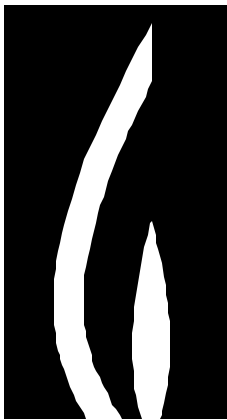


Demand-Side Management

Energy Efficiency Programs Annual Report

Pre-98 DSM Programs

May 2002



**Southern
California
Gas Company[®]**



A **Sempra EnergySM** company

Pre-98 Demand-Side Management Programs

May 2002

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1. Executive Summary

This report provides the foundation for SoCalGas' PY1997 third earnings claim.

PY1997 Third Earnings Claim

SoCalGas is making a third earnings claim for PY1997 programs. Since no impact or retention studies were performed in this reporting period, the life cycle earnings claim remains unchanged. The third claim is based on the previously filed program. The claim is equal to 75% of the life cycle earnings claim, minus the earnings already claimed. The incremental earnings SoCalGas is requesting authorization to collect are \$716,000.

2. Conservation/Energy Efficiency

Since there were no impact or retention studies performed in this reporting period, no Conservation/Energy Efficiency programs were changed. The life cycle earnings claim remains the same.

3. Load Management

SoCalGas did not operate a program in this category, or this category is not relevant to this year's earnings claim. This section has been placed here to conform with DSM reporting requirements.

4. Fuel Substitution

SoCalGas did not operate a program in this category, or this category is not relevant to this year's earnings claim. This section has been placed here to conform with DSM reporting requirements.

5. Load Building and Retention

SoCalGas did not operate a program in this category, or this category is not relevant to this year's earnings claim. This section has been placed here to conform with DSM reporting requirements.

6. Measurement, Forecasting and Regulatory Reporting

No impact or retention studies were performed in this reporting period.

7. Other DSM

SoCalGas did not operate a program in this category, or this category is not relevant to this year's earnings claim. This section has been placed here to conform with DSM reporting requirements.

8. Shareholder Performance Incentives

SoCalGas did not operate a program in this category, or this category is not relevant to this year's earnings claim. This section has been placed here to conform with DSM reporting requirements.