

PG&E Low Income Assistance Programs Rapid Deployment Monthly Report For October, 2004

This Rapid Deployment Monthly Report complies with Ordering Paragraphs 14 and 17 of Decision (D.) 01-05-033, requiring the utilities to comply with reporting and program evaluation requirements previously established for the California Alternate Rates for Energy (CARE) and Low Income Energy Efficiency (LIEE) programs, including the reporting of costs and effects from these programs on an annual basis using the Reporting Requirements Manual. Reporting categories are consistent with the definitions contained in the Reporting Requirements Manual, filed January 10, 2002. Additionally, utilities are required to file regular monthly status reports on the results of their Rapid Deployment efforts.

A complete listing of the Rapid Deployment Reporting Tables is included in Attachment A to this report. The full report (including selected tables 1-30 and Leveraging Tables A-C) is required quarterly, in the months of February, May, August and November. The tables required monthly include: Tables 1, 4, 6, 10, 11, 11A, 11B, and 16. An End-of-Year Report for the previous year is required in February.

Monthly Low Income Rapid Deployment Reporting

This Rapid Deployment Report includes actual LIEE and CARE results and expenditures for October 2004. *All results reported in this monthly report update and supersede data reported in previous reports.*

2004 Reporting. PG&E updated its measure energy savings for 2004 reporting, and is using the most recent measure energy savings by climate zone developed in the Joint Utility 2001 LIEE Program Evaluation and the Standardization Team's Cost Effectiveness Report.

PG&E, San Diego Gas and Electric Company, Southern California Edison Company, and Southern California Gas Company met with Energy Division and the Office of Ratepayer Advocates on April 6, 2004 to discuss reporting adjustments for 2004. The utilities submitted a proposal for more relevant, streamlined reporting criteria and requested that Energy Division and ORA review our request and their reporting requirements so that we can work together to create useful reports covering information relevant to the current program. Currently, Energy Division has agreed to allow the utilities to drop SBX1-5 reporting, as all utility SBX1-5 funds were completely expended and reported in previous years. PG&E has dropped all SBX1-5 fund reporting tables and columns from this report.

Beginning in October 2004, PG&E began to report CSD Automatic Enrollment results per the Assigned Commissioner's Ruling establishing provisions for CARE Automatic Enrollment, dated May 5, 2004. Automatic Enrollment expenditures are reported as a new line item in Table 6. PG&E, San Diego Gas and Electric Company, Southern California Edison Company, and Southern California Gas Company developed a new

Table 10.1 to fulfill the ACR's other automatic enrollment reporting criteria. The utilities submitted the draft table to Energy Division. The ACR required the first Automatic Enrollment report to be filed in the October 21, 2004 Rapid Deployment Report, and then filed quarterly in January 2005 and April 2005. This schedule is different than the normal Rapid Deployment quarterly reporting schedule. To avoid confusion, PG&E requested that the new quarterly Automatic Enrollment Table 10.1 be submitted on the same schedule as the Rapid Deployment quarterly reports, and submits Table 10.1 again this month as part of its quarterly report.

Customer Eligibility. In March 2003, the Joint Utilities updated and revised the penetration rate calculation methodology in compliance with D.02-07-033 and ACR 12/27/02, as described in previous reports. The annual estimate of CARE eligible customers was updated in a letter filing to the Commission on December 16, 2003, as requested by Energy Division on December 2, 2003. This estimate supplemented the estimate submitted to the Commission on November 3, 2003. PG&E is using these updated CARE penetration rate estimates for 2004 reporting. As a result of this demographic adjustment, the estimated CARE-eligible population in PG&E's service territory has increased and PG&E's CARE penetration rates have decreased and are thus not comparable to penetration rates reported last year.

Monthly Low Income Program Highlights

CARE Automatic Enrollment. In October and November 2003, PG&E began to exchange data regarding low income qualified customers with the Turlock and Modesto Irrigation Districts (TID and MID). PG&E provides natural gas in the TID and MID electric service areas. PG&E automatically enrolls qualified low income customers served by the two irrigation districts into CARE. PG&E also provides CARE customer data on shared customers to TID and MID so that these customers can be enrolled in their programs.

On May 5, 2004, the Assigned Commissioner Ruling (ACR) on Automatic Enrollment authorized that Automatic Enrollment between the utilities and CSD be implemented. PG&E received its second batch of Department of Community Services and Development (CSD) Automatic Enrollment customers from Energy Division in August. Of the 52,292 LIHEAP customer records provided, 5,119 had non-active or ineligible PG&E accounts and 42,510 customers were already on PG&E's CARE rate. In early September, PG&E mailed Commission-authorized opt-out letters to the remaining 4,663 active non-CARE accounts. These customers then had 30 days to notify PG&E that they did not wish to be automatically enrolled in the CARE program. At the end of the 30-day waiting period, no customers had opted out, 499 had already enrolled in CARE through other sources, and 416 accounts became ineligible. The remaining 3,748 customers were automatically enrolled in CARE.

LIEE Leveraging. The following are highlights of PG&E's outreach and leveraging activities for 2004.

Currently, PG&E has contracts with Low Income Home Energy Assistance Program (LIHEAP) agencies that are not working in PG&E's LIEE program. PG&E is leveraging with these LIHEAP agencies to install PG&E Energy Star refrigerators in PG&E electric homes where the LIHEAP contractors have installed all other measures under the State Weatherization Program. Additionally, we refer homes with non-utility fueled appliances to LIHEAP contractors to conduct Combustion Appliance Safety Testing under their LIHEAP program funding. The LIHEAP agencies then install all feasible infiltration measures in these homes under the State Weatherization Program.

PG&E provides a list of all residential customers to the contractors. From this list, the contractors can tell if the customer is on the CARE rate and if they have received LIEE services in the past. With this information, the contractors are better able to market to the community, e.g., contacting only those customers who have not received LIEE services in the past.

On a daily basis, contractors are provided customers who have requested LIEE services (referrals). Each home that receives LIEE services where the customer is not on the CARE rate is then signed up for the CARE discount.

LIEE program materials are provided in nine languages: English; Spanish; Vietnamese; Chinese; Tagalog; Russian; Laotian; Cambodian and Hmong.

In addition, PG&E continues to combine its LIEE and CARE outreach activities in order to leverage low income outreach efforts and provide PG&E low income customers with the knowledge and tools to access all of PG&E's free energy services.

LIEE Customer Satisfaction. In June, PG&E's LIEE weatherization contractors began conducting Natural Gas Appliance Testing (NGAT) at customer homes. Previously, any required NGAT was performed by PG&E staff during a separate, additional site visit to the customer's home. PG&E noticed a significant increase in the customer satisfaction scores rating the weatherization contractors following this change. The monthly weatherization score remains high. We potentially attribute this increased satisfaction to a several factors: first, the new NGAT procedure is a significant change that decreases customer inconvenience by reducing a site visit; and second, PG&E has actively sought buy-in from the contractors to make this change work at PG&E's monthly contractor meetings, where we report contractor rankings each month (the contractors are taking a very active role in trying to be the top contractor).

Public Purpose Program Balancing Accounts (PPPBA). On July 20, 2004, the CPUC approved PG&E's 2004 attrition advice letters which adopted additional PPP related A&G expenses included in 2004 electric and gas distribution revenues. Because these A&G expenses are now being recovered through distribution revenues, they are no longer recovered through the PPP balancing accounts.