

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

Order Instituting Rulemaking on the)	
Commission's Proposed Policies and Programs)	Rulemaking 04-01-006
Governing Post-2003 Low-Income Assistance)	(Filed January 8, 2004)
<u>Programs</u>)	

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) MOTION TO EXTEND
CERTAIN LOW INCOME ENERGY EFFICIENCY AND CARE PROGRAM POLICIES
AUTHORIZED IN D.05-10-044 BEYOND THE WINTER INITIATIVE PERIOD**

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Dated: **April 21, 2006**

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I.

INTRODUCTION

Pursuant to Rule 45 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Southern California Edison Company ("SCE") hereby files this motion for authorization to extend certain Low Income Energy Efficiency (LIEE) and CARE program policies, authorized by the Commission in Decision 05-10-044 ("D.05-10-044" or the "Decision")¹ beyond April 30, 2006, the end of the winter period as defined by the Commission.² Specifically, SCE seeks the Commission's authorization to allow SCE to (1) automatically qualify CARE customers for LIEE measures; (2) continue its CARE telephone operator-assisted enrollment and recertification pilot program; and (3) continue its CARE recertification through SCE's automated voice response unit (VRU) pilot program. SCE has found that both the

¹ *Interim Opinion Approving Various Emergency Program Changes in Light of Anticipated High Natural Gas Prices in the Winter of 2005-2006*, dated October 27, 2005.

² The winter period is November 1, 2005 through April 30, 2006. (D.05-10-044, fn. 6.)

customer and the utility benefit from these programs. SCE will continue these programs until further instructed by the Commission.

By automatically qualifying CARE customers for LIEE measures, SCE has been able to increase and accelerate the deployment of eligible measures to low-income homes, and reduce associated costs in the process. To the extent the CARE and LIEE eligibility benchmarks remain at their current level, SCE believes the automatic qualification approach should continue. Additionally, SCE has found that its CARE telephonic enrollment/recertification programs provide a more streamlined process and a unique opportunity for eligible customers to enroll in CARE and/or recertify their eligibility. SCE believes that its CARE telephonic enrollment/recertification programs should also be continued beyond the Winter Initiative Period.

II.

BACKGROUND

In D.05-10-044, the Commission approved various modifications to the LIEE and CARE programs in order to mitigate the impacts of high gas bills on low-income customers during the winter period (the “Winter Initiative Period”).

The Commission authorized the utilities to automatically qualify CARE customers for new refrigerators and compact fluorescent lights (CFLs).³ The Commission recognized that in permitting the utilities to accelerate the distribution of new refrigerators and CFLs through an automatic qualification approach, the utilities would be in the position to provide additional weatherization measures to qualifying households.⁴ It is unclear, however, whether the

³ D.05-10-044, p. 21.

⁴ *Id.* (“ . . . Because [new refrigerators and CFLs] offer a large amount of immediate energy savings, we encourage SCE and the other utilities to accelerate the placement of these measures, while noting that the ability to receive a new refrigerator may serve as an incentive for some customers to accept a broader array of energy efficiency measures. We will allow SCE and the other utilities to employ SCE’s proposed automatic qualification approach . . . Where this rapid deployment effort involves homes that are insufficiently weatherized, the utilities shall either provide other weatherization services in that home within a reasonable amount of time, or obtain a commitment from the customer to receive other services later.”)

Commission intended for the automatic qualification approach to apply to all eligible LIEE measures, or just refrigerators and CFLs.

In D.05-10-044, the Commission also authorized CARE enrollment and recertification by telephone.⁵ The Commission explained that the CARE telephone enrollment program “is an experiment” as it would like to know “if this method of enrollment leads to a higher percentage of unqualified customers signing up for CARE discounts.”⁶

III.

SCE URGES THE COMMISSION TO EXTEND THE AUTOMATIC QUALIFICATION APPROACH BEYOND APRIL 30, 2006

To the extent the CARE and LIEE eligibility benchmarks remain at their current levels – 200% of federal poverty guidelines – SCE urges the Commission to allow SCE to continue automatically qualifying CARE customers for LIEE measures.

In D.05-10-044, the Commission raised the CARE income eligibility guidelines to 200% of the federal poverty guidelines, and for PG&E, SDG&E, SoCalGas and SCE, aligned LIEE eligibility benchmarks with that of CARE.⁷ The matching income guidelines have created an opportunity to accelerate the deployment of new refrigerators and CFLs by eliminating the need to income-qualify LIEE customers who are already on the CARE rate. Consistent with D.05-10-044, SCE has automatically qualified CARE customers, who have not already received LIEE measures, for new refrigerators and CFLs. If these customers also qualify for additional LIEE measures, SCE’s current practice is to collect income documentation for such additional measures. SCE believes that this automatic qualification approach should continue beyond the Winter Initiative Period, and extend to all eligible LIEE measures. This automatic qualification

⁵ D.05-10-044, pp. 11-12 (“ . . .for the period running through April 30, 200[6], [the Commission] will direct the utilities to use telephonic contact with existing and prospective CARE participants to encourage the enrollment of qualified customers.”)

⁶ D.05-10-044, p. 11.

⁷ D.05-10-044, Ordering Paragraphs 1, 7.

approach will allow SCE to continue the accelerated deployment of eligible measures and reduce the number of visits to customers for the purpose of gathering information to income-qualify them.

It is unclear whether D.05-10-044 permits automatic qualification for just refrigerators and CFLs, or all eligible LIEE measures. SCE recognizes that it previously identified new refrigerators and CFLs as two measures that could be rapidly deployed and provide immediate energy savings so as to reduce bill impacts on low-income customers this winter.⁸ However, in order to fully integrate the automatic enrollment process for LIEE, *all* measures should be deemed eligible for installation. It makes sense to extend the automatic qualification approach to all LIEE measures if the customer is already income-qualified for CARE (and has already automatically qualified for some measures). D.05-10-044 does not appear to preclude this approach, as the Commission recognized that: “[w]here this rapid deployment effort involves homes that are insufficiently weatherized, the utilities shall either provide other weatherization services in that home within a reasonable period of time, or obtain a commitment from the customer to receive other services later.”⁹

Through the automatic qualification approach, SCE has been able increase the number of new refrigerators and CFLs installed in low-income homes. For the winter rapid deployment period, installation of CFLs increased by 25% and installation of refrigerators increased by 13% compared to the same period as last year. Additionally, the automatic qualification approach has reduced contractor fees, as contractors are not required to collect and record income documentation from customers and the fees associated with this activity can be applied to servicing additional customers.

⁸ Proposals of Southern California Edison Company (U 338-E) for Mitigating Bill Impacts on Low-Income Customers During the 2005-2006 Heating Season, filed September 28, 2005, p. 5 (“...SCE proposes to accelerate installation of refrigerators and compact fluorescent lamps (CFL) in low-income households. Refrigerators and CFLs represent the two most universal bill saving measures that can be installed in low-income homes. SCE proposes to streamline the enrollment process to increase and accelerate the installation of these measures during the winter heating season. Bill savings derived from this effort will be immediate and long lasting over both the heating and cooling seasons.”)

⁹ D.05-10-044, p. 21.

SCE understands that the Commission may have concerns about customers erroneously or fraudulently qualifying for LIEE measures through a self-certification or automatic qualification approach. However, for practical reasons, SCE does not hold the customer responsible for the costs of installed LIEE measures if the customer is later found to be unqualified. Further, SCE has found that the incidents of fraudulent enrollment are minimal. Given this, to the extent that CARE and LIEE eligibility benchmarks remain at their current levels, SCE should be allowed to continue using the automatic qualification approach for all eligible LIEE measures. This will permit SCE to continue its rapid deployment effort and provide savings and benefits to low-income customers.

IV.

SCE URGES THE COMMISSION TO ALLOW SCE TO CONTINUE ITS CARE TELEPHONE ENROLLMENT AND RECERTIFICATION PROGRAMS

SCE requests that the Commission allow SCE to continue beyond the Winter Initiative Period its (1) CARE telephone operator-assisted enrollment/recertification pilot program and (2) CARE recertification through SCE's automated VRU pilot program.

Consistent with the Commission's directives, SCE implemented two pilot programs for enrolling and recertifying customers for the CARE rate via the telephone: (1) an operator-assisted enrollment/recertification pilot program and (2) a recertification by telephone pilot program using SCE's automated VRU. Under the operator-assisted enrollment/recertification program, through outbound calling, a SCE representative contacts customers who have submitted signed, but incomplete, enrollment or recertification forms. These customers can provide the missing information to the SCE representative over the telephone in order to complete the enrollment and/or recertification forms. This program has evolved over the Winter Initiative Period and adjustments have been made to maximize the availability of this program to customers. It provides customers, who would ordinarily have to complete the CARE application

or recertification form and mail it in, the unique opportunity to conveniently enroll in or recertify eligibility for the CARE rate over the telephone.

Under SCE's VRU recertification program, customers are given the option of recertifying their eligibility for the CARE rate using SCE's automated VRU system. A recertification notice is sent to CARE customers due to recertify. The notice contains a recertification form and provides a toll-free number, giving the customer the option of recertifying by mail or by phone. If the customer calls the toll-free number, the customer is prompted by the VRU. The customer uses the telephone keypad to answer questions regarding eligibility. If the customer is able to successfully answer all of the questions, the customer is recertified at that time. If the customer has difficulty using the VRU, or has questions, a representative via SCE's general 800 number is available to assist them. To date, over 3,600 customers have successfully recertified using the VRU. Operational costs for this program are minimal and covered by existing budgets. The automated telephone technology has allowed SCE to achieve certain operational efficiency, as the number of recertification applications that must be processed manually has been reduced.

SCE acknowledges the Commission's concerns over whether a CARE telephone enrollment/recertification program will lead to a higher percentage of unqualified customers receiving the rate. However, as described above, both of SCE's programs require that the customer submit a signed CARE application at some time before participation. Therefore, the customer has signed the CARE application and/or recertification form acknowledging the terms and conditions of the CARE program. For this reason, SCE believes that the incidents of fraudulent or erroneous enrollment and/or recertification through the telephone pilot programs are no different than through traditional methods of enrollment and recertification.

V.

CONCLUSION

For the foregoing reasons, SCE urges the Commission to allow SCE to (1) automatically qualify CARE customers for LIEE measures; (2) continue its CARE telephone operator-assisted

enrollment and recertification pilot program; and (3) continue its CARE recertification through SCE's automated VRU pilot program. SCE will continue these programs until further instructed by the Commission.

Respectfully submitted,

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April 21, 2006

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) MOTION TO EXTEND CERTAIN LOW INCOME ENERGY EFFICIENCY AND CARE PROGRAM POLICIES AUTHORIZED IN D.05-10-044 BEYOND THE WINTER INITIATIVE PERIOD 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 **21st day of April, 2006**, at Rosemead, California.

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