



May 1, 2009

VIA ELECTRONIC MAIL

Mr. Honesto Gatchalian  
California Public Utilities Commission  
Energy Branch  
505 Van Ness Avenue  
San Francisco, California 94102

RE: R.07-01-042, Annual Low-Income Progress Report

Dear Mr. Gatchalian:

In compliance with the Scoping Memo of Assigned Commissioner and Administrative Law Judge in R. 04-01-006, dated January 8, 2004, Golden State Water Company dba Bear Valley Electric Service (U 913-E) submits the attached 2008 Annual Low Income Progress Report. The report contains the requested information on BVES' CARE and LIEE programs.

If you have any questions, please call me at (909) 394-3600 ext. 682.

Sincerely yours,

Ronald Moore  
Senior Regulatory Analyst  
Golden State Water Company

Attachments

- c. R.04-01-006 Service List
- R.07-01-042 Service List

GOLDEN STATE WATER COMPANY (U 913-E)  
BEAR VALLEY ELECTRIC SERVICE  
ANNUAL PROGRESS REPORT  
(DATA THROUGH December 31, 2008)

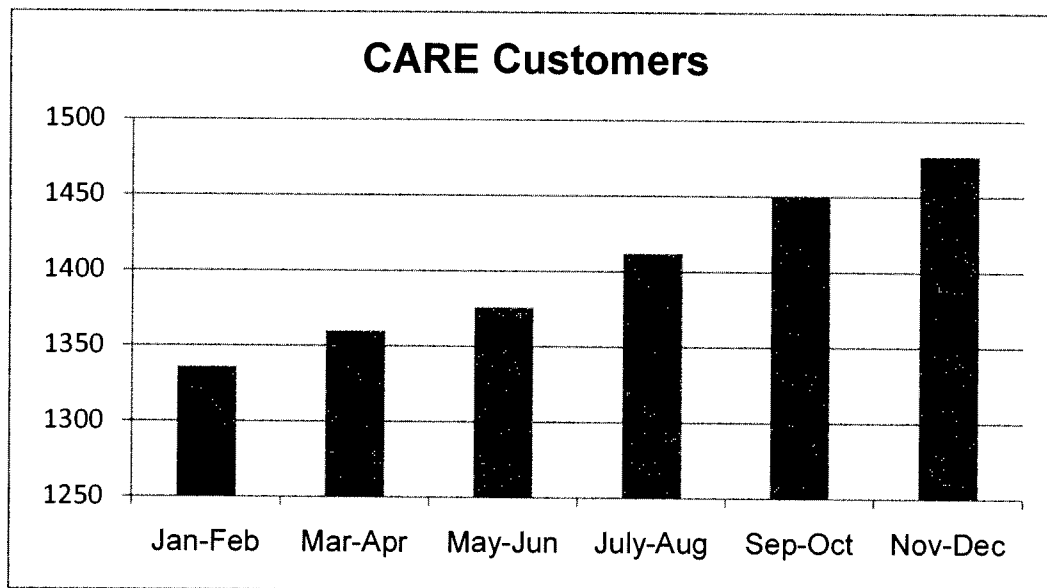
**I. PARTICIPANT INFORMATION**

- 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 2008	1336
Mar-Apr 2008	1360
May-Jun 2008	1376
July –Aug 2008	1412
Sep-Oct 2008	1450
Nov-Dec 2008	1477



**B. Updated estimate of eligible ratepayers. State source of figures.**

1. How many total residential customers do you have?
2. What percent of total residential customers are estimated to be eligible for the CARE discount rate?
3. How many CARE participants do you have and what percentage is that to the total eligible for CARE?
4. 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.

**RESPONSE:**

1. The Company served 21,719 residential customers as of December 31, 2008. Of these, only 8,125 were permanent residents.
2. It is estimated that about 27% of our permanent residential (or 2,194) customers are eligible for the CARE discount rate. This estimate is

based on analysis using 2000 Census data.

3. As of December 31, 2008, 1,477 customers were on CARE. This represents a penetration rate of approximately 67 percent.
4. The 27 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: As of December 31, 2008, there were 7 master metered customers.

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

RESPONSE: It is estimated that 100 (27%) of the 369 sub-metered tenants are eligible to receive CARE

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

RESPONSE: As of December 31, 2008, there were 168 sub-metered tenants receiving the CARE discount.

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

RESPONSE: We are not aware of any problems with master metered customers and sub-metered customers concerning the CARE program.

**II. USAGE INFORMATION**

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

- A. Average Tier 1, Tier 2 and Tier 3 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: The district has only one baseline territory. Average Tier 1, Tier 2 and Tier 3 usage for residential customers is tabulated below (in kWh):

Month	Tier 1	Tier 2	Tier 3	Month	Tier 1	Tier 2	Tier 3
January	502	123	581	July	459	92	287
February	611	146	586	August	476	97	242
March	539	124	505	September	460	92	259
April	483	103	293	October	460	84	181
May	464	100	315	November	467	99	288
June	468	94	227	December	484	105	303

- B. CARE Participants' Tier 1, Tier 2 and Tier 3 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 1, Tier 2 and Tier 3 usage on a total basis is tabulated below (in kWh). The district has only one baseline territory.

Month	Tier 1	Tier 2	Tier 3	Month	Tier 1	Tier 2	Tier 3
January	470	91	260	July	417	64	127
February	614	123	403	August	478	78	162
March	499	88	251	September	413	63	122
April	500	88	226	October	441	64	108
May	428	75	156	November	428	71	179
June	462	72	152	December	491	89	220

- 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, 2008, residential non-CARE customers consumed an average of 465 kWh/month while residential CARE customers used an average of 379 kWh/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 customer received service on tariff schedule D is shown below. (Note: BVES has only one baseline territory.)

Schedule No. D    \$71.20

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

RESPONSE: The average monthly bill of a CARE participant (non-all electric) is \$43.53 per month. The district has only one baseline territory.

**C. Average monthly discount by baseline territory and 12 months ending December 31, 2008 in dollars per CARE participant.**

RESPONSE: The average discount is approximately \$9.87 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: BVES 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 \$817 in 2008. Work on the Annual Report, Mid-year report, and other regulatory support performed by an outside contractor was \$3,500. All other administrative functions associated with the CARE program (i.e., certification and verification) are performed by the existing BVES office staff. Their time is not tracked and recorded in the CARE Balancing Account since it is included in O&M. The General Office in San Dimas incurs administrative costs (\$7,712), uncollectible (\$29) and franchise fees (\$81).

**E. Balancing account balance as of December 31, 2008. Provide an explanation for over/undercollection balances. (Give a snapshot in time)**

RESPONSE: As of December 31, 2008, the CARE balancing account had an undercollection of \$340,508.

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

RESPONSE: Surcharges of \$51,044 were billed during the twelve months ended

December 31, 2008. The following shows the surcharge as a percentage of the average bills:

Schedule D	.25%
Schedule DO	.12%
Schedules A	.18%

#### **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. BVES takes advantage of every opportunity to promote both the CARE and LIEE programs. During 2008 BVES participated in a number of community events and provided information on both programs to attendees.

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

###### **1. Sharing information in overlapping service territories**

In the past, BVES has worked with Southwest Gas by sharing electronic lists of customers on the CARE program. In 2007 the two utilities had different eligibility requirements, so coordination could not be bilateral. In 2009, the eligibility requirements are the same and data mapping has resumed.

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

The BVES CARE and LIEE program work together to identify eligible customers in both programs. Since BVES 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 BVES tries to leverage its outreach efforts to promote both CARE and LIEE. The implementation contractor used by BVES 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, BVES plans to do expand its outreach as described in its outreach/marketing plan approved in advice letter 228-E, April 3, 2009.

**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 1132 applications received during this period in 2008. 681 were approved and 201 were re-qualified for 2008.

**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 number of participants who were removed from the program because they did not return the recertification application.**

BVES recertifies its CARE customers on odd years.



<b>2008</b>	<b># of Applications Received</b>	<b>New CARE Customers</b>	<b>Denied CARE Customers</b>	<b>Returned for Proof of Income</b>	<b>Requalified CARE Customers</b>
<b>January</b>	61	22	1	19	19
<b>February</b>	81	36	9	15	21
<b>March</b>	103	49	1	25	28
<b>April</b>	93	59	4	23	7
<b>May</b>	43	32	1	8	2
<b>June</b>	80	48	0	17	15
<b>July</b>	72	28	12	13	19
<b>August</b>	121	47	11	42	21
<b>Sept.</b>	144	76	3	39	26
<b>Oct.</b>	137	104	3	2	28
<b>Nov.</b>	102	88	2	0	12
<b>Dec.</b>	95	92	0	0	3
<b>TOTAL</b>	<b>1132</b>	<b>681</b>	<b>47</b>	<b>203</b>	<b>201</b>

- 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 2008 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.

The master metered ratepayers are mailed CARE applications to distribute to the sub-metered customers for re-certification. Owners are instructed to mail all completed applications back to BVES. The master metered ratepayers are

notified of all approved and rejected (if any) applications. BVES is unaware of any problems that existed between the master metered ratepayers and the 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: There is only one group living facility participating on the CARE program. The primary purpose of this shelter is to rehabilitate battered woman and provide housing for up to five month. This shelter can accommodate eighteen women at any given time.

**II. DISCOUNT INFORMATION**

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

RESPONSE: This residential facility saved approximately \$550.86 by participating on the CARE program during this period. In 2007 the CARE savings for this facility were \$815.56. The decrease in savings is due to lower electricity usage for 2008. In 2007, the annual electricity usage was 19,272 kWh as compared to 15,891 kWh for 2008.

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

RESPONSE: Not applicable

**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.**

RESPONSE: There is not separate accounting for the Expanded CARE program. All the cost associated with the CARE program, Expanded or Regular, are maintain the together in the same balancing account.

**3. Surcharge amount and percentage of average bill for each class of customers liable for the surcharge.**

RESPONSE: Surcharges of \$52,049 were billed during the twelve months ended December 31, 2008. The following shows the surcharge as a percentage of the average bills:

Schedule D	.25%
Schedule DO	.12%
Schedules A	.18%

**IV. OUTREACH**

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

RESPONSE: Because of the size of our service territory we were able to identify the only potential Expanded CARE customer. We mailed information as well as communicated with operators of the facility by telephone to inform them of program changes.

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

RESPONSE: Public agencies (Welfare Office, Social Security Office, etc.) were notified of the Expanded CARE group living program. Since there is only one CARE non-profit group living facility located in our service territory, public agencies were not relied upon to solicit applicants for our Expanded CARE – group living program.

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

RESPONSE: Our customer service representatives were aware of the only non- profit group living facility operating in our service territory.

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

RESPONSE: Southwest Gas Corporation provides gas service to customers in our electric service area. Because of the size of our service territory and having only one Expanded CARE participant in our service area, sharing customer information with Southwest Gas was not necessary.

- 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: There is only one customer that operates a non-profit group living facility in our service territory.

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

RESPONSE: Bill notices are mailed annually to the only potentially qualified group living facility. Telephone calls are made, if necessary, to further explain any changes to the program .

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

RESPONSE: No comment or recommendation at this time.

**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:**

- 1. Application returned to ratepayer as incomplete, and revised application not resubmitted.**
- 2. Contents of application reviewed and applicant found to be eligible**
- 3. Application reviewed, but verification efforts show**

**misrepresentation of facts.**

RESPONSE: 0 applications were returned for verification.

**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.