BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Proposed Policies and Programs Governing post-2003 Low-Income Assistance Programs.	R. 04-01-006
And Related Matters:	A.05-06-005 A.05-06-009 A.05-06-012 A.05-06-013

RESPONSE OF SAN DIEGO GAS & ELECTRIC COMPANY AND SOUTHERN CALIFORNIA GAS COMPANY TO ADMINISTRATIVE LAW JUDGE WEISSMAN'S DATA REQUEST FOR INFORMATION TO HELP MITIGATE IMPACTS ON LOW-INCOME CUSTOMER'S WINTER 2005/2006 BILLS

Georgetta J. Baker
Attorney for
San Diego Gas & Electric Company and
Southern California Gas Company
101 Ash Street, HQ-13
San Diego, CA 92101
(619) 699-5064 (Telephone)
(619) 699-5027 (Facsimile)
gbaker@sempra.com

October 13, 2005

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Attached are San Diego Gas & Electric Company's ("SDG&E") and Southern California Gas Company's ("SoCalGas") responses to Administrative Law Judge ("ALJ") Steven A. Weissman's October 3, 2005, electronic data request in the above-referenced proceeding.

Respectfully submitted,

By: Georgetta J. Baker

Georgetta J. Baker
Attorney for
San Diego Gas & Electric Company and
Southern California Gas Company
101 Ash Street, HQ-13
San Diego, CA 92101
(619) 699-5064 (Telephone)
(619) 699-5027 (Facsimile)
gbaker@sempra.com

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ATTACHMENT 1

SDG&E and SoCalGas' Data Responses to ALJ Weissman's Electronic Data Request dated October 3, 2005

Question 1

What are the utility's total available carry-over funds from prior years for all low-income programs (broken down by program)?

Response 1

At the end of 2004, SDG&E had $3,264,643 in carryover funds for its LIEE program available for 2005. SoCalGas had $2,152,643 in carryover funds available for 2005. These funds have been budgeted in the 2005 programs and if not spent in 2005 will be carried over into the 2006 programs. At this time, based on work expected to be completed under the current authorized program, SG&E estimates having $1.5 million unspent by the end of 2005 and SoCalGas estimates having $4.1 million unspent by the end of 2005.

As stated, however, in SDG&E and SoCalGas' filing on October 11, 2005, for changes to the CARE and LIEE programs for the 2005/06 winter period, all LIEE carryover funds that remain at the end of 2005 will be used to offset additional costs of the proposed changes to the LIEE programs. If the proposed changes are approved by the CPUC, there will be no unallocated LIEE carryover funds at the end of 2005.

There are no prior year carryover funds associated with SDG&E and SoCalGas' CARE programs. All unspent dollars from previous years are returned to ratepayers in the subsequent year as reflected in the annual October public purpose program update advice letter filings.

Question 2

For each utility, what are the likely dollar impacts if the Commission were to adopt the proposals to eliminate reconnection fees for CARE customers and to ban winter service shut-offs for customers making minimum bill payments? What are the likely dollar impacts if the Commission were to suspend collection of deposits on low income customers?

Response 2

SDG&E and SoCalGas estimate that $300,000 ($100,000-SDG&E; $200,000-SoCalGas) in fees will not be collected by eliminating reconnection fees for CARE customers during the winter months of November 2005 through March 2006.

SDG&E and SoCalGas estimate that collection of $15 to $20 million ($6 million to $7 million-SDG&E; $9 million to $13 million-SoCalGas) in unpaid balances will be deferred during the months of November 2005 through March 2006 if a ban on shut-offs is implemented for CARE customers who make payments equal to the amount they were billed for the same period the prior year. Under this policy, customers will be paying in the range of 60% to 80% of their winter bills.

SDG&E and SoCalGas estimate that approximately $8 million ($1 million-SDG&E; $7 million-SoCalGas) in deposits for establishment and re-establishment of credit will not be collected from customers if the Commission suspends collection of deposits from CARE customers during the months of November 2005 through March 2006.

SDG&E and SoCalGas estimate that uncollectible expense will increase between $1 million and $3 million (SDG&E-$200,000 to $500,000; SoCalGas-$800,000 to $2.5 million) as a result of implementing a ban on shut-offs for

CARE customers who make payments equal to the amount they were billed for the same period the prior year and the suspension of deposit requests (establishment and re-establishment) from CARE customers during the months of November 2005 through March 2006.

Question 3

What would be the potential dollar impact of increasing CARE eligibility to 200% of the federal poverty guidelines? If this amount could be redirected to provide additional rate relief to existing CARE customers, what would be the additional average bill reduction?

Response 3

Response to ALJ's Question:

For SDG&E, increasing CARE eligibility to 200% of the federal poverty guidelines would raise the estimate of CARE eligible customers by 48,753 for electric and 32,671 for gas. Assuming that 70% of these newly eligible customers enroll in CARE, the increase in CARE customers would be 34,127 customers for electric and 22,870 for gas. The estimated annual increase in the cost to provide the CARE discount for combined electric and gas is approximately $7 million. If these funds were instead redirected to provide additional rate relief to existing CARE customers, the additional average bill reduction equals approximately 4%.

For SoCalGas, increasing CARE eligibility to 200% of the federal poverty guidelines would raise the estimate of CARE eligible customers by 211,971. Assuming that 70% enroll, the increase in CARE customers would be 148,380, at potential annual program costs of approximately $16 million. If these funds were instead redirected to provide additional rate relief to existing CARE customers, the additional average bill reduction equals approximately 3%.

Additional Information:

In planning proposals to assist low-income customers with expected high winter bills, SDG&E and SoCalGas focused on enrolling more customers already eligible for CARE rather than expanding the program to other customers. With roughly 30% of customers estimated to be eligible for CARE not yet enrolled, SDG&E and SoCalGas believe that attention for the winter should be given to reaching these customers, since they need the assistance the most.

In addition to proposals to increase the number of eligible customers enrolled and retained in CARE, SDG&E and SoCalGas are proposing to expand CARE eligibility to all customers currently eligible for the Low-Income Energy Efficiency program. This proposal involves setting CARE income guidelines for seniors and disabled customers at 200% of federal poverty guidelines, consistent with LIEE guidelines. SDG&E and SoCalGas believe that this is appropriate since these customers have special needs for assistance and already qualify for the LIEE programs.

For SDG&E, increasing CARE eligibility to 200% of the federal poverty guidelines for customers that are 60 and over, or disabled, would raise the estimate of CARE eligible customers by 18,105 for electric and 12,276 for gas. Assuming that 70% of these newly eligible customers enroll in CARE, the increase in CARE customers would be 12,674 customers for electric and 8,593 for gas. The estimated annual increase in the cost to provide the CARE discount for combined electric and gas is approximately $2.6 million. If these funds were instead redirected to provide additional rate relief to existing CARE customers, the additional average bill reduction equals approximately 1.5%.

For SoCalGas, increasing CARE eligibility to 200% of the federal poverty guidelines for customers that are 60 and over, or disabled, would raise the estimate of CARE eligible customers by 84,330. Assuming that 70% enroll, the increase in CARE customers would be 59,031, at potential annual program costs of approximately $6.3 million. If these funds were instead redirected to provide additional rate relief to existing CARE customers, the additional average bill reduction equals approximately 1%.

__Question 4__

How could each utility target Low-Income Energy Efficiency program relief to master meter customers and other under-served customers in multi-family dwellings?

__Response 4__

The Commission-adopted Statewide Low Income Energy Efficiency Program Policy & Procedure Manual provides guidelines for serving master-metered accounts and multi-family dwellings in the LIEE programs. SDG&E and SoCalGas have served these dwellings in their programs throughout the years, with targeted outreach efforts to reach these customers.

In this response we provide the percentage of multi-family units and mobile homes that have been weatherized in SDG&E and SoCalGas' LIEE programs. In comparison to estimates of these units in the total service territories, SDG&E and SoCalGas' programs have given significant attention to the multi-family markets. For SDG&E, electric homes are estimated to be 65% single-family and 33% multi-family – for gas, 77% single-family and 23% multi-family.