



SOUTHERN CALIFORNIA
EDISON

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**SOUTHERN CALIFORNIA EDISON COMPANY'S (U-338 E)
ANNUAL PROGRESS REPORT FOR THE CALIFORNIA ALTERNATE RATES
FOR ENERGY PROGRAM FOR THE PERIOD JANUARY - DECEMBER 2008**

May 1, 2009

**SOUTHERN CALIFORNIA EDISON COMPANY'S ANNUAL
PROGRESS REPORT FOR CALIFORNIA ALTERNATE RATES
FOR ENERGY
RESIDENTIAL AND EXPANDED PROGRAMS**

January 1, 2008 through December 31, 2008

CARE RESIDENTIAL PROGRAM

This section covers individual and sub-metered participants (tenants of qualifying master-meter customers).

I. Participant Information

A. Provide the total number of residential CARE customers, including sub-metered tenants, by month, by energy source, for the reporting period.

ANS. See Table 1.

TABLE 1		
Residential CARE Program Customers by Month¹ (electric usage)		
2008	CARE Customers	Percentage Change
January	1,025,283	Less than 5%
February	1,027,886	Less than 5%
March	1,043,964	Less than 5%
April	1,047,982	Less than 5%
May	1,046,382	Less than 5%
June	1,053,682	Less than 5%
July	1,063,697	Less than 5%
August	1,066,092	Less than 5%
September	1,090,853	Less than 5%
October	1,100,223	Less than 5%
November	1,100,928	Less than 5%
December	1,104,556	Less than 5%

Notes:

1. Total individually-metered and sub metered but not D-CARE-E.

1. Explain any monthly variance of 5% or more in the number of participants.

ANS. No monthly variance exceeded 1%.

B. Describe the methodology, sources of data, and key computations used to estimate the utility's CARE penetration rates by energy source.

ANS. SCE, and the other California IOU's, used the joint utility methodology adopted by the CPUC in D.01-03-028 for developing quarterly and monthly penetration estimates in 2008. This method entails annual estimation of eligibility for CARE, LIEE, and other income-by-household size parameters at the small area (block group, census tract, zip+2, etc.) for each IOU territory and for the state as a whole.

Sources for this estimation include the CPUC's current guidelines, current year small area vendor marginal distributions on household characteristics, Census PUMS 2000 and PUMS 2005-2007 sample data, utility meter and master meter household counts, Department of Finance CPI series, and various GIS sources.

Estimates from the block group level are aggregated to county/utility and whole utility level, among other aggregations. Each quarter, the utility applies county/utility level eligibility fractions to a new set of "technical eligibility counts" (for CARE these are metered and sub-metered occupied housing units) obtaining an estimate of income/demographic eligibility in household count form.

Every month, including each quarter, the utility counts the number of households (by small area, by county, and overall) that are enrolled in CARE. The CARE household total, including individually metered and sub-metered occupied housing units, is divided by the total income/demographic eligibility.

In November 2007, Athens Research made a refinement to the joint utility method. This method uses available (and legitimately obtainable) Census data (Advance Query, PUMS, and SF3) tabulations to produce block group level estimates of eligibility at 200% of federal poverty guidelines among individually metered, sub-metered, and non-sub-metered master metered households. These estimates may be aggregated in various ways to provide

current year estimates of eligibility by “payer status”, i.e., individually metered, sub-metered, and non-sub-metered.

The most recent estimates of eligibility by payer status, from November 2008, are used to disaggregate the overall CARE eligibility rate that has been estimated historically, yielding CARE eligibility and penetration estimates that differ between individually and sub-metered households (and which are consistent with the overall estimate).

1. Describe how the estimates of current demographic CARE-eligibility rates, by energy source for the pre-June 1st and post-June 1st periods, were derived.

ANS. The joint energy utility methodology, as described in the response to Question I.B. above was used throughout 2008.

2. Describe how the estimates of current CARE-eligible meters were derived. Explain how total residential meters were adjusted to reflect CARE-eligible meters (including sub-metered tenants) and CARE-ineligible meters (i.e., master meters that are not sub-metered or other residential meter configurations that do not provide residential service.)

ANS. See SCE’s response to Question I.B above. CARE eligibility rates by small and large area are developed so that they apply to individually metered and sub-metered households only. Additionally, as the utilities apply these rates in successive quarters, they are applied to individually metered and sub-metered household counts for a given quarter.

3. Discuss how the estimates of current CARE-eligible households were developed.

ANS. See SCE’s response above to Question I.B. Note that the methodology is based on estimating small area (block group) level household size-by-income-by householder-age tabulations for the current year, and connecting these estimates with small area counts of households that are individually metered or sub-metered. Block group/utility-specific estimates are then disaggregated/aggregated to various geographic levels within a given utility area: zip+2, zip, tract, county, territory, etc. Statewide estimates, regardless of utility boundaries, are also provided at small and large area levels.

4. Describe how current CARE customers were counted.

ANS. At each month's end, individually metered service accounts, or low income tenants at sub-metered residential facilities are counted.

5. Discuss how the elements above were used to derive the utility's CARE participation rates by energy source.

ANS. CARE-participating residential households were divided by the estimated number of CARE-eligible households to calculate a penetration rate.

C. Provide the total number of CARE residential customers, CARE-eligible households, and CARE penetration rates, by energy source, by quarter.

ANS. See Table 2.

TABLE 2			
CARE Residential Penetration Rate Households (electric usage)			
2008 Quarter Ending	CARE Residential Households	CARE-Eligible Households	CARE Household Penetration Rate
March 31	1,043,964	1,333,453	78%
June 30	1,053,682	1,334,742	79%
September 31	1,090,853	1,335,149	82%
December 31	1,104,556	1,335,492	83%

Note: Includes D-CARE but not D-CARE-E.

D. Provide the estimates of current demographic CARE-eligibility rates by energy source at year-end.

ANS. SCE estimates that approximately 31% of SCE's 4,299,738 residential customers, or 1,335,492 customers, were eligible for the CARE discount rate as of December 31, 2008.

E. Provide the estimates of current CARE-eligible sub-metered tenants of master-metered customers by energy source at year-end.

ANS. SCE estimates that 66,779 sub-metered tenants were eligible for CARE at year-end 2008.

F. Provide the current CARE sub-metered tenant counts by energy source at year-end.

ANS. As of December 31, 2008, there were 33,545 sub-metered tenants participating in CARE.

G. Provide the current CARE sub-metered penetration rates by energy source at year-end.

ANS. As of December 31, 2008, 50% of the estimated CARE-eligible sub-metered tenants were participating in CARE.

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

ANS. SCE transitioned to direct contact with sub-metered tenants to expedite the recertification of CARE and FERA. This approach proved more effective than the previous tactic of approaching the mobile home park owners/managers in increasing tenant enrollment.

II. Usage and Bill Information

A. Provide a comparison of CARE and non-CARE residential usage by tier (Baseline and Non-Baseline), excluding usage of residential master-meter customers, by energy source.

ANS. See Table 3.

TABLE 3			
Average Monthly Gas / Electric Usage Residential Non-CARE vs. CARE Customers¹			
Customer²	Gas Therms Tier 1*	Gas Therms Tier 2**	Total
Non-CARE	89	7	96
CARE	16	1	17
Customer	Electric KWh Tier 1	Electric KWh Tier 2	Total
Non-CARE	332	286	618
CARE	336	173	509

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Notes:

1. Excludes master-meter usage for both non-CARE and CARE customers; and, excludes D-CARE-E usage.
 2. SCE provides gas service only to customers on Santa Catalina Island.
- * Baseline
** Non-Baseline

B. Provide a comparison of the average monthly bill for CARE and non-CARE residential customers, excluding bills of master-meter residential customers, by energy source.

ANS. See Table 4.

TABLE 4		
Average Monthly Gas / Electric Bill Residential Non-CARE vs. CARE Customers ¹ (Dollars per Customer)		
Customer	Gas ³	Electric
Non-CARE	\$62.66	\$100.61
CARE ²	\$44.57	\$53.41

Notes:

1. Excludes master-meter usage for both non-CARE and CARE customers.
2. Does not include D-CARE-E.
3. After CARE discount.
4. SCE provides gas service only to customers on Santa Catalina Island.

III. Program Costs

A. Discount Cost

1. State the average monthly CARE discount received, in dollars per CARE customer, by energy source.

ANS. The average discount per CARE customer was \$15.69 per month.

Note: Does not include commercial care or D-CARE-E customers or their discount.

2. State the annual subsidy (discount) for all CARE customers by energy source.

ANS. The annual subsidy (discount) for all CARE Residential Program customers was \$198,650,274.

Note: Does not include commercial care or D-CARE-E customers or their discount.

B. Administrative Cost

1. Show the CARE Residential Program’s administrative cost by category.

ANS. See Table 5. Total Program Costs for the Residential Program are 99.5% of total costs as 0.5% of the total costs have been allocated to the Expansion Program. Subsidies and Benefits are actual costs.

Table 5			
CARE Program			
Administrative Costs by Category and Surcharge			
Category	Cost		
	Residential	Expansion	Total
Outreach	\$2,193,682	\$11,024	\$2,204,706
Automatic Enrollment	\$37,245	\$187	\$37,432
Processing, Certification, and Verification	\$859,329	\$4,318	\$863,647
Information Technology /Programming	\$520,266	\$2,614	\$522,880
Measurement & Evaluation	\$71,347	\$358	\$71,705
Regulatory Compliance	\$130,007	\$653	\$130,660
General Administration	\$472,846	\$2,376	\$475,222
LIOB Funding	\$0	\$0	\$0
CPUC Energy Division Staff Funding	\$91,309	\$459	\$91,768
TOTAL PROGRAM COSTS¹	\$4,376,031	\$21,989	\$4,398,020
Subsidies and Benefits	\$198,650,274	\$842,468	\$199,492,742
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	\$203,026,305	\$864,457	\$203,890,762

Notes:

1. Total does not include indirect costs consisting of employee pensions and benefits equal to \$391,663, which are not part of SCE’s CARE administrative budget.

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

ANS. See table below.

Category	Description
Outreach	Includes: Bill inserts, advertising, applications (printing and mailing), posters, brochures, flyers, postage, sub-meter, non-profit, and agricultural housing outreach, information technology (technical support and software licensing), staff labor, out-bound dialing, 800#, outreach pilot, and Capitation Fee Project.
Processing, Certification, and Verification	Includes: Staff labor, information technology (technical support and software licensing), application processing, training, programming labor, and sub-meter certification.
Information Technology/Programming	Includes: Programming and labor costs associated with system enhancements and maintenance of existing processes.
Measurement & Evaluation	Includes: Needs assessment study and customer satisfaction survey.
Regulatory Compliance	Includes: Applications, advice filings, comments and reply comments, hearings, reports and studies, working group meetings, public input meetings, and tariff revisions.
General Administration	Includes: Office supplies, market research, program management labor (including pensions and benefits), and information technology (technical support and software licensing).
LIOB Funding	Includes: Low Income Oversight Board (LIOB) reimbursed expenditures.
CPUC Energy Division Staff Funding	Includes: CPUC Energy Division Staff expenditures.
Subsidies and Benefits	Includes: Rate discounts.

C. Provide the year-end December 31 balance for the CARE balancing account.

ANS. In D.02-09-021, the Commission required SCE to establish the CARE balancing account (CBA), effective January 1, 2002. The balance in the CBA as of December 31, 2008 was \$28.7 million.

D. Describe which cost categories are recorded to the CARE balancing account and which are included in base rates.

ANS. SCE does not recover CARE-related costs in base rates. In D.97-08-056, the CPUC allocated SCE's administration costs associated with the CARE Program to SCE's Public Purpose Programs rate component. D.02-09-021¹ required SCE to establish a CARE balancing account to record the following on a monthly basis: (1) the difference between CARE discounts provided to CARE-eligible customers and CARE surcharges billed to non-CARE customers, (2) the difference between the authorized CARE administration amounts and actual incurred CARE administration expenses, (3) costs associated with the CARE automatic enrollment program, and (4) costs associated with the Energy Division's audit of the CBA.

¹ Decision 06-12-038 and Advice 2079-E authorized SCE to eliminate the entry associated with recording CBA-related retail revenue and include an entry to allow for the transfer of the year-end balance recorded in the CBA to the PPPAM.

- E. Provide a table showing, by customer class, the CARE surcharge paid, the average bill paid, the percentage of CARE surcharge paid relative to the average bill, the total CARE surcharge collected, and the percentage of total CARE revenues paid.

ANS. See Table 6.

TABLE 6					
CARE Surcharge and Revenue Collected by Customer Class					
Customer Class	Average Monthly CARE Surcharge	Average Monthly Bill	CARE Surcharge as Percent of Bill	Total Annual CARE Surcharge Revenue Collected ²	Percentage of Total Annual CARE Surcharge Revenue Collected ²
Residential	\$4,275,712	\$384,478,178	1.1%	\$51,308,550	29.9%
Commercial	\$244,227	\$14,298,167	1.7%	\$2,930,730	1.7%
Industrial	\$7,323,169	\$437,538,546	1.7%	\$87,878,029	51.3%
Agricultural	\$1,495,972	\$71,965,692	2.1%	\$17,951,664	10.5%
Public Authority	\$929,821	\$51,211,913	1.8%	\$11,157,855	6.5%
Railroads	\$11,207	\$704,950	1.6%	\$134,482	0.1%
Interdepartment ¹	\$0	\$27,864	0.0%	\$0	0.0%
Totals	\$14,280,109	\$960,225,309	1.5%	\$171,361,310	100.0%

Notes:

1. SCE operations.
2. Revenue billed.

IV. Outreach

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

ANS. SCE's goal is to enroll as many eligible customers who are willing to participate on CARE. CARE enrollment increased from 1,024,148 on December 31, 2007, to 1,104,556 on December 31, 2008 which represents a net increase of 80,408.

The following provides an overview of SCE's outreach initiatives.

- SCE's Consumer Affairs organization administers the Energy Assistance Fund (EAF) which provided assistance to customers with paying winter energy bills. Applicants are enrolled in CARE when they enroll in EAF. As part of the Partners for Hope Program, Consumer Affairs trains local hospital staff and social service agencies

to assist low-income customers to complete CARE applications. In addition, Consumer Affairs has partnered with the American Red Cross to distribute CARE program information to senior residents participating in local “Meals on Wheels” programs.

- SCE’s CARE Capitation Fee Project, established under SBX1 5 Rapid Deployment, continued using outside organizations to assist customers in completing a CARE application. 57,295 customers were enrolled through this effort and SCE paid out \$854,028 in incentives to a total of 56 participating organizations.
- Contractors who perform Energy Management Assistance (EMA) assessment services complete an application that includes enrollment in CARE, if qualified. 2,386 customers were enrolled through this effort.
- SCE’s Credit and Collections organization referred customers with a “senior” or “disabled” profile to our Consumer Affairs organization prior to disconnection for nonpayment. As a part of this follow-up, Consumer Affairs provides these customers information on enrolling in CARE as part of a plan to reduce electric bills.
- SCE’s Local Public Affairs (LPA) provided information and materials to community based organizations, city councils and staff, chambers of commerce, small businesses, senior centers, local governments, and others. LPA continue to promote the CARE Capitation Fee Project to organizations through community group presentations. LPA also successfully organized exhibit booths at numerous gatherings (e.g., shows, festivals, etc.) and mobilized volunteers, including bilingual-speaking volunteers, for ethnic-specific (hard-to-reach communities) activities.
- SCE’s Equal Opportunity/Supplier Diversity department was very effective in promoting CARE to faith-based and non-profit organizations and getting these entities to participate in enrollment events.
- Customers were made aware of the CARE program when calling in to SCE’s phone centers.
- Customers are able to obtain CARE information and download a CARE application they can mail in from SCE’s website sce.com.

- CARE information was provided at authorized bill payment agencies which can be frequented by potential CARE-eligible customers.
- Quarterly bill messages informed customers about the availability of CARE.
- In June, two months prior to its high demand season, SCE conducted its annual solicitation for CARE participation by mailing a CARE application to all non-CARE residential customers with their electric bills.
- SCE's success in enrolling its customers on CARE continues to be greatly enhanced by the efforts of employee affinity group volunteers who specifically support community events and promote CARE.
- SCE conducted marketing to increase awareness and enrollment of the CARE program as described below:

Marketing

Ethnic earned media outreach for the CARE Program generated newspaper readership, television viewership, and a radio listening audience of more than **8.7** million people. A media release developed by SCE entitled "SCE Calls on Remaining Eligible Low-Income Customers to Enroll in Program Offering Discount Electricity Rates" resulted in **34** media placements reaching African American, Chinese, Filipino, Korean, Middle Eastern, Vietnamese, and Hispanic communities. Coverage to SCE-territory communities included the Eastern (Riverside County), Metro (Los Angeles County), Southern (Orange County) and Northern (Oxnard) regions. The release, which was written in English, Chinese, Korean, Vietnamese, Cambodian and Spanish, included statistics for eligible customers, conveying that there were many customers who had not taken advantage of the CARE Program.

Ethnic media outlets are continually interested in providing information to their audiences that raise awareness about money-saving programs. Not surprisingly, programs such as CARE garner significant media attention because it provides a tangible benefit to their audiences.

Currently SCE provides the CARE enrollment application in Spanish, Chinese, Vietnamese, Korean and Cambodian languages. Additionally, to encourage recertification and continued receipt of the discounted rate, efforts are continually made to provide re-certification notices and other communications to these customers in the same language in which their applications were completed.

Earned Media (PR and Outreach):

Latino Earned Media Results

Print

Information about the CARE Program was conveyed in four Latino publications throughout SCE territory. These print earned media placements had a total circulation/audience reach of 632,500.

TV

Television stations KVEA-TV 52, KWHY-TV 22, and KRCA-TV 62 in the metro region of Los Angeles County, included interviews with SCE spokespeople and information provided from the media release on their nightly newscasts. The segments had a circulation/audience reach of 1,070,253.

Online

The earned media placements on Web sites, MundoLA.net and Ocexcelsior.com, reached an estimated circulation/audience reach of 1,200,000.

African-American Earned Media Results

Print

Four publications provided the African–American community with information about the CARE Program, reaching an estimated circulation/audience reach of 146,000.

Online

The earned media placements on social media Web sites, OurWeekly.com and TriCountySentry.com, reached an estimated circulation/audience reach of 99,000.

TV

Public Access station airing “The Gibson Report” covered SCE’s CARE media release which reached a total circulation/audience reach of 120,000

Asian-American (Chinese, Korean, Thai, Vietnamese, and Indian) Earned Media Results

Print

In September 2008, Asian (Chinese, Korean, Thai, Vietnamese, and Indian) readers of publications (i.e. Daily Sports Seoul USA, Epoch Times, International Daily News, Taiwan Daliy News, Thai Town USA, India Post, Saigon Times, and Viet Bao Daily) were provided information about the CARE Program, reaching an estimated readership of more than 440,000.

Radio

SCE's CARE Program was included in programming on radio stations, KAZM AM 1300 and KMRB AM, reaching a circulation/audience reach of 451,000.

Online

The releases received coverage on three social media Web sites which were Epoch Times, Thai Town USA Online, and India Journal Online, which reached a circulation/audience reach of 21,000.

Advertorials:

For the CARE media outreach, SCE placed **18** advertorials that reached the Asian, Hispanic, and African American markets. In doing so, African American, Latino, Cambodian, Filipino, Iranian, and Indian customers were encouraged to learn more about the CARE program. The advertorials placed in print publications, social media Web sites, and on TV reached an audience of **816,800** people. The advertorials were printed in English, Spanish, and Cambodian. Advertorials placed reached the Eastern (Riverside County), Metro (Los Angeles County), Southern (Orange County) and Northern (Oxnard) regions in SCE-territory.

Latino Advertorials

Print

CARE Program advertorials were placed in 5 key Latino community publications (i.e. Azteca News, El Informador del Valle, 20 de Mayo, El Sol Visalia, and La Prensa Hispana LA). These advertorials had a total circulation/audience reach of 143,500.

African-American Advertorials

TV

Three TV outlets (i.e. The Wright Place, Crown City News, and Inside the Inland Valley) provided information about the CARE program to customers in the African American communities. The TV shows featuring the CARE information reached a circulation/audience reach of 349,000.

Online

A CARE program advertorial was placed on BlackVoiceNews.com and it received a circulation/audience reach of 31,500.

Asian-American (Cambodian, Filipino, Iranian, and Indian) Advertorials

Print

Nine CARE Program advertorials were placed in seven (i.e. Angkor Borei News, Asian Journal, Hafteh Bazaar, California Examiner, Tehran Internation Weekly magazine, Filipinas magazine and India West) Asian publications. A circulation/audience reach of 292,800 was reached.

Direct Mail

General Market

In 2008, SCE's goal was to continue to develop outreach campaigns that would take advantage of a variety of channels using a coordinated mix of communications vehicles that would deliver the most effective and efficient outreach across our culturally diverse service territory. These efforts, described in greater detail below, included targeted bilingual direct marketing efforts in January, June, July, September and, bilingual CARE applications included in SCE's Residential New Customer Welcome Kit, and a recertification program.

January 2008 brought the first direct solicitation of the year to encourage enrollment of new CARE customers to SCE. Approximately 280,000 bilingual (English and Spanish) direct mail pieces were sent to targeted customers. Through December 31, 9,450 applications were returned – a 3.38% response rate. More than 7,800 new and recertified customers (84% conversion rate) were enrolled in the CARE Program.

In July, the second CARE enrollment direct mail offer was sent to approximately 280,000 income-qualified customers with 25% of data targeted to SCE's low-penetration, high climate ZIP codes, where there was a high opportunity for new enrollments because of low enrollment rates. More than 9,800 new CARE applications were received, resulting in 8,177 new and recertified CARE customers enrolled in the program. This reflects 3.53% response rate.

CARE applications are also distributed to new or transferring SCE customers through the Residential New Customer Welcome Kit. A CARE application is included in the Welcome Kit providing a little financial relief for income-qualified customers. In 2008, 43,441 new SCE customers returned a CARE application, and 24,090 were enrolled in the CARE Program.

In September 2008, SCE sent out approximately 280,000 bilingual (English and Spanish) direct mail pieces to targeted customers. Through December 31, 8,535

applications were returned – a 3.05% response rate. More than 7,000 new and recertified customers (83% conversion rate) were enrolled in the CARE Program.

SCE's recertification efforts in 2008 included (1) mailing recertification letters and pre-filled applications one month prior to their 2-year CARE anniversary date; (2) mailing letters and applications to customers who fell off the CARE rate in 2008 due to failure to respond to previous recertification communications; (3) mailing Spanish recertification letters to customers who were enrolled through a Spanish-only application; (4) recertification by phone using an automated voice-response unit; and (5) real-time online enrollment and recertification.

Overall response rates to customer solicitations remain strong. Direct mail efforts targeted to customers most likely to qualify for CARE resulted in an overall 3.3% response rate and a conversion rate of approximately 83%, enrolling new and recertified CARE customers. Non-targeted communications, such as the annual June solicitation to all SCE customers, enrolled 26,260 new and recertified CARE customers into the program.

B. Discuss each of the following:

1. Most effective outreach method, including a discussion of how success is measured.

ANS. Using the percentage of approved applications by volume from various outreach methods, SCE considers two outreach methods to be the most effective: Call Center requests for applications and direct mail, which includes the annual solicitation as well as targeted mailings based on demographics and under-penetrated geographic areas. Although some of the data exchanges produce higher percentage approved applications, the volumes is quite small in comparison, and, therefore, are not considered most effective. Results are shown in the following table:

Comparison of Enrollment Percent between SCE and Third Parties			
Enrollment Activity	Received¹	Approved	Percent
SCE			
SCE Call Center Requests	267,584	138,245	52%
SCE Direct Mail	133,786	88,632	66%
Special Projects/Events	10,322	6,868	67%
Internet Enrollments	79,679	79,679	100%
PG&E Data Exchange	360	296	82%
SWG Data Exchange	1,038	732	71%
SoCalGas Data Exchange	84,172	38,384	46%
DCSD Automatic Enrollment ²	0	0	0%
Third Parties			
Capitation Fee Project	60,429	57,295	95%
EMA Contractors	3,219	2,386	74%

Notes:

1. For PG&E, SWG, and DCSD "Received" counts are those records that were active customer account matches with SCE's database after "scrubbing" all records received for non-matches, closed accounts, ineligible rates, and existing accounts on CARE.

For SoCalGas, "Received" count are those records that were active customer account matches with SCE's database after "scrubbing" all records received for non-matches, closed accounts, and ineligible rates. However, existing accounts on CARE are included in the "Received" count because these accounts are automatically recertified in the data exchange.

2. No records from DCSD were received in 2008.

2. How CARE customer data and other relevant program information is shared by the utility with other utilities sharing its service territory.

ANS. SCE continued collaborating with Southern California Gas Company and Southwest Gas Company to share CARE participant data electronically to assist customers to enroll in each utility's program. In 2008, 38,384 and 732 customers were added to SCE's CARE rate through the SoCalGas and Southwest Gas exchanges, respectively. The electronic data exchange with PG&E garnered 296 enrollments in 2008.

3. How CARE customer data and other relevant program information is shared within the utility, for example, between its LIEE and other appropriate low-income programs.

ANS. Contractors who perform LIEE (for SCE, this is known as EMA) assessment services complete an application that includes enrollment in CARE, if qualified. In 2008, 2,386 customers were enrolled through this effort.

4. Attach a copy of the utility's agreement with CSD. Describe the process for cross-referral of low-income customers between the utility and CSD. Describe how the utility's CARE customer discount information is provided to CSD for inclusion in its federal funds leveraging application.

ANS. A copy of SCE's ongoing agreement with CSD was filed in 2001 with SCE's 2000 CARE Annual Report. SCE includes the following language on its individually-metered customer CARE application for cross-referral of low-income customers to CSD:

“Other Programs and Services You May Qualify For: LIHEAP (Low Income Home Energy Assistance Program) provides bill payment assistance, emergency bill assistance, and weatherization services. Call the Department of Community Services and Development at 1-800-433-4327 for more information. For other Edison assistance programs, call 1-800-736-4777.”

SCE's agreement with CSD provides that, upon request by CSD, SCE will provide CSD (1) the total number of households receiving CARE and Energy Assistance Fund (EAF) assistance and (2) the total dollar amount of CARE and EAF assistance received by all participating households from October of the previous year through September of the current year. This information is to be provided to CSD for inclusion in its federal funds leveraging application.

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

ANS. Although no formal study has been conducted by SCE to identify barriers to participation, it is believed, through anecdotal information and experience that some barriers to participation do exist. These include lack of knowledge about the availability of CARE, language and cultural barriers, geographical barriers to reach potentially-eligible customers, and a certain segment of the eligible population that does not wish to participate.

As described in this report, SCE uses a multifaceted outreach approach to reaching its potentially CARE-eligible customers and believes it continues to make progress in overcoming barriers to enrollment. As described elsewhere in this report, CARE marketing and correspondence has been designed to reach increasing numbers of ethnicities and under-penetrated geographic areas. And process improvements, such as “real-time” internet enrollment and recertification applications, the use of SCE’s voice recognition unit to recertify existing customers, categorical enrollment and verification, and multilingual communications are working toward eliminating barriers.

C. Discuss any recommendations to improve cost-effectiveness, processing of applications, or program delivery. Discuss methods investigated or implemented by the utility or third parties under contract to the utility to improve outreach and enrollment services to non-participating households in the prior year. Provide cost-effectiveness assessments, if available.

ANS. SCE implemented the following improvements in 2008:

- In early 2008, in an effort to simplify the enrollment and verification processes, the following categorically eligible programs were added to SCE’s residential and master-metered/submetered applications: WIC, LIHEAP, MEDI-CAL, Healthy Families, TANF, and Food Stamps. Upon enrollment, customers need only to check one of the above programs and sign. If asked to verify, categorically eligible customers need only provide proof of current participation in one of the categorically eligible programs as income proof.
- Recertification anniversary date was extended from 2 years to 4 years for customers on fixed incomes.

- System validations were added to enrollment, recertification and verification application processing screens, drastically reducing processing errors.
- Online enrollment application validation screens were simplified by separating first and last name fields.
- Categorically eligible programs and fixed income profiles were added to the Recertification process.
- Also, as part of the Winter Initiative, SCE implemented a process by which a customer can call into a Voice Response Unit (VRU) in order to respond to recertification request for CARE, instead of having to complete and mail to SCE a recertification application. SCE continues to offer this VRU option. In 2008, a total of 13,824 recertifications were automatically processed by the VRU.

V. Processing CARE Applications

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

1. Provide the total number of third-party CARE applications received, approved, denied, pending/never completed, or duplicates in the reporting period)

ANS. See Table 7 for the results of the CARE Capitation Fee Project. Entities participating in this Project are not listed if they submitted no applications in 2008.

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TABLE 7					
CARE Capitation Fee Project					
Entity	CARE Applications Submitted				
	Received¹	Approved	Denied	Pending/Never Completed²	Duplicates
ACCESS CALIFORNIA SERVICES	4	0	3	0	1
ALPHA ENTERPRISE	113	44	29	0	40
APAC SERVICE CENTER	328	272	7	0	49
ATLANTIC COMM ECON DEV CORP	1	0	0	0	1
B&D SECURITY, INC	9,447	8,937	241	0	269
BETHEL BAPTIST CHURCH	1	1	0	0	0
C.O.R. COMM DEVELOPMENT CORP	17	5	1	0	11
CAP OF SAN BERNARDINO CTY	852	589	43	0	220
CATHEDRAL CITY SENIOR CENTER	2	2	0	0	0
CATHOLIC CHARITIES OF LA INC	16	8	3	0	5
CB INVESTMENTS	23	12	4	0	7
CHRIST UNITY CENTER	1	0	0	0	1
CITIHOUSING REAL ESTATE SERVIC	1	1	0	0	0
COMM ACTION OF VENTURA COUNTY	110	66	25	0	19
COMM ACTION PARTNERSHIP OF OC	153	91	10	0	52
COMM SVC & EMPLOYMENT TRAINING	1	0	0	0	1
COMMUNITY PANTRY	185	99	22	0	64
CRISIS MINISTRY CHURCH OF VLY	32	18	5	0	9
DISABLED RESOURCES CTR, INC	20	15	3	0	2
ENERGY CONSERV CONSULTANTS INC	4,751	4,607	12	0	132
ENERGYSAVE	40,807	40,196	493	0	118
FAMILY SVC ASSOC - W RIVERSIDE	8	6	2	0	0
GOLD STAR MEDIA GROUP	19	12	0	0	7
GOODWILL OF ORANGE COUNTY CA	5	5	0	0	0
HELP OF OJAI, INC.	17	14	3	0	0
HOLLON MARKETING SYSTEMS	1	1	0	0	0
KINGS CO HOUSING AUTHORITY	27	21	4	0	2
KINGS COMMUNITY ACTION ORG	95	68	11	0	16
KINGS CTY COMMISSION ON AGING	1	0	0	0	1
KNIGHTS OF COLUMBUS - 12834	16	5	2	0	9
LA COUNTY HOUSING AUTHORITY	134	79	32	0	23
LEAP THROUGH THE FIRE FTH MIN	58	27	3	0	28
LITTLE TOKYO SERVICE CENTER	2	2	0	0	0
LUTHERAN SOCIAL SVC OF SO CA, THOUSND OAKS	1	0	1	0	0
LUTHERAN SOCIAL SVCS OF SO CA,ORANGE	1	1	0	0	0

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TABLE 7					
CARE Capitation Fee Project					
Entity	CARE Applications Submitted				
	Received¹	Approved	Denied	Pending/Never Completed²	Duplicates
MEXICAN AMERICAN OPPORTUNITY	5	1	1	0	3
MTN. COMMUNITIES HEALTHY START	2	1	0	0	1
NOW AND FOREVER BODY OF CHRIST	15	15	0	0	0
OCCC	84	62	8	0	14
OPERATION GRACE	5	3	1	0	1
PERRIS COMMUNITY PARTNERSHIP	12	3	7	0	2
PREMIER REALTY AND MORTGAGE	33	33	0	0	0
PROTEUS, INC.	282	178	35	0	69
RIVERSIDE DEPT COMM ACTION	170	46	48	0	76
SAMARITAN'S HELPING HAND	139	93	15	0	31
SANTA CLARITA VLY COMM AGING	1	0	0	0	1
SO. ANTELOPE VLY EMERGENCY SVC	79	32	15	0	32
SOCIETY OF ST VINCENT DE PAUL	217	82	35	0	100
SOUTHEAST COMMUNITY DEVELOPMEN	1,434	1,272	132	0	30
ST ANNE SCHOOL	97	37	15	0	45
ST FRANCIS MEDICAL CTR HLTH	3	2	1	0	0
ST JOSEPH CHURCH	2	1	0	0	1
ST MARY'S CHURCH	1	0	1	0	0
TODEC LEGAL CENTER, INC.	40	22	8	0	10
VENTURA CITY HOUSING AUTHORITY	3	0	0	0	3
VETERANS IN COMMUNITY SERVICE	555	208	98	0	249
Total	60,429	57,295	1,379	0	1,755
Percentage	100%	95%	2%	0%	3%

Notes:

1. Percentage calculation based on the total number of applications received.
2. Enrollment applications are not placed in a pending/never completed status.

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

ANS. See Table 8.

TABLE 8						
CARE Self-Certification and Self-Recertification Applications¹						
	Provided	Received	Approved	Denied³	Pending/Never Completed⁴	Duplicates
Self Certification²	4,800,000	586,565	358,493	123,247	N/A	104,825
Recertification	471,355	321,828	313,735	139,619	18,001	0
Total	471,355	908,393	672,228	262,866	18,001	104,825
Percentage	Notes	100%	74%	29%	2%	12%

Notes:

1. Includes sub-metered customers.
2. Includes number of applications SCE provided for all direct mailing campaigns, customer calls made to the call center, and other outreach methods. Because there are other means by which customers obtain applications which are not counted, this number is only an approximation.
3. Includes customers who no longer qualified for the program and those that dropped due to non-response.
4. Includes cancelled recertification requests and closed accounts.
5. Percentage calculations are based on the total number of applications received.

3. Provide a table showing the number of customers removed from CARE by month due to the recertification process.

ANS. See Table 9.

TABLE 9			
Residential CARE Program Customers¹ Removed by Month through Recertification and Post-Enrollment Verification			
2008	Recertification	Post-Enrollment Verification	Total
January	18,044	454	18,498
February	16,038	349	16,387
March	19,361	44	19,405
April	13,084	414	13,498
May	174	456	630
June	5,860	401	6,261
July	9,785	486	10,271
August	12,491	449	12,940
September	14,555	455	15,010
October	11,423	451	11,874
November	8,551	6	8,557
December	10,253	4	10,257
Total	139,619	3,969	143,588

Notes:

1 Total individually-metered and sub-metered.

4. Describe the utility’s process for recertifying sub-metered tenants of master-meter customers.

ANS. Annually, SCE mails a package of sub-metered tenant CARE applications to master-meter customers and the individual sub-metered tenants. The master-metered customer is responsible for providing account and master-meter information to permit sub-metered tenants to complete the CARE application to mail to SCE.

B. Processing Random Post-Enrollment Verification Applications

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

ANS. See Table 10.

TABLE 10						
CARE Random Post-Enrollment Verification Applications						
	Mailed	Received	Approved	Denied ²	Pending/Never Completed ³	Duplicates
Total¹	7,106	1,310	1,184	3,969	643	0
Percentage⁴	100%	18%	17%	56%	9%	0%

Notes:

1. Sum of “Received,” “Approved”, “Denied”, and “Pending/Never Completed” is greater than total “Mailed” due to verification requests initiated in 2005 which were received and processed in 2007.
2. “Denied” includes customers who no longer qualified for the program and those who were dropped due to nonresponse.
3. Includes cancelled verification requests and closed accounts
4. Percentage calculation based on verifications mailed (requested).

2. Provide a table showing the number of customers removed from CARE by month due to the verification process.

ANS. See Table 9 in V.A.3. above.

C. Describe any contracts the utility has with third parties to conduct certification, recertification and/or verification on the utility’s behalf. Describe how these third-party efforts compare to the utility’s efforts in comparable customer segments, such as hard-to-reach or under-served. Include comparisons of effectiveness and cost-effectiveness of comparable customer segments, if available.

ANS. SCE has agreements under the CARE Capitation Fee Project (Project) to conduct certification of new applicants for CARE. SCE did not have any contracts with third parties to conduct recertification and/or verification on its behalf.

The Project was authorized by the CPUC in Decision 01-05-033, dated May 7, 2001. Its purpose is to take advantage of the opportunity to enroll eligible customers in CARE while they are receiving other services from entities that assist low-income clients. This project is centered on providing outreach and enrollment services, not recertification or verification services.

Under the Project, SCE pays a capitation fee to entities for each new customer they help to enroll in SCE’s CARE program. The capitation fee is to reimburse entities for the incremental amount associated with

assisting customers in completing an SCE CARE application, generally while the customer is receiving other low-income services and/or information from that entity.

In 2008, 56 organizations submitted applications to SCE that were approved, the results of which are presented in Table 7.

Comparison of Efforts, Cost, and Effectiveness between Utility and Third Parties

SCE’s outreach methods are described in V.A. above, and all are considered effective in their own way because each uniquely reaches SCE’s customers and results in enrollments in CARE. Third-party outreach and enrollments for SCE occur primarily through organizations participating in the Capitation Fee Project and Energy Management Assistance (EMA) contractors. The Project was intended to provide valuable outreach services for the CARE program by assisting clients in filling out CARE applications as an adjunct to the organization’s other daily activities.

Through an internal data extract, SCE automatically enrolls customers who have received an EMA service in the CARE Program.

SCE can make a comparison of outreach cost per enrollment. The following table shows that SCE’s enrollment cost is about 49% of that for the Capitation Fee Project.

Comparison of Cost per Enrollment between SCE and Third Parties			
	Enrolled	Outreach Cost	Cost per Enrollment
SCE	301,198	2,204,706	\$7.32
Capitation Fee Project ¹	57,295	854,028	\$14.91

Notes:

1. Includes all costs including capitation fees.
2. Does not include enrollments from EMA contractors as they do not have an unbundled fee for a CARE enrollment.

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In addition, SCE can make a comparison to effectiveness. The following table compares the approval percentages among SCE enrollment activities and the third-party Capitation Fee Project/EMA contractors. Here, SCE enrollment activities generally generate higher volumes of enrollment.

The approval percentage for Capitation activity is higher than that for enrollment through EMA due to the fact that many of the Capitation applications are received via SCE’s “real-time” internet enrollment applications.

With enrollment of EMA customers onto CARE, the existing customers are excluded when the list is created of those eligible customers to be enrolled.

In addition, SCE can make a comparison to effectiveness. The following table compares the approval percentages among SCE enrollment activities and the third-party Capitation Fee Project/EMA contractors. Here, SCE enrollment activities generally generate higher volumes of enrollment and higher approval rates.

Comparison of Enrollment Percent between SCE and Third Parties			
Enrollment Activity	Received¹	Approved	Percent
SCE			
SCE Call Center Requests	267,584	138,245	52%
SCE Direct Mail	133,786	88,632	66%
Special Projects/Events	10,322	6,868	67%
Internet Enrollments	79,679	79,679	100%
PG&E Data Exchange	360	296	82%
SWG Data Exchange	1,038	732	71%
SoCalGas Data Exchange	84,172	38,384	46%
DCSD Automatic Enrollment ²	0	0	0%
Third Parties			
Capitation Fee Project	60,429	57,295	95%
EMA Contractors	3,219	2,386	74%

1. For PG&E, SWG, and DCSD "Received" counts are those records that were active customer account matches with SCE’s database after “scrubbing” all records received for non-matches, closed accounts, ineligible rates, and existing accounts on CARE.
2. For SoCalGas, "Received" count are those records that were active customer account matches with SCE’s database after “scrubbing” all records received for non-matches, closed accounts, and ineligible rates. However, existing accounts on CARE are included in order to use these to automatically recertify these accounts for participation.

3. Approved count for Capitation Fee Project includes 54,024 applications submitted through the Internet.

VI. Program Management

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

ANS. During the 2008 program cycle, the United States economic downturn and resultant job losses has led to a new set of customers requiring assistance. This new population of customers has generally never needed assistance in the past and may not be aware of SCE's program offerings. SCE has increased its outreach efforts by utilizing all outreach avenues, ie. multi-lingual events, CBOs, FBOs, joint-utility best practices, joint-utility data-sharing, and "real-time" internet enrollment and recertification applications to expand awareness and provide greater visibility to this new population of customers.

CARE EXPANSION PROGRAM

This section covers the non-profit homeless shelters and group living facilities, migrant and farm worker housing centers, qualified privately-owned employee housing, and qualified non-profit housing for agricultural employees.

I. Participant Information

A. Provide the total number of residential and/or commercial facilities by month, by energy source for the reporting period.

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ANS. See Table 11.

TABLE 11			
CARE Expansion Program Participating Facilities by Month			
2008	CARE Residential Facilities	CARE Commercial Facilities	Total
January	312	141	453
February	312	145	457
March	318	145	463
April	322	147	469
May	321	148	469
June	320	147	467
July	318	149	467
August	247	131	378
September	255	131	386
October	296	138	434
November	297	142	439
December	304	147	451

B. State the total number of residents (excluding caregivers) for residential facilities, and for commercial facilities, by energy source, at year-end.

ANS. The total number of residents (excluding caregivers) at the end of 2008 was:

Residential: 11,112

Commercial: 9,217

II. Usage Information

A. Provide the average monthly usage by energy source per residential facility and per commercial facility.

ANS. See Table 12.

TABLE 12		
CARE Expansion Program Average Monthly Gas / Electric Usage¹		
Customer	Gas Therms	Electric KWh
Residential Facilities	N/A	966
Commercial Facilities	N/A	13,551

Notes:

1. Excludes master meter usage.
2. Strictly D-CARE-E and Commercial, does not include D-CARE or submetered.

III. Program Costs

A. Administrative Cost

1. Show the CARE Expansion Program’s administrative cost by category.

ANS. The information is provided in Table 5 above.

B. Discount Information

1. State the average annual CARE discount received per residential facility by energy source.

ANS. \$638.72 (electric usage)

2. State the average annual CARE discount received per commercial facility by energy source.

ANS. \$4,556.49 (electric usage)

IV. Outreach

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

ANS. Potentially-eligible customers may become aware of the CARE Expansion Program through SCE's phone centers. SCE also conducts consumer outreach public awareness initiatives which include presentations to community groups and contacts with community agencies through which customers may become aware of the Program. Organizations participating in the CARE Capitation Fee Project may assist a customer who is eligible to complete a CARE application for the Expansion Program.

B. Discuss each of the following:

1. Most effective outreach method, including a discussion of how success is measured.

ANS. Customers who would qualify under the Expansion Program, primarily group living facilities, which can be residential or commercial customers, cannot be identified using SCE's customer database to enable SCE to selectively contact them. SCE's most effective outreach method to domestic customers is direct mailing based on demographic data. This would probably be the best method for the Expansion Program if potentially-eligible customers could be identified. Domestic customers receive information throughout the year about CARE. Therefore, if a group living facility is on a domestic rate, they would at least receive information and could inquire to enroll. If a customer operating a group living facility is a corporation, the rate would typically be commercial. To most effectively reach commercial customers, SCE would probably use a bill message or bill insert to provide information about CARE.

2. How the CARE facility data and relevant program information is shared by the utility with other utilities sharing its service territory.

ANS. SCE collaborates with SoCalGas, Southwest Gas, and PG&E to share CARE participant data electronically to enroll qualified customers in each utility's program. These exchanges have only matched individually-metered customers.

- 3. Barriers to participation encountered in the prior year and steps taken to mitigate these, if feasible, or not, if infeasible.**

ANS. See SCE's response to Question IV.B.1. regarding outreach methods.

- C. Discuss any recommendations to improve the cost-effectiveness, processing of applications, or program delivery. Discuss methods investigated or implemented by the utility or third parties on the utility's behalf to improve outreach and enrollment services to non-participating facilities in the prior year. Provide cost-effectiveness assessments, if available.**

ANS. See SCE's response to Question IV.B.1. on Outreach methods.

V. Processing CARE Applications

A. Processing Self-Certification and Self-Recertification Applications

- 1. Provide the total number of third-party CARE Expansion program applications received, approved, denied, pending/never completed, or duplicates.**

ANS. See Table 13.

- 2. Provide the total number of utility CARE Expansion program applications received, approved, denied, pending/never completed, or duplicates for the reporting period.**

ANS. See Table 13.

TABLE 13					
CARE Expansion Program CARE Capitation Fee Project, Other Outreach, and Utility CARE Applications					
Entity	Received	Approved	Denied	Pending/Never Completed	Duplicates
CARE Capitation Fee Project	0	0	0	0	0
Other Outreach	0	0	0	0	0
Utility	931	425	5	0	43
Total	931	425	5	0	43
Percentage	Note 1	91%	8%	0%	1%

Notes:

1. Percentage calculation based on the total of “Approved”, “Denied”, and “Duplicates” of 473 because the Received count includes applications that were returned to customers to complete and which were subsequently received again and processed.

B. Describe any contracts the utility has with third parties to conduct certification, recertification and/or verification on the utility’s behalf. Describe how these third-party efforts compare to the utility’s efforts in comparable customer segments such as hard-to-reach or under-served. Include comparisons of effectiveness and cost-effectiveness of comparable customer segments, if available.

ANS. SCE did not specifically contract with third parties to outreach and enroll (certify), recertify, or verify eligibility of customers participating in the CARE Expansion Program, although Capitation Fee Project contractors may assist a customer who is eligible to complete a CARE application for the Expansion Program.

VI. Program Management

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

ANS. There were no issues or events that significantly affected program management. As discussed in IV.B.1 above, SCE would like to have an effective means to selectively outreach to potential Expansion Program customers. It appears that a non-selective, mass notification is the most practical way to outreach.