

**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.

Rulemaking 04-01-006
(Filed January 8, 2004)

**MONTHLY REPORT OF SAN DIEGO GAS & ELECTRIC COMPANY (U902 M)
ON RAPID DEPLOYMENT EFFORTS FOR FEBRUARY 2006**

GEORGETTA J. BAKER
Attorney for
San Diego Gas & Electric Company
101 Ash Street
San Diego, CA 92101
Telephone: (619) 699-5064
Facsimile: (619) 699-5027
E-Mail: GBaker@sempra.com

March 21, 2006

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I. INTRODUCTION

In Decision (D.)01-05-033 the California Public Utilities Commission (Commission) directed San Diego Gas & Electric Company (SDG&E) and the other Investor Owned Utilities (IOUs) to provide monthly status reports on the costs and impacts of their Rapid Deployment (RD) efforts on their California Alternate Rates for Energy (CARE) and Low Income Energy Efficiency (LIEE) programs.

On May 22, 2002, the IOUs held a conference call with the Energy Division and the Office of Ratepayer Advocates (ORA) to assess RD reporting. The parties agreed that the utilities would submit a more thorough monthly RD report to the Commission every three months -- with the first one being the previously-submitted May report and future reports due in August of 2002, November of 2002 and February of 2003, continuing every three months until such time that the Commission made a change to RD reporting. It was also agreed that only certain tables and a brief narrative highlighting RD activities were required from the utilities in other months. This second report for program year (PY) 2006 includes a narrative of low-income programs during the month of February 2006 and the following quantitative tables:

- Table 1 – LIEE Program Expenses
- Table 4 – LIEE Measure Installations
- Table 6 – CARE Program Expenses
- Table 10 – CARE Rapid Deployment Progress
- Table 11 – CARE Random Verification Results
- Table 16 – CARE Participation-Combined Rural and Urban

In D.02-07-033, the Commission authorized the IOUs to update their CARE and LIEE eligibility customer estimates using Census 2000 data. In accordance with that Decision, SDG&E has updated its eligibility estimates for PY2006 and has included them in the “Revisions to the Annual Estimates of CARE Eligible Customers and Related Information” filed with the Commission on December 28, 2004, by Southern California Edison, on behalf of the IOUs. Pending Commission action on those filings, SDG&E is using the updated eligibility information to provide information on CARE and LIEE customer participation and penetration for PY2006.

II. LOW INCOME ENERGY EFFICIENCY (LIEE)

FEBRUARY RESULTS—INSTALLATIONS

During February, SDG&E weatherized 1,164 homes, and replaced 497 refrigerators including only those invoices that are completed and paid. The total number of homes treated in the SDG&E territory for the month of February is 1,578 and the total number of homes treated year-to-date is 1,914.

OUTREACH AND LEVERAGING

In PY2006, SDG&E is continuing to combine its LIEE outreach with CARE outreach activities in order to leverage outreach efforts and to provide customers with knowledge of

and access to all customer assistance programs that SDG&E offers. During February, SDG&E leveraged LIEE outreach with other customer assistance outreach efforts at the community events discussed in the CARE Outreach & Leveraging section below. SDG&E is continuing the following LIEE directed outreach and leveraging efforts in PY2006:

- Identifying, qualifying, and enrolling customers for LIEE services by SDG&E's prime contractor;
- Using the CARE participant database information by the prime contractor when conducting LIEE outreach;
- Employing additional English/Spanish Energy Specialists, an English/Vietnamese Energy Specialist, an Arabic/English Energy Specialist and an English/Farsi Energy Specialist to better serve the diverse population with the San Diego area and;
- Presetting appointments with potentially qualified customers.

CUSTOMER SATISFACTION

One quality assurance procedure used in SDG&E's LIEE program asks customers to complete a survey to evaluate the program and the services completed in their homes.

Examples of comments received from customers for the month of February 2006 include the following:

- Very pleased with the work. Thank you.
- Job very well done.
- The light bulbs are great.
- We really love our porch light.

LIEE AUTHORIZED FUNDING VERSUS ACTUAL EXPENDITURES

SDG&E incurred \$1.2 million in program costs during February 2006. Total expenditures year-to-date are \$1.7 million, which represents 13% of the 2006 LIEE budget.

III. CALIFORNIA ALTERNATE RATES FOR ENERGY

FEBRUARY CARE ENROLLMENT RESULTS

CARE enrollments in SDG&E's electric service CARE program during February totaled 5,166 which contributed to a net enrollment of 1,944. Enrollments in SDG&E's gas service CARE program during February totaled 3,356 for a net increase of 1,508. SDG&E's estimated penetration rate at the end of February for CARE electric customers was 63.8% and 65% for CARE gas customers. The decline in penetration rate is attributed to the new income eligibility guidelines adopted in D.05-10-044 for CARE and LIEE whereby the denominator or potentially eligible customers increased.

FEBRUARY OUTREACH AND LEVERAGING

In December, SDG&E launched its 2005 – 2006 Winter Programs which adopted new income eligibility guidelines for the CARE and LIEE programs. (See Paragraph IV)

CARE AUTHORIZED FUNDING VERSUS ACTUAL EXPENDITURES

In February, SDG&E incurred approximately \$132,049 in outreach and administrative expenses. CARE discount charges for February are \$3.7 million combined gas and electric discounts. Total expenditures are 21.3% of the 2006 CARE budget. Actual expenses are compared to budgeted figures for February in Table 6.

IV. SDG&E 2005 - 2006 Winter Programs

FEBRUARY CARE AND LIEE OUTREACH ACTIVITY

On October 27, 2005, the Commission issued D. 05-10-044, which adopted new income eligibility guidelines for the CARE and LIEE programs. These guidelines were

adopted in anticipation of high natural gas prices during the winter of 2005-2006 and in an effort to lessen the impact on low-income ratepayers. The Decision adopted various initiatives proposed by the utilities which are geared toward facilitating the enrollment process for CARE and LIEE and to expand outreach efforts to increase customer awareness of these programs.

On November 1, 2005, SDG&E launched its Winter Programs Campaign. SDG&E launched its winter outreach campaign to inform customers about the new CARE and LIEE guidelines adopted in D.05-10-044. The following is a report of the outreach activity in February 2006:

- Follow-on emails were sent to 309 local agencies updating them on gas prices and SDG&E's continued efforts to promote programs and services. The emails were sent out on the February 20, 2006.

SDG&E's Outreach Group has provided information on the winter message in February to the following:

- Eight SDG&E bill payment offices
- Fifty-one Authorized Payment Locations
- Four agencies, Alpha, CUI, Family Health Centers and Crisis House; and
- 2 WIC offices
- Two Senior Centers
- Seven Customer Assistance Events reaching 1,915 customers
- Two presentations at the Center for the Blind; and
- Aging and Independent Services.

SDG&E will continue its outreach efforts throughout the winter months to provide the winter message to the hard to reach customers.

IV. CONCLUSION

SDG&E continues to implement its LIEE and CARE program efforts with the goal of providing as many qualified customers as possible with services during PY2006.

Respectfully submitted,

By: 

Georgetta J. Baker
Attorney for
San Diego Gas & Electric Company
101 Ash Street
San Diego, CA 92101
Telephone: (619) 699-5064
Facsimile: (619) 699-5027
E-Mail: GBaker@sempra.com

March 21, 2006

Table 1 - LIEE Program Expenses – (SDG&E) - February, 2006

LIEE Program:	Electric	Gas	Combined	Electric YTD	Gas YTD	Combined YTD	Budget			% YTD / Budget		
	Base Program	Base Program	Base Program	Base Program	Base Program	Base Program	Electric Base Program	Gas Base Program	Base Program	Electric Base Program	Gas Base Program	Base Program
Energy Efficiency												
- Gas Appliances	\$0	\$131,661	\$131,661	\$0	\$182,739	\$182,739	\$0	\$1,468,402	\$1,468,402	0.0%	12.4%	12.4%
- Electric Appliances	\$461,867	\$0	\$461,867	\$603,052	\$0	\$603,052	\$5,084,051		\$5,084,051	11.9%	0.0%	11.9%
- Weatherization	\$0	\$365,805	\$365,805	\$0	\$435,847	\$435,847		\$3,630,363	\$3,630,363	0.0%	12.0%	12.0%
- Outreach and Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
- In Home Energy Education	\$92,752	\$92,752	\$185,503	\$110,244	\$110,244	\$220,489	\$685,671	\$685,670	\$1,371,341	16.1%	16.1%	16.1%
- Education Workshops (EELI)	\$5,610	\$1,403	\$7,013	\$11,352	\$2,838	\$14,190	\$66,000	\$66,000	\$132,000	17.2%	4.3%	10.8%
Energy Efficiency TOTAL	\$560,228	\$591,620	\$1,151,848	\$724,648	\$731,668	\$1,456,316	\$5,835,722	\$5,850,435	\$11,686,157	12.4%	12.5%	12.5%
Landlord Rebate Pilots												
- Refrigerator	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
- A/C Replacement - Room	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
- A/C Replacement - Central	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
Pilots												
- Pilot (Cool Zones)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
- Pilot (B)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
Pilots TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
Training Center	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
Inspections	\$2,954	\$2,954	\$5,908	\$5,493	\$5,493	\$10,985	\$80,916	\$80,916	\$161,832	6.8%	6.8%	6.8%
Advertising	\$4,573	\$4,573	\$9,146	\$11,084	\$11,084	\$22,168	\$202,457	\$202,457	\$404,914	5.5%	5.5%	5.5%
M&E Studies	\$0	\$0	\$0	\$0	\$0	\$0	\$31,125	\$31,125	\$62,250	0.0%	0.0%	0.0%
Regulatory Compliance	\$6,841	\$6,914	\$13,755	\$21,723	\$21,795	\$43,518	\$140,522	\$140,522	\$281,044	15.5%	15.5%	15.5%
Other Administration	\$28,663	\$28,989	\$57,652	\$67,384	\$67,869	\$135,253	\$375,448	\$375,448	\$750,896	17.9%	18.1%	18.0%
Oversight Costs												
- LIAB Start-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
- LIAB PY Past Year**	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
- LIAB PY Present Year**	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	0.0%	0.0%
- CPUC Energy Division	\$1,699	\$1,600	\$3,299	\$2,653	\$2,498	\$5,152	\$10,500	\$10,500	\$21,000	25.3%	23.8%	24.5%
Total Oversight Costs	\$1,699	\$1,600	\$3,299	\$2,653	\$2,498	\$5,152	\$10,500	\$10,500	\$21,000	25.3%	23.8%	24.5%
TOTAL LIEE COSTS	\$604,958	\$636,650	\$1,241,608	\$832,984	\$840,408	\$1,673,392	\$6,676,690	\$6,691,403	\$13,368,093	12.5%	12.6%	12.5%
Indirect Costs	\$16,011	\$16,251	\$32,262	\$27,407	\$27,467	\$54,874				0.0%	0.0%	0.0%
CO Test Costs	\$0	\$22,198	\$22,198	\$0	\$31,702	\$31,702				0.0%	0.0%	0.0%
Total Program Costs	\$620,969	\$675,099	\$1,296,068	\$860,391	\$899,576	\$1,759,967	\$6,676,690	\$6,691,403	\$13,368,093	12.9%	13.4%	13.2%

¹ The dollars included in the "Indirects" category are for the overheads associated with Vacation & Sick, Payroll Taxes and intercompany billings and are included in the total DAP program costs.

² The dollars included in the "Other Indirects" category are included in rate base and therefore excluded from the DAP Total Program costs.

The indirects / overheads included in the rate base are: Pension & Benefits, Workers Compensation,

Public Liability & Property Damage, Incentive Compensation, and Purchasing, Fleet, & Warehouse.

Table 4 . - LIEE Measure Installations – (SDG&E) - February, 2006

Measures	Units	Current Month			YTD
		Completed and Paid	Completed but not Paid	Initiated but not completed	Completed and Paid
		Base Program	Base Program	Total	Base Program
Furnaces					
- Repair - Gas	Home	9	5	70	38
- Replacement - Gas	Home	36	31	26	43
- Repair - Electric	Home	0	0	0	0
- Replacement - Electric	Home	0	0	0	0
Infiltration & Space Conditioning					
- Cover Plates/Gaskets	Home	1002	1104	610	1234
- Evaporative Cooler/Air Cond. Covers	Home	1	2	2	1
- HVAC Air Filter Replacement	Home	0	0	0	0
Weatherization					
- Ceiling Insulation	Home	21	36	34	24
- Water Heater Blanket	Home	135	180	123	169
- Low Flow Showerhead	Home	1113	1255	787	1373
- Weatherstripping	Home	1070	1186	683	1319
- Caulking	Home	866	1005	656	1114
- Minor Home Repairs	Home	472	322	432	598
- Attic Access Weatherstripping [1]	Home	0	0	0	0
Water Heater Savings					
- Water Heater Pipe Wrap	Home	26	35	31	30
- Faucet Aerators	Home	1130	1288	778	1390
Miscellaneous Measures					
- Attic Ventilation	Home	6	10	5	6
- Auto Sweep	Home	19	29	11	26
- Door Replacement	Home	127	189	144	140
- Door Threshold	Home	198	266	180	240
- Glass Replacement	Home	89	130	92	104
- Jamb Replacement	Home	1	13	6	1
- Duct Register Sealing	Home	0	0	0	0
- Portable Evaporative Coolers	Home	0	0	0	0
- Permanent Evaporative Coolers	Home	0	0	1	0
- Compact Fluorescents (inc. porchlights)	Each	7045	4501	3829	8501
- Porchlights (fixture replacement or CFBs)	Home	153	161	93	180
- Refrigerators	Home	497	464	415	664
Landlord Rebate Pilots					
- Refrigerators	Home	0	0	0	0
- Air Conditioner Replacement - Room	Home	0	0	0	0
- Air Conditioner Replacement - Central	Home	0	0	0	0
Pilots - Rapid Deployment					
- Air Conditioner Replacement - Room	Home	0	0	0	0
- Air Conditioner Replacement - Central	Home	0	0	0	0
- Duct Sealing and Repair	Home	0	0	0	0
- Whole House Fans	Home	0	0	0	0
- Water Heater Replacement - Gas	Home	2	0	0	2
- Water Heater Replacement - Electric	Home	0	0	0	0
- Set-back Thermostats	Home	0	0	0	0
- Evaporative Cooler Maintenance	Home	0	0	0	0
- New Central Return	Home	0	0	0	0
Energy Education					
- Outreach & Assessment	Home	1322	715	859	1640
- In-Home Education	Home	1546	1013	921	1864
- Education Workshops (EELI)	Home	238	445	1194	308
Homes Served					
Total Number of Homes Treated	Home	1578	532	938	1914
Total Number of Homes Weatherized	Home	1164	1884	825	1433

Table 6 - CARE Program Expenses – San Diego Gas & Electric - February, 2006

	Current Electric	Current Gas	Combined	Electric YTD	Gas YTD	Combined YTD	Budget			% YTD / Budget		
	Base Program	Base	Base Program	Base Program	Base Program	Base Program	Electric Base Program	Gas Base Program	Base Program	Electric Base Program	Gas Base Program	Total Base Program
CARE Program:												
Outreach												
- Capitation Fees	\$1,278	\$522	\$1,800	\$2,292	\$936	\$3,228	\$0	\$0	\$0	0.00%	0.00%	0.00%
- Other Outreach	\$37,802	\$15,440	\$53,243	\$65,066	\$26,576	\$91,643	\$963,215	\$356,258	\$1,319,473	6.76%	7.46%	6.95%
Total Outreach	\$39,080	\$15,962	\$55,043	\$67,358	\$27,512	\$94,871	\$963,215	\$356,258	\$1,319,473	6.99%	7.72%	7.19%
Automatic Enrollment	\$0	\$0	\$0	\$0	\$0	\$0	\$9,589	\$3,547	\$13,136	0.00%	0.00%	0.00%
Processing/ Certification/Verification	\$18,706	\$7,640	\$26,346	\$31,458	\$12,849	\$44,307	\$188,463	\$69,705	\$258,168	16.69%	18.43%	17.16%
Billing System /Programming	\$5,150	\$2,103	\$7,253	\$9,625	\$3,931	\$13,557	\$244,587	\$90,464	\$335,050	3.94%	4.35%	4.05%
Pilots												
Measurement & Evaluation	\$0	\$0	\$0	\$0	\$0	\$0	\$2,190	\$810	\$3,000	0.00%	0.00%	0.00%
Regulatory Compliance	\$10,187	\$4,161	\$14,347	\$17,373	\$7,096	\$24,468	\$112,824	\$41,729	\$154,553	15.40%	17.00%	15.83%
Other Administration	\$15,168	\$6,195	\$21,363	\$22,385	\$9,143	\$31,528	\$153,766	\$56,872	\$210,638	14.56%	16.08%	14.97%
Oversight Costs												
- LIAB Start-up	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
- LIAB PY Past Year**	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
- LIAB PY Present Year**	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
- CPUC Energy Division	\$5,465	\$2,232	\$7,697	\$8,535	\$3,486	\$12,022	\$38,325	\$14,175	\$52,500	22.27%	24.59%	22.90%
Total Oversight Costs	\$5,465	\$2,232	\$7,697	\$8,535	\$3,486	\$12,022	\$38,325	\$14,175	\$52,500	22.27%	24.59%	22.90%
TOTAL PROGRAM COSTS	\$93,755	\$38,294	\$132,049	\$156,734	\$64,018	\$220,752	\$1,712,958	\$633,560	\$2,346,518	9.15%	10.10%	9.41%
CARE Rate Discount	\$2,237,815	\$1,457,890	\$3,695,705	\$4,666,689	\$2,963,360	\$7,630,049	\$25,184,572	\$9,314,842	\$34,499,414	18.53%	31.81%	22.12%
Service Establishment Charge Discount	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	\$2,331,570	\$1,496,184	\$3,827,754	\$4,823,423	\$3,027,378	\$7,850,801	\$26,897,530	\$9,948,402	\$36,845,932	17.93%	30.43%	21.31%
Indirect Costs ²	\$19,002	\$7,762	\$26,764	\$33,894	\$13,844	\$47,737	\$0	\$0	\$0	0.00%	0.00%	0.00%
TOTAL PROGERAM COSTS & CUSTOMER DISCOUNTS INCLUDING OTHER INDIRECTS	\$2,350,572	\$1,503,946	\$3,854,518	\$4,857,317	\$3,041,222	\$7,898,539				0.00%	0.00%	0.00%
kWh Surcharge Exemption	\$98,343	\$0	\$98,343	\$243,687	\$0	\$243,687	\$0	\$0	\$0	0.00%	0.00%	0.00%

¹Pursuant to D.98-03-073

¹ The dollars included in the "Indirect Costs" category are for the overheads associated with Vacation & Sick, Payroll Taxes and intercompany billings, and are included in the total CARE program costs.

² The dollars included in the "Other Indirect Costs" category are included in the rate base and therefore excluded from the total CARE program costs. The indirect / overheads included in the rate

base are: Pension & Benefits, Workers Comp., Public Liabi

TABLE 10
CARE Enrollment, Recertification, and Attrition - San Diego Gas & Electric

	Gross Enrollment From Automatic Enrollment	Gross Enrollment From Capitation	Gross Enrollment Other Sources (Not Including Recertification Enrollment)	Total Gross Enrollment B+C+D	Gross Enrollment From Recertification1	Total Adjusted Gross Enrollment E-F	Attrition (Drop Offs)	Net Enrollment G-H	Adjusted Net Enrollment I-F	Total CARE Participants
December-05										205,456
January-06	0	3	8,131	8,134	801	8,935	1,416	7,519	6,718	212,174
February-06	0	4	5,162	5,166	228	5,394	3,222	2,172	1,944	214,118
March-06										
April-06										
May-06										
June-06										
July-06										
August-06										
September-06										
October-06										
November-06										
December-06										
Totals	0	7	13,293	13,300	1,029	14,329	4,638	9,691	8,662	

Table 10.1
DCSD CARE Automatic Enrollment--San Diego Gas and Electric

	Data File 1 May 2004	Data File 2 Aug 2004	YTD
File As Received:			
Number of Records			
Number on CARE			
Not Active Accounts			
Name not Matched/Bill Account Not Matched			
Ineligible Accounts			
Opt Out Letters Sent			
Enrollment Results:			
Enrolled on CARE from Other Sources During Opt-Out Period			
Number Opting Out Other Non-Eligible Accounts ¹			
Pending			
Number Enrolled			

Note 1: "Other Non-Eligible Accounts" include accounts closed during opt out

Table 11 - CARE Standard Random Verification Results - February, 2006

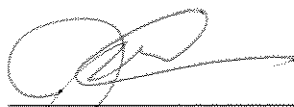
	Total CARE Population	# of Requested to Verify	% of Population Total	# of Participants Dropped (Due to no response)	# of Participants Dropped (Verified as Ineligible)	Total Dropped	% Dropped through Random Verification	% of Total Population Dropped
January-06	212,174	16	0.01%	0	2	2	12.50%	0.00%
February-06	214,118	22	0.01%	0	2	2	9.09%	0.00%
March-06								
April-06								
May-06								
June-06								
July-06								
August-06								
September-06								
October-06								
November-06								
December-06								
Total For PY 2006	212,174	38	0.02%	0	4	4	10.53%	0.00%

SUMMARY TABLE 16 CARE PARTICIPATION -- COMBINED RURAL & URBAN							
2006	Estimated Eligible	Monthly Paid Capitation Enrollments	Monthly Enrolled by Non-Capitation	Total Enrolled by Month	YTD Enrolled	Total # of CARE Participants	Penetration Rate
January	335248	119	8,131	8134	8134	212174	63.3%
February	335586	150	5,162	5166	13300	214118	63.8%
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **MONTHLY REPORT OF SAN DIEGO GAS & ELECTRIC COMPANY (U902 M) ON RAPID DEPLOYMENT EFFORTS FOR FEBRUARY 2006** on all parties identified in R.04-01-006 on the attached service list by U. S. mail and electronic mail, and by Federal Express to Commissioner Dian M. Grueneich and Administrative Law Judge Steven Weissman.

Dated at San Diego, California, this 21st day of February.



Joel Delloso