



# LOW-INCOME ASSISTANCE PROGRAMS 2009 ANNUAL REPORT

**Reporting Period:  
January 1, 2009 through December 31, 2009**

**Alpine Natural Gas Operating Company No. 1, LLC  
15 St. Andrews Rd.  
P.O. Box 550  
Valley Springs, CA 95252**

**May 2010**

**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)
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**Alpine Natural Gas Operating Company No. 1, LLC  
(U-909-G)  
LOW-INCOME ASSISTANCE PROGRAMS  
2009 ANNUAL REPORT**

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**Dated: May 3, 2010**

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)
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**Alpine Natural Gas Operating Company No. 1, LLC**  
**(U-909-G)**  
**LOW-INCOME ASSISTANCE PROGRAMS**  
**2009 ANNUAL REPORT**

Alpine Natural Gas (Alpine) respectfully submits its Annual Report on low income assistance programs in accordance with the requirements set forth in the April 5, 2004 Second Energy Division Workshop Report on the Review of the Accounting and Reporting Requirements for the California Alternate Rate for Energy (CARE) and Low-Income Energy Efficiency (LIEE) programs of the Small and Multi-Jurisdictional Utilities (SMJU)<sup>1</sup>.

**Rate Recovery**

Expenses listed in this report are consistent with the amounts approved by the Commission in D.07-12-051

**Reporting**

Alpine's 2009 Low-Income Assistance Programs Annual Report consists of the following sections:

Section I - CARE Residential Program

Section III - LIEE Program

- a. Table V111.A - Expenditures
- b. Table VII1.B - Administrative Expenses
- c. Table VI11.C - Outreach Activities
- d. Table VII1.D - Installations and Costs
- e. Table VII1.E - Energy Savings

Dated this 3<sup>rd</sup> day of May, 2010.

Respectfully submitted,

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<sup>1</sup> Ordering paragraph 5, 0.05-07-014, issued in Rulemaking 04-01-006 and Application 06-06-002, et al.

## CERTIFICATE OF SERVICE

I certify that I have this day served a copy of Alpine Natural Gas' (U 909 G) LOW-INCOME ASSISTANCE PROGRAMS 2009 ANNUAL REPORT on all parties in proceeding Rulemaking 04-01-006 by electronic mail, or regular first class mail delivery for those parties where an electronic mail address was not available.

Dated at Valley Springs, California this 3rd day of May, 2010.

A handwritten signature in black ink, appearing to read 'Michael Lamond', with a large, stylized flourish at the end.

Michael Lamond, CFO  
Alpine Natural Gas Operating Company No. 1, LLC

# **Section I**

## **Low-Income Assistance Programs**

### **2009 Annual Report**

#### **— CARE Residential Program —**

ALPINE NATURAL GAS OPERATING COMPANY NO. 1 LLC  
ANNUAL CARE PROGRAM PROGRESS REPORT  
(DATA THROUGH December 31, 2009)

**I. PARTICIPANT INFORMATION**

**A. Number of participating low-income ratepayers, including sub-metered households, by month. The data should be provided in numerical tables and also in graph form.**

**1. Provide an explanation of any significant fluctuations in numbers of participants. (The term "significant" means a variance of more than 5% from the previous month.)**

RESPONSE: The number of participating low-income ratepayers are tabulated below in bi-monthly billing format. There were no significant changes in the number of participants during this period.

Month/Year	CARE Customers
Jan-Feb 2009	69
Mar-Apr 2009	76
May-Jun 2009	75
July –Aug 2009	71
Sep-Oct 2009	71
Nov-Dec 2009	68

**B. Updated estimate of eligible ratepayers, state source of figures.**

**How many total residential customers do you have?**

Alpine Natural Gas served 1,183 residential customers as of December 31, 2009.

**What percent of total residential customers are estimated to be eligible for the CARE discount rate?**

It is estimated that about 5% of our permanent residential (1,183) customers are eligible for the CARE discount rate. Using data from Census 2000 we estimate that 60 of customers are eligible.

**How many CARE participants do you have and what percentage is that to the total eligible for CARE?**

As of December 31, 2009, 68 customers were on CARE. This represents approximately 5.7 percent of Total. .

**Provide the methodology by which your utility can estimate the number of eligible ratepayers in your service area:**

- a) **State source of statistics, explain any modifications made. For example, modifications to the U.S. census data for undercounts of ethnic groups, such as Hispanics.**

The 5 percent figure cited in response 2 above is based on analysis of (2000) census data

**Master Metered Customers:**

C. How many master metered customers do you have in your service territory?

RESPONSE: N/A As of December 31, 2009, there were 0 master metered customers.

D. How many sub-metered tenants are estimated eligible?

RESPONSE: N/A

E. How many sub-metered tenants are receiving the CARE discount?

RESPONSE: N/A

F. Discuss any problems between master metered ratepayers and sub-metered customers that were encountered during the reporting period.

RESPONSE: N/A

II. **USAGE INFORMATION** (Note: A floppy disk can be submitted but must be accompanied by a hard copy of the data.)

A. Average Tier I and Tier II usage for all residential customers (excluding CARE participants) by baseline territory and on a total basis. Please provide this information for each month, if available. Do not include master metered consumption.

RESPONSE: Alpine has only one baseline territory. Average Tier I and Tier II usage for residential customers is tabulated below (in Therms):

Month	Tier I	Tier II	Month	Tier I	Tier II
January	38.39	46.56	July	11.75	1.19
February	37.08	28.51	August	10.47	0.82
March	34.47	11.87	September	11.31	1.09
April	31.39	6.23	October	14.01	2.59
May	18.64	0.41	November	27.14	3.03
June	12.22	1.31	December	37.09	26.75

B. CARE Participants' Tier I and Tier II average consumption by baseline territory and on a total basis. Please provide this information for each month, if available. Also provide the same information for summer and winter billing seasons. Do not include master metered consumption. (See example attached to this Questionnaire for format.)

RESPONSE: Participants' Tier I and Tier II usage on a total basis is tabulated below (in Therms). Alpine has only one baseline territory.

Month	Tier I	Tier II	Month	Tier I	Tier II
January	40.28	48.72	July	10.87	1.97
February	39.22	30.65	August	9.76	1.22
March	36.97	13.65	September	10.47	1.62
April	33.50	7.95	October	14.41	4.54
May	18.82	1.89	November	28.84	4.94
June	11.82	2.68	December	38.60	31.27

C. Summary of average consumption by residential customers (excluding CARE participants) vs. CARE participants for entire service territory.

RESPONSE: For the year ended December 31, 2009, residential non-CARE customers consumed an average of 34.53 Therms/month while residential CARE customers used an average of 37.06 Therms/month.

### **III. PROGRAM COSTS**

**A. Average monthly bill per residential customer for each baseline territory and for the total service territory.**

RESPONSE: The average monthly bill per full-time residential non-CARE customer received \$ 56.73

**B. Average monthly bill of CARE participants for each baseline territory and for the total service territory.**

RESPONSE: The average monthly natural gas bill of a CARE participant (before discount) is \$60.36 per month. After discount average monthly CARE bill is \$ 48.25.

**C. Average monthly CARE discount by baseline territory and 12 months ending December 31, 2009 in dollars per CARE participant.**

RESPONSE: The average discount is approximately \$ 12.11 per month.

**D. Total CARE administrative costs. Compute administrative costs per participating customers. Give a breakdown in the following categories: Outreach; Certification/Verification; Combined Verification and Certification by an outside agency, if applicable; Enforcement of Pass-through by Master Meter Customers; Billing; and General.**

- 1. Provide a brief explanation of what is included in each of these categories.**
- 2. What are the Billing and General administrative costs incurred for non- CARE residential customers?**

RESPONSE: ALPINE NATURAL GAS only records incremental direct costs to the CARE Balancing Account. Currently, that includes the annual mailing of a CARE notification letter and CARE application, which are Outreach Costs. That cost was \$775 in 2009. Work on the Annual Report, Mid-year report, and other regulatory support performed by an outside contractor was \$3,275. All other administrative functions associated with the CARE program (i.e., certification and verification) are performed by the existing ALPINE NATURAL GAS office staff. Their time is not tracked and recorded in the CARE Balancing Account since it is included in O&M.

**E. Balancing account balance as of December 31, 2009. Provide an explanation for over/undercollection balances. (Give a snapshot in time)**

RESPONSE: As of December 31, 2009, the CARE balancing account had an under collection of \$ 1,337.00

**F. Surcharge amount and percentage of average bill for each class of customers liable for the surcharge. Show all classes.**

RESPONSE: Surcharges of \$ 34,924.19 were billed during the twelve months ended December 31, 2009. The following shows the surcharge as a percentage of the average bill.

#### **IV. Outreach**

**A. Describe the outreach activities for the part reporting period, and suggestions on how outreach activities could be improved.**

RESPONSE: Because of the size of our service area, the most cost-effective outreach method is notices through bill inserts or direct mailers.

**B. Provide a narrative discussion of the following:**

1. Sharing information in overlapping service territories.

RHA, contracts with both PG&E (electric) and Alpine (gas) and in that way shares information to assure LIEE services are provided to all eligible customers within Alpine's service area.

2. Sharing information with LIEE and other utility programs (i.e. signing up LIEE customers not enrolled in CARE or working).

The ALPINE NATURAL GAS CARE and LIEE program work together to identify eligible customers in both programs. Since ALPINE NATURAL GAS does not have energy efficiency programs other than the LIEE program, no other information sharing is applicable.

3. Leveraging CARE funds with other utility assistance programs

Whenever possible ALPINE tries to leverage its outreach efforts to promote both CARE and LIEE. The implementation contractor used by ALPINE NATURAL GAS for LIEE also promotes the CARE program as part of their function as a community action organization.

4. Participation barriers encountered and steps taken to mitigate them.

None

**C. Describe recommendations for improving outreach, including cost effectiveness and methods for reaching underserved households.**

In addition to the annual notice/application of the CARE program mailed each May, inclusion of CARE Program information on each monthly billing statement, CARE program information at time of initial set-up of service, ALPINE, also includes CARE program information to all customers in it's Bi-Annual letter each December.

#### **V. PROGRAM MANAGEMENT**

**A. How many applications were received during the reporting period, and of those applications, how many were approved?**

RESPONSE: There were approximately 29 new applications received during this period in 2009, 25 were approved and 43 were re-qualified for 2009.

**B. Described any problems encountered during the reporting period with program management efforts, and suggestions on how program management could be improved.**

RESPONSE: There were no problems encountered during this period.

## VI. CERTIFICATION AND VERIFICATION PROCESSES

- A. Provide a table showing the total number of participants asked to recertify their eligibility during the reporting period. The table should show the total re-certifications requested, the total recertification applications received, the total recertified, the total denied as ineligible, and the total returned to the participant as incomplete for the reporting period. Include the total participants who were removed from the program because they did not return the recertification application.

ALPINE NATURAL GAS recertifies its CARE customers annually.

# Re-Certification Applications	New CARE Received	Denied	Returned for Proof of Income	Re-Qualified CARE
45	25	2	2	43

- B. Provide a table showing the total number of participants asked for income verification during the reporting period. The table should show the total verifications requested, the total verifications received, the total verified, the total denied as ineligible, and the total returned to the participant as incomplete for the reporting period. Include the total number of participants who were removed from the program because they did not respond to a request for income verification.

See above table of 2009 CARE program activity.

- C. Describe the process for recertifying sub-metered tenants of master metered complexes. Discuss any problems between master metered ratepayers and sub-metered customers that were encountered during the reporting period.

ALPINE NATURAL GAS did not have sub-metered customers during the reporting period.

- D. Describe any third-party process used for CARE certification, recertification and verification processes. Describe how these processes compare with the utility's efforts as far as cost effectiveness and effectiveness in reaching underserved households.

Third parties are not used. All work is performed "in-house".

## VII. OTHER TOPICS

- A. What significant changes are there from the previous reporting period?

RESPONSE: There were no significant changes from the previous reporting period.

- B. Any other comments, recommendation or issues that need to be addressed?**

RESPONSE: No, not at this time.

**OUTLINE FOR CARE - EXPANSION PROGRAM  
COVERING GROUP LIVING FACILITIES**

**I. PARTICIPATION INFORMATION**

- A. Number of participating group living facilities, by month. The data should be provided in numerical tables and also in graph form, as follows:**

- 1) Give total number of facilities receiving the CARE discount.**
- 2) The number of residents at each facility, excluding caregivers.**

RESPONSE: N/A, Alpine does not serve group living facilities

**II. DISCOUNT INFORMATION**

- A. Give average annual discount per residential facility.**

RESPONSE: N/A

- B. Give average annual discount per commercial facility.**

RESPONSE: N/A

**III. PROGRAM COSTS**

- A. Total CARE administration costs. Compute administrative costs per participating group living facility. Give a breakdown in the following categories: Outreach; Certification/Verification; Combined Verification and Certification by an outside agency, if applicable; Billing; and General.**

- 1. What are the Billing and General administrative costs incurred for non-CARE group living facilities?**
- 2. Explain program cost for the CARE Expansion program.**
- 3. Surcharge amount and percentage of average bill for each class of customers liable for the surcharge.**

RESPONSE: N/A, to all above

**IV. OUTREACH**

- A. Describe outreach activities for group living facilities during the past reporting period.**

RESPONSE: N/A

- B. Provide an analysis of your most cost-effective outreach for the group living facilities.**

RESPONSE: N/A

- C. What public agencies are used to solicit potential eligible CARE nonprofit group living facilities? How are they effected?**

RESPONSE: N/A

- D. Describe and document your utility's efforts to use resources that reach eligible non-profit group living facilities.**

RESPONSE: N/A

- E. Has your utility developed any plans for joint outreach with overlapping energy utilities? If so, how effective has it been? Include any cost savings.**

RESPONSE: N/A

- F. State how frequently bill notices are issued. Do you make separate billing notices to potentially qualified group living facilities?**

RESPONSE: N/A

- G. Describe how outreach activities for group living facilities could be improved.**

RESPONSE: N/A

## **V. PROGRAM MANAGEMENT**

- A. How many applications were received during the reporting period?**

RESPONSE: None.

- B. State the reasons CARE applications may not be approved. Reasons include at least the following:**

- i. Application returned to ratepayer as incomplete, and revised application not resubmitted.**
- ii. Contents of application reviewed and applicant found to be ineligible**
- iii. Application reviewed, but verification efforts show misrepresentation of facts.**

RESPONSE: N/A, to all above

- C. Describe how program management activities could be improved.**

RESPONSE: No comment or recommendation at this time.

## **VI. OTHER TOPICS**

- A. What significant changes are there from the previous reporting period?**

RESPONSE: None.

- B. Any other comments, recommendations or issues? Analyze the CARE Expansion program progress over the past 12 months, identify issues that need work, identify areas that need improvement, and make suggestions for improvement.**

RESPONSE: No comment or recommendation at this time.