



May 1, 2007

**VIA ELECTRONIC MAIL**

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

RE: R. 04-01-006, Annual Low Income Progress Report -2006

Dear Mr. Gatchalian:

In compliance with the Scoping Memo of Assigned Commissioner and Administrative Law Judge in R.04-01-006, dated June 24, 2004, Golden State Water Company submits the attached Low Income Progress Report - 2006 for its Bear Valley Electric Service Division. The report contains the requested information on Bear Valley Electric's CARE and LIEE Programs.

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

Sincerely yours,



Ronald Moore  
Senior Regulatory Analyst  
Golden State Water Company


Attachments

C: R.04-0-006 Service List

**CERTIFICATE OF MAILING**

I hereby certify that I am an employee of Golden State Water Company and on this 1<sup>st</sup> day of May, 2007, I served each party on the CPUC website listed in Docket No. R. 04-01-006 with a copy of **Golden State Water Company's 2006 Mid-Year Low Income Report** postage paid by Federal Express Mail, U.S. Mail and/or electronic mail.

Dated, at San Dimas, California, this 1<sup>st</sup> day of May 2007.



Ronald Moore

GOLDEN STATE WATER COMPANY (U 913-E)  
ANNUAL PROGRESS REPORT  
(DATA THROUGH December 31, 2006)

**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 2006   | 1109           |
| Mar-Apr 2006   | 1123           |
| May-Jun 2006   | 1125           |
| July –Aug 2006 | 1156           |
| Sep-Oct 2006   | 1135           |
| Nov-Dec 2006   | 1059           |

See notes on pad

**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 21,745 residential customers as of December 31, 2006. Of these, only 7,980 were permanent residents.
2. It is estimated that about 27% of our permanent residential (2,155) customers are eligible for the CARE discount rate. This estimate is based on analysis using 2000 census data.
3. As of December 31, 2006, 1,059 customers were on CARE. This represents a penetration rate of approximately 49 percent, using Census 2000 data as the indicator.
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, 2006, there were 8 master metered customers.

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

RESPONSE: It is estimated that 90 (27%) of the 334 sub-metered tenants are eligible to receive CARE.

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

RESPONSE: As of December 31, 2006, there were 141 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  | 499    | 120    | 529    | July      | 477    | 95     | 305    |
| February | 503    | 121    | 515    | August    | 438    | 84     | 368    |
| March    | 440    | 96     | 406    | September | 467    | 93     | 376    |
| April    | 339    | 74     | 255    | October   | 478    | 99     | 388    |
| May      | 482    | 69     | 220    | November  | 457    | 94     | 293    |
| June     | 388    | 72     | 266    | December  | 483    | 111    | 453    |

- 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  | 446    | 91     | 276    | July      | 410    | 64     | 123    |
| February | 476    | 98     | 311    | August    | 413    | 64     | 132    |
| March    | 388    | 73     | 199    | September | 402    | 63     | 112    |
| April    | 463    | 83     | 231    | October   | 431    | 73     | 146    |
| May      | 792    | 89     | 178    | November  | 406    | 68     | 130    |
| June     | 519    | 79     | 161    | December  | 461    | 86     | 222    |

- 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, 2006, residential non-CARE

customers consumed an average of 451kWh/month while residential CARE customers used an average of 355kWh/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 | \$69.93 |
|----------------|---------|

**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 \$43.32 per month. The district has only one baseline territory.

**C. Average monthly discount by baseline territory and 12 months ending December 31, 2006 in dollars per CARE participant.**

RESPONSE: The average discount is approximately \$10.27 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 \$800 in 2006. 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.

- E. Balancing account balance as of December 31, 2006. Provide an explanation for over/undercollection balances. (Give a snapshot in time)**

RESPONSE: As of December 31, 2006, the CARE balancing account had an undercollection of \$708,165.

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

RESPONSE: Surcharges of \$51,805 were billed during the twelve months ended December 31, 2006. The following shows the surcharge as a percentage of the average bills:

|             |      |
|-------------|------|
| Schedule D  | .25% |
| Schedule DO | .15% |
| Schedules A | .16% |

#### **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

BVES works with Southwest Gas by providing electronic lists of customers on the CARE program.

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

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.

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 in BVES bills, BVES also ran an ad in the local newspaper and promoted the program at HEEP events..

**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 670 applications received during this period and 418 were approved

**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>2006</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>  | 56                                | 32                        | 1                            | 13                                  | 10                                |
| <b>February</b> | 64                                | 18                        | 4                            | 12                                  | 30                                |
| <b>March</b>    | 51                                | 22                        | 4                            | 14                                  | 11                                |
| <b>April</b>    | 26                                | 17                        | 2                            | 3                                   | 4                                 |
| <b>May</b>      | 26                                | 13                        | 1                            | 8                                   | 4                                 |
| <b>June</b>     | 46                                | 20                        | 7                            | 13                                  | 6                                 |
| <b>July</b>     | 40                                | 15                        | 0                            | 14                                  | 11                                |
| <b>August</b>   | 128                               | 41                        | 1                            | 56                                  | 30                                |
| <b>Sept.</b>    | 54                                | 10                        | 1                            | 23                                  | 20                                |
| <b>Oct.</b>     | 63                                | 26                        | 7                            | 13                                  | 17                                |
| <b>Nov.</b>     | 47                                | 20                        | 23                           | 1                                   | 3                                 |
| <b>Dec.</b>     | 69                                | 21                        | 27                           | 4                                   | 17                                |
| <b>TOTAL</b>    | <b>670</b>                        | <b>255</b>                | <b>78</b>                    | <b>174</b>                          | <b>163</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 2006 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 \$246 by participating on the CARE program during this period.

**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 \$51,805 were billed during the twelve months ended December 31, 2006. The following shows the surcharge as a percentage of the average bills:

|             |      |
|-------------|------|
| Schedule D  | .25% |
| Schedule DO | .15% |
| Schedules A | .16% |

**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.