

October 7, 2004

Docket Clerk
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

RE: A.04-07-012


Dear Docket Clerk:

Enclosed for filing with the Commission are the original and five copies of the **RESPONSE OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) TO THE DATA REQUEST PRESENTED IN THE ADMINISTRATIVE LAW JUDGE'S RULING CONSOLIDATING APPLICATIONS FOR PROGRAM YEAR 2005 LOW-INCOME ENERGY EFFICIENCY AND CALIFORNIA ALTERNATE RATE FOR ENERGY PROGRAMS** in the above-referenced proceeding.

We request that a copy of this document be file-stamped and returned for our records. A self-addressed, stamped envelope is enclosed for your convenience.

Your courtesy in this matter is appreciated.

Very truly yours,


Larry R. Cope

LRC:as:Response of SCE re Data Requests.doc
Enclosures

cc: All Parties of Record
(U 338-E)

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

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

<hr/> Southern California Edison Company's)	
(U 338-E) Application Regarding Low-)	Application 04-07-012
Income Assistance Programs for Program)	(Filed July 1, 2004)
Year 2005.)	

RESPONSE OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
TO THE DATA REQUEST PRESENTED IN THE ADMINISTRATIVE LAW
JUDGE'S RULING CONSOLIDATING APPLICATIONS FOR PROGRAM
YEAR 2005 LOW-INCOME ENERGY EFFICIENCY AND CALIFORNIA
ALTERNATE RATE FOR ENERGY PROGRAMS

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Dated: **October 07, 2004**

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

Order Instituting Rulemaking on the)	
Commission's Proposed Policies and)	Rulemaking 04-01-006
Programs Governing post-2003 Low-)	(Filed January 8, 2004)
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**RESPONSE OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
TO THE DATA REQUEST PRESENTED IN THE ADMINISTRATIVE LAW
JUDGE'S RULING CONSOLIDATING APPLICATIONS FOR PROGRAM
YEAR 2005 LOW-INCOME ENERGY EFFICIENCY AND CALIFORNIA
ALTERNATE RATE FOR ENERGY PROGRAMS**


I.

INTRODUCTION

Pursuant to Administrative Law Judge Thomas' September 27, 2004 Ruling Consolidating Application for Program Year 2005 Low-Income Energy Efficiency and California Alternate Rates for Energy Programs, several data requests were listed for Southern California Edison Company (SCE) to provide responses. ALJ Thomas has requested SCE file its responses and serve them on all parties. SCE hereby, in Attachment A, provides the responses to the data requests asked of SCE in the September 27, 2004 Ruling.

Respectfully submitted,

MICHAEL D. MONTOYA
LARRY R. COPE



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October 07, 2004

Attachment A

SCE RESPONSES

TO

ALJ THOMAS'

SEPTEMBER 27, 2004

DATA REQUESTS

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

1 **Question No. 01**

2
3 Application - p. 22: energy education - is it in languages other than English?

4
5 **Response:**

6
7 Yes. The Energy Education material provided to LIEE customers has been
8 translated into Spanish. SCE also contracts with community agencies and
9 private contractors that employ outreach workers who speak a number of
10 languages, including Vietnamese, Cambodian, Chinese and Spanish. These
11 workers are trained and able to explain energy conservation practices to non-
12 English speaking low-income clients as necessary. In 2005, after consulting
13 with agencies and contractors to determine in-language education needs,
14 SCE plans to translate Energy Education materials into additional
15 languages.

16
17
18 **Prepared by: John Fasana**
19 **Title: Marketing Analyst**

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

1 **Question No. 02**

2
3 Question: Application – p. 24: Did the parties consult with LIOB before
4 making their recommendation re the pilot?

5
6 **Response:**

7
8 Response: In the Commission Scoping Memo issued June 24, 2004, the
9 utilities were directed to consult with the LIOB or an LIOB representative
10 regarding implementing a pilot program for service and maintenance of
11 central air conditioning systems, and address the feasibility of such a project
12 in the July 1, 2004 LIEE program applications for 2005. SCE did not discuss
13 the pilot program with the entire LIOB but did have discussions with LIOB
14 Member Ron Garcia.

15
16 The LIOB at their May 17, 2004 meeting approved a motion by Board
17 Member Garcia that the LIOB request at the Low Income Prehearing
18 Conference that the utilities look at doing a pilot program or setting aside
19 some funds in regards to service and maintenance on central air conditioning
20 systems. LIOB Member Garcia raised the issue at the Prehearing
21 Conference on May 18, 2004. The Commission subsequently issued the June
22 24th Scoping Memo. The LIOB was scheduled for a meeting by teleconference
23 on June 28, 2004.

24
25 In the intervening 7-day period between the Scoping Memo and the due date
26 for the Application, SCE determined that discussions would need to take
27 place with an LIOB Board Member as there would be insufficient time
28 between the June 28, 2004 LIOB meeting and the filing of the Application to
29 incorporate the LIOB's input into the Application. Discussions with LIOB
30 Board Member Garcia, who had initiated action on this issue at the May 17th
31 LIOB meeting, centered on the tasks that would be required in an air
32 conditioner maintenance program and some of the challenges. Subsequent to
33 discussions by program staff of the utilities with Board Member Garcia, the
34 utilities determined the best forum for the design and evaluation of the air
35 conditioner maintenance program would be with the Standardization Team.
36 Some of the tasks that could be part of a program include:

- 37 • Change the filter and leave extra filters for the customer to use during the
38 summer months
39 • Clean debris away from the condenser and inspect and clean the
40 evaporative and condenser coils

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
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DR: 2005 LIEE/CARE-ALJ-01

- 1 • Clean the drain line
- 2 • Check for Freon leaks and proper refrigerant levels
- 3 Some questions that would need to be addressed include:
- 4 • Would a customer be eligible each year for the maintenance program?
- 5 • If a motor is found to be defective or a part needs replacement, would this
- 6 service be included? If not, what is the response to the customer?
- 7 • What if the air conditioner can not be repaired?
- 8

9 **Prepared by: John Fasana**
10 **Title: Marketing Analyst**

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

1 **Question No. 03:**

2
3 Application - p. 27: Edison says it measured Cool Center program success -
4 what did it find?

5
6 **Response:**

7 Through the Cool Center evaluations, SCE learned that:

- 8 • With 16 Cool Centers in 15 communities in 2002, there were more than
9 17,000 attendees from the targeted communities for an average of 1,063
10 attendees per center.
 - 11 • Cool Center contractor staff costs accounted for 68.1% of total costs.
 - 12 • Outreach and transportation costs accounted for only 4.2% of total costs.
 - 13 • Average cost per visitor: \$13.
 - 14 • Average cost per center: \$16,000..
 - 15 • There was a need to establish clear budget categories to ensure funds
16 were spent in a manner that maximized services to participants.
 - 17 • Many Cool Center participants used swamp coolers rather than A/C units.
 - 18 • Attendance was significantly influenced by participation in other pre-
19 existing programs at the site facility.
 - 20 • According to the 2000 US Census, 9 of the 15 communities selected had
21 median household incomes of 80% or less of the county median—a level
22 that is often a measure of low-income status.
 - 23 • SCE provided each contractor with a generous supply of energy education
24 information for site use. The information added value to the participants'
25 Cool Center experience.
 - 26 • The Cool Center contractors created partnerships with community
27 organizations to ensure the delivery of additional services to Cool Center
28 participants beyond the Cool Center operational period.
- 29
30
31

32 **Prepared By: John Fasana**
33 **Title: Marketing Analyst**

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

1 **Question No. 04**

2
3 Application - p. 28: Why the reduction to 15 Cool Centers?
4

5 **Response:**

6
7 In the initial year of the Cool Center Project (2001), the community-based
8 organizations selected cool center sites based upon the funding that each was
9 provided, thus resulting in 29 Cool Centers during 2001. Following the 2001
10 Cool Center Project, there were some lessons learned regarding site selection.
11 It was determined that Cool Center sites within close proximity to each other
12 were not cost effective and resulted in some duplication of services. In
13 addition, it was determined that Cool Center sites located in shopping malls
14 might not be the most effective venues for Cool Center Project activities.
15 Therefore, in subsequent program years, site selection was closely reviewed.
16 Moreover, SCE in subsequent years proposed that more emphasis be placed
17 on targeting services to isolated communities located in extreme climate
18 areas where few public facilities were available for use as alternate sites.
19

20 In 2002, the number of Cool Centers was reduced to 16 sites in 15
21 communities. After receiving Commission approval in September 2003, SCE
22 issued contracts for the operation of 10 Cool Centers in 2003. SCE in 2004
23 has established 14 Cool Centers. SCE expects to operate 15 - 17 Cool Centers
24 in 2005
25

26
27 **Prepared by: John Fasana**
28 **Title: Marketing Analyst**
29

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

1 **Question No. 05**

2
3 Application - p. 29: Why is it more efficient to work with *new* community-
4 based organizations?

5
6 **Response:**

7
8 Where there are experienced Cool Center contractors available and willing to
9 establish additional sites in these communities, SCE intends to contract with
10 its 2004 site operators whenever possible to maximize opportunities to reduce
11 costs through use of existing infrastructure, equipment, and expertise.
12 Moreover, existing contractors have established relationships with customers
13 and are better capable of reaching out to the community. SCE recognizes
14 that as additional sites are identified, it may be more efficient to work with
15 new community-based organizations that are located in these communities
16 and have established ties within these communities.
17
18
19

20
21 **Prepared by: John Fasana**
22 **Title: Marketing Analyst**
23

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

1 **Question No. 06**

2
3 Application - p. g-2: Should education at Cool Centers be focused not only on
4 conservation (voluntary efforts) but on energy efficiency (built in measures
5 that don't require customer action)?
6

7 **Response:**

8
9 Currently, as part of education at the Cool Center sites, participants are
10 encouraged to install CFLs, and turn off their air conditioning and lights
11 when attending the Cool Center. Moreover, Cool Center participants are also
12 provided information on other energy efficiency programs that may be
13 available to them. Each participant is provided information on Refrigerator
14 Replacement, Weatherization, CARE, and FERA. In addition, participants
15 are provided information on LIHEAP programs that may also provide
16 additional service.
17
18
19
20

21 **Prepared by: John Fasana**
22 **Title: Marketing Analyst**
23

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

1 **Question No. 07**

2
3 Reply - p. 1 of *Schichtl* testimony: Why not?: "The portion of the difference
4 between CARE rates and standard domestic rates attributable to surcharge
5 exemptions was not included in the reported CARE subsidy."
6

7 **Response:**

8
9 The Commission in D.03-01-082 established the 3 c/kWh surcharge and
10 exempted CARE customers from paying this surcharge. Within D.03-01-082,
11 the Commission established a mechanism for recovery, whereby the revenue
12 associated with the CARE exemption was reallocated to non-CARE customers
13 prior to surcharge rates being designed pursuant to D.01-05-064. The 3
14 c/kWh surcharge exemption was in addition to the statutory discount that
15 also was provided to CARE customers.
16

17 The CARE subsidy, prior to the end of PROACT, referred specifically to the
18 rate discount provided by law to CARE customers and recovered from other
19 customers through the CARE surcharge. Including the CARE 3 c/kWh
20 surcharge exemption revenue as part of the CARE subsidy would have
21 created a mismatch between the amount of subsidy and the revenue
22 recovered through the CARE surcharge.
23
24
25

26 **Prepared by: James Schichtl**
27 **Title: Manager, Rate Design**
28

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

1 **Question No. 08**

2
3 Reply - pp. 1-2: Why?: "Energy surcharges adopted in 2001 were technically
4 eliminated in post-PROACT rates, though the associated rate differential
5 between CARE and non-CARE domestic rates was maintained. Whereas this
6 difference had formerly been the result of a specific exemption adopted by the
7 Commission, in post-PROACT rates it simply became part of the CARE
8 subsidy."
9

10 **Response:**

11
12 With the elimination of the 3 c/kWh surcharge, and the resultant elimination
13 of the CARE surcharge exemption, the prior difference in total rates for
14 CARE customers as compared to standard domestic rates that resulted from
15 both the CARE discount and 3c/kWh exemption was consolidated into a
16 larger CARE discount and associated surcharge for the purpose of recovery
17 from all other customers.
18

19
20 **Prepared by: James Schichtl**
21 **Title: Manager, Rate Design**
22

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

1 **Question No. 09**

2
3 Reply - p. 2 of *Nall* testimony: I find the explanation of why the number of homes
4 served increased confusing. Is it just because of a joint agreement between Edison
5 and SoCalGas? Was SoCalGas not a partner of Edison's in previous budgets?
6

7 **Response:**

8
9 The increase in the number of homes proposed by SCE is not due to the joint utility
10 agreement with SoCalGas, but is due to the accelerated rate at which SCE will
11 ensure all homes receive comprehensive treatment in the joint utility service area.
12 SCE has and will continue to partner with SoCalGas in providing education
13 services to joint-utility customers. Starting in 2003, SCE adopted a new approach
14 to its delivery of comprehensive services. SCE will assess and install electric
15 measures and weatherize that small customer group with electric space heating.

16 As a single source electric utility, comprehensiveness has gone through a
17 maturation process for SCE. This is largely due to the fact that SCE, unlike the
18 other three IOUs, does not consider weatherization as the primary service provided
19 to low-income customers. As mentioned, very few customers reside in homes with
20 electric space heating. This was first acknowledged in D. 01-05-033 when the
21 Commission acknowledged that rapid deployment of new measures should be
22 combined with the expansion of comprehensive weatherization work.

23 Also in D.01-05-033, the Commission allowed for a "two track" approach; the first to
24 replace inefficient appliances and lighting and schedule the weatherization work,
25 and the second to complete the more labor-intensive weatherization services
26 including measures such as caulking, weatherstripping, attic insulation, and minor
27 repairs. Specifically, in D.01-05-033, the Commission stated, "For example, SCE
28 provides relamping and energy education to a broader number of households
29 throughout its service territory than those it can reach in a program year with
30 weatherization services. In SCE's case, this is primarily due to the fact that there
31 are only a small number of low-income customers residing in electric-heated
32 dwellings. However, nothing in today's decision precludes utility administrators
33 from similarly implementing a two-track rapid deployment strategy in their service
34 territories, if that approach will provide meaningful bill savings to the most
35 households."

36 SCE's objective in responding to the energy crisis was to rapidly place as many
37 energy-saving measures as possible into the homes of LIEE customers in 2001 in
38 order to reduce their bills and relieve pressure on the grid. SCE's LIEE contractors
39 in 2001 installed a barrage of energy saving light bulbs and other electric

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
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1 appliances. More than 275,000 CFLs were installed. Almost 80,000 customers
2 were treated in 2001 but only 1,600 received weatherization services.

3 SCE followed up on its successful efforts in 2001 by developing plans to determine
4 the number of relamping customers that may also be eligible for additional LIEE
5 services. SCE requested approval to survey customers who received CFL
6 replacements during 2001 and prior program years (when SCE operated a stand-
7 alone relamping program) to determine their eligibility for more comprehensive
8 services. In D.02-12-019, Ordering Paragraph 2, the Commission approved SCE's
9 request.

10 In 2002, with comprehensiveness being applied through stand alone programs, the
11 number of treated homes dropped to 26,808 homes with 9,816 customers receiving
12 refrigerators. In 2003 SCE began looking at a single point of contact for assessing
13 all electric measures. In the past, licensed contractors would perform the
14 assessment of homes because of their skill and experience; however, not all
15 contractors were experienced for assessing all measures.

16 SCE developed a training module and assessment form for evaluating all eligible
17 electric appliances in a customer's home. This project was not completed until late
18 2003. During this time, comprehensiveness for SCE expanded to include electric
19 and gas measures for homes receiving program services in the joint-service area of
20 SCE and SoCalGas, with the submittal of revisions to the Low Income Energy
21 Efficiency Program Statewide Policy and Procedures Manual in December 2003,
22 and the Commission's subsequent approval of the revisions in March 2004.

23 In late 2003 and early 2004, SCE began implementation of the new assessment
24 service and provision of comprehensive services to SCE homes. During this time we
25 learned that funding levels were not sufficient to comprehensively service those
26 customers assessed through SoCalGas' Direct Assistance Program and those
27 customers requesting services through the traditional means including word-of-
28 mouth, outreach and our call center. SCE developed its proposed service and
29 funding level in 2005 to make sure that every SCE customer touched by SoCalGas
30 is also touched by SCE. SCE's proposal will allow customers located in the joint
31 SCE and SoCalGas service area to receive the same measures as customers
32 receiving electric and gas services from PG&E or SDG&E. By providing feasible
33 electric measures to all homes that have received services through the SoCalGas
34 Direct Assistance Program, in addition to customers served only by SCE, the
35 number of homes SCE estimates it will serve in 2005 is 49,000.

36
37 **Prepared by: John Fasana**
38 **Title: Marketing Analyst**
39

SOUTHERN CALIFORNIA EDISON COMPANY
2005 LIEE/CARE Funding Applications
No.: R.04-01-006/A.04-07-012
DR: 2005 LIEE/CARE-ALJ-01

Question No. 10

Reply - p. 4: Same problem - still not clear why budget increased so much.

Response:

In response to Question 9 of this data request SCE has described why it proposes to increase the number of homes in 2005 that would receive LIEE services. In 2005, SCE expects to provide LIEE services to 34,000 customers receiving gas measures and weatherization through the SoCalGas Direct Assistance program in addition to providing LIEE services to 15,000 customers who do not receive gas service from SoCalGas. Thus, SCE projects to serve 49,000 customers in 2005. SCE's total budget for 2005 projects to \$27,400,000 and is based on SCE's historical cost of \$560 per home for currently approved measures.

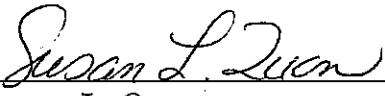
Prepared by: John Fasana
Title: Marketing Analyst

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 RESPONSE OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) TO THE DATA REQUEST PRESENTED IN THE ADMINISTRATIVE LAW JUDGE'S RULING CONSOLIDATING APPLICATIONS FOR PROGRAM YEAR 2005 LOW-INCOME ENERGY EFFICIENCY AND CALIFORNIA ALTERNATE RATE FOR ENERGY PROGRAMS 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 **7th day of October, 2004**, at Rosemead, California.



Susan L. Quon
Project Analyst
SOUTHERN CALIFORNIA EDISON COMPANY

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