

**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

**OPENING COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY
(U 902-M) AND SOUTHERN CALIFORNIA GAS COMPANY (U-904-G) ON
PARTIES' PROPOSALS FOR WINTER 2005 - 2006**

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I. INTRODUCTION

Pursuant to Administrative Law Judge Weissman's electronic Ruling, dated October 7, 2005, San Diego Gas & Electric Company ("SDG&E") and Southern California Gas Company ("SoCalGas") (collectively "Joint Utilities") hereby jointly submit Opening Comments on proposed changes to the California Alternate Rates for Energy ("CARE") and Low Income Energy Efficiency ("LIEE"), Medical Baseline, and the Family Electric Rate Assistance ("FERA") for winter 2005-2006 that the following parties filed in various pleadings on October 11, 2005: Southern California Edison ("SCE"), Pacific Gas & Electric Company ("PG&E"), Latino Issues Forum ("LIF"), the Association of California Community and Energy Services (ACCES), The Utility Reform Network ("TURN") and the Disability Rights Advocates (DRA). SDG&E and SoCalGas also filed their joint petition on October 11, 2005 requesting the California Public Utilities Commission ("Commission") to authorize them to implement changes to LIEE and CARE programs primarily for period November 1, 2005 through March 30, 2006 ("Winter 2005-2006") ("Petition").

SDG&E and SoCalGas appreciate the thought parties have put into their proposals and share their desire to assist low-income customers this winter. As discussed below, SDG&E and SoCalGas already are implementing, planning, or considering several of the parties' proposals as part of the Joint Utilities' winter assistance plans. The Joint Utilities offer the following comments on the proposals to further the goal of providing concrete assistance to low-income customers for this winter while balancing cost impacts on all other customers by wisely targeting actions.

II. OVERVIEW OF JOINT UTILITIES' WINTER INITIATIVES

As reflected in their Petition, the Joint Utilities are committed to finding solutions to help low-income customers deal with expected high winter gas prices and to that end have developed comprehensive plans to assist these customers during Winter 2005-2006, including temporary and permanent revisions to the LIEE and CARE programs. In addition, SDG&E and SoCalGas are taking other actions to: help lower gas prices for low-income customers, implement flexible credit policies, provide additional funds to help pay bills, and implement increased outreach and communications efforts. Both utilities have filed for approval of special winter hedge programs. SoCalGas also sought approval to develop 4 Bcf of low-cost "cushion gas," with approximately \$48 million benefit earmarked for low-income customers. SDG&E and SoCalGas continue to believe that their proposals are the most beneficial to customers and should be adopted as filed.

SDG&E and SoCalGas appreciate the support that other parties have expressed for the Joint Utilities' approach and proposals, some by recommending identical actions. SDG&E and SoCalGas have applied the same approach to evaluate other parties' proposals that SDG&E and SoCalGas used to develop their proposals. First, the focus for Winter 2005-2006 should be on mitigating the impacts of high gas prices, primarily through helping more customers take advantage of existing programs by increasing outreach and simplifying program procedures to enroll more customers.

For LIEE, this approach means focusing on installation of measures that can reduce usage and, therefore, winter bills. SDG&E and SoCalGas do not believe that this is the time to implement changes to LIEE that fail to accomplish the goals of reducing

energy use, especially where the proposed changes have been the subject of ongoing discussion and debate by several parties, including the WIS/Standardization Team and the Low Income Oversight Board. To do so at this time would unnecessarily circumvent the normal due process of the LIEE proceeding. SDG&E and SoCalGas recommend that the Commission take a broad look at the LIEE program to determine if, in its current form, the LIEE program best serves the needs of low-income customers. That inquiry, however, should be informed by the Needs Assessment Study ("Study") and undertaken outside the scope of this Winter 2005-2006 initiative. If the Study is not going to be available for some time, it may be appropriate to move forward with the program evaluation.

Second, SDG&E and SoCalGas also have attempted to mitigate impacts on the rates of customers who pay for the programs. While it is important to assist customers in need, balancing this need with cost impacts on other customers is important to avoid causing even more hardship during the winter, particularly if those costs do not result in lower winter bills for low-income customers.

Third, SDG&E and SoCalGas believe it is more appropriate to enroll more currently eligible customers in LIEE and CARE than to expand the programs to additional customers. The exception to this approach is the Joint Utilities' proposed expansion of CARE income guidelines to match those of LIEE for seniors and customers with disabilities. This proposed expansion is appropriate since these customers already have been determined by the Commission to be eligible for low-income assistance. There are many customers who have not received LIEE services or who are not enrolled in CARE under current income guidelines that should be helped first (before addressing other customers or those who have already participated), since they are the ones who need help the most.

III. COMMENTS ON SPECIFIC PROPOSALS

A. Proposals to Freeze Rates, Executive Bonuses and Stock Options

LIF and TURN submitted proposals to freeze natural gas rates for residential and small commercial customers at 20% above current rates and to freeze rates for residential

customers eligible for the CARE and FERA programs. They also propose to freeze executive compensation as they relate to bonuses and stock options and use the savings to offset any undercollection from natural gas rate caps and CARE and FERA rate caps. DRA proposes that natural gas and electric rates be frozen for customers on the Medical Baseline program.

SDG&E and SoCalGas are opposed to these proposals. Rate caps do not solve problems; they increase them and shift them to others. Rate caps are dangerous policy, as the State already learned when wholesale electricity prices increased dramatically in 2000. For example, during the energy crisis, the State imposed retail rate caps even though the cost of wholesale power was not similarly limited. The resulting price squeeze so damaged the utilities' ability to obtain credit in the energy markets that sellers ultimately were unwilling to sell electricity to the utilities. As a direct consequence, the wholesale electricity market collapsed entirely and California was only able to obtain electricity at all if the state government purchased it. These unintended consequences caused political and electricity market upheavals from which California has still not fully recovered, imposing higher costs and regulatory uncertainty that have seriously harmed California's citizens.

The Rate cap proposals for natural gas pricing would repeat for natural gas service the bad outcome that continues to plague California as the State attempts to ensure low-cost and reliable electric service. Embarking on this course again is unwise and unnecessary. In the electricity crisis of 2000, utilities were given no tools to protect against increases in electric bills. In contrast, while natural gas bills are expected to increase, much has already been done to protect against price increases, and the utilities have asked the Commission for authority to do more, particularly in mitigating the impacts of higher gas prices on low-income customers. In addition to the price protection measures SDG&E and SoCalGas have proposed, SDG&E and SoCalGas also propose a large range of low-income customer assistance measures and are implementing others that do not require Commission approval.

Annual performance based incentive opportunities are provided to executive officers through cash bonuses. Bonuses are paid upon the attainment of objective goals and are comparable with other Fortune 500 companies. To remain competitive and be

able to attract qualified leaders, SDG&E and SoCalGas will not suspend bonuses. Our business has many facets and complexities. Utilities need to attract and retain a highly competent and effective officer team. Natural gas prices are going up for reasons not within the control of the executives. The officers should have the incentives to keep all controllable costs down, not punished for events that are clearly beyond their control. Accordingly, the proposals to freeze or cap rates and to freeze utility executive bonuses are unsupported and should be rejected.

B. Proposals on Furnace Repair and Replacement Policies

1. Allow Low Income Rental Units to be Eligible for Furnace Repairs and Replacement

ACCES proposes that the Commission make rental units served by the LIEE program eligible for furnace repair and replacements. The Commission previously has addressed this issue in D. 01-05-033, which implemented the Commission's Rapid Deployment strategy during the electric energy crisis. The Commission determined that rental units should not be eligible for furnace repair and replacements because landlords have a responsibility to maintain heating systems in rental properties.¹

Under the current LIEE Statewide Standards, all gas heating units are eligible to receive minor repairs such as replacement of pilot tubing and thermal couples. Rental units have not been eligible for extensive furnace work under the statewide LIEE program to avoid having utility ratepayers subsidize landlords by installing measures they are required by law to provide and maintain for their tenants.

In addition, before such a proposal were adopted, its benefits in providing energy savings would need to be determined. Replacing wall and floor furnaces would not provide substantial energy savings, as discussed in SDG&E and SoCalGas' Petition. Since current efforts are focused on identifying actions to mitigate the impacts of high gas prices this winter, any proposal to replace additional furnaces should be shown to provide substantial energy savings that will lower customers' bills.

If the Commission wants to address the issue of whether furnace repair or

¹ D. 01-05-033, Footnote 26 at 35. In addition California Civil Code 1941.1 outlines a landlord's requirement to provide and maintain heating systems in rental units.

replacement for renters should be allowed under the LIEE programs, this is a long-term program issue that should be addressed outside the scope of these winter issues.

2. Replace Low Income Furnaces That Are 20-Years Old or Older With New, Safe, Efficient Furnaces

SDG&E and SoCalGas oppose the ACCES proposal to replace furnaces in LIEE-eligible households solely on the basis of age. There is no data to support the need to replace furnaces based on the age of the furnace, and older furnaces have not been shown to be inherently unsafe. This issue needs to be studied further if it is to be considered. This proposal has been addressed in numerous filings recently and in discussions by the WIS/Standardization Team and the LIOB, and that discussion should continue outside this winter effort.

ACCES has not demonstrated that replacing furnaces solely based on age will provide any energy savings to customers to help lower winter bills. SDG&E and SoCalGas' proposal to replace furnaces for homeowners based on energy efficiency ratings will benefit low-income customers this winter, as 20%-30% in energy savings can be realized from these replacements. As such, SDG&E and SoCalGas have recommended the replacement of natural gas central forced air heating units with an Annual Fuel Utilization Efficiency (AFUE) rating of 65 or less with a high-efficiency unit rated at 80 or 92 AFUE.

Efficiencies gained in floor and wall furnaces over the last 60 years have been insignificant and high efficiency wall and floor furnaces are not currently available on the market. Therefore, SDG&E and SoCalGas' proposal limits its recommendation to forced air heating units because it will result in much needed energy and bill savings to help low income customers during the winter. Age is not the appropriate criterion to use for furnace replacement in any case, and especially not to help mitigate high gas prices this winter.

3. Eliminate Third Party Verification for Furnace Replacements

ACCES has suggested that SoCalGas' "third party verification" policy on furnace repair and replacements be eliminated and that the decision on whether to repair or replace a furnace should be left up to the contractor. ACCES claims that the third party

verification delays furnace installations by 30 to 45 days. SoCalGas has addressed this issue in its responses to previous comments filed by ACCES.² SoCalGas implemented its furnace replacement verification procedure over concerns that furnaces that could be repaired were being unnecessarily replaced. In the past, SoCalGas contractors were replacing 90% of the furnaces compared to 20-25% replacements in SDG&E and PG&E's LIEE programs. Through this third party verification process, SoCalGas furnace replacement ratios are now in line with the other utilities. In 2004, SoCalGas saved over \$3 million dollars from reducing the number of furnace replacements and was able to serve an additional 5,000 low income customers.

ACCES has provided no evidence that this proposal will help customers with high gas prices for this winter. Just replacing more furnaces, as discussed earlier, is not the answer. Instead, as SDG&E and SoCalGas have proposed, replacing furnaces based on energy savings is the appropriate approach to provide real assistance to low-income customers this winter. SoCalGas' procedure for inspection of furnaces before they are replaced ensures that funds are not spent on replacements where repairs can be made, thus freeing up these funds to provide more low-income customers with benefits that will help with winter bills. This practice is program administrative detail and not appropriate for this proceeding. SDG&E's and SoCalGas' streamlining proposals are the right way to expedited getting help to customers.

C. Proposal to Increase LIEE Budgets by 60%

ACCES proposes increasing LIEE funding by 60% not only for the winter months but longer term, consistent with the increased budgets recently adopted by the Commission for the Energy Efficiency programs. This proposal appears to be based on an amount of money as opposed to specific actions that can help mitigate the impacts of winter bills. In contrast, energy efficiency budgets were adopted to achieve specific

² Reply of Southern California Gas Company to Comments of The East Los Angeles Community Union and the Maravilla Foundation on the Standardization Project Team's Proposed Revisions to the LIEE Policy and Procedures and Weatherization Installation Standards Manuals, dated March 28, 2005, and the Reply of Southern California Gas Company to the Comments of the Association of California Community and Energy Services on the June 7, 2005 Assigned Commissioner's Ruling Approving The Amended Workplan, Schedule, and Budget for Phase 5 of the Low Income Energy Efficiency Standardization Project, dated July 18, 2005.

energy savings goals, not just to spend more money. Any proposed changes to funding should be based on findings of the Needs Assessment Study, and be subject to comprehensive review to determine most effective means of delivering benefits to the customers.

SDG&E and SoCalGas oppose ACCES' proposal. Instead, as set forth in their Petition, SDG&E and SoCalGas propose specific actions in the LIEE and CARE programs to assist customers, some of which may increase program budgets. SDG&E and SoCalGas believe it is important to consider the impacts of increasing program costs on other customers, including low-income customers, as well as the specific benefits low-income customers will receive to help with their bills in evaluating ACCES' proposal. SDG&E and SoCalGas also note that the LIEE program budgets were nearly doubled in the past few years.

D. Proposals to Use Census Data to Identify Low Income Census Blocks and Declare the Entire Block Eligible for the LIEE Program

SDG&E and SoCalGas are not opposed to using census data to identify low income census blocks to be served by the LIEE program, as ACCES and PG&E propose, so long as the utility is charged with identifying the targeted census blocks and the customer signs an application form to "self-certify" that they meet the program's income eligibility criteria. Self-certification meets two program goals by ensuring that: (1) customers understand the program's income requirements and income guidelines and (2) that the number of ineligible customers served in the program will be reduced to the maximum extent.

SDG&E and SoCalGas' proposal recommends temporarily suspending the collection of income documents during the winter months in census blocks that have a high concentration of LIEE-eligible households, with these customers self-certifying that they meet the LIEE program's income qualifications, similar to what is done for enrollment in CARE. SDG&E and SoCalGas urge the Commission to adopt their proposal for the winter months, which will simplify the enrollment process while ensuring against the program serving ineligible customers.

IV. PROPOSALS THAT SUPPORT ACTIONS ALREADY TAKEN OR PROPOSED BY SDG&E AND SOCALGAS

A. Expanded Outreach Efforts and Media Campaigns

TURN recommends that the utilities expand their outreach and media campaigns and emphasize their efforts to get information to low-income and non-English speaking customers utilizing organizations that are active in those communities. DRA asks that utilities be required to target their outreach efforts to organizations that support and serve persons with disabilities, such as independent living centers, senior organizations, and disease oriented groups, such as the Multiple Sclerosis Society, whose members would likely qualify for the program.

SDG&E and SoCalGas' Petition describes in detail the outreach efforts that are currently being undertaken or planned, including efforts to reach low income and non-English speaking communities through organizations that TURN and DRA cite. SDG&E works with more than 280 community agencies serving customers with disabilities, non-English, low-income, and senior customers on an ongoing basis to provide information on our programs, and will increase work with these agencies to inform them about high winter gas prices and available assistance for these customers. SoCalGas is working with more than 500 similar community agencies and also will increase outreach efforts with them for this winter. A substantial number and variety of activities are planned for outreach and communications to these customers for the winter, including direct mail campaigns and bill inserts and messages. These plans address the proposals of TURN and DRA regarding communications with customers for the winter.

DRA also recommends that Medical Baseline application forms and communications be accessible to persons with disabilities and be available in large print and accessible online. DRA further requests the Commission to ensure that utilities comply with the requirements of Decision ("D."). 02-04-026 by ordering them to file compliance advice letters to detail their efforts to achieve accessibility and outreach. SDG&E and SoCalGas do make Medical Baseline applications accessible as described by DRA and have complied with all of the Commission's requirements outlined in D. 02-04-026. Therefore, DRA's advice letter proposal is unnecessary.

B. Provide Training and Information To “Utility Outlets” Such As Authorized Payment Locations (“APLs”)

TURN recommends that all “local utility outlets” should receive special training on the availability of rate assistance programs and train their personnel to assist customers with sources of financial assistance and utility payment plans.

SDG&E and SoCalGas aggressively work with their branch office employees to train them on the availability of CARE, FERA, Medical Baseline and other assistance programs to help customers who have difficulty paying their bills. The training also includes outreach to enroll eligible customers in CARE and other programs and making payment arrangements. Further, SDG&E and SoCalGas make the following materials available to APLs to distribute to customers:

- CARE application forms;
- Customer assistance brochure which provides a listing and a description of the programs available to assist customers;
- Wall/window posters with CARE and other assistance program information.

C. Suspension of Plans to Close Bill Payment Offices

TURN suggests that the Commission “treat utility plans to close local offices with scrutiny” and urges that no offices be closed during the winter. SDG&E and SoCalGas will keep offices open during the coming winter.

D. Examine and Increase Medical Baseline Allowances If Needed

The proposals of TURN and DRA ask the Commission to examine the existing Medical Baseline program to determine if the current allowances are sufficient and to expand the allowances if necessary.

SDG&E and SoCalGas’ tariffs currently allow increasing allowances for Medical Baseline for customers who have multiple life support devices or have additional heating and cooling needs due to their medical condition. SDG&E and SoCalGas increase the daily medical baseline allowance (in increments of 16.5 kWhrs and 0.822 therms) within

current program procedures as needed for customers whose energy usage exceeds their current allowances and where the customers have demonstrated a need for an increased allowance. SDG&E and SoCalGas are evaluating the gas usage of their Medical Baseline customers to determine if additional allowances are warranted for the winter and, where appropriate, will increase allowances under current program procedures.

E. Suspend Shut Offs For CARE and Medical Baseline Customers Who Make A Partial Payment and Waive Reconnection Deposits for CARE and Medical Baseline Customers

LIF suggests that the Commission impose a “mandatory arrearage and shut-off moratorium as long as customers make a partial payment.

As outlined in detail in their Petition, SDG&E and SoCalGas are implementing flexible credit and collections procedures for customers served through the CARE, Medical Baseline and FERA programs during Winter 2005-2006. The flexible policies will include a no-shut off policy for these customers who make a minimum payment equal to the amount they were billed for the same period the prior year, suspending collection of deposits from these customers and working with these customers to establish flexible payment arrangements. Additionally, these customers will be directed to other utility and community programs for assistance. In addition, SDG&E and SoCalGas will work with these customers to make payment arrangements and provide other assistance.

F. Replace Leaky, Inefficient Gas and Electric Water Heaters

ACCES recommends that the Commission authorize the replacement of older model, leaky, inefficient gas and electric water heaters as part of the LIEE programs. Like wall furnaces and floor furnaces, water heater energy efficiency has not increased significantly over the last 15 years.

Water heaters have not been included under the LIEE program because of very

low cost effectiveness.³ However, the WIS/Standardization Team has recently agreed to recommend to the Commission the replacement of leaky water heaters in the LIEE program. Fixing leaky water heaters can result in real energy savings.

G. Encourage an Increase In LIHEAP Funds

ACCES recommends that the Commission encourage the State's congressional delegation seek to increase California's LIHEAP allocation. Sempra Energy, parent company of SDG&E and SoCalGas, is working with interested parties to try to get an increase in LIHEAP funding for California this winter.

H. Revise LIEE Income Documentation Requirements

ACCES has recommended that the Commission reduce the "LIEE program paperwork and eliminate existing customer enrollment barriers." SDG&E and SoCalGas have proposed for this winter temporarily suspending the collection of income documentation from customers residing in targeted census block" that have been identified by the utility as having a significant number of income-eligible households. SDG&E and SoCalGas will still require the collection of income documentation from LIEE applicants who live outside of the targeted census blocks to ensure they are qualified for the program.

ACCES also recommends that income documentation requirements be revised to more realistically reflect low income conditions as they relate to estimating annual income based on available income documents. SDG&E and SoCalGas are willing to consider ACCES' recommendation to determine if changes to current policies should be made in an effort to improve the effectiveness of the program.

³ D. 02-08-034 adopted the Cost Effectiveness Testing methodology for the LIEE program and considers both the cost efficiency from the perspective on the non-participant and hardship reduction from the perspective of the non-participant known as non-energy benefits.

I. Allow CARE Customers to be Automatically Eligible for LIEE

ACCES recommends that the Commission allow LIEE participation by current CARE customers without requiring further income documentation.

Under the current statewide policies and procedures, CARE customers who have been income qualified through post enrollment verification can automatically be qualified for LIEE. This does not apply to those customers who have only self-certified their eligibility for CARE. However, as indicated by SDG&E and SoCalGas' proposals for this winter, CARE customers residing within one of the targeted census blocks would qualify for LIEE without having to provide income documents to receive program services. SDG&E and SoCalGas believe that their proposals will best meet the objective of having CARE customers participate in the LIEE programs. In addition, we routinely obtain leads for LIEE from lists of CARE customers who have not participated in LIEE. These customers are provided information about LIEE through various means, including direct mail and telephone calls.

V. COMMENTS ON OTHER PROPOSALS

A. Proposal to Reopen the Baseline Proceeding

LIF recommends that the Commission consider reopening the baseline proceeding, if necessary, and evaluate changes to gas baseline rates, including a FERA program for gas. Baseline issues are complex and have taken large amounts of time and resources to address, something that could not be accomplished in time to provide any assistance for Winter 2005-2006. SDG&E and SoCalGas believe that their proposals will adequately address the needs of their customers for this winter and that it is unnecessary to reopen the baseline proceeding at this time. .

B. Make 2006 Funds Available for 2005

TURN recommends that the Commission direct the utilities to accelerate the implementation of residential and small business conservation and energy efficiency

programs including making 2006 budgets available for installations in 2005 with savings credited toward 2006 goals, and that similar practices should be authorized where feasible in low income energy efficiency programs.

SoCalGas and SDG&E will ensure their 2005 non low-income energy efficiency programs remain open through year-end as authorized in D. 05-09-043. If necessary, as 2005 funds begin to run out, 2006 funds will be utilized to continue the 2005 programs through the end of the year. Achievements resulting from expending 2006 program funds will be counted toward the 2006 goals.

SoCalGas and SDG&E's proposals have been developed to increase participation in LIEE programs this winter. Existing 2005 funds should be sufficient to cover the increased activity for this year, but if additional funds are needed in 2006, SDG&E and SoCalGas will file a one-time budget augmentation with the CPUC.

C. Eliminate 10-Day "Go-Back" Rule for LIEE

ACCES has recommended that the Commission suspend the current statewide LIEE program policy which prohibits customers served under the LIEE program to receive program services again within a 10-year period. On November 1, 2005, the WIS/Standardization Team will be submitting to the Commission its recommendations to revise the current statewide policies and procedures. This filing will include a recommendation to allow contractors to revisit a home within the 10-year period if a furnace that has been repaired under the LIEE program later has problems, or if a furnace that passed a Natural Gas Appliance Test and at the time did not need service subsequently becomes non-operational. The basis for the 10-year rule is that most measures provided through the LIEE program have a useful life of 10-years or more. It should not be necessary to revisit a home prior to the 10-year period.

SDG&E and SoCalGas believe that qualified households that have not yet been served by the LIEE program should have an opportunity to receive LIEE program measures and services before going back to others who have already participated in the program, particularly for this winter. If the Commission chooses to reconsider the 10-year rule, this should occur outside the scope of this effort to mitigate impacts of winter

gas bills.

D. Waiver of the LIEE Program's Average Building Envelope Repair Cost Restriction

ACCES proposes that based on the new Title 24 requirements, which became effective on October 1, 2005, the Commission should consider waiving the statewide LIEE program policy that established a spending cap for "average building envelope repairs" done under the LIEE program.

By November 1, 2005, the WIS/Standardization Team will be submitting to the Commission its recommendations to revise the current statewide policies and procedures. Within these recommendations are revisions to Table 6-9 Caps on Minor Home Repairs (currently identified as Table 6-8). The spending limits for these caps as shown in these tables intentionally do not include costs associated with the new Title 24 requirements. The Title 24 requirement only impacts the costs of central HVAC system installations in specific climate zones. In D 03-11-020, the Commission adopted Table 6-8 which reflects the spending caps on minor home and furnace repairs and replacements. This Table is used as a means to manage the LIEE program costs for minor home repair and furnace repairs and replacements. Each utility will continue to manage its program costs based on the established caps and estimated costs for Title 24 compliance requirements. Therefore, there is no need to waive these spending restrictions solely for the exclusion of Title 24 related costs.

E. Pursue CARE Automatic Enrollment


LIF supports the recommendation that the Commission pursue CARE automatic enrollment with more vigor. SDG&E and SoCalGas note that Senate Bill 580, which Governor Schwarzenegger recently signed, requires the Secretary of the California Health and Human Services Agency to determine on or before April 1, 2006, how to optimize the use of established state and federal programs and databases to facilitate the automatic enrollment of CARE- eligible customers while complying with state and federal privacy laws. SDG&E and SoCalGas are ready to more fully implement automatic enrollment as directed by the Commission once these issues are resolved.

VI. CONCLUSION

For the foregoing reasons, SDG&E and SoCalGas request the Commission to adopt their proposals as filed.

Respectfully submitted,

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October 17, 2005

CERTIFICATE OF SERVICE

I hereby certify that pursuant to Commission's Rules of Practice and Procedure, I have this day served a true and correct copy of **OPENING COMMENTS OF SAN DIEGO GAS & ELECTRIC COMPANY (U 902-M) AND SOUTHERN CALIFORNIA GAS COMPANY (U-904-G) ON PARTIES' PROPOSALS FOR WINTER 2005 - 2006** to each party of record on the service list in R.04-01-006, et al. via electronic mail. Those parties without an email address were served by placing copies in properly addressed and sealed envelopes and depositing such envelopes in the United States Mail with first-class postage prepaid.

Executed this 17th day of October, 2005 at San Diego, California.


Lisa Fucci-Ortiz