			MISC(e) County of Riverside - EMS		
Year	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
1998		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
1999		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
2000		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
2001		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
2002		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
2003		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
2004		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
2005		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
2006		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
2007		3,056,600.00			700,000.00			2,851,200.00	(48,978.00)
2008					700,000.00				
2009					700,000.00				
2010					700,000.00				
2011					700,000.00				
2012					700,000.00				
2013					700,000.00				
2014					700,000.00				
2015					700,000.00				
2016					700,000.00				
2017					700,000.00				
2018									
2019									
2020									
2021									
2022									
SUM (Lifecycle)		30,566,000.00			14,000,000.00			28,512,000.00	(489,780.00)
PV			$ 1,204,453			$ 885,571			$ 1,937,385

	MISC(e) Santa Barbara School District - light			WATHT(g) Santa Barbara School District - pool cover			MISC(e) City of Riverside Group 1 - light		
Year	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
1998		2,071,108.00				75,372.00		403,116.00	
1999		2,071,108.00				75,372.00		403,116.00	
2000		2,071,108.00				75,372.00		403,116.00	
2001		2,071,108.00				75,372.00		403,116.00	
2002		2,071,108.00				75,372.00		403,116.00	
2003		2,071,108.00				75,372.00		403,116.00	
2004		2,071,108.00						403,116.00	
2005		2,071,108.00						403,116.00	
2006		2,071,108.00						403,116.00	
2007		2,071,108.00						403,116.00	
2008									
2009									
2010									
2011									
2012									
2013									
2014									
2015									
2016									
2017									
2018									
2019									
2020									
2021									
2022									
SUM (Lifecycle)		20,711,080.00				452,232.00		4,031,160.00	
PV			$ 816,120			$ 121,314			$ 158,848

	MISC(e) County of Riverside - light			AC(e) County of Riverside - Chiller combination			MISC(e) County of Riverside - EMS		
	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
# of Units:			1			1			1
Resource Benefit ($000, gross):			$ 1,204			$ 886			$ 1,937
Net-to-Gross Ratio:			0.75			0.75			0.75
Resource Benefit ($000, net):			$ 903			$ 664			$ 1,453
Impact Study References: Study used for Forecast Required 1st LIY Study, 2nd Claim Required Persistence, 3rd Claim Required Persistence, 4th Claim	Study ID #			Study ID #			Study ID #		

	MISC(e) Santa Barbara School District - light			WATHT(g) Santa Barbara School District - pool cover			MISC(e) City of Riverside Group 1 - light		
	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
# of Units:			1			1			1
Resource Benefit ($000, gross):			$ 816			$ 121			$ 159
Net-to-Gross Ratio:			0.75			0.75			0.75
Resource Benefit ($000, net):			$ 612			$ 91			$ 119
Impact Study References: Study used for Forecast Required 1st LIY Study, 2nd Claim Required Persistence, 3rd Claim Required Persistence, 4th Claim	Study ID #			Study ID #			Study ID #		

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Notes:
(1) Values reported in lower section are used to calculate PV for each end use element in a 'bottom-up' approach, i.e., PV=RBg/# of units

Table E-3
Components of Resource Benefit Values
Program Year: 1997
Program: Com'l Equipment Replacement (CEEI)
Earnings Claim: First Year
(1997 Dollars)
Page 2 of 5

Average Load Impacts Per Unit (Gross)

	MISC(e) City of Riverside Group 1 - traffic lights			MISC(e) City of Riverside Group 1 - motor			MISC(e) City of Riverside Group 1 - EMS-City of Riverside			AC(e) City of Riverside Group 1 - chillers & air handling system			MISC(e) Kilroy Realty Corp. - light			MISC(e) Naval Warfare Ass. Div. Corona - light		
Year	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
1998		2,700,189.00			12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
1999		2,700,189.00			12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
2000		2,700,189.00			12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
2001		2,700,189.00			12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
2002		2,700,189.00			12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
2003		2,700,189.00			12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
2004		2,700,189.00			12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
2005					12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
2006					12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
2007					12,876.00			490,396.00			850,715.00			820,688.00			586,091.00	
2008											850,715.00							
2009											850,715.00							
2010											850,715.00							
2011											850,715.00							
2012											850,715.00							
2013											850,715.00							
2014											850,715.00							
2015											850,715.00							
2016											850,715.00							
2017											850,715.00							
2018																		
2019																		
2020																		
2021																		
2022																		
SUM (Lifecycle)		18,901,323.00			128,760.00			4,903,960.00			17,014,300.00			8,206,880.00			5,860,910.00	
PV			$ 776,533			$ 5,074			$ 333,223			$ 1,076,240			$ 323,392			$ 230,949

	MISC(e) City of Riverside Group 1 - traffic lights			MISC(e) City of Riverside Group 1 - motor			MISC(e) City of Riverside Group 1 - EMS-City of Riverside			AC(e) City of Riverside Group 1 - chillers & air handling system			MISC(e) Kilroy Realty Corp. - light			MISC(e) Naval Warfare Ass. Div. Corona - light		
	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
# of Units:			1			1			1			1			1			1
Resource Benefit ($000, gross):			$ 777			$ 5			$ 333			$ 1,076			$ 323			$ 231
Net-to-Gross Ratio:			0.75			0.75			0.75			0.75			0.75			0.75
Resource Benefit ($000, net):			$ 582			$ 4			$ 250			$ 807			$ 243			$ 173
Impact Study References: Study used for Forecast Required 1st LIY Study, 2nd Claim Required Persistence, 3rd Claim Required Persistence, 4th Claim	Study ID #			Study ID #			Study ID #			Study ID #			Study ID #			Study ID #		

Notes:
(1) Values reported in lower section are used to calculate PV for each end use element in a 'bottom-up' approach, i.e., PV=RBg/# of units

Table E-3
Components of Resource Benefit Values
Program Year: 1997
Program: Com'l Equipment Replacement (CEEI)
Earnings Claim: First Year
(1997 Dollars)
Page 3 of 5

Average Load Impacts Per Unit (Gross)

	MISC(e) Naval Warfare Ass. Div. Corona - motor			MISC(e) City of Lawndale - light			AC(e) City of Lawndale - chiller			AC(e) City of Lawndale - package AC			MISC(e) City of Lawndale - EMS-City of Lawndale			MISC(e) City of Lawndale - traffic lights		
Year	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
1998					69,773.00			11,524.00			1,509.00			53,300.00			77,202.00	
1999					69,773.00			11,524.00			1,509.00			53,300.00			77,202.00	
2000					69,773.00			11,524.00			1,509.00			53,300.00			77,202.00	
2001					69,773.00			11,524.00			1,509.00			53,300.00			77,202.00	
2002					69,773.00			11,524.00			1,509.00			53,300.00			77,202.00	
2003					69,773.00			11,524.00			1,509.00			53,300.00			77,202.00	
2004					69,773.00			11,524.00			1,509.00			53,300.00			77,202.00	
2005					69,773.00			11,524.00			1,509.00			53,300.00				
2006					69,773.00			11,524.00			1,509.00			53,300.00				
2007					69,773.00			11,524.00			1,509.00			53,300.00				
2008								11,524.00			1,509.00							
2009								11,524.00			1,509.00							
2010								11,524.00			1,509.00							
2011								11,524.00			1,509.00							
2012								11,524.00			1,509.00							
2013								11,524.00			1,509.00							
2014								11,524.00			1,509.00							
2015								11,524.00			1,509.00							
2016								11,524.00			1,509.00							
2017								11,524.00			1,509.00							
2018																		
2019																		
2020																		
2021																		
2022																		
SUM (Lifecycle)					697,730.00			230,480.00			30,180.00			533,000.00			540,414.00	
PV						$ 27,494			$ 15,061			$ 1,972			$ 36,908			$ 22,202

	MISC(e) Naval Warfare Ass. Div. Corona - motor			MISC(e) City of Lawndale - light			AC(e) City of Lawndale - chiller			AC(e) City of Lawndale - package AC			MISC(e) City of Lawndale - EMS-City of Lawndale			MISC(e) City of Lawndale - traffic lights		
	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
# of Units:			1			1			1			1			1			1
Resource Benefit ($000, gross):						$ 27			$ 15			$ 2			$ 37			$ 22
Net-to-Gross Ratio:			0.75			0.75			0.75			0.75			0.75			0.75
Resource Benefit ($000, net):						$ 21			$ 11			$ 1			$ 28			$ 17
Impact Study References: Study used for Forecast Required 1st LIY Study, 2nd Claim Required Persistence, 3rd Claim Required Persistence, 4th Claim	Study ID #			Study ID #			Study ID #			Study ID #			Study ID #			Study ID #		

Notes:
(1) Values reported in lower section are used to calculate PV for each end use element in a 'bottom-up' approach, i.e., PV=RBg/# of units

Table E-3
Components of Resource Benefit Values
Program Year: 1997
Program: Com'l Equipment Replacement (CEEI)
Earnings Claim: First Year
(1997 Dollars)
Page 4 of 5

Average Load Impacts Per Unit (Gross)

	MISC(e) City of Lawndale - economizer			MISC(e) LA County Fairplex - Pomona - light			MISC(e) LA County Fairplex - Pomona - EMS-Fairplex			MISC(e) Christian Missionary Alliance - light			AC(e) Riverside Community College - chiller			MISC(e) Mojave USD - light		
Year	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
1998		12,672.00									541,736.00			433,527.00			223,862.00	
1999		12,672.00									541,736.00			433,527.00			223,862.00	
2000		12,672.00									541,736.00			433,527.00			223,862.00	
2001		12,672.00									541,736.00			433,527.00			223,862.00	
2002		12,672.00									541,736.00			433,527.00			223,862.00	
2003		12,672.00									541,736.00			433,527.00			223,862.00	
2004		12,672.00									541,736.00			433,527.00			223,862.00	
2005		12,672.00									541,736.00			433,527.00			223,862.00	
2006		12,672.00									541,736.00			433,527.00			223,862.00	
2007		12,672.00									541,736.00			433,527.00			223,862.00	
2008		12,672.00												433,527.00				
2009		12,672.00												433,527.00				
2010		12,672.00												433,527.00				
2011		12,672.00												433,527.00				
2012		12,672.00												433,527.00				
2013														433,527.00				
2014														433,527.00				
2015														433,527.00				
2016														433,527.00				
2017														433,527.00				
2018																		
2019																		
2020																		
2021																		
2022																		
SUM (Lifecycle)		190,080.00									5,417,360.00			8,670,540.00			2,238,620.00	
PV			$ 13,125									$ 213,471			$ 548,455			$ 88,213

	MISC(e) City of Lawndale - economizer			MISC(e) LA County Fairplex - Pomona - light			MISC(e) LA County Fairplex - Pomona - EMS-Fairplex			MISC(e) Christian Missionary Alliance - light			AC(e) Riverside Community College - chiller			MISC(e) Mojave USD - light		
	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
# of Units:			1			1			1			1			1			1
Resource Benefit ($000, gross):			$ 13									$ 213			$ 548			$ 88
Net-to-Gross Ratio:			0.75			0.75			0.75			0.75			0.75			0.75
Resource Benefit ($000, net):			$ 10									$ 160			$ 411			$ 66
Impact Study References:																		
Study used for Forecast Required 1st LIY Study, 2nd Claim Required Persistence, 3rd Claim Required Persistence, 4th Claim	Study ID #			Study ID #			Study ID #			Study ID #			Study ID #			Study ID #		

Notes:
(1) Values reported in lower section are used to calculate PV for each end use element in a 'bottom-up' approach, i.e., PV=RBg/# of units

Components of Resource Benefit Values

Program Year: 1997

Program: Com'l Equipment Replacement (CEEI)

Earnings Claim: 2nd Year

(1997 Dollars)

Average Load Impacts Per Unit (Gross)

	AC(e) Mojave USD - package AC			MISC(e) Mojave USD - light timers			MISC(e) Los Angeles Flower Mart - light					
Year	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
1997		62,160.00			76,890.00			495,223.00				
1998		62,160.00			76,890.00			495,223.00				
1999		62,160.00			76,890.00			495,223.00				
2000		62,160.00			76,890.00			495,223.00				
2001		62,160.00			76,890.00			495,223.00				
2002		62,160.00			76,890.00			495,223.00				
2003		62,160.00			76,890.00			495,223.00				
2004		62,160.00			76,890.00			495,223.00				
2005		62,160.00			76,890.00			495,223.00				
2006		62,160.00			76,890.00			495,223.00				
2007		62,160.00			76,890.00							
2008		62,160.00			76,890.00							
2009		62,160.00			76,890.00							
2010		62,160.00			76,890.00							
2011		62,160.00			76,890.00							
2012		62,160.00			76,890.00							
2013		62,160.00			76,890.00							
2014		62,160.00			76,890.00							
2015		62,160.00			76,890.00							
2016		62,160.00			76,890.00							
2017												
2018												
2019												
2020												
2021												
SUM (Lifecycle)		1,243,200.00			1,537,800.00			4,952,230.00				
PV			$ 78,639			$ 56,367			$ 195,143			

	AC(e) Mojave USD - package AC			MISC(e) Mojave USD - light timers			MISC(e) Los Angeles Flower Mart - light			0		
	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
# of Units:			1			1			1			
Resource Benefit ($000, gross):			$ 79			$ 56			$ 195			
Net-to-Gross Ratio:			0.75			0.75			0.75			
Resource Benefit ($000, net):			$ 59			$ 42			$ 146			
Impact Study References: Study used for Forecast Required 1st LIY Study, 2nd Claim Required Persistence, 3rd Claim Required Persistence, 4th Claim	Study ID #			Study ID #			Study ID #			Study ID #		

Notes:

(1) Values reported in lower section are used to calculate PV for each end use element in a 'bottom-up' approach, i.e., PV=RBg/# of units

Table E-1
Earnings Claim Summary Table: Shared Savings Programs
Program Year: 1995
Southern California Gas Company

	SHARED SAVINGS PROGRAMS											
	Retrofit Energy Efficiency Incentive Programs						New Construction Programs			Portfolio		
	RWRI	RAEI	CEEI	IEEI	AEEI	Total	Res	Nonres	Total	Res	Nonres	Total
FORECAST												
Costs and Benefits For Earnings (000's $)												
1 Measurement Costs			$ 17			$ 17		$ 1,096	$ 1,096		$ 1,112	$ 1,112
2 Administration			$ 1,823			$ 1,823		$ 1,062	$ 1,062		$ 2,885	$ 2,885
3 Program Incentives			$ 2,519			$ 2,519		$ 872	$ 872		$ 3,391	$ 3,391
4 Program Costs			$ 4,342			$ 4,342		$ 1,934	$ 1,934		$ 6,275	$ 6,275
8 Incremental Measure Costs, net (IMCn)			$ 5,234			$ 5,234		$ 1,537	$ 1,537		$ 6,771	$ 6,771
9 Resource Benefits, net (RBn)			$ 13,919			$ 13,919		$ 4,131	$ 4,131		$ 18,050	$ 18,050
Target Earnings (000's $)												
16 Target Earnings Rate (TER) (%)			30%					30%			30%	30%
17 Performance Earnings Basis, at target (PEBt)			$ 7,767			$ 7,767		$ 1,754	$ 1,754		$ 9,521	$ 9,521
17a Target Earnings Basis			$ 4,342					$ 1,934				
18 Target Earnings			$ 1,302			$ 1,302		$ 580	$ 580		$ 2,856	$ 2,856
TRC BCR, with Earnings			1.67			1.67		1.30	1.30		1.44	1.44
UC BCR, with Earnings			2.47			2.47		1.64	1.64		1.98	1.98
RECORDED - FIRST EARNINGS CLAIM (1995 AEAP)												
Costs and Benefits For Earnings (000's $)												
Recorded Measurement Costs			NA			NA		NA			NA	NA
Recorded Administration			$ 781			$ 781		$ 750	$ 750		$ 1,531	$ 1,531
Recorded Program Incentives			$ 2,059			$ 2,059		$ 958	$ 958		$ 3,017	$ 3,017
Recorded Incremental Measure Costs, net			$ 3,078			$ 3,078		$ 1,379	$ 1,379		$ 4,457	$ 4,457
Recorded Resource Benefits, net			$ 13,881			$ 13,881		$ 5,580	$ 5,580		$ 19,461	$ 19,461
Recorded Performance Earnings Basis (PEB)			$ 10,361			$ 10,361		$ 3,592	$ 3,592		$ 13,953	$ 13,953
Recorded PEB/PEBt (%) (Minimum 75%)			133%			133%		205%	205%		147%	147%
Corresponding Earnings Curve Lookup Value			n/a					n/a				
Recorded Earnings			$ 3,103			$ 3,103		$ 741	$ 741		$ 3,844	$ 3,844
TRC BCR, with Earnings			1.99					1.94			1.98	1.98
UC BCR, with Earnings			2.34					2.28			2.32	2.32
Earnings Distribution Share (1st Claim)	25%	25%	25%	25%	25%		25%	25%	25%	25%	25%	25%
Earnings Claim for Recovery (1st Claim)	0	0	776	0	0	776	0	185	185	0	961	961
Second Earnings Claim:												
Revised Resource Benefits, net			$ 13,881								$ 13,881	$ 13,881
Recorded PEB			$ 10,345								$ 10,345	$ 10,345
Revised Earnings			$ 3,103								$ 3,103	$ 3,103
Earnings Distribution Share (2nd Claim)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Recorded Earnings (for 2nd Claim)			$ 1,552								$ 1,552	$ 1,552
Earnings Recovered from 1st Claim			$ 776								$ 776	$ 776
Recorded Incremental Earnings			$ 776								$ 776	$ 776
Third Earnings Claim:												
Revised Resource Benefits, net			$ 13,881								$ 13,881	$ 13,881
Recorded PEB			$ 10,345								$ 10,345	$ 10,345
Revised Earnings			$ 3,103								$ 3,103	$ 3,103
Earnings Distribution Share (3rd Claim)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Recorded Earnings (for 3rd Claim)			$ 2,328								$ 2,328	$ 2,328
Earnings Recovered from 1st and 2nd Claim			$ 1,552								$ 1,552	$ 1,552
Recorded Incremental Earnings			$ 776								$ 776	$ 776
Fourth Earnings Claim:												
Revised Resource Benefits, net												
Recorded PEB												
Revised Earnings												
Earnings Distribution Share (4th Claim)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Recorded Earnings (for 4th Claim)												
Earnings Recovered from 1st, 2nd, and 3rd Claim												
Recorded Incremental Earnings												
Total Earnings	$ -	$ -	$ 2,328	$ -	$ -	$ 776	$ -	$ 185	$ 185	$ -	$ 2,513	$ 2,513

Table E-2
Recorded Costs and Benefits for Shareholder Incentives Programs
By End Use Element
Program Year: 1995
Program: Com'l Equipment Replacement (CEEI) [Page 1 of 2] -- Please note, Program Totals are on Page 2
(in thousands of 1995 Dollars)

		End Use Totals						Number of Units						Average Per Unit ($ dollars)					
	First Earnings Claim	SPHT(g)	WATHT(g)	COOK(g)	MISC(g) Dryers	MISC(g) Engines	MISC(g) LoNox Burners	SPHT(g)	WATHT(g)	COOK(g)	MISC(g) Dryers	MISC(g) Engines	MISC(g) LoNox Burners	SPHT(g)	WATHT(g)	COOK(g)	MISC(g) Dryers	MISC(g) Engines	MISC(g) LoNox Burners
1	Measurement Costs	n/a	n/a	n/a	n/a	n/a	n/a	205,552	219,176	135,488	99,300	3,976	208,027	n/a	n/a	n/a	n/a	n/a	n/a
2	Administration	$ 305	$ 39	$ 168	$ 98	$ 2	$ 7							$ 1.49	$ 0.18	$ 1.24	$ 0.99	$ 0.61	$ 0.03
3	Program Incentives	$ 400	$ 345	$ 550	$ 246	$ 102	$ 236							$ 1.95	$ 1.58	$ 4.06	$ 2.48	$ 25.68	$ 1.14
4	Program Costs	$ 705	$ 385	$ 718	$ 344	$ 105	$ 244							$ 3.43	$ 1.76	$ 5.30	$ 3.46	$ 26.29	$ 1.17
5	Incremental Measure Costs, gross	$ 361	$ 419	$ 879	$ 473	$ 125	$ 261							$ 1.76	$ 1.91	$ 6.49	$ 4.76	$ 31.51	$ 1.25
6	Resource Benefits, gross	$ 1,990	$ 1,903	$ 4,563	$ 2,499	$ 844	$ 974							$ 9.68	$ 8.68	$ 33.68	$ 25.16	$ 212.29	$ 4.68
7	Net-to-Gross Ratio	0.95	0.75	0.88	1.00	0.75	0.75							NA	NA	NA	NA	NA	NA
8	Incremental Measure Costs, net	$ 343	$ 314	$ 773	$ 473	$ 94	$ 196							$ 1.67	$ 1.43	$ 5.71	$ 4.76	$ 23.64	$ 0.94
9	***Resource Benefits, net***	*$ 1,890*	*$ 1,427*	*$ 4,016*	*$ 2,499*	*$ 633*	*$ 731*							*$ 9.20*	*$ 6.51*	*$ 29.64*	*$ 25.16*	*$ 159.22*	*$ 3.51*
	Second Earnings Claim Revised Net Resource Benefits	$ 1,890	$ 1,427	$ 4,016	$ 2,499	$ 633	$ 731							$ 9.20	$ 6.51	$ 29.64	$ 25.16	$ 159.22	$ 3.51
	Third Earnings Claim Revised Net Resource Benefits	$ 1,890	$ 1,427	$ 4,016	$ 2,499	$ 633	$ 731	N/A	N/A	N/A	N/A	N/A	N/A	$ 9.20	$ 6.51	$ 29.64	$ 25.16	$ 159.22	$ 3.51
	Fourth Earnings Claim Revised Net Resource Benefits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table E-2 (REVISED)
Recorded Costs and Benefits for Shareholder Incentives Programs
By End Use Element
Program Year: 1995
Program: Com'l Equipment Replacement (CEEI) [Page 2 of 2]
(in thousands of 1995 Dollars)

		End Use Totals					Number of Units				Average Per Unit ($ dollars)			
	First Earnings Claim	MISC(g) Pipewrap	MISC(g) Tank Insulation	MISC(g) R-19 Ceiling Insul'n	AC(g)	Total	MISC(g) Pipewrap	MISC(g) Tank Insulation	MISC(g) R-19 Ceiling Insul'n	AC(g)	MISC(g) Pipewrap	MISC(g) Tank Insulation	MISC(g) R-19 Ceiling Insul'n	AC(g)
1	Measurement Costs	n/a	n/a	n/a	n/a		63,962	7,374	1,270,845	0	n/a	n/a	n/a	n/a
2	Administration	$ 53	$ 1	$ 22	$ 84	$ 781					$ 0.83	$ 0.20	$ 0.02	
3	Program Incentives	$ 46	$ 6	$ 127		$ 2,059					$ 0.72	$ 0.84	$ 0.10	
4	Program Costs	$ 99	$ 8	$ 149	$ 84	$ 2,840					$ 1.55	$ 1.04	$ 0.12	
5	Incremental Measure Costs, gross	$ 235	$ 25	$ 652		$ 3,430					$ 3.68	$ 3.41	$ 0.51	
6	Resource Benefits, gross	$ 741	$ 356	$ 1,672		$ 15,541					$ 11.58	$ 48.29	$ 1.32	
7	Net-to-Gross Ratio	0.97	0.97	0.97	0.75	0.89					NA	NA	NA	NA
8	Incremental Measure Costs, net	$ 228	$ 24	$ 632		$ 3,078					$ 3.57	$ 3.31	$ 0.50	
9	***Resource Benefits, net***	***$ 718***	***$ 345***	***$ 1,621***		***$ 13,881***					***$ 11.23***	***$ 46.84***	***$ 1.28***	
	Second Earnings Claim Revised Net Resource Benefits	$ 718	$ 345	$ 1,621		$ 13,881					$ 11.23	$ 46.84	$ 1.28	
	Third Earnings Claim Revised Net Resource Benefits	$ 718	$ 345	$ 1,621		$ 13,881					$ 11.23	$ 46.84	$ 1.28	
	Fourth Earnings Claim Revised Net Resource Benefits	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

Table E-3
Components of Resource Benefit Values
Program Year: 1995
Program: Com'l Equipment Replacement (CEEI)
Earnings Claim: Third
(1995 Dollars)
Page 1 of 2

Average Load Impacts Per Unit (Gross)

	SPHT(g)			WATHT(g)			COOK(g)			MISC(g) Dryers			MISC(g) Engines			MISC(g) LoNox Burners		
Year	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
1995			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
1996			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
1997			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
1998			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
1999			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
2000			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
2001			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
2002			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
2003			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
2004			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
2005			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
2006			149.00			4,337.00			1,007.31			812.00			11,100.00			4,412.00
2007			149.00			4,337.00						812.00			11,100.00			4,412.00
2008			149.00			4,337.00						812.00			11,100.00			4,412.00
2009			149.00			4,337.00						812.00			11,100.00			4,412.00
2010			149.00															
2011			149.00															
2012			149.00															
2013																		
2014																		
2015																		
2016																		
2017																		
2018																		
2019																		
SUM (Lifecycle)			2,682.00			65,055.00			12,087.70			12,180.00			166,500.00			66,180.00
PV			$ 881			$ 6,540			$ 3,671			$ 3,448			$ 47,128			$ 18,732

	SPHT(g)			WATHT(g)			COOK(g)			MISC(g) Dryers			MISC(g) Engines			MISC(g) LoNox Burners		
	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
# of Units:			2,259			291			1,243			725			18			52
Resource Benefit ($000, gross):			$ 1,990			$ 1,903			$ 4,563			$ 2,499			$ 844			$ 974
Net-to-Gross Ratio:			0.95			0.75			0.88			1.00			0.75			0.75
Resource Benefit ($000, net):			$ 1,890			$ 1,427			$ 4,016			$ 2,499			$ 633			$ 731
Impact Study References: Study used for Forecast Required 1st LIY Study, 2nd Claim Required Persistence, 3rd Claim Required Persistence, 4th Claim	Study ID #			Study ID #			Study ID #			Study ID #			Study ID #			Study ID #		

Notes:
(1) Values reported in lower section are used to calculate PV for each end use element in a 'bottom-up' approach, i.e., PV=RBg/# of units

Table E-3

Components of Resource Benefit Values

Program Year: 1995

Program: Com'l Equipment Replacement (CEEI)

Earnings Claim: Third

(1995 Dollars)

Page 2 of 2

Average Load Impacts Per Unit (Gross)

	MISC(g) Pipewrap			MISC(g) Tank Insulation			MISC(g) R-19 Ceiling Insul'n			AC(g)		
Year	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
1995			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
1996			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
1997			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
1998			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
1999			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2000			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2001			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2002			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2003			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2004			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2005			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2006			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2007			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2008			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2009			441.83			7,745.05	2.53	4,527.00	692.00	302.89	737,011.95	
2010							2.53	4,527.00	692.00			
2011							2.53	4,527.00	692.00			
2012							2.53	4,527.00	692.00			
2013							2.53	4,527.00	692.00			
2014							2.53	4,527.00	692.00			
2015												
2016												
2017												
2018												
2019												
SUM (Lifecycle)			6,627.43			116,175.78	2.53	90,540.00	13,840.00	302.89	11,055,179.31	
PV			$ 1,876			$ 32,883			$ 10,268			

	MISC(g) Pipewrap			MISC(g) Tank Insulation			MISC(g) R-19 Ceiling Insul'n			AC(g)		
	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms	kW	kWh	Therms
# of Units:			395			11			163			0
Resource Benefit ($000, gross):			$ 741			$ 356			$ 1,672			
Net-to-Gross Ratio:			0.97			0.97			0.97			0.75
Resource Benefit ($000, net):			$ 718			$ 345			$ 1,621			
Impact Study References: Study used for Forecast Required 1st LIY Study, 2nd Claim Required Persistence, 3rd Claim Required Persistence, 4th Claim	Study ID #			Study ID #			Study ID #			Study ID #		

Notes:

(1) Values reported in lower section are used to calculate PV for each end use element in a 'bottom-up' approach, i.e., PV=RBg/# of units

Table E-1
Earnings Claim Summary Table: Performance Adder Programs
Program Year: 1995 ($000, 1995)
Southern California Gas Company

	PERFORMANCE ADDER PROGRAMS											
	Energy Management Services Programs					Direct Assistance Programs			Portfolio			
	REMS	CEMS	IEMS	AEMS	Total	Man	Non-Man	Total	Res	NRes	DAP	Total
FORECAST												
Costs and Benefits For Earnings (000's $)												
1 Measurement Costs	$268	$440	$440		$1,147	$432	$35	$467	$268	$880	$467	$1,614
2 Administration	$1,174	$2,319	$1,144		$4,637	$4,673	$1,339	$6,012	$1,174	$3,464	$6,012	$10,650
3 Program Incentives						$18,578	$658	$19,235			$19,235	$19,235
4 Program Costs	$1,174	$2,319	$1,144		$4,637	$23,251	$1,997	$25,247	$1,174	$3,464	$25,247	$29,885
8 Incremental Measure Costs, net (IMCn)	$205				$205	$18,578	$658	$19,235	$205		$19,235	$19,440
9 Resource Benefits, net (RBn)	$1,259	$8,670	$1,595		$11,524	$11,192	$929	$12,121	$1,259	$10,265	$12,121	$23,645
Target Earnings (000's $)												
16 Target Earnings Rate (TER) (%)												
17 Performance Earnings Basis, at target (PEBt)	($52)	$6,351	$450		$6,750	($12,058)	($1,068)	($13,126)	($52)	$6,801	($13,126)	($6,377)
17a Target Earnings Basis	$1,174	$2,319	$1,144			$23,251	$1,997					
18 Target Earnings												
TRC BCR, with Earnings	0.91	3.74	1.39		2.38	0.48	0.47	0.48	0.91	2.96	0.48	0.79
UC BCR, with Earnings	1.07	3.74	1.39		2.48	0.48	0.47	0.48	1.07	2.96	0.48	0.79
RECORDED - FIRST EARNINGS CLAIM (1995 AEAP)												
Costs and Benefits For Earnings (000's $)												
Recorded Measurement Costs	NA	NA	NA		NA	NA	NA	NA		NA	NA	NA
Recorded Administration	$1,033	$1,492	$582		$3,107	$4,673	$747	$5,420	$1,033	$2,074	$5,420	$8,527
Recorded Program Incentives						$18,578	$579	$19,157			$19,157	$19,157
Recorded Incremental Measure Costs, net						$18,578	$579	$19,157			$19,157	$19,157
Recorded Resource Benefits, net	$1,170	$8,886	$2,060		$12,116	$11,192	$597	$11,789	$1,170	$10,946	$11,789	$23,905
Recorded Performance Earnings Basis (PEB)	$137	$7,394	$1,478		$9,009	($12,058)	($730)	($12,788)	$137	$8,872	($12,788)	($3,779)
Recorded PEB/PEBt (%) (Minimum 75%)		116%	328%		133%					130%		
Corresponding Earnings Curve Lookup Value	NA	n/a	n/a			NA	NA					
Recorded Earnings	$46	$90	$26		$161	$214	0%	$214	$46	$115	$214	$376
TRC BCR, with Earnings												
UC BCR, with Earnings												
Earnings Distribution Share (1st Claim)	25%	25%	25%	25%		25%	25%	25%	25%	25%	25%	25%
Earnings Claim for Recovery (1st Claim)	$11	$22	$6		$40	$54		$54	$11	$29	$54	$94
Second Earnings Claim:												
Revised Resource Benefits, net	$1,170	$8,886	$2,060		$12,116	$11,192	$597	$11,789	$1,170	$10,946	$11,789	$23,905
Recorded PEB	$137	$7,394	$1,478		$9,009	($12,058)	($730)	($12,788)	$137	$8,872	($12,788)	($3,779)
Revised Earnings	$46	$90	$26		$161	$214		$214	$46	$115	$214	$376
Earnings Distribution Share (2nd Claim)	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Recorded Earnings (for 2nd Claim)	$23	$45	$13		$81	$107		$107	$23	$58	$107	$188
Earnings Recovered from 1st Claim	$11	$22	$6		$40	$54		$54	$11	$29	$54	$94
Recorded Incremental Earnings	$11	$22	$6		$40	$54		$54	$11	$29	$54	$94
Third Earnings Claim:												
Revised Resource Benefits, net	$1,170	$8,886	$2,060		$12,116	$11,192		$11,192	$1,170	$10,946	$11,789	$23,905
Recorded PEB	$137	$7,394	$1,478		$9,009	($12,058)		($12,058)	$137	$8,872	($12,788)	($3,779)
Revised Earnings	$46	$90	$26		$161	$214		$214	$46	$115	$214	$376
Earnings Distribution Share (3rd Claim)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Recorded Earnings (for 3rd Claim)	$34	$67	$19		$121	$161		$161	$34	$87	$161	$282
Earnings Recovered from 1st and 2nd Claim	$23	$45	$13		$81	$107		$107	$23	$58	$107	$188
Recorded Incremental Earnings	$11	$22	$6		$40	$54		$54	$11	$29	$54	$94
Fourth Earnings Claim:												
Revised Resource Benefits, net												
Recorded PEB												
Revised Earnings												
Earnings Distribution Share (4th Claim)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Recorded Earnings (for 4th Claim)												
Earnings Recovered from 1st, 2nd, and 3rd Claim												
Recorded Incremental Earnings												
Total Earnings	$ 34,358	$ 67,133	$ 19,478	$ -	$ 120,968	$ 160,815	$ -	$ 160,815	$ 34,358	$ 86,610	$ 160,815	$ 281,783

Proposed 2000AEAP Procedural Schedule

EARNINGS CLAIM SCHEDULE	Date
Submission of studies for DSM earnings claims	March 1
Draft PY98 First Earnings Claim (for pre-98 commitments)	April 17
DSM Annual Summary and Technical Appendix (for pre-98 commitments) EE Annual Summary & TA (for PY99 programs)	May 1
Utility Earnings Claim Application	May 1
CADMAC Testimony	June 16
ORA Testimony	July 3
Other Intervenors' Testimony	July 3
Utility Reply Testimony	July 24
Energy Division's Independent Reviewers Report (only for DSM earnings claims)	August 14
Utility Reply Testimony to Independent Review Report	August 28
Case Management Statement	September 8
Hearings (if necessary)	September 18 – September 22
Opening Briefs	September 29
Reply Briefs	October 13
Proposed Decision	November
Final Decision	December

SOUTHERN CALIFORNIA GAS COMPANY
SUMMARY OF PRESENT AND PROPOSED RATES
2001 AEAP Appl. A.00-05-__

Class of Service		Current Rates Effective 1/01/00	Proposed Rates Reflecting 2001 AEAP Appl. A.00-05-__	Increase/Decrease Rate	%
		(a)	(b)	(c)=(b)-(a)	(d)=(c)/(a)
CORE					
Residential					
Average Residential					
Customer Charge	$/month	5.00	5.00	-	0.00%
Baseline	¢/th	47.022	47.143	0.121	0.26%
Non-Baseline	¢/th	63.480	63.643	0.163	0.26%
Average Residential Rate	¢/th	62.079	62.214	0.135	0.22%
Non-Residential					
Small Commercial & Industrial					
Customer Charge	$/month	15.00	15.00	-	0.00%
Tier I (0-100 S, 250 W)	¢/th	68.757	68.892	0.135	0.20%
Tier II (Tier I-4167)	¢/th	44.110	44.245	0.135	0.31%
Tier III (>4167)	¢/th	28.705	28.840	0.135	0.47%
Large Commercial & Industrial					
Customer Charge	$/month	350.00	350.00	-	0.00%
Tier I (0-4167)	¢/th	39.088	39.223	0.135	0.35%
Tier II (>4167)	¢/th	28.705	28.840	0.135	0.47%
Gas Air Conditioning					
Customer Charge	$/month	150.00	150.00	-	0.00%
Volumetric Rate	¢/th	29.722	29.857	0.135	0.45%
Gas Engine					
Customer Charge	$/month	50.00	50.00	-	0.00%
Volumetric Rate	¢/th	31.558	31.693	0.135	0.43%
NONCORE - Average Transmission Rate					
Retail					
Industrial	¢/th	6.966	6.966	-	0.00%
Cogeneration	¢/th	4.111	4.111	-	0.00%
UEG	¢/th	4.111	4.111	-	0.00%
Wholesale					
Long Beach	¢/th	4.556	4.556	-	0.00%
SDG&E	¢/th	3.538	3.538	-	0.00%
UNBUNDLED STORAGE					
Annual Reservation					
Injection	$/Dthd	22.423	22.423	-	0.00%
Withdrawal	$/Dthd	13.735	13.735	-	0.00%
Inventory	$/Dth	0.193	0.193	-	0.00%
Variable Charges					
Injection	$/Dth	0.03135	0.03135	-	0.00%
Withdrawal	$/Dth	0.02434	0.02434	-	0.00%
BROKERAGE FEES					
Core	¢/th	0.20100	0.20100	-	0.00%
Noncore	¢/th	0.26600	0.26600	-	0.00%

SOUTHERN CALIFORNIA GAS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME
Dollars in millions

For the years ended December 31	1999	1998	1997
Operating Revenues	$2,569	$2,427	$2,641
Expenses			
Cost of natural gas distributed	1,032	913	1,088
Operation and maintenance	738	798	712
Depreciation	260	254	251
Income taxes	179	126	174
Other taxes and franchise payments	92	98	98
Total	2,301	2,189	2,323
Operating Income	268	238	318
Other Income and (Deductions)			
Interest income	16	4	1
Regulatory interest	(14)	--	15
Allowance for equity funds used during construction	--	3	2
Taxes on nonoperating income	(3)	(2)	(4)
Other - net	(6)	(4)	(7)
Total	(7)	1	7
Income Before Interest Charges	261	239	325
Interest Charges			
Long-term debt	74	75	82
Other interest	(12)	6	6
Allowance for borrowed funds used during construction	(2)	(1)	(1)
Total	60	80	87
Net income	201	159	238
Preferred Dividend Requirements	1	1	7
Earnings Applicable to Common Shares	$ 200	$ 158	$ 231

See notes to Consolidated Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
Dollars in millions

	December 31, 1999	December 31, 1998
ASSETS		
Utility plant - at original cost	$6,177	$6,063
Accumulated depreciation	(3,342)	(3,111)
Utility plant - net	2,835	2,952
Current assets		
Cash and cash equivalents	11	11
Accounts receivable - trade (less allowance for doubtful receivables of $16 in 1999 and $17 in 1998)	285	440
Accounts and notes receivable - other	14	13
Due from affiliates	73	--
Deferred income taxes	25	157
Natural gas in storage	67	49
Materials and supplies	12	14
Prepaid expenses	15	14
Total current assets	502	698
Regulatory assets	155	173
Investments and other assets	40	11
Total	$3,532	$3,834

See notes to Consolidated Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
Dollars in millions

	December 31, 1999	1998
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common stock	$ 835	$ 835
Retained earnings	447	525
Accumulated other comprehensive income	6	--
Total common equity	1,288	1,360
Preferred stock	22	22
Long-term debt	939	967
Total capitalization	2,249	2,349
Current liabilities		
Accounts payable - trade	159	153
Accounts payable - other	227	221
Accounts payable - affiliates	--	111
Regulatory balancing accounts overcollected - net	165	129
Other taxes payable	28	31
Accrued income taxes	4	30
Interest accrued	29	46
Current portion of long-term debt	30	75
Other	84	75
Total current liabilities	726	871
Customer advances for construction	27	31
Deferred income taxes - net	319	323
Deferred investment tax credits	56	58
Deferred credits and other liabilities	155	202
Total deferred credits	557	614
Contingencies and commitments (Note 10)		
Total	$3,532	$3,834

See notes to Consolidated Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CASH FLOWS
Dollars in millions

For the years ended December 31	1999	1998	1997
Cash Flows From Operating Activities			
Net income	$ 201	$ 159	$ 238
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	260	254	251
Deferred income taxes	(13)	(50)	(15)
Deferred investment tax credits	(2)	(3)	(3)
Allowance for funds used during construction	--	(4)	(4)
Other	(46)	1	(21)
Changes in working capital components			
Accounts receivable	154	46	(86)
Regulatory balancing accounts	36	484	36
Gas in storage	(18)	(24)	3
Other current assets	1	(1)	(1)
Accounts payable	(18)	(13)	(87)
Accrued income taxes	(26)	(9)	50
Other taxes payable	(3)	1	2
Deferred income taxes	132	(146)	21
Due to (from) affiliates	(184)	81	(14)
Other current liabilities	9	6	26
Net cash provided by operating activities	483	782	396
Cash Flows from Investing Activities			
Capital expenditures	(146)	(128)	(159)
Other - net	17	22	40
Net cash used in investing activities	(129)	(106)	(119)
Cash Flows from Financing Activities			
Dividends paid	(279)	(166)	(258)
Redemption of preferred stock	--	(75)	--
Issuance of long-term debt	--	75	120
Payment of long-term debt	(75)	(148)	(242)
Increase (decrease) in short-term debt	--	(351)	89
Net cash used in financing activities	(354)	(665)	(291)
Net increase (decrease)	--	11	(14)
Cash and Cash Equivalents, January 1	11	--	14
Cash and Cash Equivalents, December 31	$ 11	$ 11	$ --
Supplemental Disclosure of Cash Flow Information:			
Income tax payments, net of refunds	$ 100	$ 302	$ 132
Interest payments, net of amount capitalized	$ 77	$ 86	$ 75

See notes to Consolidated Financial Statements.

SOUTHERN CALIFORNIA GAS COMPANY AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY
For the years ended December 31, 1999, 1998, 1997
(Dollars in millions)

	Comprehensive Income	Preferred Stock	Common Stock	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders' Equity
Balance at December 31, 1996		$ 97	$ 835		$ 555	$1,487
Net income/comprehensive income	$ 238				238	238
Preferred stock dividends declared					(7)	(7)
Common stock dividends declared					(251)	(251)
Balance at December 31, 1997		97	835		535	1,467
Net income/comprehensive income	159				159	159
Preferred stock dividends declared					(1)	(1)
Common stock dividends declared					(168)	(168)
Redemption of preferred stock		(75)				(75)
Balance at December 31, 1998		22	835		525	1,382
Net income	201				201	201
Other comprehensive income						
Available-for-sale securities	12			$ 12		12
Pension	(6)			(6)		(6)
Comprehensive income	$ 207					
Preferred stock dividends declared					(1)	(1)
Common stock dividends declared					(278)	(278)
Balance at December 31, 1999		$ 22	$ 835	$ 6	$ 447	$1,310

See notes to Consolidated Financial Statements.

Southern California Gas Company

Cost of Property and Depreciation Reserve

As of December 31, 1999

	Gas Plant ($000)	Deprec Reserve ($000)
Gas Plant in Service	$ 6,014,463	$ 3,334,894
Construction Work in Progress	59,850	
Gas Stored Underground - Non Current	69,833	
	$ 6,144,146	$ 3,334,894

General Description of Property and Equipment

SoCalGas owns natural gas transmission pipelines, compressor plants, distribution pipelines, services and appurtenant meters, regulators, metering and regulation 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, 1998, 2,731 miles of transmission pipelines, and 44,097 miles of distribution mains.

Statement of Election of Method Computing Depreciation Deduction for Federal Income Tax

The depreciation deduction for the computation of federal income taxes is determined as follows for property placed in service prior to 1981: the amounts are generally based on class lives, using the straight-line, whole life method for property acquired before 1954, and the double-declining balance and 150 percent-declining balance methods for property acquired subsequent to 1953. Class lives used are based on the lower limits (shorter lives) available under the Asset Depreciation Range System for eligible properties placed in service after December 31, 1970. The Accelerated Cost Recovery System of depreciation and normalized accounting as legislated by the Economic Recovery Tax Act of 1981 are utilized for property placed in service subsequent to 1980. The Tax Reform Act of 1986 adopted the Modified Accelerated Cost Recovery System for property placed in service after 1986. As applicable for certain property placed in service in 1993 or thereafter, tax depreciation is determined in accordance with the Revenue Reconciliation Act of 1993.

SOUTHERN CALIFORNIA GAS COMPANY

SUMMARY OF REVENUE CHANGES

2000 AEAP APPL. A.00-05-

	REVENUES AT PRESENT 01/01/00 RATES (M$)	REVENUES AT PROPOSED RATES (M$)	INCREASE (DECREASE) (M$)	CHANGE (M$)
	(A)	(B)	(C=B-A)	(D=C/A)
CORE SALES:				
RESIDENTIAL	1,623,633	1,627,124	3,491	0.00215
G-10	336,523	337,403	880	0.00262
G-20	14,179	14,239	60	0.00425
GAS A/C	1,280	1,285	5	0.00386
GAS ENGINE	5,972	5,996	24	0.00397
TOTAL CORE SALES	1,981,587	1,986,047	4,460	0.00225
CORE TRANSPORTATION:				
RESIDENTIAL	22,701	22,770	69	0.00304
G-10	58,792	59,031	239	0.00406
G-20	894	903	9	0.00994
GAS A/C	0	0	0	
GAS ENGINE	1,134	1,144	10	0.00870
SUBTOTAL CORE TRANSPORTATION	83,521	83,848	327	0.00391
TOTAL CORE	2,065,108	2,069,895	4,787	0.00232
NONCORE:				
INDUSTRIAL	85,257	85,257	0	0.00000
UEG	81,786	81,786	0	0.00000
COGEN	33,909	33,909	0	0.00000
NONCORE SUBTOTAL	200,952	200,952		
WHOLESALE				
LONG BEACH	3,977	3,977	0	0.00000
SAN DIEGO GAS & ELECTRIC	44,719	44,719	0	0.00000
SOUTHWEST	4,775	4,775	0	0.00000
TOTAL WHOLESALE	53,471	53,471		
UNBUNDLED STORAGE	19,165	19,165	0	0.00000
ZONE REATE CREDIT	(7,458)	(7,458)	0	0.00000
NET CARE REVENUES	879	879	0	0.00000
SYSTEM TOTAL	2,332,117	2,336,904	4,787	0.00205
TOTAL CARE REVENUES	32,334	32,334	0	0.00000
EOR REVENUES	32,616	32,616	0	0.00000

SOUTHERN CALIFORNIA GAS COMPANY

NOTICE OF

ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of Southern California Gas Company will be held on May 11, 2000 at 10:30 a.m. at the offices of Sempra Energy, 101 Ash Street, San Diego, California, for the following purposes:

(1) To elect directors for the ensuing year.

(2) To transact any other business that may properly come before the meeting.

Shareholders of record at the close of business on March 22, 2000 are entitled to notice of and to vote at the Annual Meeting.

The Annual Meeting is a business-only meeting. It will not include any presentations by management.

Only shareholders of Southern California Gas Company are entitled to attend the Annual Meeting. Shareholders who own shares registered in their names will be admitted to the meeting upon verification of record share ownership. Shareholders who own shares through banks, brokerage firms, nominees or other account custodians must present proof of beneficial share ownership (such as a brokerage account statement) to be admitted.

By Order of the Board of Directors

Los Angeles, California
March 22, 2000

SOUTHERN CALIFORNIA GAS COMPANY

INFORMATION STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Southern California Gas Company ("SoCalGas" or the "Gas Company") is providing this Information Statement in connection with its Annual Meeting of Shareholders to be held on May 11, 2000. It is being mailed to shareholders commencing April 5, 2000.

SOUTHERN CALIFORNIA GAS COMPANY

SoCalGas is a direct subsidiary of Pacific Enterprises and an indirect subsidiary of Sempra Energy. It is a public utility supplying natural gas throughout most of Southern and portions of Central California. It is the nation's largest natural gas distribution utility.

SoCalGas became an indirect subsidiary of Sempra Energy upon the June 26, 1998 completion of a business combination of Pacific Enterprises (the direct parent corporation of SoCalGas) and Enova Corporation (the direct parent corporation of San Diego Gas & Electric Company). In the combination, Pacific Enterprises and Enova Corporation became separate subsidiaries of Sempra Energy, a newly formed holding company, and Pacific Enterprises Common Stock and Enova Corporation Common Stock were converted into Sempra Energy Common Stock. Shares of SoCalGas and San Diego Gas & Electric Company ("SDG&E") were unaffected by the business combination and remain outstanding.

SoCalGas' principal executive offices are located at The Gas Company Tower, 555 West Fifth Street, Los Angeles, California. Its telephone number is (213) 244-1200.

OUTSTANDING SHARES AND VOTING RIGHTS

Shareholders who are present at the Annual Meeting will be entitled to one vote for each of the Gas Company's shares which they held of record at the close of business on March 22, 2000. At that date, the outstanding shares consisted of 91,300,000 shares of Common Stock and 862,043 shares of Preferred Stock. All of the shares of Common Stock and 50,877 shares of Preferred Stock (together representing over 99% of the outstanding shares) are owned by Pacific Enterprises.

In electing directors, shareholders will be entitled to cumulate votes if any shareholder gives notice at the meeting and, prior to the voting, of an intention to cumulate votes. If that notice is given, all shareholders will be entitled to thirteen votes (the number of directors to be elected) for each of their shares and may cast all of their votes for any one director candidate whose name has been placed in nomination prior to the voting or distribute their votes among two or more such candidates in such proportions as they may determine.

In voting upon other matters properly presented to the Annual Meeting, each shareholder will be entitled to one vote for each share of SoCalGas Common or Preferred Stock.

GOVERNANCE OF THE COMPANY

Board of Directors

The business and affairs of the Gas Company are managed under the direction of the Board of Directors in accordance with the California General Corporation Law as implemented by the Company's Articles of Incorporation and By-laws. Members of the board are kept informed through various reports routinely sent to them as well as by operating and financial presentations made at board and committee meetings by officers and others.

Shareholders who wish to suggest qualified candidates for consideration by the Corporate Governance Committee as directors of the Gas Company should write to: Corporate Secretary, Southern California Gas Company, The Gas Company Tower, 555 West Fifth Street, Los Angeles, California, 90013, stating in detail the qualifications of the suggested candidates.

During 1999, the Board of Directors held nine meetings. The standing committees listed below assisted the board in carrying out its duties.

Committees Of the Board

Audit	Compensation	Corporate Governance	Executive	Finance	Public Policy
Richard A. Collato, *Chair*	Richard J. Stegemeier, *Chair*	Hyla H. Bertea, *Chair*	Warren I. Mitchell, *Chair*	Daniel W. Derbes, *Chair*	Herbert L. Carter, *Chair*
Ann L. Burr	Hyla H. Bertea	Ann L. Burr	Herbert L. Carter	Richard A. Collato	William D. Jones
Wilford D. Godbold, Jr.	Ignacio E. Lozano, Jr.	Daniel W. Derbes	Ignacio E. Lozano, Jr.	Wilford D. Godbold, Jr.	Ralph R. Ocampo
Robert H. Goldsmith	Ralph R. Ocampo	Robert H. Goldsmith	Thomas C. Stickel	William D. Jones	William G. Ouchi
William G. Ouchi	Thomas C. Stickel	Richard J. Stegemeier		Diana L. Walker	
Diana L. Walker					

Audit Committee

The Audit Committee met five times in 1999. Its duties and responsibilities include:

- Providing oversight of the financial reporting process and management's responsibility for the integrity, accuracy and objectivity of financial reports and accounting and financial reporting practices.
- Recommending to the board the selection of independent auditors.

Compensation Committee

The Compensation Committee met five times in 1999. Its duties and responsibilities include:

- Establishing overall strategy with respect to compensation for directors and senior officers.
- Evaluating the performance of the Chairman and the President for compensation purposes.
- Reviewing and approving individual salary adjustments and awards under incentive plans for senior officers.
- Overseeing the executive succession plans.

Corporate Governance Committee

The Corporate Governance Committee met three times in 1999. Its duties and responsibilities include:

- Reviewing and recommending nominees for election as directors.

- Assessing the performance of the Board of Directors.
- Developing guidelines for board composition.
- Reviewing and considering issues relating to corporate governance.

Executive Committee

The Executive Committee did not meet in 1999. The committee meets on call during the intervals between board meetings and, subject to the limitations imposed by law, has all the authority of the board.

Finance Committee

The Finance Committee met two times in 1999. Its duties and responsibilities include:

- Reviewing long term and short term financial requirements and financing plans.
- Reviewing trading operations, financial guarantees and derivatives positions and exposure.
- Reviewing pension plan investment results and insurance coverages.

Public Policy Committee

The Public Policy Committee met three times in 1999. Its duties and responsibilities include:

- Reviewing public policy issues affecting the Gas Company, including ethnic, social and political trends.
- Reviewing employment and contracting policies, consumer issues and community relations.
- Reviewing charitable and political contributions and programs.

Directors' Compensation

All of the directors of the Gas Company are also directors or officers of Sempra Energy. They are not separately compensated for services as directors of the Gas Company.

Directors of Sempra Energy who are not also employees receive the following retainer and fees for services as directors of Sempra Energy and its subsidiaries:

Annual retainer	$26,000
Attendance fee for each Board meeting	$ 1,000
Attendance fee for each Committee meeting	$ 1,000
Additional meeting fee for each Committee meeting chaired	$ 1,000

Directors may elect to receive their annual fees in Sempra Energy Common Stock instead of cash or to defer their annual fees into an interest-bearing account or a phantom share account in which the fees are deemed invested in Sempra Energy Common Stock.

Each non-employee director of Sempra Energy is granted upon becoming a director a ten-year option to purchase 15,000 shares of Sempra Energy Common. Each non-employee director is also granted an additional ten-year option to purchase 5,000 shares at each annual meeting of Sempra Energy (other than the annual meeting that coincides with or first follows the director's election to the board) following which the director continues to serve as a non-employee director. Each option is granted at an option exercise price equal to the fair market value of the option shares at the date the option is granted and becomes fully exercisable commencing with the first annual meeting of Sempra Energy following the date of the grant or the director's earlier death, disability, retirement or involuntary termination of board service other than for cause.

Non-employee directors of Sempra Energy who were directors of Pacific Enterprises or Enova Corporation at the time of the business combination of the two companies (currently all of the non-employee directors) continue to accrue retirement benefits (subject to certain maximum years of service credit) for service as non-employee directors of Sempra Energy. Benefits commence upon the later of retirement as a director or attaining age 65 and continue for a maximum period equal to the director's combined years of service as a director of Sempra Energy and Pacific Enterprises or Enova Corporation. The annual benefit is the sum of Sempra Energy's then current annual retainer and ten times the then current board meeting fee.

SHARE OWNERSHIP OF DIRECTORS AND EXECUTIVE OFFICERS

All of the outstanding SoCalGas Common Stock is owned by Pacific Enterprises and none of the Gas Company's directors or officers owns any SoCalGas Preferred Stock.

The following table sets forth the number of shares of Sempra Energy Common Stock beneficially owned by each director, by each of the five most highly compensated executive officers of the Gas Company and by all directors and executive officers of the Gas Company as a group, as of February 15, 2000. These shares, in the aggregate, represent less than one percent of Sempra Energy's outstanding shares.

Sempra Energy Common Stock

	Current Beneficial Holdings	Shares Subject To Exercisable Options(A)	Phantom Shares(B)	Total
Hyla H. Bertea	9,630	20,000	–0–	29,630
Ann L. Burr	2,200	20,000	–0–	22,200
Herbert L. Carter	1,551	20,000	–0–	21,551
Richard A. Collato	4,222	20,000	–0–	24,222
Daniel W. Derbes	5,828	20,000	–0–	25,828
Wilford D. Godbold, Jr.	3,006	20,000	–0–	23,006
Robert H. Goldsmith (C)	2,659	20,000	–0–	22,659
William D. Jones	2,174	20,000	–0–	22,174
Ignacio E. Lozano, Jr. (C)	2,352	20,000	–0–	22,352
Warren I. Mitchell	22,565	145,446	36,991	205,002
Richard M. Morrow	13,056	36,888	372	50,316
Ralph R. Ocampo	14,621	20,000	–0–	34,621
William G. Ouchi	10,000	20,000	–0–	30,000
Roy M. Rawlings	6,986	55,252	905	63,143
Debra L. Reed	11,411	103,913	1,538	116,862
Richard J. Stegemeier	1,503	20,000	–0–	21,503
Lee M. Stewart	13,085	102,406	1,180	116,671
Thomas C. Stickel	2,037	20,000	–0–	22,037
Diana L. Walker	936	20,000	–0–	20,936
Directors and Executive Officers as a group (20 persons)	134,551	792,009	42,066	968,626

(A) Shares which may be acquired through the exercise of stock options that are exercisable on or before May 15, 2000.

(B) Represents deferred compensation deemed invested in shares of Sempra Energy Common Stock. These phantom shares cannot be voted or transferred but track the performance of Sempra Energy Common Stock.

(C) Messrs. Goldsmith and Lozano will retire as directors before the Annual Meeting and the authorized number of directors will be reduced to reflect their retirements.

Share ownership guidelines have been established for directors and officers to further strengthen the link between performance and compensation. For non-employee directors the guideline is ownership of a number of shares having a market value equal to four times the annual retainer. For officers, the guidelines are:

SoCalGas Executive Level	Share Ownership Guidelines
Chairman and President	3 × Base Salary
Presidents of Divisions	2 × Base Salary
Vice Presidents	1 × Base Salary

In setting the guidelines the board considered then current share ownership levels and the desirability of encouraging further share ownership. The officer guidelines were established in 1998 and the director guidelines in 2000. They are expected to be met or exceeded within five years from adoption. For purposes of the guidelines, shares owned include phantom shares into which compensation is deferred and the vested portion of certain in-the-money stock options as well as shares owned directly or through benefit plans.

ELECTION OF DIRECTORS

The Gas Company's Board of Directors will consist of thirteen directors upon giving effect to the retirement of two directors who will retire before the Annual Meeting of Shareholders and a corresponding reduction in the authorized number of directors. At the Annual Meeting, thirteen directors (comprising the entire authorized number of directors) will be elected to hold office until the next Annual Meeting and until their successors have been elected and qualified. The thirteen director candidates receiving the greatest number of votes will be elected as directors.

Warren I. Mitchell has announced that he will retire on July 1, 2000. The board anticipates that it will at that time further reduce the authorized number of directors to twelve.

The names of the Board of Directors' thirteen nominees for election as directors and biographical information regarding each nominee are set forth below. Each nominee is currently a director of the Gas Company and also of SDG&E. Each nominee (other than Mr. Mitchell) is also a director of Pacific Enterprises and Sempra Energy. Unless otherwise noted, each nominee has held the position set forth beneath his or her name or various positions with the same or predecessor organizations for at least the last five years.

Hyla H. Bertea, 59, has been a director since 1993. She is a realtor with Prudential California, a real estate sales company. She is a trustee of Lewis & Clark College, a director of Orange County Community Foundation, and a former commissioner of the California Horse Racing Board. For a number of years she has been involved in leadership positions with various other cultural, educational and health organizations in the Orange County and Los Angeles areas. Mrs. Bertea was a co-commissioner of gymnastics and a member of the executive staff for the 1984 Olympics.

Ann L. Burr, 53, has been a director since 1998. She is an Executive Vice President of Time Warner Cable. She is the former President of Time Warner Communications in Rochester, New York and Time Warner Cable in San Diego. Ms. Burr is a trustee of the Rochester Institute of Technology. She served as Chair of the Board of Directors of the California Cable Television Association and chaired its Telecommunications Policy Committee. She is a former Chair of the Greater San Diego Chamber of Commerce Board of Directors and the founder and former Chair of the Chamber's Business Roundtable for Education and the San Diego Communications Council.

Herbert L. Carter, DPA, 66, has been a director since 1993. He has served as President of California State University, Dominguez Hills, and Executive Vice Chancellor Emeritus and Trustee Professor of Public Administration of the California State University System. He was President and Chief Executive Officer of United Way of Greater Los Angeles from 1992 until 1995, and Executive Vice Chancellor of the California State University System from 1987 until 1992. Dr. Carter is a director of Golden State Mutual Insurance Company, and has served as a member of the Board of Councilors of the School of Public Administration, University of Southern California and the Board of Regents of Loyola Marymount University.

Richard A. Collato, 56, has been a director since 1998. He is President and Chief Executive Officer of the YMCA of San Diego County. He is a former director of Y-Mutual Ltd., a reinsurance company, and The Bank of San Diego. Mr. Collato is a former trustee of Springfield College, and currently is a trustee of the YMCA Retirement Fund and Bauce Foundation, and a director of Project Design Consultants.

Daniel W. Derbes, 69, has been a director since 1998. He is President of Signal Ventures. From 1985 until 1988, he was President of Allied-Signal International Inc. and Executive Vice President of Allied-Signal Inc., a multi-national advanced technologies company. Mr. Derbes is a director of WD-40 Company and a trustee of the University of San Diego.

Wilford D. Godbold, Jr., 61, has been a director since 1993. He is the retired President and Chief Executive Officer of ZERO Corporation, an international manufacturer primarily of enclosures and thermal management equipment for the electronics market. He is a director of K2, Inc. Mr. Godbold is a trustee of the Wellness Community, a member of the Council on California Competitiveness, a past President of the Board of Trustees of Marlborough School and a past Chairman of the Board of the California Chamber of Commerce and The Employers Group.

William D. Jones, 44, has been a director since 1998. He is the President and Chief Executive Officer and a director of CityLink Investment Corporation. From 1989 to 1993, he served as General Manager/Senior Asset Manager and Investment Manager with certain real estate subsidiaries of The Prudential. Prior to joining The Prudential, he served as a San Diego Council member from 1982 to 1987. Mr. Jones is a director of the Federal Reserve Bank of San Francisco, Los Angeles Branch, and a trustee of the University of San Diego. He is a former director of The Price Real Estate Investment Trust.

Warren I. Mitchell, 62, has been a director since 1997. He is Chairman of the Board and President of the Gas Company, Chairman of SDG&E and Group President-Regulated Business Operations of Sempra Energy. He is a director of the United Way of Greater Los Angeles, Gas Research Institute and Chairman, director and trustee of the Institute of Gas Technology.

Ralph R. Ocampo, M.D., F.A.C.S., 68, has been a director since 1998. He is a practicing surgeon, Governor of the American College of Surgeons, past President of the California Medical Association and a Clinical Professor of Surgery at the University of California, San Diego.

William G. Ouchi, Ph.D., 56, has been a director since 1998. He is a Vice Dean and Faculty Director of Executive Education Programs and Sanford and Betty Sigoloff Professor in Corporate Renewal in the Anderson Graduate School of Management at UCLA. Dr. Ouchi is a director of Allegheny Technologies, FirstFed Financial Corp., and Water-Pik Technologies. He is a trustee of Williams College and a director of KCET Public Service Television.

Richard J. Stegemeier, 71, has been a director since 1995. He is Chairman Emeritus of the Board of Unocal Corporation. He is a director of Foundation Health Systems, Inc., Halliburton Company, Montgomery Watson, Inc., and Northrop Grumman Corporation.

Thomas C. Stickel, 50, has been a director since 1998. He is the Chairman, Chief Executive Officer and founder of University Ventures Network. He is the founder of Americana Partners Capital Group, Inc. He previously was the Chairman, Chief Executive Officer and President of TCS Enterprises, Inc. and the Bank of Southern California, both of which he founded. Mr. Stickel is Chairman of the Board of Onyx Acceptance Corporation, a director of Blue Shield of California and Del Mar Thoroughbred Club and Vice Chairman of the California Chamber of Commerce.

Diana L. Walker, 58, has been a director since 1993. Mrs. Walker is a partner and General Counsel of the law firm of O'Melveny & Myers LLP. She is a former director of United Way of Greater Los Angeles, and Emeritus Governor and former Chair of the Board of Governors of the Institute for Corporate Counsel, a former trustee of Marlborough School and a member of various professional organizations. O'Melveny & Myers LLP provides legal services to Sempra Energy and its subsidiaries.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Gas Company became an indirect subsidiary of Sempra Energy in connection with a business combination of Pacific Enterprises (the direct parent of the Gas Company) and Enova Corporation (the direct parent of San Diego Gas & Electric Company) that was completed on June 26, 1998.

The Boards of Directors of the Gas Company, SDG&E and Sempra Energy each maintain a Compensation Committee comprised of independent directors. The directors comprising the three committees are identical and the committees typically meet in joint session.

The Compensation Committees have the responsibility for establishing compensation principles and strategies, as well as designing a compensation program for executive officers. Their responsibilities also include administering a base salary program, executive annual and long term incentive plans, and executive benefit and perquisite programs.

During 1999, the Compensation Committees conducted a review of the executive compensation programs and policies of Sempra Energy and its subsidiaries that were originally developed in 1998 in connection with the business combination of Pacific Enterprises and Enova Corporation. The committees sought the assistance of nationally recognized compensation and benefit consultants to assist with the review of executive compensation principles and practices designed to assist the companies in realizing the key objective of creating superior shareholder value in a rapidly changing and increasingly competitive business environment. The committees, with the assistance of a nationally recognized compensation firm, also reviewed board compensation during 1999.

Compensation Principles and Strategies

In developing compensation principles and strategies, the Compensation Committees considered the current and prospective business environment for Sempra Energy and its subsidiaries and took into account numerous factors, including:

- The rapidly changing and increasingly competitive environment in which Sempra Energy and its subsidiaries operate.
- The need to retain experienced executives of outstanding ability and to motivate them to achieve superior performance.
- The need to attract executive talent from broader markets as the utility and energy industries continue to rapidly evolve.
- The need to strongly link executive compensation to both annual and long term corporate, business unit and individual performance.
- The need to strongly align the interests of executives with those of shareholders.

As a result of this review, the Compensation Committees approved the continuation of the compensation program developed in 1998 and designed to meet these objectives and encourage executives to achieve superior shareholder returns. The program includes the following elements.

- An emphasis on "pay-for-performance" with a substantial portion of total compensation reflecting corporate, business unit and individual performance.
- An emphasis on stock incentives closely aligning the interests of executives with those of shareholders.
- An emphasis on total compensation with base salaries generally targeted at or near median general industry levels for comparable sized companies and with the annual cash and long term equity incentives providing opportunities to earn total compensation at significantly higher levels for superior corporate, business unit and individual performance.

- An appropriate balance of short term and long term compensation to retain talented executives, reward effective long term strategic results and encourage share ownership.
- An emphasis on placing at risk, through equity and other performance-based incentives, a greater portion of an executive's total compensation as levels of responsibility increase.

The Compensation Committees also considered provisions of the Internal Revenue Code limiting to $1 million the annual amount of compensation that does not qualify as "qualified performance-based compensation" that publicly held corporations may deduct for federal income tax purposes as compensation expense for each of certain executive officers. The committees consider tax deductibility to be an important factor but only one factor to be considered in evaluating any executive officer compensation program. Accordingly, the committees intend to design programs that will maximize federal income tax deductions for compensation expense to the extent that doing so is consistent with the compensation principles and strategies of Sempra Energy and its subsidiaries. The committees believe, however, that there are circumstances in which the interests of its shareholders may be best served by providing compensation that is not fully tax deductible, and may exercise discretion to provide compensation (including incentive awards under the Sempra Energy Long Term Incentive Plan) that will not qualify as a tax deductible compensation expense.

Compensation Program

The primary components of the compensation program of Sempra Energy and its subsidiaries are base salaries, annual cash incentive opportunities and long term equity and equity-based incentive opportunities.

Base Salaries

Base salaries for executives are reviewed annually and, in general, are targeted at the median of salaries for general industry companies of similar size to Sempra Energy. This strategy, along with annual and long term incentive opportunities at general industry levels, is intended to allow Sempra Energy and its subsidiaries to retain and attract top quality executive talent. However, the committees will continue to monitor this strategy as the markets for executive talent change. In determining base salary adjustments, the committees will also take into account individual performance, executive responsibilities, market characteristics and other factors.

Survey data for assessing base salaries are based upon companies in the Fortune 1000 and size-adjusted based upon Sempra Energy's revenues using regression analysis. This group is broader than the peer group used for assessing performance for long-term incentive plan purposes. The Compensation Committees believe that the most direct competitors of Sempra Energy and its subsidiaries for executive talent will not be limited to companies in this peer group and the Fortune 1000 appropriately reflects a broader group with which Sempra Energy and its subsidiaries compete to retain and attract highly skilled and talented executives.

Annual base salaries for executive officers of Sempra Energy and its subsidiaries have been set at the approximate mid-point of these salary data. For 1999, an annual base salary of $475,000 was established for Mr. Mitchell, and $300,000 for Debra R. Reed and $289,900 for Lee M. Stewart, the Gas Company's Presidents of Energy Distribution Services and Energy Transportation Services, respectively

Annual Incentives

Annual cash bonus performance-based incentive opportunities are provided to executive officers through the Sempra Energy Executive Incentive Plan. This plan permits the payment of bonuses based upon the attainment of objective financial performance goals. Bonus opportunities vary with the individual officer's position and prospective contribution to the attainment of these goals and no bonuses are paid unless a threshold performance level is attained for the related performance period. Bonus opportunities increase for performance above the threshold level. Performance at targeted levels is intended to compensate executive officers with bonuses at the mid-point for bonuses for comparable levels of responsibility at Fortune 1000 companies.

For 1999, Executive Incentive Plan award levels were based on attainment of earnings per share goals with target award levels of 70% of base salary for Mr. Mitchell, 50% base salary for Ms. Reed and Mr. Stewart, and 45% of base salary for Vice Presidents, with maximum award levels ranging from 140% to 90% of base salary. Performance for the year was at 150% of targeted performance and resulted in cash bonuses of $498,750 for Mr. Mitchell, and $243,750 for Ms. Reed and $235,544 for Mr. Stewart with corresponding lesser amounts to other executive officers.

Long Term Incentives

Long term incentive opportunities are provided by equity and equity-based awards under Sempra Energy's 1998 Long Term Incentive Plan. The plan permits a wide variety of equity and equity-based incentive awards to respond to changes in the market conditions and compensation practices. The committees expect, however, that most awards under the plan will be in the form of non-qualified stock options and, to a lesser and declining extent, restricted stock.

During 1999, Sempra Energy granted to executives and other employees of Sempra Energy and its subsidiaries non-qualified stock options to purchase Sempra Energy Common Stock under the Long Term Incentive Plan. These option grants to executive officers of the Gas Company are described in this Proxy Statement under the caption "Executive Compensation—Stock Options and Stock Appreciation Rights."

During 1999, Sempra Energy also awarded grants of performance-based restricted shares under the Long Term Incentive Plan to executives of Sempra Energy and its subsidiaries. These awards and related total shareholder return vesting standards are discussed in this Proxy Statement under the caption "Executive Compensation—Restricted Stock Grants."

Share Ownership Guidelines

The Compensation Committees believe that a commitment to increased share ownership by executives of Sempra Energy and its subsidiaries is an important element in aligning the interests of executives with those of shareholders. This belief has influenced the design of compensation plans and, in addition, stock ownership guidelines have been established to further strengthen the link between corporate performance and compensation. These guidelines are summarized under the caption "Share Ownership of Directors and Executive Officers."

COMPENSATION COMMITTEE

Richard J. Stegemeier, *Chairman*
Hyla H. Bertea
Ignacio E. Lozano, Jr.
Ralph R. Ocampo
Thomas C. Stickel

March 7, 2000

EXECUTIVE COMPENSATION

Summary of Cash and Other Compensation

The table below summarizes, for the last three years, the compensation paid or accrued by Sempra Energy and its predecessors and subsidiaries to each of the executive officers of the Gas Company named in the table.

Summary Compensation Table

		Annual Compensation		Long Term Compensation — Awards	Long Term Compensation — Payouts	
Name and Principal Position	Year	Salary	Bonus	Securities Underlying Options / SARS (#)	LTIP Payouts (A) (B)	All Other Compensation (C)
Warren I. Mitchell	1999	$474,769	$498,750	128,700	$–0–	$ 61,368
Chairman and President	1998	$437,409	$506,230	140,296	$–0–	$816,659
	1997	$337,947	$280,000	40,602	$–0–	$ 27,446
Debra L. Reed	1999	$298,732	$243,750	52,300	$–0–	$ 38,432
President of Energy	1998	$282,646	$237,526	66,355	$–0–	$326,134
Distribution Services	1997	$250,526	$182,000	31,579	$–0–	$ 19,153
Lee M. Stewart	1999	$288,659	$235,544	50,500	$–0–	$ 40,855
President of Energy	1998	$264,813	$222,951	65,135	$–0–	$316,488
Transportation Services	1997	$237,024	$171,500	31,579	$–0–	$ 18,637
Roy M. Rawlings	1999	$216,895	$177,795	25,500	$–0–	$ 33,417
Vice President	1998	$204,099	$166,635	28,138	$–0–	$177,295
	1997	$186,067	$ 93,900	9,925	$–0–	$ 22,175
Richard M. Morrow	1999	$195,415	$160,380	23,000	$–0–	$ 26,920
Vice President	1998	$181,664	$143,474	26,354	$–0–	$ 89,225
	1997	$159,923	$ 77,235	9,925	$–0–	$ 11,162

(A) Restricted stock awarded in 1998 under the Sempra Energy Long Term Incentive Plan is reported below under the caption "Restricted Stock Grants."

(B) The aggregate holdings/value of restricted stock held on December 31, 1999 by the individuals listed in the table are: 13,256 shares/$230,389 for Mr. Mitchell; 5,212 Shares/$90,585 for Ms. Reed; 4,908 Shares/$85,301 for Mr. Stewart; 2,656 Shares/$46,161for Mr. Rawlings; and 2,304 Shares/$40,044 for Mr. Morrow. Regular quarterly dividends are paid on restricted stock held by these individuals.

(C) All other compensation includes amounts paid as (i) interest on deferred compensation above 120% of the applicable federal rate, (ii) life insurance premiums, (iii) financial and estate planning services, (iv) contributions to defined benefit plans and related supplemental plans, and (v) car allowances. The respective amounts paid in 1999 were $4,523, $7,109, $13,126, $29,610 and $7,000 for Mr. Mitchell; $527, $574, $14,063, $16,268 and $7,000 for Ms. Reed; $1,457, $1,870, $15,000, $15,528, and $7,000 for Mr. Stewart; $2,693, $1,538, $10,500, $11,686, and $7,000 for Mr. Rawlings; and $0, $2,077, $7,500, $10,343, and $7,000 for Mr. Morrow.

Amounts for 1998 for Mr. Mitchell also include an incentive/retention bonus accrual under an agreement with Pacific Enterprises entered into in 1997 in connection with the business combination of Pacific Enterprises and Enova Corporation. Under the agreement, a deferral account was established for Mr. Mitchell upon the completion of the business combination and credited with an incentive/retention bonus amount of $782,000 which was deemed invested in shares (together with reinvestment of dividend equivalents) of Sempra Energy Common Stock. Mr. Mitchell will become entitled to his incentive/retention bonus upon continued employment with Sempra Energy or its subsidiaries through June 16, 2000 and will be paid in cash an amount equal to the then fair market value of number of shares of Sempra Energy Common Stock equal to the number of phantom shares then credited to his deferral account.

Amounts for 1998 for Ms. Reed and Messrs. Stewart, Rawlings and Morrow also include $303,750, $292,500, $152,250 and $72,065, respectively, paid by Pacific Enterprises as incentive/retention bonuses upon the completion of six to twelve months of service following the completion of the business combination of Pacific Enterprises and Enova Corporation.

Stock Options and Stock Appreciation Rights

The following table contains information concerning the grant of stock options during 1999 to the executive officers of the Gas Company named in the Summary Compensation Table. All options are to purchase Sempra Energy Common Stock, were granted at an exercise price of 100% of the fair market value of the option shares on the date of the grant and are for a ten-year term subject to earlier expiration following termination of employment.

Option / SAR Grants in 1999

Name	Number of Shares Underlying Options / SARs Granted (#)	% of Total Options / SARs Granted to Employees in 1999	Exercise Price ($/Sh)	Expiration Date	Grant Date Present Value
Warren I. Mitchell	36,700(A)	2.53%	$21.00	5/4/09	$265,708
	92, 000(B)	4.79%	$21.00	5/4/09	$265,880
Debra L. Reed	14,900(A)	1.03%	$21.00	5/4/09	$107,876
	37,400(B)	1.95%	$21.00	5/4/09	$108,086
Lee M. Stewart	14,400(A)	0.99%	$21.00	5/4/09	$104,256
	36,100(B)	1.88%	$21.00	5/4/09	$104,329
Roy A. Rawlings	7,300(A)	0.50%	$21.00	5/4/09	$ 52,852
	18,200(B)	0.95%	$21.00	5/4/09	$ 52,598
Richard M. Morrow	6,600(A)	0.45%	$21.00	5/4/09	$ 47,784
	16,400(B)	0.85%	$21.00	5/4/09	$ 47,396

(A) Exercisable in cumulative installments of one-fourth of the shares initially subject to the option on each of the first four anniversaries of the grant date. Granted with performance-based dividend equivalents on unexercised shares for the four-year period ending December 31, 2003. No dividend equivalents will be paid unless Sempra Energy meets annual or four-year threshold performance goals based on total return to shareholders ranking within a peer group of companies or the Standard & Poor's 500 and the percentage of dividends paid as dividend equivalents (to a maximum of all dividends that would have been paid on the shares for the four-year period) will depend upon the extent to which the threshold goals are exceeded.

(B) Exercisable in cumulative annual installments of one-fourth of the shares initially subject to the option on each of the first four anniversaries of the grant date. Granted without dividend equivalents.

Sempra Energy used a modified Black-Scholes option pricing model to develop the theoretical values set forth under the "Grant Date Present Value" column, but the executive will realize value from the stock options only to the extent that the price of Sempra Energy Common Stock on the exercise date exceeds the price of the stock on the grant date. Consequently, there is no assurance the value realized by an executive will be at or near the theoretical value, and these amounts should not be used to predict stock performance.

Grant date present values were based on an option value of $2.89 and, for options granted with dividend equivalents, a dividend equivalent value of $4.35. These are based on the following assumptions: share volatility–17.9%; dividend yield–5.49%; risk-free rate of return–5.66%; and outstanding term–10 years.

The following table contains information with respect to the executive officers of the Gas Company named in the Summary Compensation Table concerning the exercise of options and stock appreciation rights during 1999 and unexercised options and stock appreciation rights held on December 31, 1999.

Option / SAR Exercises and Holdings

Name	Shares Acquired on Exercise (#)	Value Realized	Number of Securities Underlying Unexercised Options / SARs at Year End (#)(A)		Value of Unexercised In-the-Money Options / SARs at Year End ($)(A)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Warren I. Mitchell	31,579	$160,349	92,970	242,944	$ -0-	$-0-
Debra L. Reed	-0-	$ -0-	69,034	109,772	$ -0-	$-0-
Lee M. Stewart	-0-	$ -0-	67,977	107,057	$14,154	$-0-
Roy A. Rawlings	-0-	$ -0-	41,810	48,971	$ -0-	$-0-
Richard M. Morrow	-0-	$ -0-	24,071	45,133	$ -0-	$-0-

(A) The exercise price of outstanding options ranges from $12.80 to $31.00.

Restricted Stock Grants

The following table contains information concerning restricted shares of Sempra Energy Common Stock granted during 1998 to the executive officers of the Gas Company named in the Summary Compensation Table.

Restricted Stock Grants in 1999

Name	Number of Restricted Shares	Performance Period Until Payout	Estimated Future Payouts Under Non-Stock Price-Based Plans (A)
Warren I. Mitchell	5,800	Four Annual Periods	$132,472
Debra L. Reed	2,400	Four Annual Periods	$ 54,816
Lee M. Stewart	2,200	Four Annual Periods	$ 50,248
Roy A. Rawlings	1,200	Four Annual Periods	$ 27,408
Richard M. Morrow	1,000	Four Annual Periods	$ 22,840

(A) The payout amount represents the fair market value on the May 4, 1999 grant date of the restricted shares that will become vested upon the achievement of all performance goals. The actual payout (if any) will depend upon the achievement of performance goals and upon the then fair market value of Sempra Energy Common Stock.

Restricted shares are subject to forfeiture and transfer restrictions that terminate upon the satisfaction of long term objective corporate performance criteria. During the performance period, the executive receives dividends on the restricted shares and is entitled to vote them but the shares cannot be sold or otherwise transferred. If the performance criteria are not satisfied or the executive's employment is terminated during the performance period, the shares are forfeited to Sempra Energy and canceled.

The forfeiture and transfer restrictions on one-quarter of the shares initially subject to each of the awards shown in the table will terminate at the end of years 2000, 2001, 2002 and 2003 if the executive is then employed by Sempra Energy or its subsidiaries and Sempra Energy has achieved a total return to shareholders for the year that places it among the top 25% of a peer group comprised of Sempra Energy and other energy and energy services companies. If these annual performance criteria are not met, the forfeiture and transfer restrictions on all or a portion of the shares remaining subject to these restrictions may be terminated based upon the satisfaction of cumulative shareholder return performance criteria for the four years ending December 31, 2003.

The restrictions on all remaining shares will terminate at the end of the year 2003 if the executive is then employed by Sempra Energy or its subsidiaries and Sempra Energy has achieved a four-year cumulative total return to shareholders that either places it among the top 50% of the peer group companies or equals or exceeds the four-year cumulative return of the companies then comprising the Standard & Poor's 500 Corporate Stock Price Index. If neither of these performance criteria is satisfied, the restrictions may be terminated as to a portion of the shares if Sempra Energy's four-year cumulative total shareholder return is among the top 70% of the peer group. Restrictions will terminate as to 80% of the shares for performance among the top 55% of the peer group with the percentage of shares as to which the restrictions may terminate declining ratably to 20% for performance among the top 70% of the peer group. Any restricted shares for which forfeiture and transfer restrictions are not terminated by or as of the end of year 2003 will be forfeited to Sempra Energy and canceled.

Pension Plans

The following table shows the estimated single life annual pension annuity benefit provided to the executive officers of the Gas Company named in the Summary Compensation Table under the Sempra Energy Supplemental Executive Retirement Plan (combined with benefits payable under the other pension plans of the Gas Company and its affiliates in which the officers also participate) based on the specified compensation levels and years of credited service and retirement at age 65.

Pension Plan Table
($000's)

Pension Plan Compensation	Years of Service				
	5	10	20	30	40
$ 200	$ 40	$ 80	$120	$125	$130
$ 400	$ 80	$160	$240	$250	$260
$ 600	$120	$240	$360	$375	$390
$ 800	$160	$320	$480	$500	$520
$1,000	$200	$400	$600	$625	$650

Pension benefits are based on average salary for the highest two years of service and the average of the three highest annual bonuses during the last ten years of service. Years of service includes service with subsidiaries and number 41 years for Mr. Mitchell, 21 years for Ms. Reed, 32 years for Mr. Stewart, 26 years for Mr. Rawlings and 25 years for Mr. Morrow.

Employment and Employment-Related Agreements

Employment Agreements

In connection with the business combination of Pacific Enterprises and Enova Corporation, Sempra Energy entered into an employment agreement with Warren I. Mitchell. Mr. Mitchell's agreement provides for an initial employment term of five years (subject to earlier mandatory retirement at age 65) which commenced on the June 26, 1998 completion of the business combination. The term of the agreement is automatically extended by one year on June 26, 2002 and on each June 26 thereafter unless he or Sempra Energy elects not to extend the term.

The agreement provides that Mr. Mitchell will serve as the President and principal executive officer of the businesses of Sempra Energy that are economically regulated by the California Public Utilities Commission. For these services, he will receive an annual base salary of not less than $440,000 and will be entitled to participate in (i) annual incentive compensation plans and long term compensation plans and awards providing him with an annual bonus opportunity at least equal (in terms of target, maximum and minimum awards, expressed as a percentage of annual base salary) to his opportunities in effect at Pacific Enterprises prior to the completion of the business combination and (ii) all retirement and welfare benefit plans applicable to employees or senior executives of Sempra Energy.

The agreement also provides that if Sempra Energy terminates Mr. Mitchell's employment (other than for cause, death or disability) or Mr. Mitchell terminates his employment for good reason, he will be entitled to receive an amount equal to (i) the sum of his annual base salary and annual incentive compensation (equal to the greater of his target bonus for the year of termination or the average of the three years' highest gross bonus awards in the five years preceding termination) multiplied by two, provided that in the event of termination following a change in control such multiplier will be three; (ii) a pro rata portion of the target amount payable under any annual incentive compensation awards for the year or, if greater, the average of the three years' highest gross bonus awards paid to him in the five years preceding the year of termination; and (iii) an additional retirement benefit equal to the present value of the benefits to which he would be entitled under Sempra Energy's defined benefit pension and retirement plans if he continued working for an additional two years and had increased his age by two years as of termination (in each case three years in the event of a termination following a change of control), but not beyond mandatory retirement age of 65. The agreement also provides for immediate vesting and exercisability of all equity-based long term incentive compensation awards; pro rata payment of cash-based long term incentive awards at target performance; continued participation in welfare benefit plans for three years; payment of compensation previously deferred; and financial planning and outplacement services. The agreement also provides for a gross-up payment to offset the effects of any excise taxes imposed on Mr. Mitchell under Section 4999 of the Internal Revenue code.

Good reason is defined in the employment agreements to include an adverse change in Mr. Mitchell's title, authority, duties, responsibilities or reporting lines; a reduction in his base salary or aggregate annualized compensation and benefit opportunities; the relocation of his principal place of employment; and a substantial increase in his business travel obligations. A change in control is defined to include the acquisition by one person or group of 20% or more of the voting power of Sempra Energy's shares; the election of a new majority of the board of Sempra Energy comprised of individuals who are not recommended for election by two-thirds of the current directors or successors to the current directors who were so recommended for election; certain mergers, consolidations or sales of assets that result in the shareholders of Sempra Energy owning less than 60% of the voting power of Sempra Energy or of the surviving entity or its parent; and shareholder approval of the liquidation or dissolution of Sempra Energy.

Mr. Mitchell has announced that he will retire on July 1, 2000. Upon his retirement he will receive a cash payment of approximately $1.8 million, reflective of amounts he would be entitled to under his employment agreement. In addition, the forfeiture and transfer restrictions on his shares of restricted stock will immediately terminate and his stock options will become immediately and fully exercisable.

Severance Agreements

Sempra Energy has entered into a severance agreement with each of the Gas Company's executive officers, other than Mr. Mitchell for whom severance arrangements are contained in his employment agreement summarized above. The severance agreements provide for the payment of benefits in the event Sempra Energy and its subsidiaries terminate the executive's employment (other than for cause, death or disability) or the executive terminates his or her employment for good reason.

The benefits payable under the severance agreements include (i) a lump sum cash payment equal to the executive's annual base salary and average annual bonus for the two years prior to termination multiplied, in certain cases depending upon the officer's position, by as much as 150%; (ii) continuation of health benefits for a period of two years; and (iii) financial planning and outplacement services. In addition, if the termination occurs within two years after a change in control of Sempra Energy, (i) the lump sum cash payment multiple is increased to as much as two; (ii) all equity-based incentive awards immediately vest and become exercisable or payable and all restrictions on such awards immediately lapse; (iii) all deferred compensation is paid out in a lump sum; (iv) a lump sum cash payment is made equal to the present value of the executive's benefits under the Supplemental Executive Retirement Plan calculated as if the executive had attained age 62 (or, if the executive is older than 62, based on the executive's actual age) and applying certain early retirement factors; and

(v) continued life, disability, accident and health insurance for two years. The agreements also provide for a gross up payment to offset the effects of any excise tax imposed on the executive under Section 4999 of the Internal Revenue Code.

Good reason is defined in the severance agreements to include the assignment to the executive of duties materially inconsistent with those appropriate for an executive of Sempra Energy and its subsidiaries, a material reduction in the executive's overall standing and responsibilities within Sempra Energy and its subsidiaries and a material reduction in the executive's annualized compensation and benefit opportunities other than across-the-board reductions affecting all similarly situated executives of comparable rank. In addition, following a change in control of Sempra Energy, good reason also includes an adverse change in the executive's title, authority, duties, responsibilities or reporting lines, a 10% or greater reduction in the executive's annualized compensation and benefit opportunities, relocation of the executive's principal place of employment by more than 30 miles, and a substantial increase in business travel obligations. A change in control is defined in the same manner as in Mr. Mitchell's employment agreement summarized above.

SHAREHOLDER PROPOSALS

Shareholders intending to bring any business before an Annual Meeting of Shareholders of the Gas Company, including nominations of persons for election as directors, must give written notice to the Secretary of SoCalGas of the business to be presented. The notice must be received at the Gas Company's offices within the periods and must be accompanied by the information required by the By-laws. A copy of these By-law requirements will be provided upon request in writing to the Secretary of the Gas Company.

The period for notice of business to be brought by shareholders before the 2000 Annual Meeting of Shareholders has expired. The period for the receipt by SoCalGas of notice of business to be brought by shareholders before the 2001 Annual Meeting of Shareholders will commence on January 11, 2001 and end on March 12, 2001.

INDEPENDENT AUDITORS

Representatives of Deloitte & Touche LLP, independent auditors for the Gas Company, are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and to respond to appropriate questions from shareholders.

ANNUAL REPORTS

The Gas Company's Annual Report to the Securities and Exchange Commission on Form 10-K is being mailed to shareholders together with this Information Statement.

In compliance with Rule 24, Applicant will mail a notice to the following, stating in general terms its proposed decision.

State of California

To the Attorney General and the Department of General Services.

Counties

To the County Counsel (or District Attorney if the County has no County Counsel) and the County Clerk in the following counties:

Fresno
Imperial
Kern
Kings
Los Angeles
Orange
Riverside
San Bernardino
San Luis Obispo
Santa Barbara
Tulare
Ventura

Municipal Corporations

To the City Attorney and the City Clerk of the following municipal corporations:

Adelanto
Agoura Hills
Alhambra
Anaheim
Arcadia
Arroyo Grande
Artesia
Arvin
Atascadero
Avenal
Azusa
Bakersfield
Baldwin Park
Banning
Beaumont
Bell
Bell Gardens
Bellflower
Beverly Hills
Big Bear Lake
Blythe
Bradbury
Brawley
Brea
Buena Park
Burbank
Calexico
California City
Calipatria
Camarillo
Canyon Lake
Carpinteria
Carson
Cathedral City
Cerritos
Chino
Claremont
Coachella
Colton
Commerce
Compton
Corcoran
Corona
Costa Mesa
Covina
Cudahy
Culver City
Cypress
Dana Point
Delano
Desert Hot Springs
Diamond Bar
Dinuba
Downey
Duarte
El Centro
El Monte
El Segundo
Exeter
Farmersville
Fillmore
Fontana
Fountain Valley
Fowler
Fullerton
Garden Grove
Gardena
Glendale
Glendora
Grand Terrace
Grover Beach
Guadalupe
Hanford
Hawaiian Gardens
Hawthorne
Hemet
Hermosa Beach
Hesperia
Hidden Hills
Highland
Holtville

Municipal Corporations
(Continued)

Huntington Beach
Huntington Park
Imperial
Indian Wells
Indio
Industry
Inglewood
Irvine
Irwindale
Kingsburg
La Canada Flintridge
La Habra
La Habra Heights
La Mirada
La Palma
La Puente
La Quinta
La Verne
Laguna Beach
Laguna Niguel
Lake Elsinore
Lakewood
Lancaster
Lawndale
Lemoore
Lindsey
Loma Linda
Lomita
Lompoc
Long Beach
Los Alamitos
Los Angeles
Lynwood
Manhattan Beach
Maricopa
Maywood
McFarland
Mission Viejo
Monrovia
Montclair
Montebello
Monterey Park
Moorpark
Moreno Valley
Morro Bay

Murieta
Needles
Newport Beach
Norco
Norwalk
Ojai
Ontario
Orange
Orange Cove
Oxnard
Palm Desert
Palm Springs
Palmdale
Palos Verdes Estates
Paramount
Parlier
Pasadena
Paso Robles
Perris
Pico Rivera
Pismo Beach
Placentia
Pomona
Port Hueneme
Porterville
Rancho Cucamonga
Rancho Mirage
Rancho Palos Verdes
Redlands
Redondo Beach
Reedley
Rialto
Riverside
Rolling Hills
Rolling Hills Estates
Rosemead
San Bernardino
San Clemente
San Dimas
San Fernando
San Gabriel
San Jacinto
San Juan Capistrano
San Luis Obispo
San Marino

Sanger
Santa Ana
Santa Barbara
Santa Clarita
Santa Fe Springs
Santa Maria
Santa Monica
Santa Paula
Seal Beach
Selma
Shafter
Sierra Madre
Signal Hill
Simi Valley
Solvang
South El Monte
South Gate
South Pasadena
Stanton
Taft
Tehachapi
Temecula
Temple City
Thousand Oaks
Torrance
Tulare
Tustin
Upland
Ventura
Vernon
Victorville
Villa Park
Visalia
Walnut
Wasco
West Covina
West Hollywood
Westlake Village
Westminster
Westmorland
Whittier
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Yucaipa

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