

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking on the Commission's)	
Proposed Policies and Programs Governing post-2003)	Rulemaking 04-01-006
Low-Income Assistance Programs.)	(Filed January 8, 2004)
)	
And Related Matters)	A.05-06-005, A.05-06-009
)	A.05-06-012, A.05-06-013

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) COMMENTS ON DRAFT DECISION
TO MITIGATE BILL IMPACTS ON LOW-INCOME CUSTOMERS DURING THE WINTER 2005-
2006**

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Southern California Edison Company (SCE) appreciates the opportunity to submit these comments on ALJ Weissman's draft decision (DD) addressing the effects of high gas bills on low-income customers during the upcoming winter. SCE commends ALJ Weissman and the Commission for receiving input from interested stakeholders within the narrow window that remains to develop policies and implement program changes this winter for those customers. SCE believes the draft decision will expedite the delivery of energy efficiency improvements through the LIEE program that not only lower bills this winter, but increase comfort and provide energy savings well beyond the winter period. While the decision as drafted will meet the Commission's stated goals to help low income customers address high bills this winter, SCE believes certain aspects of the decision should be clarified or modified.

A. Moratorium on Service Shut-Offs and Other Credit Related Issues

As an electric utility, SCE believes the DD's proposed credit policies are inconsistent with SCE customers' energy usage patterns and electric bills, which are higher in the hot summer months. These policies will allow customers to carry forward winter balances of up to 50% of their winter bills as SCE heads into the hot summer season. SCE's experience has been that higher levels of customer delinquency have resulted in increased write-off. In addition, CARE customers have a 50% greater likelihood of writing-off than non-CARE residential customers. Allowing these balances to build up will result in increased write-off and reduced cash flow. SCE requests that electric utility customers be exempted from the shut-off moratorium as proposed in the DD.

SCE and the other utilities proposed waiving reconnect deposits, yet the DD also directs the utilities to waive reconnect fees. The result of this policy is projected to be about \$1 million in lost other operating revenue which will become a cost to other customer segments. SCE requests the Commission to delete reference to reconnect fees in the final decision.

The Commission's credit policies adopted by the DD create additional write-off exposure for SCE, and presumably will lead to increased write-offs. SCE expects to recover these increased write-offs through an appropriate proceeding, and expects that the upcoming decision on its 2006 General Rate Case will account for the increased exposure that is inherent in the draft decision. The DD will hinder SCE's flexibility to work with low income customers this summer when they face higher electric bills. SCE requests the Commission to retain SCE's existing credit policies this winter, with the exception of waiving reconnect deposits for CARE customers who have been disconnected. If the Commission maintains the shut-off moratorium, the Commission should clarify that the 50% payment requirement includes past-due balances.

B. CARE Eligibility

SCE proposed to raise income eligibility for the CARE rate to 200% of federal poverty guidelines for seniors or customers with disabilities in comments submitted to the Commission on September 28, 2005. SCE's approach provides a remedy for the long-standing inconsistency in the program guidelines for the CARE and the LIEE programs, and would provide additional bill savings to seniors and customers with disabilities. SCE developed its approach while remaining cognizant that businesses and residential customers not on the CARE program will face higher bills this winter and will pay more to offset any expansion in CARE participation due to expanded CARE eligibility guidelines. The DD, however, raises the CARE eligibility to 200% of federal poverty guidelines for all customers, based on input received from the yet to be released Low-Income Needs Assessment. The Commission's approach will expand the long-term CARE program costs, even though many of these potential new customers are unlikely to sign up for CARE before the winter months have passed. After all parties have had an opportunity to review the findings within the Needs Assessment, the Commission can consider a deliberate approach to CARE and LIEE eligibility that addresses the energy burden of large households while minimizing the impact to customers that are not eligible for CARE. If the D-CARE qualifying criteria is permanently expanded to 200% of poverty guidelines for all customers, the Commission should (a) be aware that this will increase the annual cost shifting number by approximately \$27 million, and (b) include the

long term impacts of this additional cost shifting as part of its deliberations in SCE's 2006 GRC Phase 2 proceeding (A.05-05-023). At this time, SCE requests the Commission to align CARE and LIEE eligibility by increasing CARE income eligibility to 200% of federal poverty guidelines for seniors or customers with disabilities only.

C. Energy Workshops at CBO Locations

The DD states that SCE opposes energy workshops at CBO locations. SCE provides in-home energy education with SoCalGas and is neutral regarding the workshops at CBO locations. SCE welcomes the opportunity to meet with parties to discuss a common educational strategy that will provide energy education to our customers.

D. Budgets

Decision 05-04-052 approves funding for the 2005 LIEE and CARE programs and directs the utilities to file applications on June 1, 2005, for the 2006 and 2007 LIEE and CARE program funding and plans. SCE recommends at a minimum that the Commission approve the LIEE and CARE budgets for 2006 and 2007 that were submitted by the utilities in their June 1, 2005 applications. The utilities then will be in a position to implement the policies and procedures outlined in the draft decision, and will not need to seek bridge funding in order to continue the programs into 2006.

E. Levelized Payment Plan for Master-metered Customers

The DD states the utilities have not explained why this service could not be available to master-metered customers. The DD in Conclusions of Law 12 and Ordering Paragraph 15 direct the utilities to offer levelized payment options to master-metered customers this winter that pledge to pass the benefits on to their submetered customers. SCE has not had the opportunity to review whether this policy conforms with Public Utilities Code Section 739.5. SCE is unclear whether the master-metered customer is legally required to pass on the short-term benefits of a levelized payment plan to submetered customers, or how such benefits would be distributed according to Section 739.5. Moreover, if the master-metered customer is assuming credit obligations through a levelized payment plan while submetered customers have been making full payment, SCE questions whether there is any benefit to its low-income submetered customers.

F. Recertification

The decision approves telephone enrollment of new CARE customers, yet is silent on SCE's proposal to recertify existing CARE customers by telephone. SCE proposed telephone recertification as an outreach strategy that will help keep customers on the CARE rate after the upcoming winter period has passed. Customers would be able to recertify their CARE eligibility by telephone without being required to return a signed application to SCE. Some customers, who otherwise would not respond in writing to a recertification request will respond to a telephone call, and will avoid being removed from the rate due to a failure to respond. Customers that are recertifying already have signed applications on file with SCE where they have self-certified their eligibility for CARE. SCE requests that the Commission approve telephone recertification for the CARE program.¹

G. LIEE Outreach

SCE appreciates the Commission's willingness to approve innovative strategies to accelerate the deployment of LIEE measures this winter. In particular, SCE appreciates the approval of its proposal for CARE customers to qualify automatically for refrigerators and compact fluorescent bulbs. SCE believes the language directs SCE to provide weatherization (and perhaps other eligible) measures to customers with homes that are insufficiently weatherized. SCE presumes that CARE customers then would be automatically qualified to receive these additional measures.

A separate issue arises in relationship to the coordination of SCE's services with the SoCalGas program. To ensure customers receive comprehensive LIEE services, homes that first receive electric measures from SCE are referred to SoCalGas in the overlapping service area for the corresponding gas measures. SCE provides the corresponding electric measures for homes that initially receive gas measures from SoCalGas. If SoCalGas accesses these homes through its block weatherization program, SCE should be able to provide the corresponding electric measures to these same customers. The decision discusses using census data to identify populations with a high concentration of low-income customers but is silent in the Ordering Paragraphs on whether these areas will automatically be eligible for LIEE, or whether participants can self-certify their

¹ The Commission must address confidentiality concerns and the sharing of customer information where there is no signed waiver of confidentiality.

eligibility. Findings of Fact 8 also fails to clearly state the Commission's intent. SCE requests the Commission to clarify the draft decision language regarding customer eligibility through block weatherization.

CONCLUSION

SCE appreciates the opportunity to file these Comments and requests that the draft decision incorporate the suggested changes.

Respectfully submitted,

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October 26, 2005

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) COMMENTS ON DRAFT DECISION TO MITIGATE BILL IMPACTS ON LOW-INCOME CUSTOMERS DURING THE WINTER 2005-2006 on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

- Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.
- Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand or by overnight courier to the offices of the Commission or other addressee(s).
- Placing copies in properly addressed sealed envelopes and depositing such copies in the United States mail with first-class postage prepaid to all parties.
- Directing Prographics to place the copies in properly addressed sealed envelopes and to deposit such envelopes in the United States mail with first-class postage prepaid to all parties.

Executed this **26th day of October, 2005**, at Rosemead, California.

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