

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

Order Instituting Rulemaking on the Commission's
Proposed Policies and Programs Governing post-
2003 Low-Income Assistance Programs.

And Related Matters

Rulemaking 04-01-006
(Filed January 8, 2004)

A.05-06-005, A.05-06-009
A.05-06-012, A.05-06-013

**SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) COMMENTS ON
OCTOBER 11, 2005 PROPOSALS TO MITIGATE BILL IMPACTS ON LOW-INCOME
CUSTOMERS DURING THE 2005 WINTER**

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Dated: **October 17, 2005**

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Southern California Edison Company (SCE) submits these comments in response to ALJ Weissman's October 7, 2005 email ruling allowing for comments on parties' proposals for changes to low income programs in winter 2005. SCE is pleased that parties not only have embraced many of the proposals set forth by SCE to mitigate bill impacts this winter for our low income customers, but recognize the success of programs established by the Commission and implemented by utilities, CBOs and contractors since the beginning of Rapid Deployment in 2001. SCE agrees with Latino Issues Forum (LIF) that Rapid Deployment, LIHEAP leveraging, automatic enrollment, CBO outreach, and Flex Your Power have led to dramatic increases in CARE penetration rates in California. ACCES also notes the success of Rapid Deployment efforts in delivering services to our low income customers. Many of the proposals offered by SCE and other parties provide a compelling opportunity to mitigate bill impacts this winter, and should enhance the delivery of the nation's best low income programs.

I.

CARE PROPOSALS

SCE is pleased that Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Gas Company (collectively with SDG&E, “Sempra”), Southwest Gas, and ACCES have supported SCE’s proposal to raise CARE eligibility from 175% of federal poverty guidelines to 200% for seniors and/or disabled customers. Aligning CARE and LIEE eligibility will enhance the ability to cross-market both programs to the same audience and should lead to increased participation in both programs.

SCE, PG&E, Sempra, and LIF are on record in support of suspending the removal of customers from CARE through the recertification or verification process due to a failure to submit forms. PG&E, Sempra and LIF also support suspending the recertification and verification processes entirely for the upcoming winter period. SCE proposed suspending recertification in its Motion for Authority to Take Certain Actions to Mitigate Bill Impacts on Low Income Customers during the 2005 Winter Period and its Supplement to Application 05-06-009, both filed October 11, 2005.¹ However, SCE prefers to continue the recertification process, streamline it, and suspend removal of customers through the recertification or verification process due to a failure to submit forms during the 2005 winter period. This is consistent with SCE’s proposals filed on September 28, 2005.²

SCE prefers to continue the recertification process during the winter period because approximately 70% of customers generally recertify their CARE status. By continuing the recertification process, SCE expects about 70,000 or more customers to renew their CARE status during the winter period. The customers who do not respond will receive one or more of the following: a) notice to call into a Voice Recognition Unit (VRU) and follow instructions to

¹ See SCE’s Motion (“Motion”) for Authority to Take Certain Actions to Mitigate the Bill Impacts on Low Income Customers during the 2005 Winter Period, filed October 11, 2005 in R.04-06-001, and Supplement to SCE’s Application A.05-06-009, filed in A. 05-06-005 et al.

² If necessary, SCE will file a clarification of the requests made in its October 11, 2005 Motion and Supplement to ensure consistency on this request with SCE’s September 28, 2005 filing.

recertify; b) a telephone call from SCE's VRU offering recertification via phone; c) a telephone call from an SCE representative offering recertification over the phone.

SDG&E and SoCalGas support enrollment of CARE customers by telephone. SCE proposes to recertify by telephone those customers who fail to respond to mailed recertification requests. SCE believes both approaches have merit and should be approved as proposed by and for each utility as pilot programs. SDG&E and SoCalGas propose to send opt-out letters to customers who enroll by phone. SCE supports this proposal, but notes that SCE may prefer to send an enrollment confirmation letter rather than an opt-out letter.

A. Sanctions and Reward for CARE Penetration Goals are Unnecessary

LIF proposes that the Commission set penetration goals for all utilities and reward or sanction them accordingly. Over the last few years, SCE and the other California utilities have made great strides toward meeting the Commission's goal of enrolling 100% of customers that are interested in participating in the CARE program. The recent success indicates the Commission's existing policies are effective and do not require the development of a reward/penalty mechanism. CARE penetration in California sets the benchmark nationally. An arbitrary reward/penalty mechanism is unnecessary, given California's track record of nationwide leadership. To further achieve the Commission's goal, the utilities have proposed modifications to further enhance the ability to maintain customers on CARE. For example, SCE and Sempra have proposed recertification and enrollment by telephone to help retain CARE customers. Sempra has proposed recertifying customers every four years when customers show a high probability of remaining eligible for CARE. The current regulatory environment continues to generate results and innovation in program design and does not need to be altered at this time.

B. SCE Opposes Rate Freezes for CARE, FERA and Medical Baseline Customers

Disability Rights Advocates (DRA), TURN, UCAN, Greenlining Institute, and LIF submitted joint comments on September 28, 2005 in advance of the October 6, 2005 En Banc

Hearing in Los Angeles. Greenlining Institute and TURN submitted e-mails on October 11, 2005 stating their continued support for the September 28, 2005 proposals, which include a proposed rate freeze for CARE and FERA customers LIF reiterates its support in comments filed on October 11, 2005 for this proposal, and DRA requests a freeze in baseline prices for customers enrolled in the Medical Baseline program. SCE opposes these requests. Current legislation (AB1X) already protects roughly 70% of CARE, FERA and Medical Baseline customer usage from any increase in rates. While a rate freeze would provide additional benefit to the largest of these customers, it would do nothing for those low income customers not yet enrolled under CARE, FERA or Medical Baseline programs. In lieu of price and rate freezes, SCE has developed proposals that will enhance participation in the existing CARE program for eligible customers that are not participating today, and facilitate program delivery of LIEE services that will help all customers, large and small alike, reduce their energy consumption and electric bills. SCE's proposals can be implemented immediately and will not require complex rate design proceedings that necessarily require analysis of potential rate adjustment impacts on various customer groups with different energy needs.

II.

LOW INCOME ENERGY EFFICIENCY (LIEE)

SCE is pleased that Sempra and PG&E plan to roll out programs this winter that can provide immediate savings to low income customers. SCE offers specific comments below to their proposals and others that have been made.

A. LIEE Program Funding Should Match Customer Needs

In lieu of an upfront 60% increase in LIEE funding, as proposed by ACCES, the Commission should provide the utilities with sufficient flexibility, similar to the flexibility adopted by the Commission for the IOUs' 2006 - 2008 energy efficiency programs, to manage program delivery and meet customer needs. Subsequent decisions will affect the cost per home served through the LIEE program by determining whether or not to add measures, such as the

replacement of water heaters proposed by ACCES. SCE will be implementing its Winter Rapid Deployment Initiative to place additional refrigerators and compact fluorescent lamps in customers' homes this winter. The Commission should adopt SCE's proposal to use authorized funding for 2006 and 2007 in 2005, if necessary, to meet customers' needs this winter. The Commission should also grant SCE authorization, if necessary, to carryover unspent funds from 2006 into 2007 and, if necessary, to advance funds from 2007 to the 2006 program year. If SCE finds that funding will be inadequate during 2006 or 2007, SCE will submit an application for additional funding. SCE's proposals will ensure that sufficient funds are available for LIEE program delivery, and that funding decisions can be made as additional information becomes available regarding program demand and opportunities for services.

B. CARE Participation and Demographic Data Allow SCE to Target LIEE

Participants

SCE has proposed that the Commission allow utilities to use demographic data to target CARE customers for automatic enrollment in SCE's Winter Rapid Deployment Initiative. Sempra, PG&E, and ACCES propose using census data to identify census blocks with high probabilities of having a significant majority of customers who qualify for LIEE services. These blocks would be declared eligible for 100% of households to receive delivery of weatherization and other LIEE services. SCE's approach has a stronger linkage in ensuring program eligibility, particularly if CARE and LIEE income guidelines are brought into alignment. Identifying areas with a high penetration of income eligible households and referring CARE customers within these areas to CBOs will allow for a more targeted and informed outreach process. Existing CARE customers have already signed a CARE application indicating their eligibility for the program, or have been automatically enrolled into CARE based on participation in Department of Community Services programs. Since no one approach has shown to be more effective than the other, SCE would urge the Commission to support block weatherization for PG&E and Sempra, and SCE's CARE based automatic eligibility for its Winter Rapid Deployment

Initiative. SCE agrees with LIF that a hold harmless policy should be adopted for LIEE customers that receive services through the Block Group program for which they would otherwise not be eligible under LIEE eligibility requirements.

C. Medical Baseline

DRA requests that the Commission modify D.02-04-026 to require that all requests for additional allotments of electricity above the standard Medical Baseline Allowance be promptly addressed with an appeals process if the request is denied. SCE opposes this recommendation. DRA has not provided information that would support a finding that the current procedures for obtaining additional Medical Baseline allocations are inadequate. Moreover, DRA's implication that the Commission is not enforcing existing guidelines for outreach ignores SCE's aggressive outreach efforts to promote the program.

SCE's Consumer Affairs Department performs outreach to customers with special needs—including elderly customers—and organizations that support them. In 2002, Consumer Affairs developed a program called Partners For Hope to reach out to hospitals in SCE's service territory to inform and train them on programs such as Medical Baseline. Initially hospitals were targeted. Since then, the outreach has grown to include social-service agencies that provide services to customers with disabilities, such as senior centers and home-health care based agencies.

Outreach is performed by making presentations to organizations that support customers with disabilities, attending events specifically targeting customers with unique disabilities, and quarterly mailings to organizations, such as home health care based organizations, to inform them of the availability of the Medical Baseline program, as well as other programs and services that would also benefit customers with disabilities such as Friendly Reminder, CARE, the Energy Assistance Fund (which provides utility payment assistance to income-qualified customers) and the special profiling of accounts for customers with special needs, which allows a special credit path to be followed should these customers be scheduled for disconnection for non-

payment. These accounts are referred to Consumer Affairs, which contacts these customers to offer special payment assistance or payment arrangements prior to disconnection.

Outreach materials for community events are available through Consumer Affairs in Braille and large print to customers with visual impairments. We have also made information available to visually-impaired customers through audio newsletters produced by the Los Angeles Braille Institute.

SCE has made Medical Baseline information available to such organizations and events as: Riverside County Area Agency on Aging, Los Angeles Braille Institute, Meals on Wheels organizations, Los Angeles County's Accessibility Expo (annual conference that provides resource information to people with disabilities), Alzheimer's Association, Multiple Sclerosis Society, AltaMed Health Services, San Gabriel Valley Regional Center (Regional Centers provide services to people with disabilities, and their families), Exceptional Children's Services and California Department of Rehabilitation.

Organizations that SCE focuses on for quarterly mailings regarding the Medical Baseline program include medical equipment operators and agencies that provide home-health care services to people with disabilities such as: HOME Caregiver Services, Accent Care, ACT Home Health, and Home Instead. SCE offers these organizations a regular supply of Medical Baseline applications to provide to new clients that require the use of medical equipment in their home.

III.

OTHER PROPOSALS

PG&E's Balanced Payment Plan – SCE supports PG&E's proposal to expand the eligibility for its Balanced Payment Plan to all qualified residential and small commercial customers. SCE's Level Payment Plan provides similar services to its residential and small commercial customers.

Moratorium on Utility Shut-offs – LIF suggests a moratorium on utility shut-offs if partial payments are made along with mandatory arrearages programs, may be appropriate. LIF

further notes that a full moratorium will leave customers unable to pay bills when the moratorium expires. SCE believes its existing policies provide the flexibility to address each customer's needs on a case-by-case basis.

Workshops at CBO Locations – ACCES states that CBO-based customer workshops leverage LIHEAP funds. In addition to the workshops funded by Sempra, ACCES notes that SCE and PG&E should provide them as well. SCE does in fact provide workshops to SCE customers through a leveraging approach with Sempra and LIHEAP. SCE pays half the costs of workshops conducted by SoCalGas in the joint utility service area. SCE uses another leveraging approach with LIHEAP that produces measurable energy savings. SCE provides refrigerators to LIHEAP providers for installation in LIEE eligible customer homes. By installing SCE-provided refrigerators, LIHEAP contractors save on the cost of the refrigerator and LIEE saves on the cost of installation.

IV.

CONCLUSION

SCE appreciates the opportunity to submit proposals for mitigating high bills for low income customers this winter and to provide comments on proposals submitted by others in this proceeding. This collaborative effort continues to form the basis for the nation's most innovative array of programs that provide needed energy services for California's low income customers.

Respectfully submitted,

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Submitted on behalf of:

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San Diego Gas & Electric Company
Pacific Gas and Electric Company
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October 17, 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 (U 338-E) COMMENTS ON OCTOBER 11, 2005 PROPOSALS TO MITIGATE BILL IMPACTS ON LOW-INCOME CUSTOMERS DURING THE 2005 WINTER on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

- Placing the copies in properly addressed sealed envelopes and depositing such envelopes in the United States mail with first-class postage prepaid (Via First Class Mail):
 - To all parties, or
 - To those parties without e-mail addresses or whose e-mails are returned as undeliverable;
- 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 the other addressee(s);
- Transmitting the copies via e-mail to all parties who have provided an address.

Executed this **17th day of October, 2005**, at Rosemead, California.

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