



A  Sempra Energy® utility

Application: 02-05-

Exhibit No. (SDG&E-3)

DEMAND-SIDE MANAGEMENT PROGRAMS

Program Years 1994-1997

**Annual Summary and
Technical Appendix**

**2001 Results
May 2002**



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DEMAND-SIDE MANAGEMENT PROGRAMS

Program Years 1994-1997

**Annual Summary and
Technical Appendix**

**2001 Results
May 2002**

**DEMAND-SIDE
MANAGEMENT PROGRAMS
ANNUAL SUMMARY**

Program Years 1994-1997
May 2002



A  Sempra Energy company

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SECTION 1

EXECUTIVE SUMMARY

SDG&E's Demand-Side Management (DSM) activities in 2001 were limited to carryover commitments from program years 1994 through 1997.

This year, the DSM Annual Summary and Technical Appendix encompasses primarily the Third Earnings Claims for Program Year 1997 ("PY97"). A discussion of the retention studies that were performed for the PY97 programs are included.

Section II would normally describe both the residential and nonresidential DSM **Conservation/ Energy Efficiency Programs**. SDG&E did not implement any new programs in 2001, however there were minor program activities in 2001 related to prior year(s) programs (or "pre-1998" programs).

Section III describes **Load Management Programs** which did continue to be offered in 2001. The Residential Time-Of-Use program (4,111 customers) and the Individual Load Curtailment program had moderate activity during 2001. For Individual Load Curtailment program There were 113 participants at the start of the year; 2 customers were added during the year and 46 customers dropped out of the program. By year end 69 participants remained on the program and 29 MW of contracted demand reduction.

Section IV would normally describe the **Fuel Substitution Programs** offered, however SDG&E did not carryover any prior years' program activities into 1999.

Measurement, Forecasting and Regulatory Reporting activities discussed in **Section VI** continued to play an important role in SDG&E's DSM efforts. Studies agreed to in past proceedings were completed or continued in 2001 to determine program achievements and successes.

Section VII describes **Other Demand-Side Management** activities. There were no activities to report for 2001.

Section VIII provides results under the current shareholder incentive mechanism for Program Year 1997. All requirements were met and SDG&E is requesting a PY96 third earnings claim of \$4,988,906 (75% of the total lifecycle earnings claim less the first and second earnings claims previously collected based on the retention studies completed to verify lifecycle savings plus interest from July 1, 1998 through December 31, 2002, franchise fees and uncollectibles.

Lastly, **Section IX Miscellaneous** discusses the financing rate program and other pre-1998 program commitments as ordered in D.97-09-117.

Note that there is no separate Technical Appendix for this report as all necessary information has been incorporated.

SECTION 2

CONSERVATION/ENERGY EFFICIENCY

Not applicable.

SECTION 3

LOAD MANAGEMENT

Residential Programs

Residential Time-Of-Use Rate

Description

The objective of the Residential Time-Of-Use (TOU) Rate program is to offer customers an economically attractive rate that will induce them to shift their usage from on-peak to off-peak hours.

2001 Results and Major Accomplishments

During 2001, SDG&E did not proactively market the R-TOU program. Upon request, program information was sent to customers. There were 4,111 customers actively participating in the program at year end. Support for customers on these rates include setting and maintaining monitoring equipment, and notifying customers when curtailment is necessary.

2001 Program Costs

Authorized	\$0
Budgeted	\$0
Actual	\$0

Although no funding was authorized by the Commission for this program, it was mandated (by the Commission) that the R-TOU rate remains open.

Nonresidential Programs

Interruptible/Curtailable

Individual Load Curtailment (ILC)

Description

This program's strategy to achieve load reduction is based on implementing interruptible rates (A-V1, A-V2, and RTP-2). These rates, designed for commercial/industrial customers, were developed to reduce system load during periods of peak demand or declared emergency. They differ primarily by (1) the system activation level, and (2) the energy costs. Using a contact closure, SDG&E electronically notifies customers of the peak period during which they are charged higher, pre-established rates.

Customers agree to a contracted minimum demand which a premium is charged during peak periods. The load reduction is a result of the difference between a customer's demand level at the time of activation and the contracted minimum demand.. The customers' total peak electric demand is reduced during periods of heavy system demand or as otherwise required. The customer can respond to the activation signal by stopping work completely, rescheduling work, etc.

The history of the program has been focused on customers who have operational characteristics that lend themselves to the program's objectives.

2001 Results & Major Accomplishments

In 2001, ILC customers were called on to curtail as follows:

A-V1	13 Events
A-V2:	0 Events

There were 113 participants at the start of the year; 2 customers were added during the year and 46 customers dropped out of the program.. By year end 69 participants remained on the program and 29 MW of contracted demand reduction.

All curtailments in 2001 were Stage 2 Emergencies declared by the California ISO and not a result of our MW trigger value.

SECTION 4

FUEL SUBSTITUTION

Not applicable.

SECTION 5

LOAD RETENTION AND LOAD BUILDING

Not applicable.

SECTION 6

MEASUREMENT, FORECASTING, AND REGULATORY REPORTING

Introduction

Since the 1989 GRC decision, SDG&E's measurement and evaluation (M&E) focus has been to improve the methods used for planning, measuring, and evaluating DSM programs. Efforts have concentrated on improving the level of customer information, as well as on improving estimates of energy and demand impacts. In the 1990 Collaborative program filing (A.90-04-034), SDG&E's 1992 Modified Attrition filing (A.91-03-001), and SDG&E's 1993 General Rate Case filing (A.91-11-024), a methodology for linking shareholder incentives with agreed upon pre-implementation (*ex ante*) program impacts was proposed and adopted, and this was continued through 1993. Direction was also given on the appropriate techniques that should be used for estimating both pre-implementation and post-implementation (*ex post*) program impacts, and SDG&E incorporated those techniques in its measurement and evaluation activities since 1993.

As a result of the M&E Phase in the DSM OIR, the CPUC adopted a comprehensive set of protocols for measuring *ex post* DSM program savings and for linking the results of those measurements to utility earnings. PY94 was the first year for which the adopted M&E Protocols were implemented. These M&E Protocols are updated during the Annual Earnings Assessment Proceeding (AEAP) as a result of recommendations made based on completed utility impact evaluations.

The CEC Data Collection and Analysis activities are documented in the Market Assessment and Evaluation Section of the Energy Efficiency Programs, Annual Summary and Technical Appendix 2000 Results—2001 Plans.

Program Measurement

Program measurement is the set of activities needed to determine the load impacts, persistence, and performance of existing individual programs or groups of programs, as well as activities needed to conduct process evaluations on existing programs. Associated data collection, analysis, and management, long-run program tracking, (statewide measurement studies), and projects that study DSM program measurement methodologies are also contained in this category. Program measurement includes demand-reducing, load management, and fuel substitution.

SDG&E is committed to the measurement and evaluation process for all of its demand-side management programs. SDG&E conducts program evaluation for two primary reasons: (1) to capture sufficient data to estimate actual load impacts resulting from the implementation of DSM programs as mandated by the M&E Protocols, and (2) to capture information that will allow SDG&E to improve the effectiveness and efficiency of existing programs and to develop new programs in the future (process evaluation).

The third/fourth year retention studies were completed per the schedule established in Table 8A of the M&E Protocols.

This section provides information that follows the order in which studies are presented in Tables 6.1 and TA-6.1 per the DSM Reporting Requirements Manual, Sixth Edition. The succeeding pages describe the studies conducted to support SDG&E's PY96 and PY97 third earnings claim.

SDG&E continues to conduct data collection activities and retention analyses for PY94 through PY97. SDG&E will submit the third/fourth year retention studies for PY96/PY97 and the sixth year retention studies for some of the PY94/95 programs as required in Table 8A of the M&E Protocols for consideration -in the 2001 AEAP.

Retention Studies

Residential Weatherization Retrofit Incentives Program

RESIDENTIAL WEATHERIZATION RETROFIT INCENTIVE (RWRI) PROGRAM
1996 & 1997 Measure Retention Study
Study number 990
Knight Research
March 2001

The California Demand Side Management Advisory Committee (CADMAC) measurement and evaluation (M&E) Protocols require Retention Studies for specific program years on a program by program basis. The purpose of these studies is to collect data to determine the retention and effective useful life (EUL) of the primary measures specific to each program. This involves measuring the proportion of measures still in place and operational since their initial installation. This information provides the basis for development of *ex post* EULs. The *ex post* EULs are then statistically compared with *ex ante* EULs.

The current study is a Retention Study for the 1996 & 1997 Residential Weatherization Retrofit Incentive Program (RWRI) operated by San Diego Gas and Electric Company (SDG&E).

Program protocols require that Retention Studies evaluate the top 10 measures or 50% of the estimated resource value (whichever number of measures is less). Under this protocol the primary measures for the current study are attic insulation and infiltration

The sample plan for the current study was designed to maximize the representative measurement of these two primary measures. A sample of 350 customers from program years 1996 and 1997 were surveyed by telephone.

The primary retention measurement is the proportion of measures that are in place and operational. This is derived from survey information by analyzing frequencies and means by each or combined measures. The EUL estimation methodology from the previous RWRI study (Megdal and Associates, March 1, 1999) was adopted to provide both continuity and comparability. This study estimated EULs by calculating the expected median from an exponential model, given the average length of time since installation and the average surviving retention rate. Nearly all (99%) of the attic insulation and 90% of the infiltration measures remained in place. Calculated *ex post* EULs were in excess of *ex ante* EULs, as follows:

Measure	Ex Ante	Ex Post	Ex Post
Attic Insulation	20 Years	316 Years	20 Years
Infiltration	10 Years	19 Years	10 Years

Residential Appliance Efficiency Incentives Program: High Efficiency Lighting

Retention Study

1994 & 1995 RESIDENTIAL APPLIANCE EFFICIENCY INCENTIVES PROGRAM: COMPACT FLUORESCENT LIGHTS
Sixth Year Retention Evaluation
Study number 922
SDG&E
March 2001

Several channels of distribution were used in disseminating lamps to customers. The primary channel was retailers, with the secondary channel through SDG&E field operations and other DSM programs. The CFLs were packaged with a postcard (a copy is provided at the end of this study) requesting customer and product information. The card asked for the customer's name, address, phone number, number of bulbs purchased and wattage. The retention sample for this study was drawn from this database.

See Table 1 and the econometrics portion of the report for a description of the modeling and data methods.

The results of this retention study will be used to verify the program's PY94 and PY95 fourth earnings claims in the 2004 AEAP and 2005 AEAP, respectively.

Retention Study

1996 & 1997 RESIDENTIAL APPLIANCE EFFICIENCY INCENTIVES PROGRAM: COMPACT FLUORESCENT LIGHTS
Fourth Year Retention Evaluation
Study number 984
SDG&E
March 2001

See Table 1 and the econometrics portion of the report for a description of the modeling and data methods.

The results of this retention study will be used to verify the program's PY96 and PY97 third earnings claim in the 2001 AEAP and 2002 AEAP, respectively.

Residential Appliance Efficiency Incentives Program: High Efficiency Refrigeration
Retention Study

1996 & 1997 RESIDENTIAL APPLIANCE EFFICIENCY INCENTIVES: REFRIGERATORS
Fourth Year Retention Evaluation
Study number 981
SDG&E
March 2001

A customer who participated in SDG&E's Residential Appliance Efficiency Incentives High Efficiency Refrigerator program received a rebate at the time of purchase. SDG&E's rebates were on a sliding scale, with higher rebates for higher efficiency units. The dealer was required to collect the name, address, telephone number, and refrigerator model, and then submit this documentation to SDG&E for reimbursement. The retention sample for this study was drawn from this database.

See Table 1 and the econometrics portion of the report for a description of the modeling and data methods.

The results of this retention study will be used to verify the program's PY96 and PY97 third earnings claim in the 2001 AEAP and 2002 AEAP, respectively.

Commercial Energy Efficiency Incentives Program

Retention Study

1996 & 1997 COMMERCIAL ENERGY EFFICIENCY INCENTIVES
Fourth Year Retention Evaluation
Study number 993 & 1017
SDG&E
March 2001

A customer who participated in SDG&E's Commercial Energy Efficiency Incentives program was entered into SDG&E's project tracking system. Information regarding customer name, address, phone number, installed measures, measure costs, energy savings and participation date were kept in this database. The retention sample for this study was drawn from this population.

See Table 1 and the econometrics portion of the report for a description of the modeling and data methods.

The results of this retention study will be used to verify the program's PY96 and PY97 third earnings claim in the 2001 AEAP and 2002 AEAP, respectively.

Industrial Energy Efficiency Incentives Program

Retention Study

1994 & 1995 INDUSTRIAL ENERGY EFFICIENCY INCENTIVES
Sixth Year Retention Evaluation
Study number 928 & 964
SDG&E
March 2001

A customer who participated in SDG&E's Industrial Energy Efficiency Incentives program received a rebate upon completed installation of the equipment. Information regarding customer name, address, phone number, installed measures, measure costs, energy savings and participation date were kept in SDG&E's program tracking system. The retention sample for this study was drawn from this database.

See Table 1 and the econometrics portion of the report for a description of the modeling and data methods.

The results of this retention study will be used to verify the program's PY94 and PY95 fourth earnings claims in the 2004 AEAP and 2005 AEAP, respectively.

Retention Study

1996 & 1997 INDUSTRIAL ENERGY EFFICIENCY INCENTIVES
Fourth Year Retention Evaluation
Study number 996 & 1020
SDG&E
March 2001

This survey effort yielded no measure failures. Accordingly, there was no statistical analysis as to estimated useful life; *ex ante* estimates of useful life will be utilized.

The results of this retention study will be used to verify the program's PY96 and PY97 third earnings claim in the 2001 AEAP and 2002 AEAP, respectively.

Fuel Substitution Program

Retention Study

1997 FUEL SUBSTITUTION
Fourth Year Retention Evaluation
Study number 1017
SDG&E
March 2002

This survey effort yielded no measure failures. Accordingly, there was no statistical analysis as to estimated useful life; *ex ante* estimates of useful life will be utilized.

The results of this retention study will be used to verify the program's PY97 third earnings claim in the 2002 AEAP.

Agricultural Energy Efficiency Incentives Program

Retention Study

1994 & 1995 AGRICULTURAL ENERGY EFFICIENCY INCENTIVES
Sixth Year Retention Evaluation
Study number 931 & 967
SDG&E
March 2001

A customer who participated in SDG&E's Agricultural Energy Efficiency Incentives program received a rebate upon completed installation of the equipment. Information regarding customer name, address, phone number, installed measures, measure costs, energy savings and participation date were kept in SDG&E's project tracking system.

The single participant in this program was surveyed regarding the installation of a single pump-related measure. The measure was in place. As a result, there was no further statistical analysis.

The results of this retention study will be used to verify the program's PY94 and PY95 fourth earnings claims in the 2004 AEAP and 2005 AEAP, respectively.

Retention Study

1996 & 1997 AGRICULTURAL ENERGY EFFICIENCY INCENTIVES
Fourth Year Retention Evaluation
Study number 999 & 1023
SDG&E
March 2001

There was nearly no failure data observed for this report. A single "dependent" failure (group of dependent individual failures) was used to develop one estimate of useful life for 5-10 Watt CFL's. See Table 3 and the econometrics portion of the report for a description of the modeling and data methods.

The results of this retention study will be used to verify the program's PY96 and PY97 third earnings claim in the 2001 AEAP and 2002 AEAP, respectively.

Residential Energy Management Services Program

Retention Study

There is no retention study required.

Residential New Construction Program

Retention Study

1996 RESIDENTIAL NEW CONSTRUCTION PROGRAM
Fourth Year Retention Evaluation
Study number 1002
SDG&E
March 2001

SDG&E's Residential New Construction program was designed to encourage new home builders to incorporate energy saving advanced building technologies and appliances that exceeded Title 24 State Building Energy Efficiency Standards. By so doing, developers were able to take advantage of conservation opportunities at the optimum time. All residential builders who exceeded the space cooling, space heating, or water heating standards of Title 24 by a minimum of five percent were eligible to participate in the program.

Financial incentives were provided to builders to help offset additional costs of installing the more energy-efficient measures of high performance glass, air conditioning, and R-19 wall insulation.

The data for the retention study came from the lot number, installed measures, and participation date from the program tracking database, customer name, address, phone number, from master file and "reverse" phone directory. In addition, measures were determined to be in place and operable by the phone survey described in the section of the report entitled, "Sampling and Data Collection". The data were merged together to form the dataset for the econometric analysis leading to the estimated effective useful life

See Table 1 and the econometrics portion of the report for a description of the modeling and data methods.

The results of this retention study will be used to verify the program's PY96 third earnings claim in the 2001 AEAP.

Nonresidential New Construction Program

Retention Study

1996 & 1997 NONRESIDENTIAL NEW CONSTRUCTION PROGRAM
Fourth Year Retention Evaluation
Study number 1005
SDG&E
March 2001

A customer who participated in SDG&E's Nonresidential New Construction program received a rebate upon building completion. Information regarding customer name, address, phone number, installed measures, measure costs, energy savings and participation date were kept in SDG&E's project tracking system. The retention sample for this study was drawn from this database.

See Table 1 and the econometrics portion of the report for a description of the modeling and data methods. The LPD measure was the only measure in the program for which there were adequate failure data for a retention study.

The results of this retention study will be used to verify the program's PY96 and PY97 third earnings claim in the 2001 AEAP and 2002 AEAP, respectively.

Residential Direct Assistance Program

Retention Study

There is no retention study required.

Commercial Energy Management Services Program

Retention Study

There is no retention study required.

Industrial Energy Management Services Program

Retention Study

There is no retention study required.

Agricultural Energy Management Services Program

Retention Study

There is no retention study required.

Study reference material**Table 1--Over of data type and survivor curve specification**

Study	Type of Data Used		Type of Specification Used		
	Independent Failures	Dependent Failures	Exponential	Linear	Combination Linear/Exponential
Study 990: Residential Weatherization Retrofit Incentive (RWRI) Program-- 1996 & 1997 Measure Retention Study	x		x		
Study 922: 1994 & 1995 Residential Appliance Efficiency Incentives Program: Compact Fluorescent Lights-- Sixth Year Retention Evaluation	x		x		
Study 984: 1996 & 1997 Residential Appliance Efficiency Incentives Program: Compact Fluorescent Lights-- Fourth Year Retention Evaluation	x		x		
Study 981: 1996 & 1997 Residential Appliance Efficiency Incentives: Refrigerators--Fourth Year Retention Evaluation	x		x	x	
Study 993 & 1017: 1996 & 1997 Commercial Energy Efficiency Incentives--Fourth Year Retention Evaluation	x	x	x		x
Study 928 & 964: 1994 & 1995 Industrial Energy Efficiency Incentives--Sixth Year Retention Evaluation		x	x		
Study 996 & 1020: 1996 & 1997 Industrial Energy Efficiency Incentives--Fourth Year Retention Evaluation	NA	NA	NA	NA	NA
Study 931 & 967: 1994 & 1995 Agricultural Energy Efficiency Incentives--Sixth Year Retention Evaluation	NA	NA	NA	NA	NA
Study 999 & 1023: 1996 & 1997 Agricultural Energy Efficiency Incentives--Fourth Year Retention Evaluation		x	x		
Study 1005: 1996 & 1997 Nonresidential New Construction Program--Fourth Year Retention Evaluation		x	x		
Study 1002: 1996 Residential New Construction Program-- Fourth Year Retention Evaluation	x		x		
The survivor curves and the expected median lifetimes were estimated using maximum likelihood procedures applied to measure failure data. Independent failures are failures of individual measures. Dependent failures are clusters of measures having failed jointly. Estimated median lifetimes resulted from both types of data. An exponential specification is associated with a constant failure rate over time, while a linear specification point to an increasing rate of failure.					

Statewide Measurement Studies

The M&E Protocols adopted in D. 93-05-063 in the DSM OIR in May 1993 made provision for CADMAC and also for CADMAC funding of nine statewide studies. To be consistent with the Interim Opinion on Measurement and Evaluation Cost Containment Rules (D.93-10-063), the four California utilities determined that CADMAC funding would come from the one percent funding allocated for CCIG since there was some duplication of statewide efforts.

SDG&E personnel are also subcommittee members on the other seven statewide subcommittees.

Retrofit Modeling Subcommittee

The subcommittee was inactive in 2001.

New Construction Modeling Subcommittee

The subcommittee was inactive in 2001.

Persistence Subcommittee

The subcommittee was active in 2001, sponsoring a study on the persistence of energy savings associated with Compressed Air systems. The main components to be evaluated are: 1) leak identification and repair, 2) control systems and compressed air supply management, and 3) facility air management practices. An interim report was completed and monitoring at individual sites continued. The study will be completed by the end of the third quarter of 2002.

Base Efficiency Subcommittee

The subcommittee was inactive in 2001.

Measure Cost Subcommittee

The subcommittee was inactive in 2001.

Residential High Efficiency Refrigerator Subcommittee

The subcommittee was inactive in 2001.

Residential High Efficiency Lighting Subcommittee

The subcommittee was inactive in 2001.

Market Effects Subcommittee

The subcommittee was inactive in 2001.

Process Studies

No process studies were conducted in 2001.

Regulatory Compliance & Reporting

Regulatory Compliance and Reporting is designed to capture activities that are undertaken to meet regulatory reporting oversight, and other obligations and that are not included in

Program Measurement and Demand-Side Forecasting and Planning. This category has two subcategories: (1) Regulatory Reporting and Support, and (2) Regulatory Oversight.

Regulatory Reporting and Support

Regulatory Reporting and Support consists of those activities needed to verify, collect, and report descriptive and technical information related to the achievements and scope of all authorized DSM programs. Examples are annual DSM reports, filings for shareholder earnings and other DSM proceedings (except CADMAC) including workshop participation, testimony, hearings, and data requests and responses.

SDG&E filed its PY96 third earnings claim in the 2001 Annual Earnings Assessment Proceeding (AEAP) as a result of the Commission's Annual Earnings Assessment Proceeding and Electric Industry Restructuring. The following describes major regulatory activities for 2001.

SDG&E is filing its PY97 third earnings claim in the 2002 AEAP.

Regulatory Reports

SDG&E filed its Annual Summary of DSM Activities in May 2002 as required by the Commission. SDG&E worked with regulatory staffs in providing information as requested in an open and timely manner.

Shareholder Incentives

In May 2001, SDG&E filed an application with the CPUC to recover the shareholder incentive earned under the CPUC approved mechanism for achievements in Program Year 1995. On October 18, 2000, the Assigned Administrative Law Judge issued Administrative Law Judge's Ruling Deferring Schedule of Proceedings which postponed all further proceedings in this matter until further notice and the hearings were taken off calendar.

Regulatory Oversight

Regulatory oversight consists of activities related to the administrative costs associated with running the California Demand-Side Management Advisory Committee (CADMAC), the costs of the Commission's Energy Division audits and analysis, and the funds devoted to the verification of utility DSM earnings managed by the Commission's Office of Ratepayer Advocates (ORA).

CADMAC Administration

The CADMAC is comprised of the four major energy utilities, ORA, the Energy Division, the California Energy Commission, California Institute for Energy Efficiency, Lawrence Berkeley Laboratory/Energy and Environment Division, and Natural Resources Defense. CADMAC responsibilities are outlined in Appendix B of the adopted M&E Protocols. The purpose of the group is to provide a forum for presentations, discussions, and review of DSM program measurement studies underway or completed, to coordinate the development and implementation of measurement studies common to all or most of the utilities, and to facilitate the development of effective, state-of-the-art protocols for measuring and evaluating the impacts of DSM programs.

In 2001, SDG&E participated in CADMAC meetings. One informational filing was made that updated the Commission on the status of the statewide study efforts and provided

summary information on unanimous retroactive waivers granted by CADMAC. In 2002, SDG&E will continue to actively participate in the CADMAC and participating on the other subcommittees as necessary.

ORA Evaluation and Analysis

In the Collaborative Settlement Agreement adopted in 1990, SDG&E and the other California utilities committed to contribute funding to a CPUC/ORA evaluation and analysis process. SDG&E has participated in this activity since 1990, and will continue to do so in 2002. The ORA has ultimate discretion over the use of these funds.

**TABLE 6.1
MEASUREMENT, FORECASTING, AND REGULATORY REPORTING EXPENDITURES (2000)**

	2001		
	Authorized	Budgeted	Actual
PROGRAM MEASUREMENT¹			
Retention Studies			\$455,947
Statewide Measurement Studies			\$0
Process Studies			\$0
Other			\$0
Subtotal		\$500,000	\$455,947
DEMAND-SIDE FORECASTING & PLANNING²			
Load Metering Studies			
CEC Data Collection Plan		\$0	\$0
Other Load Metering		\$0	\$0
Subtotal		\$0	\$0
Saturation Surveys			
CEC Data Collection Plan		\$0	\$0
Other Saturation Surveys		\$0	\$0
Subtotal		\$0	\$0
Market Assessment and Other Research		\$0	\$0
New Technology Evaluation		\$0	\$0
Long Range Forecasting and Planning		\$0	\$0
Subtotal Forecasting and Planning		\$0	\$0
REGULATORY COMPLIANCE & REPORTING			
Regulatory Reporting and Support			\$0
Regulatory Oversight			\$0
Subtotal		\$0	\$0
TOTAL MFFR		\$500,000	\$455,947

Notes:

¹Budget from 1999 SDG&E Cost of Service filing

²The 2001 Public Goods Charge Energy Efficiency funds allocated in this category fund the CEC Data Collection and other California Code of Regulations Title 20 requirements.

See Market Assessment and Evaluation section of the Energy Efficiency Programs, Annual Summary & Technical Appendix, 2001 Results-2002 Plans.

**TABLE TA-6.1
PROGRAM MEASUREMENT COSTS (2001)**

	Program Year	Study ID	Expenditures
RETENTION STUDIES			
Residential Weather Retrofit Incentives	1995	N/A	
Residential Weather Retrofit Incentives	1996	N/A	
Residential Weather Retrofit Incentives	1997	N/A	
Residential Appliance Efficiency Incentives			
Compact Fluorescents	1994	N/A	
Compact Fluorescents	1995	N/A	
Compact Fluorescents	1996	985	\$5,584
Compact Fluorescents	1997	985	\$9,610
High Efficiency Refrigeration	1994	916	\$6,114
High Efficiency Refrigeration	1995	949	\$12,228
High Efficiency Refrigeration	1996	982	\$12,228
High Efficiency Refrigeration	1997	982	\$2,337
C/I/A Energy Efficiency Incentives			
Commercial EEI Programs	1994	N/A	
Commercial EEI Programs	1995	N/A	
Commercial EEI Programs	1996	994	\$261,405
Commercial EEI Programs	1997	1027	\$73,795
Industrial EEI Programs	1994	N/A	
Industrial EEI Programs	1995	N/A	
Industrial EEI Programs	1996	997	\$4,931
Industrial EEI Programs	1997	1021	\$1,697
Agricultural EEI Programs	1995	N/A	
Agricultural EEI Programs	1996	1000	\$5,334
Agricultural EEI Programs	1997	1024	\$1,087
Retrofit Energy Efficiency Subtotal			\$396,351
Fuel Substitution Program	1997	1017	\$1,167
Residential New Construction	1994	934	\$4,537
Residential New Construction	1995	970	\$3,925
Residential New Construction	1996	1003	\$1,253
Nonresidential New Construction	1994	N/A	
Nonresidential New Construction	1995	N/A	
Nonresidential New Construction	1996	1006	\$17,756
Nonresidential New Construction	1997	1006	\$30,959
New Construction Subtotal			\$58,430
Residential Energy Management Services	N/A	N/A	
Commercial Energy Management Services	N/A	N/A	
Industrial Energy Management Services	N/A	N/A	
Energy Management Services Subtotal			\$0
Direct Assistance	1994-1997	N/A	
Direct Assistance Subtotal			\$0
Retention Studies Subtotal			\$455,947
PROCESS AND OTHER			
Process and Other Studies Subtotal			
STATEWIDE STUDIES			
Modelling Standards -- Retrofit Programs	1994-1995	N/A	
Modelling Standards -- New Construction Programs		N/A	
Persistence Studies		2023P	
Base Efficiency Studies		N/A	
Measure Cost Study		N/A	
Residential High Efficiency Refrigerator Studies		N/A	
Residential High Efficiency Lighting Studies		N/A	
Quality Assurance Standards for Metering & Monitoring Equipment		N/A	
Market Effects Studies		N/A	
Statewide Study Subtotal			
TOTAL PROGRAM MEASUREMENT			\$455,947

TABLE TA-6.2
DEMAND-SIDE FORECASTING AND PLANNING EXPENDITURES (2001-2002)

The CEC Data Collection and Analysis activities are documented in the Market Assessment and Evaluation of the Energy Efficiency Programs, Annual Summary and Technical Appendix 2001 Results-2002 plans.

SECTION 7

OTHER DEMAND-SIDE MANAGEMENT

Not applicable.

SECTION 8

SHAREHOLDER EARNINGS

PY97 Third Earnings Claim

Introduction

SDG&E's 1997 DSM programs, and the shareholder incentive mechanisms related thereto, have been established for several years. D.94-10-059 (Interim Opinion on DSM Shareholder Incentives) which the Commission adopted for program years 1995 through 1997, and as it applies to DSM and the shareholder incentive mechanism applicable to San Diego Gas & Electric, is described in the Introduction in this Section on page VIII-1.

Verification of Achievements

The PY97 third earnings claim is \$4,988,906 plus interest from July 1, 1998 through Dec. 31, 2002, franchise fees and uncollectibles, as calculated based upon SDG&E's Third/Fourth Year Retention and Performance studies for those programs. This PY97 third earnings claim is the difference between 75% of the revised lifecycle shareholder incentive earnings for 1997 DSM programs and \$8,046,368, the first and second earnings claim for 1997 DSM programs. Additional information may be found in Tables 8.1 and 8.2.

SD&GE Table E-1
Earnings Claim Summary Table: Shared Savings Programs (000's)
Program Year: 1997

	SHARED SAVINGS PROGRAMS												Total w/HC				
	Retrofit Energy Efficiency Incentive Programs			New Construction Programs			Fuel Sub		Portfolio		Total						
	RWRI	RAEI	CEEI	IEEI	AEEI	Total	Res	Nonres	Res	Nonres							
FORECAST																	
Costs and Benefits For Earnings (000's \$)																	
1 Measurement Costs	\$10	\$100	\$470	\$80	\$5	\$665	\$0	\$500	N/A	N/A	\$110	\$1,055	\$116	\$1,165	\$116	\$1,165	\$1,165
2 Administration	\$34	\$764	\$7,080	\$737	\$21	\$8,637	\$9	\$2,951	\$0	\$0	\$808	\$10,789	\$808	\$11,596	\$808	\$11,596	\$11,596
3 Program Incentives	\$98	\$5,335	\$5,860	\$297	\$5	\$11,595	\$81	\$1,949	N/A	N/A	\$5,515	\$8,111	\$5,515	\$13,627	\$5,515	\$13,627	\$13,627
4 Program Costs	\$132	\$6,100	\$12,440	\$1,034	\$26	\$20,232	\$82	\$4,991	N/A	N/A	\$18,900	\$18,900	\$18,900	\$25,223	\$18,900	\$25,223	\$25,223
8 Incremental Measure Costs, net (MCN)	\$98	\$7,037	\$8,390	\$1,687	\$127	\$17,340	\$127	\$3,448	N/A	N/A	\$13,652	\$13,652	\$13,652	\$21,006	\$13,652	\$21,006	\$21,006
9 Resource Benefits, net (RBN)	\$220	\$9,435	\$21,768	\$5,431	\$400	\$37,254	\$51	\$8,532	\$9,583	\$9,583	\$9,706	\$36,131	\$9,706	\$46,837	\$9,706	\$46,837	\$46,837
Target Earnings (000's \$)	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	9.00%	30.00%	29.60%	30.00%	29.41%	30.00%	30.00%	29.77%	30.00%	29.77%	29.77%
16 Target Earnings Rate (TER) (%)	\$88	\$2,201	\$7,141	\$3,471	\$293	\$13,193	\$51	\$2,633	\$2,684	\$2,684	\$13,537	\$15,877	\$13,537	\$15,877	\$13,537	\$15,877	\$15,877
17 Performance Earnings Basis, at target (PEB)	\$26	\$660	\$2,142	\$1,041	\$88	\$3,958	\$5	\$790	\$794	\$794	\$665	\$4,061	\$665	\$4,726	\$665	\$4,726	\$4,726
18 Target Earnings	1.39	1.12	1.24	1.57	1.70	1.24	0.22	1.19	1.16	1.16	1.10	1.27	1.10	1.23	1.10	1.23	1.23
TRC BCR, with Earnings	1.39	1.40	1.44	2.62	3.51	1.54	0.53	1.50	1.48	1.48	1.39	1.57	1.39	1.53	1.39	1.53	1.53
UC BCR, with Earnings																	
RECORDED - FIRST EARNINGS CLAIM (1997 AEAP)																	
Costs and Benefits For Earnings (000's \$)																	
Recorded Measurement Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recorded Administration	\$26	\$760	\$4,084	\$1,874	\$59	\$6,823	\$21	\$2,231	\$2,232	\$2,232	\$103	\$6,272	\$8,391	\$8,176	\$8,391	\$8,176	\$8,176
Recorded Program Incentives	\$137	\$5,333	\$3,411	\$936	\$47	\$9,864	\$6	\$1,643	\$1,651	\$1,651	\$26	\$5,476	\$6,634	\$7,742	\$6,634	\$7,742	\$7,742
Recorded Incremental Measure Costs, net	\$137	\$9,616	\$5,066	\$4,230	\$276	\$20,005	\$43	\$7,515	\$7,358	\$7,358	\$9,686	\$11,662	\$9,686	\$17,784	\$9,686	\$17,784	\$17,784
Recorded Resource Benefits, net	\$263	\$14,199	\$28,421	\$16,810	\$600	\$32,283	\$4	\$22,145	\$22,149	\$22,149	\$14,666	\$14,666	\$14,666	\$56,694	\$14,666	\$56,694	\$56,694
Recorded Performance Earnings Basis (PEB)	\$100.70	\$5,190	\$19,409	\$13,804	\$341	\$38,845	\$0	\$14,280	\$14,280	\$14,280	\$922	\$33,281	\$922	\$59,057	\$922	\$59,057	\$59,057
Recorded PEB/PEB (%) (Minimum 75%)	115%	236%	272%	396%	116%	294%	116%	543%	352%	352%	226%	146%	226%	340%	226%	340%	340%
Recorded Earnings	\$30	\$1,357	\$5,823	\$4,141	\$102	\$11,654	\$0	\$4,287	\$4,287	\$4,287	\$277	\$14,690	\$277	\$16,217	\$277	\$16,217	\$16,217
TRC BCR, with Earnings	1.37	1.18	1.82	1.64	1.37	1.62	0	1.56	1.57	1.57	1.18	1.74	1.18	2.31	1.18	2.31	2.31
UC BCR, with Earnings	1.37	1.65	2.13	2.71	2.88	2.20	2.65	2.65	2.64	2.64	2.50	2.82	2.50	2.82	2.50	2.82	2.82
Earnings Distribution Share (1st Claim)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Earnings Claim for Recovery (1st Claim)	\$0	\$389	\$1,456	\$1,035	\$26	\$2,913	\$0	\$1,072	\$1,072	\$1,072	\$89	\$3,657	\$89	\$4,054	\$89	\$4,054	\$4,054
Second Earnings Claim (1998 AEAP)																	
Recorded Measurement Costs	\$2	\$110	\$153	\$116	\$22	\$402	\$0	\$27	\$27	\$27	\$112	\$319	\$112	\$85,700	\$112	\$85,700	\$85,700
Recorded Resource Benefits, net	\$0	\$15,325	\$30,874	\$11,976	\$518	\$58,680	\$19	\$25,476	\$26,464	\$26,464	\$15,157	\$70,357	\$15,157	\$86,700	\$15,157	\$86,700	\$86,700
Recorded PEB	(\$162)	\$6,254	\$21,469	\$6,700	\$258	\$34,486	\$0	\$17,530	\$17,530	\$17,530	\$1,258	\$47,483	\$1,258	\$59,575	\$1,258	\$59,575	\$59,575
Recorded Earnings	(\$49)	\$1,876	\$6,490	\$2,800	\$77	\$10,436	\$0	\$5,230	\$5,230	\$5,230	\$377	\$14,245	\$377	\$16,072	\$377	\$16,072	\$16,072
Earnings Distribution Share (2nd Claim)	84%	75%	60%	69%	50%	60%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Recorded Earnings (for 2nd Claim)	(\$24)	\$336	\$1,250	\$1,046	\$38	\$5,218	\$0	\$2,616	\$2,616	\$2,616	\$189	\$7,122	\$189	\$8,036	\$189	\$8,036	\$8,036
Earnings Recovered from 1st Claim	\$8	\$338	\$1,456	\$1,035	\$38	\$2,913	\$0	\$1,072	\$1,072	\$1,072	\$69	\$3,857	\$69	\$4,054	\$69	\$4,054	\$4,054
Recorded Incremental Earnings	(\$22)	\$548	\$1,765	\$1,265	\$13	\$2,305	\$0	\$1,544	\$1,544	\$1,544	\$517	\$3,465	\$517	\$3,982	\$517	\$3,982	\$3,982
Third Earnings Claim (2001 AEAP)																	
Recorded Measurement Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Recorded Resource Benefits, net	\$0	\$14,087	\$31,321	\$11,676	\$515	\$57,598	\$18	\$25,660	\$26,678	\$26,678	\$14,105	\$70,688	\$14,105	\$84,793	\$14,105	\$84,793	\$84,793
Recorded PEB	(\$162)	\$5,015	\$21,916	\$6,670	\$256	\$33,695	\$0	\$17,715	\$17,715	\$17,715	\$4,853	\$47,814	\$4,853	\$52,667	\$4,853	\$52,667	\$52,667
Recorded Earnings	(\$162)	\$1,505	\$6,575	\$2,001	\$77	\$10,108	\$0	\$5,287	\$5,287	\$5,287	\$377	\$14,344	\$377	\$15,800	\$377	\$15,800	\$15,800
Earnings Distribution Share (3rd Claim)	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Recorded Earnings (for 3rd Claim)	(\$37)	\$4,931	\$4,931	\$1,501	\$58	\$7,581	\$0	\$3,966	\$3,966	\$3,966	\$283	\$10,758	\$283	\$11,850	\$283	\$11,850	\$11,850
Earnings Recovered from 1st and 2nd Claim	(\$24)	\$938	\$3,220	\$1,046	\$38	\$5,218	\$0	\$2,616	\$2,616	\$2,616	\$189	\$7,122	\$189	\$8,036	\$189	\$8,036	\$8,036
Recorded Incremental Earnings	(\$12)	\$190	\$1,711	\$455	\$19	\$2,363	\$0	\$1,349	\$1,349	\$1,349	\$178	\$3,636	\$178	\$3,814	\$178	\$3,814	\$3,814
Fourth Earnings Claim (2006 AEAP)																	
Recorded Measurement Costs																	
Recorded Resource Benefits, net																	
Recorded PEB																	
Recorded Earnings																	
Earnings Distribution Share (4th Claim)																	
Recorded Earnings (for 4th Claim)																	
Earnings Recovered from 1st, 2nd, and 3rd Claim																	
Recorded Incremental Earnings																	
Total Earnings	(\$37)	\$1,128	\$4,931	\$1,501	\$58	\$7,581	\$0	\$3,966	\$3,966	\$3,966	\$283	\$10,758	\$283	\$11,850	\$283	\$11,850	\$11,850

SDG&E Table E-1
Earnings Claim Summary Table: Performance Adder Programs
Program Year: 1997

	PERFORMANCE ADDER PROGRAMS											SS & PA GRAND TOTAL
	Energy Management Services Programs			Direct Assistance Programs				PA GRAND		TOTAL		
	REMS	CEMS		AEMS	Total	Non-Mand	Mandatory	Total	PA GRAND		TOTAL	
		IEMS	CEMS						Non-Mand	Mandatory		
Costs and Benefits For Earnings - Forecast (1) (000's \$)												
1 Measurement Costs	\$10	\$20	\$0	\$10	\$40	\$0	\$10	\$50	\$50	\$852		
2 Administration	\$1,299	\$1,765	\$0	\$69	\$3,132	\$563	\$685	\$1,249	\$4,381	\$12,591		
3 Program Incentives	\$0	\$0	\$0	\$0	\$0	\$2,120	\$1,898	\$4,018	\$4,018	\$21,506		
4 Program Costs	\$1,299	\$1,765	\$0	\$69	\$3,132	\$2,884	\$2,583	\$5,267	\$8,399	\$34,096		
8 Incremental Measure Costs, net (IMCn)	\$99	\$2,206	\$0	\$2,414	\$4,719	\$2,221	\$1,898	\$4,120	\$8,338	\$30,394		
9 Resource Benefits, net (RBn)	\$325	\$2,769	\$0	\$597	\$3,692	\$1,283	\$876	\$2,159	\$5,851	\$66,864		
Target Earnings												
16 Target Earnings Rate	5%	5%	0%	5%	5%	5%	0%	5%	5%	23%		
17 Performance Earnings Basis, at target (PEBt)	\$1,299	\$1,765	\$0	\$69	\$3,132	\$2,884	\$0	\$2,684	\$5,815	\$21,692		
18 Target Earnings	\$65	\$88	\$0	\$3	\$157	\$134	\$0	\$134	\$291	\$5,017		
21 TRC BCR, with Earnings	0.22	0.68	0.00	0.24	0.46	0.44	0.34	0.39	0.43	1.39		
22 UC BCR, with Earnings	0.24	1.48	0.00	7.28	1.11	0.46	0.34	0.40	0.67	1.71		
First Earnings Claim: (1997 AEAP)												
Recorded Measurement Costs (3)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Recorded Administration	\$1,224	\$645	\$420	\$0	\$2,289	\$567	\$373	\$940	\$3,230	\$12,407		
Recorded Program Incentives	\$0	\$0	\$0	\$0	\$0	\$1,520	\$1,705	\$3,226	\$3,226	\$14,968		
Recorded Incremental Measure Costs, net	\$225	\$4,210	\$2,267	\$4	\$6,706	\$1,169	\$1,486	\$2,654	\$9,360	\$37,144		
Recorded Resource Benefits, net	\$2,760	\$11,335	\$6,528	\$9	\$20,632	\$766	\$594	\$1,360	\$22,012	\$107,636		
Recorded PEB	\$1,224	\$645	\$420	\$0	\$2,289	\$2,087	\$2,087	\$4,376	\$4,376	\$58,434		
Recorded PEB/PEBt (%) (Minimum 75%)	94%	37%	0%	73%	78%	78%	N/A	78%	75%	269%		
Recorded Earnings	\$61	\$0	\$0	\$0	\$61	\$89	\$0	\$89	\$150	\$16,367		
TRC BCR, with Earnings	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	1.73		
UC BCR, with Earnings	\$2	\$18	\$16	\$22	\$9	\$9	\$0.35	\$0.35	\$0.35	3.33		
Earnings Distribution Share (1st Claim)	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%		
Earnings Claim for Recovery (1st Claim)	\$15	\$0	\$0	\$0	\$15	\$22	\$22	\$22	\$37	\$4,092		
Second Earnings Claim:												
Recorded Measurement Costs (3)	\$5	\$0	\$0	\$0	\$5	\$0	\$0	\$2	\$8	\$0		
Earnings Distribution Share	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%		
Recorded Earnings for Second Claim	\$30	\$0	\$0	\$0	\$30	\$44	\$44	\$44	\$75	\$8,046		
Earnings Recovered from First Claim	\$15	\$0	\$0	\$0	\$15	\$22	\$22	\$22	\$37	\$4,092		
Recorded Incremental Earnings	\$15	\$0	\$0	\$0	\$15	\$22	\$22	\$22	\$37	\$3,955		
Third Earnings Claim:												
Recorded Measurement Costs (3)												
Earnings Distribution Share												
Recorded Earnings for Third Claim	75%	\$0	\$0	\$0	\$0	\$67	\$67	\$67	\$112	\$11,962		
Earnings Recovered from First and Second Claims	\$30	\$0	\$0	\$0	\$30	\$44	\$44	\$44	\$75	\$8,046		
Recorded Incremental Earnings	\$15	\$0	\$0	\$0	\$15	\$22	\$22	\$22	\$37	\$3,916		
Fourth Earnings Claim:												
Recorded Measurement Costs (3)												
Earnings Distribution Share												
Recorded Earnings for Fourth Claim	100%	\$0	\$0	\$0	\$0	\$100	\$100	\$100	\$100	\$0		
Earnings Recovered from 1st, 2nd, and 3rd Claims												
Recorded Incremental Earnings												
Total Earnings	\$46	\$0	\$0	\$0	\$46	\$67	\$67	\$67	\$112	\$11,962		

See footnotes at end of Appendix E.

Table TA8-2
Earnings Verification & Recovery Process: Program Years 1990-1997

EARNINGS CLAIM PROCESS				EARNINGS RECOVERED IN RATES												
Proceeding and Program Year Elements	Program Expenditures (\$ Millions)	Earnings (Lifecycle)		(\$ in Millions)												
		Initial Earnings Claim (\$ Millions)	Authorized Amount (\$ Millions)	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003 - 2007
TOTALS	193.00	159.11	110.22	0.00	0.70	2.36	5.36	7.69	8.11	13.25	19.49	14.39	0.00			0.00
PROGRAM YEAR 1990 (1) (2)																
1. Retrofit EEI (SS)	3.88	1.80	1.80		0.60	0.60	0.60									
2. New Construction (3)	0.65	0.29	0.29		0.10	0.10	0.10									
3. EM Services (PA)	0.00	0.00	0.00		0.00	0.00	0.00									
4. Direct Assistance (PA)	0.15	0.00	0.00		0.00	0.00	0.00									0.00
Total	4.68	2.09	2.09	0.00	0.70	0.70	0.70	0.00	0.00	0.00	0.00	0.00	0.00			0.00
PROGRAM YEAR 1991 (4) (5)																
1. Retrofit EEI (SS)	14.92	46.94	4.30			1.43	1.43		1.43							
2. New Construction (3)	2.73	0.65	0.60			0.20	0.20		0.20							
3. EM Services (PA)	0.00	0.00	0.00			0.00	0.00		0.00							
4. Direct Assistance (PA)	4.58	0.08	0.10			0.03	0.03		0.03							
Total	22.23	47.67	5.00	0.00	0.00	1.66	1.66	1.66	0.00	0.00	0.00	0.00	0.00			0.00
PROGRAM YEAR 1992 (6)																
1. Retrofit EEI (SS)	19.77	10.20	8.37				2.79	2.79	2.79							
2. New Construction (3)	4.40	0.51	0.50				0.17	0.17	0.17							
3. EM Services (PA)	1.59	0.07	0.06				0.02	0.02	0.02							
4. Direct Assistance (PA)	5.46	0.08	0.07				0.02	0.02	0.02							
Total	31.21	10.97	9.00	0.00	0.00	0.00	3.00	3.00	3.00	0.00	0.00	0.00	0.00			0.00
PROGRAM YEAR 1993 (7)																
1. Retrofit EEI (SS)	19.06	7.95	7.95					2.65	2.65	2.65						
2. New Construction (3)	3.37	0.99	0.99					0.33	0.33	0.33						
3. EM Services (PA)	1.42	0.06	0.06					0.02	0.02	0.02						
4. Direct Assistance (PA)	5.39	0.09	0.09					0.03	0.03	0.03						
Total	29.24	9.10	9.10	0.00	0.00	0.00	0.00	3.03	3.03	3.03	0.00	0.00	0.00			0.00
PROGRAM YEAR 1994 (8)																
1. Retrofit EEI (SS)	18.12	6.21	6.52						1.55	1.54						
2. New Construction (3)(11)	4.84	1.93	1.23						0.48	-0.43	0.13					
3. EM Services (PA)	2.06	0.71	0.06						0.02	0.02						
4. Direct Assistance (PA)	5.12	0.11	0.11						0.03	0.03						
Total	30.14	8.97	7.92	0.00	0.00	0.00	0.00	0.00	2.07	1.16	0.13	0.00	0.00			0.00
PROGRAM YEAR 1995 (9)																
1. Retrofit EEI (SS)	31.22	32.43	31.44							7.66	8.08		8.29			
2. New Construction (3)	4.46	6.64	4.89							1.36	1.08		1.19			
3. EM Services (PA)	1.10	0.05	0.05							0.01	0.01		0.01			
4. Direct Assistance (PA)	4.15	0.12	0.12							0.03	0.03		0.01			
Total	40.92	39.23	36.50	0.00	0.00	0.00	0.00	0.00	0.00	9.06	9.20	0.00	9.50			0.00
PROGRAM YEAR 1996 (10)																
1. Retrofit EEI (SS)	22.76	30.33	29.85								7.46	7.72		10.21		
2. New Construction (3)	2.93	10.56	10.56								2.64	2.53		2.76		
3. EM Services (PA)	3.61	0.07	0.07								0.02	0.02		0.02		
4. Direct Assistance (PA)	5.27	0.14	0.14								0.04	0.04		0.04		
Total	34.57	41.09	40.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.15	10.30	0.00	13.03		0.00
PROGRAM YEAR 1997																
1. Retrofit EEI (SS)	16.22	11.81											2.91			2.41
2. New Construction (SS)	4.10	5.57											1.07			1.36
3. Fuel Substitution (SS)	0.13	0.28											0.07			0.10
4. EM Services (PA)	2.35	0.06											0.02			0.02
5. Direct Assistance (PA)	2.09	0.12											0.02			0.02
Total	24.89	17.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.09	0.00		3.92

- (1) 1990 Collaborative programs only; excludes 1989 GRC programs.
- (2) PY90 earnings claim approved in D.91-10-046.
- (3) New Construction Program earnings are calculated using both the Variable Performance Adder Mechanism and the Shared Savings Mechanism.
- (4) 1991 Collaborative programs only; excludes 1989 GRC programs.
- (5) PY91 earnings claim approved in D.92-12-019.
- (6) PY92 earnings claim approved in D.93-12-017.
- (7) PY93 earnings claim approved in D.94-12-021.
- (8) PY94 first earnings claim approved in D.95-12-054, second earnings claim approved in D.96-12-079.
- (9) PY95 first earnings claim approved in D.96-12-079, second claim approved in D.98-03-063.
- (10) PY96 first earnings claim approved in D.98-03-068, second claim approved in D.99-06-052.
- (11) Revised PY94 second earnings claim for Nonresidential New Construction approved in D.98-03-068.
- (12) PY97 first earnings claim approved in D.99-06-052.
- (13) PY 97 second earnings claim approved in D.00-09-038

SECTION 9

MISCELLANEOUS

Pre-1998 Commitments

The Commission in Decision 97-09-117, Ordering Paragraph 12, directed PG&E, SDG&E, SCE, and SoCalGas (collectively referred to as “utilities”) to modify the scope and content of their Annual DSM Reports to include a separate section identified as pre-1998 program commitments. Table 9-1 provides the 2001 expenditures associated with pre-1998 commitments. An explanation of the commitments is provided below.

Residential Programs

The pre 1998 Residential Energy Efficiency programs actual expenditures reflect payments made for activities/services related to the DSM Bidding Pilot Program.

Nonresidential Programs

No activities to report for 2001.

New Construction Programs

No activities to report for 2001.

Load Management

2001 Load Management expenses are related to supporting the CPUC mandated load curtailment rates. Support for customers on these rates include setting and maintaining monitoring equipment and notifying customers when curtailment is necessary.

See Section III Load Management program for a description of program activities.

Other DSM

No activities to report for 2001.

DSM Financing Rate

In December 1993, SDG&E received approval from the CPUC to establish a pilot financing program. Using DSM funds, the program provides a customer with the ability to finance the cost (total project cost minus SDG&E incentive) of acquiring and installing energy efficient equipment. Financing is available on equipment that qualifies under SDG&E nonresidential DSM incentive programs.

The amount financed is reimbursed to SDG&E through a \$/kWh surcharge applied to a participating customer’s monthly energy bill. The surcharge is based upon an expected reimbursement term, estimated annual consumption, and the amount financed by SDG&E.

In 1998, SDG&E no longer offered the DSM Financing Rate program. However, SDG&E was contractually obligated to continue administration and track activities related to the outstanding financing rate agreements. To date the defaults on Financing Rate Agreements equal \$11,740. SDG&E continues to collect on outstanding loan balances. The December 2001 year-end balance is \$38,835. See Table 9-2.

In 2002, SDG&E will continue to administer and track activities related to the outstanding financing rate agreements.

Table 9-1
Demand-Side Management Annual Expenditure Report
 (Pre-1998 DSM Commitments Only)
 Annual Estimated Commitments¹ & 2001 Year-End Actuals (\$Thousands)

Program Category (a)	2001					
	Electric		Gas		Total	
	Commitment	YTD Actual	Commitment	YTD Actual	Commitment	YTD Actual
	(b)	(c)	(d)	(e)	(b)+(d)=(f)	(c)+(e)=(g)
Energy Efficiency						
Residential						
Appliance Efficiency Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DSM Bidding Pilot	\$ 1,913	\$ 973	\$ 478	\$ 27	\$ 2,391	\$ 1,000
Energy Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Information	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ 1,913	\$ 973	\$ 478	\$ 27	\$ 2,391	\$ 1,000
Nonresidential						
Energy Efficiency Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DSM Bidding Pilot	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Information	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy Efficiency Subtotal	\$ 1,913	\$ 973	\$ 478	\$ 27	\$ 2,391	\$ 1,000
Low Income						
Non-mandatory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mandatory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Low Income Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Management ²	\$ 170	\$ 139	\$ -	\$ -	\$ 170	\$ 139
Fuel Substitution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Load Retention & Load Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MFRR						
Program Measurement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand Forecasting & Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reg. Compliance & Reporting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MFRR Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other DSM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DSM Total (Pre-1998 Commitments)	\$ 2,083	\$ 1,111	\$ 478	\$ 27	\$ 2,561	\$ 1,139
Low Income Total Only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DSM w/o Low Income Total	\$ 2,083	\$ 1,111	\$ 478	\$ 27	\$ 2,561	\$ 1,139

1- Figures represent estimated costs associated with pre-1998 DSM activities including customer incentives, expected admin. costs, unpaid invoices and all other encumbrances.

2- Load Management commitment dollars represent annual projected expenditures. These estimated amounts relate to costs associated with the continued maintenance of existing participants and enrollment of new customers that qualify for the rate schedule(s). Load management budgetary requirements are assumed for reporting purposes to extend only through 2010, commitment dollars may be needed for year 2011 and beyond.

Pre-1998 DSM Balancing Account		
Electric	Gas	Total
(u)	(v)	(u)+(v)=(w)

Pre-1998 DSM/Bidding B/A Balance \$ 10,392 \$ 13,978 \$ 24,370

Includes interest through December, 2001 (preliminary, unaudited).

In addition this balance doesn't include the impact of Low Income expenditures of \$4,081,428 through December 1998.

Figures also reflect a transfer of \$1 million from DSM Bidding Pilot to the 2000 Summer Initiatives authorized by Resolution E-3741.

Table 9-2
2001 DSM FINANCING RATE

DSM Financing Rate Activity Summary						
	01-Jan Beginning Balance [1]	Contracted Amount Released [2]	Interest Charged [3]	Customer Repayments [4]	01-Dec Balance(a) (1+2+3-4) [5]	Admin Costs
Energy Efficiency Loans	\$107,114	\$0	\$1,721	\$70,000	\$38,835	\$0

Note: To-date, the defaults on Financing Rate agreements equal \$11,740.

