EIGHTH ANNUAL PROGRESS REPORT TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION

FAMILY ELECTRIC RATE ASSISTANCE (FERA)

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FERA PROGRAM

FAMILY ELECTRIC RATE ASSISTANCE (FERA)

I. PARTICIPANT INFORMATION

A. Provide the total number of FERA customers by month, for the reporting period.

See Table 1.

Table 1		
2011	**FERA Enrolled**[1]	**FERA Receiving Tier 3 Benefit**[1]
January	26,273	17,161
February	26,506	14,768
March	26,925	16,468
April	27,121	14,503
May	27,273	15,956
June	26,935	14,800
July	26,972	19,282
August	27,600	19,610
September	27,827	19,754
October	27,719	18,150
November	27,457	18,066
December	27,570	19,093

Notes:
[1] Does not include sub-metered tenants.

B. Provide the total number of FERA-eligible households, FERA-participating households, and FERA household penetration rates by quarter.

See Table 2.

Table 2			
FERA Penetration Rate			
2011 Quarter Ending	**FERA-Eligible Households[1]**	**FERA-Participating Households[1]**	**FERA Household Penetration Rate[2]**
March 31	173,862	26,925	15%
June 30	173,862	26,935	15%
September 30	173,862	27,827	16%
December 31	173,862	27,570	16%

Notes:
[1] Does not include sub-metered tenants.
[2] FERA Household Penetration Rate is calculated by dividing FERA Participating Households by FERA-Eligible Households.

C. Discuss how the estimates of current FERA-eligible households were developed.

For the 2011 program year reporting period, PG&E used the same Joint Utilities' methodology for calculating demographic FERA-eligibility rates that was adopted for California Alternate Rates for Energy (CARE) in 2001 in Decision (D.) 01-03-028. The particulars of the calculations may be found in Attachment A, "Technical Addendum: Joint-Utility Methodology for Calculating CARE Penetration" excerpted from the Joint Utilities' "Reporting Requirements Manual (RRM) Working Group Report for Low Income Assistance Programs" (R.98-07-037) and Attachment B, the Joint Utility CARE eligibility update (filed on October 15, 2008 in compliance with the directives of D.02-07-033, Ordering Paragraph 4(b), as modified by the Assigned Commissioner's Ruling (ACR) of December 27, 2002 and the Scoping Memorandum of June 24, 2004).[1] In summary, PG&E applies county-based commodity-specific demographic eligibility multipliers to the technically eligible meter count within that county. The product of this calculation is then added together to obtain an overall eligibility for each commodity served.

The estimates of FERA-demographically eligible households were calculated for each utility by applying the demographic eligibility rate to technically eligible households by county and utility service area. The methodology is described in

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[1] The Joint Utilities are PG&E, Southern California Edison Company, San Diego Gas and Electric Company and Southern California Gas Company. Energy Division and the Division of Ratepayer Advocates also participate in the RRM Working Group.

the Low Income Reporting Requirements Manual. These rates were developed by Athens Research and utilize current year income and household size data. The 2011 penetration rates reported in low income monthly reports used demographic eligibility rates that were submitted to the Commission on December 2010.

PG&E applied the demographic eligibility rate supplied by the Joint Utility demographer to internally derive the demographically eligible household count by county and commodity. To derive the demographic information, the Joint Utilities hired a demographic consultant, Athens Research, which culled information starting with the current census tract data available for PG&E's service area. Additionally, commercially available demographic updates were utilized to update the population information for the current year. The Joint Utility demographer then developed matrices, applying appropriate statistical methods in order to properly represent the information by county and commodity. The raw percentage of estimated eligible population, by county and fuel type, was then provided to PG&E for combining with the technically eligible meter counts. The product of these statistics results in PG&E's estimated eligible population.

D. Provide the current FERA sub-metered tenant counts at year-end.

134 sub-metered tenants were enrolled in FERA at year-end.

E. Discuss any problems encountered during the reporting period administering FERA for sub-metered tenants and/or master-meter customers.

Since FERA was created in June 2004, the main problems encountered by sub-metered tenants and/or master-metered customers include understanding the FERA discount on their bills, understanding the difference between the FERA discount and the CARE discount, and understanding whether or not they can apply for both discounts.

PG&E provided a FERA certification report to landlords/managers at regular intervals. PG&E also requested landlords/managers to contact PG&E when information needed to be updated. Nonetheless, some landlords/managers still failed to notify PG&E when a FERA-certified tenant moved out of the facility.

During the economic downturn, PG&E noticed a higher than normal increases of turnover within mobile home park ownership and management. When change of ownership happened, PG&E worked with new owners to transfer existing FERA-certified tenants' data to new accounts and informed them about the FERA program and the processes involved. When landlords changed managers, they often failed to notify PG&E with new contact information, which resulted in undelivered reports and delayed communication.

II.   PROGRAM COSTS

A. Discount Cost

1. State the average monthly FERA discount received, in dollars per FERA customer.[1,2]

The average monthly FERA discount in 2011, per FERA customer, was $34.14.

Notes:
[1]Does not include sub-metered tenants.
[2] Enrolled customers are excluded from the monthly average during any months they did not reach Tier 3 usage.

2. State the cumulative annual discount for all FERA customers.[1]

The 2011 annual FERA discount was $7,180,774.
The 2004 through 2011 cumulative annual discount was $23,409,250.

Notes:
[1]Does not include sub-metered tenants.

B. Administrative Cost

1. Show the FERA Program's administrative cost by category.

See Table 3.

Table 3	
FERA Program **Administrative Costs by Category and Benefits**	
Category	**Cost**
Outreach	$232,110
Processing, Certification, and Verification	$127,358
General Administration	$18,151
Billing System / Programming	$8,729
Regulatory Compliance	$5,748
Energy Division Staff Funding	$0
TOTAL PROGRAM COSTS	**$392,095**
CUSTOMER BENEFITS	**$7,180,774**
TOTAL PROGRAM COSTS & CUSTOMER BENEFITS	**$7,572,869**

2. Explain what is included in each administrative cost category.

Outreach: This category includes bill inserts, applications (printing and mailing), postage, sub-metered outreach, information technology (technical support and software licensing), staff labor, event staffing, website design, and other outreach.

Processing, Certification and Verification: This category includes staff labor for application processing, certification, recertification, verification and training.

General Administration: This category includes office supplies, printing, program management labor, travel expenses, conference, training, and information technology (technical support and software licensing).

Billing System / Programming: This category includes manual rebilling, IT programming, software enhancements, system maintenance and IT labor.

Regulatory Compliance: This category includes program applications and advice filings, comments and reply comments, hearings, reports and studies, working group meetings, public input meetings, and tariff revisions.

CPUC Energy Division Staff Funding: This category includes funding for the Energy Division staff.

Customer Benefits: This category includes rate discounts.

3. Explain how costs of joint CARE/FERA activities are charged to each program.

For joint CARE/FERA activities, PG&E charged the expenses to appropriate CARE/FERA order numbers depending on the nature of the activities and the number of hours spent on each program.

C. Provide the year-end December 31 balances for the FERA balancing account for both the current and prior reporting periods.

The year-end December 31, 2011 balance for the FERA balancing account was a debit of $7,881,273

The year-end December 31, 2010 balance for the FERA balancing account was a debit of $6,671,717

The year-end December 31, 2009 balance for the FERA balancing account was a debit of $4,643,804

The year-end December 31, 2008 balance for the FERA balancing account was a debit of $2,566,392

The year-end December 31, 2007 balance for the FERA balancing account was a debit of $1,603,094.

The year-end December 31, 2006 balance for the FERA balancing account was a debit of $1,658,767.

The year-end December 31, 2005 balance for the FERA balancing account was a debit of $1,340,372. [1]

The year-end December 31, 2004 balance for the FERA balancing account was a debit of $340,948.

Notes:
[1] The figures were adjusted and different from the 2005 Annual Report.

III. OUTREACH

A. Discuss utility outreach activities and those undertaken by third parties on the utility's behalf.

Consistent with the provisions of D.04-02-057 that, "[A]dditional outreach should be undertaken when it can be done at little cost" (mimeo, p. 56), outreach for FERA is coordinated with PG&E's CARE and Energy Savings Assistance (ESA) Program (also known as "Energy Partners") outreach efforts.

Following are outreach initiatives undertaken by CARE at no additional cost or little cost to FERA program.

Automated Phone Enrollment

The phone enrollment initiative continued to be vital in the program's outreach efforts by providing a quick and efficient way to reach income-qualified customers via automated outbound phone calls. Working with a third-party vendor, PG&E utilized Automated Voice Messaging (AVM) technology, allowing customers to verify their eligibility and enroll in the program via a touchtone phone.

Bill Inserts

A bill insert consisting of a postage-paid bilingual application in English and Spanish was mailed in the January, June, August and November billing cycles. This initiative was an efficient outreach tool because of its ability to reach every residential PG&E customer who was not already on FERA.

Community Events

One of the most effective ways to break down barriers, engage community leaders, and build trust in communities is through community events. PG&E participated in 101 multicultural events, bringing a face and personality to the FERA program. These events provided an opportunity for program staff to distribute collateral materials, hold face-to-face conversations with customers and network with organizations with similar goals. In many cases, staff members assisted customers in applying for FERA via paper or an online application.

Direct Mails

Direct mail continued to be the most successful outreach method in 2011. Bi-lingual applications were mailed to customers' homes, thereby reducing barriers to accessibility of enrollment information. Those direct mail initiatives included:

- Direct mail to customers residing at addresses of recently-closed CARE accounts

- Direct mail to customers who had received a 15-day notice within the past year.

- Direct mail to customers utilizing data from PG&E's customer information system. The list included customers who were on Medical Baseline or receiving life support, customers who had received a 48-hour notice within the past year, and customers who were required to submit a credit deposit within the past year.

- Direct mail to customers who had previously requested an application but did not mail it in or complete the enrollment process

- Monthly direct mail piece to customers who were removed from CARE due to failure to recertify, asking them to re-apply for the program if they still qualified or applying for FERA if they no longer qualified for CARE.

- Direct mail to customers utilizing data provided by a data source company. Customer segments included African American, Chinese, Vietnamese, Hispanic, senior, veteran, and general audience.

- Direct mail to customers on the Third Party Notification Program, which allows a customer to designate a friend or relative to receive duplicate copies of past-due payment notices.

- Direct mail to customers in specific zip codes with the highest percentages of CARE-eligible and unenrolled customers.

- Direct mail pieces were inserted in welcome packets, giving customers an opportunity to enroll in the program as soon as they established new service with PG&E.

Integration

FERA integrated with CARE, Cooling Centers and the ESA Program (formerly the Low Income Energy Efficiency program), in order to generate FERA enrollment. FERA applications were on display and available to participants at Cooling Centers that partnered with PG&E. FERA information and applications were distributed at various CARE and ESA Program outreach events. Also, CARE Community Outreach Contractors (COCs) assisted in enrolling FERA customers at no additional cost. In addition, CARE customers who notified PG&E of a change in income status which no longer qualified them for CARE were then informed about FERA and provided with an opportunity to apply if qualified. Additionally, customers that applied for CARE, but were income-qualified for FERA, were automatically enrolled in the FERA Program.

Kiosks

Through the Local Office initiative, ADA-compliant self-service kiosks have been installed to create an easy-to-use touch point for customers to apply for FERA. The kiosks help raise awareness and generate new enrollments while providing a convenient way for customers to fill out an application. In addition to the kiosks, local office customer service representatives (CSRs) have been trained to speak about the program benefits with every customer.

These kiosks include an application holder as well as a slot where the customer can deposit the completed application. Each kiosk comes with a lock and key in order to help maintain security and confidentiality and gives customers the opportunity to enroll themselves while waiting in line to pay their bills. The local office staff replenishes the supply of applications in the kiosk and mails completed applications to the FERA program on a regular basis.

Online Enrollment

PG&E continued to utilize its website to promote the FERA program. Each application was posted in-language and in a format that allowed easy downloading and printing. Detailed information about the program was provided and links to other assistance programs were made available.

With the online application available in English, Spanish and Chinese on PG&E's website, customers enrolled online using one of two options: completion of a simple form which requires no registration or via "My Energy", which requires registration. Customers were able to complete the necessary household and income eligibility information, accept the declaration which states the information they provided is true, and submit the application electronically

PG&E also utilized an online mailbox – CAREandFERA@pge.com – as an internal and external communication tool for any program-related inquiries.

Senior and Disabled Outreach

FERA continued its outreach to seniors and those with disabilities. With respect to the challenges associated with financial assistance programs, seniors and those with disabilities may be overwhelmed with the steps involved in completing the application. FERA focused attention on this customer population and utilized large-print applications in multiple languages and participated in targeted outreach events for face-to-face interactions.

Sub-Metered

PG&E reached out to sub-metered tenants by mailing enrollment packets to sub-metered facility managers across its service area. The packets informed the

managers about the FERA benefits and encouraged them to distribute applications to their tenants.

B. Discuss each of the following:

1. **How FERA customer data and other relevant program information is shared within the utility, for example, between ESA Program and other appropriate low-income programs.**

    The FERA discount is recorded directly into the customer information system. This allows CSRs to see the FERA status of any customer calling PG&E's contact center for assistance. This provides important information for the CSR to use when discussing other benefits and services that may be of assistance to the income-qualified customer.

    FERA features other financial assistance information on its applications. Each 8.5" x 11" application provides a brief description of other assistance programs available as well as contact numbers.

2. **Discuss barriers to participation encountered during the reporting period and steps taken to mitigate them.**

    With the increasing awareness of energy efficiency, many FERA income-qualified households with electric usage below Tier 3 (131 – 200 percent of baseline) were not interested in applying for the FERA discount since they would not benefit from it. The FERA Program commended customers on their energy conservation efforts but encouraged them to apply for FERA anyway, in preparation for any unforeseen future energy usage increase.

IV. PROCESSING FERA APPLICATIONS

A. Processing Self-Certification and Self-Recertification Applications (individual and sub-metered customers)

   1. Provide the number of utility and third-party FERA self-certification and self-recertification applications provided, received, approved, denied, pending/never completed, or duplicates for the reporting period.

   See Table 4.

TABLE 4						
FERA Self-Certification and Self-Recertification Applications[1]						
	Provided[2]	**Received**	**Approved**	**Denied**	**Pending/Never Completed**	**Duplicates**
Utility	20,783	15,524	15,206	87	231	3,850
Capitation	0	0	0	0	0	0
Other Third-Party	0	0	0	0	0	0
Total	20,783	15,524	15,206	87	231	3,850

Notes:
[1]Includes sub-metered tenants.
[2]Excludes CARE/FERA outreach applications and multiple bill inserts.

B. Processing Random Post-Enrollment Verification Requests

   1. Provide the total number of verifications requested, received, approved, denied, pending/never completed, or duplicates, for the reporting period.

   See Table 5.

TABLE 5						
FERA Random Post-Enrollment Verification Requests[1]						
	Requested	**Received**	**Approved[2]**	**Denied**	**Pending/Never Completed**	**Duplicates**
Total			2,402			

Notes:
[1] Random Post-Enrollment Verification was not conducted specifically for FERA in 2011 due to the small number of enrollments and discounts.
[2] 2,402 CARE Post-Enrollment Verification requests were approved for FERA in 2011.

V. PROGRAM MANAGEMENT

A. Discuss issues and/or events that significantly affected program management in the reporting period and how these were addressed.

FERA did not have a budget. The program was administrated incrementally with the CARE program which allowed FERA to outreach to customers at no additional or little cost. As a result, FERA enrollment increased from 15 percent to 16 percent in 2011.

In an ongoing effort to protect the environment and reduce printing and mailing costs, PG&E encouraged residential customers to utilize our website and apply online. PG&E also encouraged sub-metered facility landlords/managers to sign-up to receive their monthly FERA certification reports via e-mail. Many facilities had requested receipt of their reports electronically.