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Exhibit No.: SCE-1 _____

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M. Brown
J. Holmes



(U 338-E)

***Testimony of Southern California Edison Company in
Support of Application for Approval of Low-Income
Assistance Programs and Budgets for Program Years
2007 and 2008***

Before the
Public Utilities Commission of the State of California

Rosemead, California

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TESTIMONY OF SOUTHERN CALIFORNIA EDISON COMPANY IN SUPPORT OF APPLICATION FOR APPROVAL OF LOW-INCOME ASSISTANCE PROGRAMS AND BUDGETS FOR PROGRAM YEARS 2007 AND 2008

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1 I.

2 **OVERVIEW OF SCE'S 2007 AND 2008 LOW-INCOME ASSISTANCE PROGRAM PLANS**

3 In accordance with the California Public Utilities Commission's (Commission) directives as set
4 forth in Decision (D.) 05-12-026,¹ Southern California Edison Company (SCE) hereby submits this
5 testimony in support of its application requesting approval of its 2007 and 2008 Low-Income Assistance
6 Program administrative plans, program budgets and proposed ratemaking treatment (the "Application").²

7 These Low-Income Assistance Programs consist of the California Alternate Rates for Energy
8 (CARE) program, the Low-Income Energy Efficiency (LIEE) program, and the Cool Center Program.
9 This testimony discusses the administrative activities and budgets for SCE's 2007 and 2008 CARE,
10 LIEE and Cool Center Programs, by expenditure category, as well as details concerning each program's
11 plan and ratemaking treatment.

12 SCE's 2007 and 2008 Low-Income Assistance Program plans were discussed at the June 7, 2006
13 Low-Income Oversight Board (LIOB) meeting. Further, in compliance with Ordering Paragraph 5 of
14 D.05-12-026, SCE and Southern California Gas Company (SoCalGas) jointly noticed and held
15 Workshops in Downey, California on May 17, 2006, and Fontana, California on May 30, 2006, during
16 which these programs were discussed.

17 **A. CARE**

18 SCE and the California utilities have been national leaders in reaching out to low-income
19 customers who are eligible for rate assistance. SCE's 2007 and 2008 CARE programs are designed to
20 move SCE toward the Commission's goal of enrolling all eligible customers in CARE who are willing
21 to participate. SCE's proposals recognize that many of the customers who are eligible for, but not yet
22 enrolled in CARE, have been the most difficult to reach with the outreach strategies employed to date.

¹ *Opinion Approving 2006-2007 Low-Income Programs and Funding for the Larger Energy Utilities and Approving New Low-Income Energy Efficiency Program Measures for 2006*, dated December 15, 2005.

² Pursuant to Resolution ALJ-190, dated April 13, 2006, and Rule 2.7(b) of the Commission's Rules of Practice and Procedure, SCE is not filing this supporting testimony with the Docket Office. Rather, SCE's supporting testimony is being concurrently served with SCE's Application on the parties to the service list for R.04-01-006, and on Assigned Administrative Law Judges (ALJ) Steven A. Weissman and Kim Malcom, and Assigned Commissioner Dian Grueneich.

1 To address this, SCE will employ highly focused outreach strategies to inform customers about CARE
2 and to target those hardest-to-reach customers. For instance, SCE will employ outreach initiatives with
3 faith-based organizations and community agencies in areas where canvassing may not be feasible and
4 costs do not align with the Capitation Fee Project. Successes will be modeled and duplicated in other
5 communities. SCE will also continue its efforts to make the recertification process as customer-friendly
6 as possible. Technology improvements and in-language communications will help SCE reduce the
7 number of customers who fall off of the CARE rate for failure to recertify their eligibility. These efforts
8 include the automated Voice Response Unit (VRU) through which customers can easily recertify their
9 CARE eligibility, which will be expanded to include other languages. Other efforts to expand
10 enrollment will include working with Federal, State and local programs whose customers qualify for
11 CARE. With the alignment of income guidelines for the LIEE and CARE programs, more collaborative
12 efforts can be designed to market and advertise both programs to achieve maximum goals.

13 **B. LIEE**

14 As a single source electric utility, SCE has sought to develop a balanced approach to serving the
15 growing energy needs of low-income customers throughout its service territory. From evaporative
16 coolers and compact fluorescent lights (CFLs) to refrigerators and window/wall air-conditioners, SCE
17 has sought to offer appliances that will provide customers a way to save money on their electric bills and
18 provide a level of safety and comfort. As part of SCE's ongoing effort to constantly improve its LIEE
19 (or "Energy Management Assistance" (EMA)) program, SCE is shifting from a "budget based" program
20 design to one that addresses the needs of its low-income customers, especially those living in hot desert
21 climates. While many low-income customers face the burden of operating an inefficient refrigerator,
22 only those customers living in extreme climate areas can understand the burden of temperatures
23 regularly over 100 degrees. This "needs-based" approach, in addition to addressing the cooling needs of
24 customers in hot desert climates, will continue with the Commission's policy of providing a
25 comprehensive offering of all feasible electric measures.

26 For 2007 and 2008, SCE has refined its program offerings to address the high energy burden
27 facing low-income customers in hot desert climates within SCE's service territory. These customers

1 face increasing hardship in operating and maintaining old inefficient cooling equipment that consumes a
2 disproportionate share of disposable income. For these customers, turning off their air-conditioners to
3 reduce bills is not an option. Further, in these extreme climate areas, the average low-income customer
4 bill is twice that of similarly situated customers living in milder climate areas. To address this important
5 cooling need, SCE is proposing new measures and policy changes for its 2007-2008 LIEE program that
6 will allow these customers to seek much needed relief from high bills and high temperatures. These
7 measures and policy changes include central air-conditioner maintenance and central air-conditioners for
8 renters and low-income customers in Climate Zone 13. These measures will create numerous
9 opportunities for residents to reduce their air-conditioning costs while maintaining a cool home that
10 protects from potential health risks associated with inadequate cooling. Other offered measures will
11 increase bill savings and comfort to eligible low-income customers throughout SCE's service territory.
12 As a result of this needs-based approach, fewer homes may be served; however, a necessary and
13 comprehensive mix of measures will be offered to those low-income customers in the most need,
14 providing critical safety and comfort.

15 **1. Background**

16 Utility LIEE programs were developed in the early-1980's in response to growing
17 concerns about the lack of equitable participation in utility conservation programs by low-income
18 customers. While rebate incentives were available to customers purchasing and installing energy
19 efficient measures, these same incentives were not accessible to low-income customers who could not
20 afford the initial investment. To address this equity issue, the Investor-Owned Utilities (IOUs) were
21 directed to establish free weatherization programs for low-income customers. With a limited number of
22 low-income customers residing in electric-heated homes, SCE's focus turned to offering the newest
23 technology in light bulbs and addressing the critical needs of customers residing in the hot climate areas.

24 The energy crisis that hit California in 2001 brought about a statewide effort to increase
25 the installation of electric appliances in low-income homes. State Legislation was passed (SBX1 5) and

1 the Commission in Decision (D.) 01-05-033³ allocated \$40 million for the installation of appliances and
2 other measures in low-income homes. With the one-time investment in additional electric measures
3 completed in 2002 and the utilities proposing post-SBX1 5 funding, attention turned to evaluating pilot
4 measures for the LIEE program on the basis of cost-effectiveness.

5 Over the last several years, SCE and the California utilities have expanded the measures
6 offered to eligible customers, taking into account cost-effectiveness, and have taken steps to ensure that
7 customers receive a comprehensive series of measures. Further, SCE's LIEE program continues to
8 provide energy savings to customers and addresses the Commission's long standing policy to promote
9 equity in service delivery to low-income customers.

10 **2. Proposed 2007-2008 LIEE Program**

11 SCE proposes a two-year LIEE budget of \$66,200,000 for the 2007-2008 timeframe.
12 SCE further requests authorization to carry forward or carry back funding into either 2007 or 2008 to
13 promote seamless program delivery to low-income customers.⁴ SCE's budget is derived from a forecast
14 of the number of eligible measures to be installed in customer homes and can be affected by the addition
15 of measures not contained in this Application. Although cost-effectiveness has been a major factor in
16 the selection of new measures for LIEE, cost-effectiveness should not be the determinative factor behind
17 the selection of these measures.

18 For 2007-2008, SCE proposes a balanced and comprehensive series of measures that
19 include, among other things, refrigerators and CFLs to all qualifying customers, (which provide
20 customers and ratepayers with the most cost-effective and bill-saving appliances available), while
21 simultaneously addressing important cooling needs. Further, as part of the policy to promote equity in
22 service delivery to low-income customers, for the 2007-2008 LIEE program, SCE is proposing a pilot to
23 deliver gas measures to its customers on Catalina Island. Catalina Island is unique within SCE's service

³ *Interim Opinion: Rapid Deployment of Low-Income Assistance Programs During the Energy Crisis*, dated May 3, 2001.

⁴ The Commission has adopted multi-year budgets for the Energy Efficiency program with the ability to carry forward or carry back funding, most recently in Decision (D.) 05-09-043, *Interim Opinion: Energy Efficiency Portfolio Plans and Program Funding Levels for 2006-2008 – Phase I Issues*, dated September 22, 2005.

1 area. In addition to electric service, SCE also provides gas service through its distribution system of
2 propane / butane to customers on the Island. SCE believes it is advantageous to deliver gas measures to
3 customers on the Island at the same time that LIEE service providers are on the Island to deliver electric
4 measures, and seeks the Commission's approval to capture this unique leveraging opportunity.⁵

5 SCE believes that the requested funding is sufficient to operate the program through
6 2008. If SCE finds that the rate of service delivery exceeds its forecast, SCE proposes to return to the
7 Commission during the 2008 program year with a proposal to augment the LIEE budget.

8 **C. Cool Centers**

9 In SCE's desert communities, finding relief from the heat is essential to health, safety, and
10 comfort. For SCE's low-income, elderly and disabled customers in these communities, this is a
11 challenge that cannot be taken for granted. SCE's 2007 and 2008 Cool Center Program proposals are
12 designed to provide services to isolated communities located in extreme climate areas where few public
13 facilities are available for use to offer relief from the heat during the hot summer months. SCE's
14 proposed program matches the design and scope of the 2006 Cool Center Program that was recently
15 approved by the Commission, and in addition, provides for the measurement and evaluation of the
16 program in order to refine future Cool Center programs.

⁵ As described in more detail in Section III.C.2.h., the Catalina Island Pilot is in its initial stages, and therefore SCE does not propose herein a gas measure-specific budget or planning assumptions.

1 **II.**

2 **SCE'S 2007 AND 2008 CARE PROGRAMS PROPOSAL**

3 In 2007 and 2008, SCE will continue its efforts to enroll all CARE eligible-customers who wish
4 to participate in the program. These efforts will focus on maximizing new customer enrollment, and
5 minimizing attrition mainly from CARE participants who fail to return a CARE application during the
6 recertification process or do not respond to a verification request. This testimony discusses SCE's
7 proposed administrative activities and budgets for program years 2007 and 2008 by expenditure
8 category. SCE's overall program approach will continue and expand on the activities that were
9 approved for 2006 by D.05-12-026 and approved in Decision (D.) 05-10-044.⁶

10 D.05-10-044 increased the upper limit of the CARE income eligibility guidelines from 175% to
11 200% of federal poverty guidelines on November 1, 2005, increasing the pool of customers eligible to
12 enroll in CARE. This resulted in an increase in the number of CARE-eligible customers from 1,153,603
13 to 1,329,472, a total of 175,869 or 15 percent. This also resulted in a decrease in SCE's CARE
14 penetration rate from 83% to 73%.

15 With its increased pool of CARE-eligible customers, SCE will use a multifaceted outreach
16 approach as it has in the past. In addition, as CARE enrollment increases and penetration numbers
17 continue to climb, the remaining CARE-eligible customers will become increasingly difficult to reach
18 and will require increased targeted outreach and marketing efforts. SCE will also strive to simplify its
19 recertification and verification processes to retain these customers. These activities will be further
20 discussed in following sections.

21 **A. Estimated Administrative Budgets for SCE's 2007 and 2008 CARE Programs**

22 Table II-1 below sets forth SCE's proposed CARE administrative budgets for 2007 and 2008.
23 The format is consistent with the table included in Appendix A, which compares proposed program
24 expenditures for 2007 and 2008 with the approved CARE budget for 2006.

25

⁶ *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.

Table II-1
Proposed 2007 and 2008 CARE Program Budgets – SCE

CARE PROGRAM	2007 Budget Total	2008 Budget Total
Outreach		
Capitation Fees	\$100,000	\$100,000
Other Outreach	1,425,000	1,450,000
Subtotal – Outreach	1,525,000	1,550,000
Automatic Enrollment	30,000	30,000
Processing/Recertification/Verification	873,000	928,000
Billing System – System development and enhancements – Information Technology	875,000	950,000
Measurement & Evaluation	55,500	55,500
Regulatory Compliance	70,000	80,000
Other Administrative	665,500	500,500
Oversight Costs - CPUC Energy Division Staff	105,000	105,000
TOTAL ADMINISTRATIVE COSTS	\$4,199,000	\$4,199,000
TOTAL CUSTOMER SUBSIDIES	\$248,400,000	\$260,400,000
TOTAL ADMINISTRATIVE COSTS WITH SUBSIDIES	\$252,599,000	\$264,559,000

B. Planned Administrative Activities for SCE’s 2007 and 2008 CARE Programs

As of May 2006, SCE had 1,039,720 customers participating in CARE out of 1,339,509 estimated eligible at that time. As CARE enrollment increases and the penetration rate continues to climb, the remaining CARE-eligible customers will become increasingly difficult to reach. Sophisticated outreach will be required to enroll new CARE customers from a shrinking pool of remaining eligible customers who have not enrolled in the program. SCE’s 2007 and 2008 CARE programs are designed to continue progression toward the Commission’s goal of enrolling all eligible customers who are willing to participate in CARE and keep them on the CARE rate when they need to recertify. In order to increase the number of participants in 2007 and 2008, SCE will need to reduce the percentage of customers who are removed from the program during the recertification process for failure to respond to requests to submit a new CARE application. SCE’s 2007 and 2008 CARE programs are designed to further modify automated systems to more accurately track how customers enroll in CARE,

1 including language preference at the time of initial enrollment, so that highly targeted communications
2 can be directed to customers when it is time for them to recertify.

3 SCE's total annual funding level for its proposed CARE administrative activities for both 2007
4 and 2008 is projected to remain at the same funding level authorized by the Commission in D.05-12-026
5 for 2006. Therefore, SCE proposes to maintain its 2006 authorized budget of \$4,199,000 for both the
6 2007 and 2008 CARE programs. This proposed budget includes the necessary annual resources to fund
7 anticipated expenditures for a number of program activities including outreach, program support,
8 information technology, data sharing with other IOUs, automatic enrollment with the California
9 Department of Community Services and Development (DCSD), and other CARE program activities.

10 SCE's 2007 and 2008 CARE budgets include anticipated expenditures based on current
11 Commission directives and program parameters, and do not include any expenditures for additional
12 administrative activities that the utilities may be ordered to undertake in the future. Moreover, the
13 uncertainty posed by implementation of any unknown or undefined Commission project could require
14 subsequent revision to the administrative budget if actual utility expenditures exceed the Commission's
15 and SCE's initial estimates. If actual expenditures for implementing all aspects of CARE
16 administration, including customer outreach, exceed the proposed budget due to an increase in the
17 Commission's initial scope of work, SCE will seek to be fully compensated for any reasonable increased
18 costs incurred as a result of implementing the Commission's policy. SCE also requests flexibility to
19 reallocate funding among budget categories as required to meet CARE goals and objectives. This
20 flexibility and the two-way balancing account afford the utilities the best tools to efficiently operate the
21 program and reach program goals. For example, if an information technology project is suspended for
22 any reason and additional marketing is needed in a hard-to-reach area with low CARE penetration, then
23 a shift of funds within budget categories is the most prudent action.

24 SCE requests the Commission find reasonable and adopt SCE's proposed CARE administrative
25 budget of \$4,199,000 for both 2007 and 2008.

1 **1. Outreach**

2 In 2007 and 2008, SCE will continue to use all effective means to outreach to all eligible
3 customers who are not yet participating, but wish to participate, in CARE. SCE’s outreach plans will
4 include activities such as the Capitation Fee Project and other outreach as described in the following
5 sections. SCE estimates outreach expenditures of \$1,525,000 in 2007 and \$1,550,000 in 2008. SCE
6 will track performance whenever possible with the use of source codes on applications, which will
7 enable SCE to refine its outreach efforts to maximize effectiveness.

8 a) Capitation Fee Project

9 The Capitation Fee Project was authorized by the Commission in D.01-05-033,
10 dated May 3, 2001. Its purpose is to take advantage of the opportunity to enroll eligible customers in
11 CARE while they are receiving other services from entities that assist low-income clients. This project
12 is centered on providing outreach and enrollment services, not recertification or verification services.

13 Under the project, SCE pays a capitation fee to entities for each new customer
14 they help enroll in SCE’s CARE program. The capitation fee is used to reimburse entities for the
15 incremental amount associated with assisting customers in completing a SCE CARE application,
16 generally while the customer is receiving other low-income services and/or information from that entity.

17 In 2005, the Capitation Fee Project enrolled more than 1,700 customers in CARE.
18 Through May 2006, over 724 customers were enrolled through the Capitation Fee Project. SCE will
19 continue the Capitation Fee Project in 2007 and 2008 because it has found that the “face-to-face” contact
20 between outside organizations/agencies and their clients is successful in reaching and assisting
21 customers who may not be aware of CARE through other mass-market outreach methods. Even with
22 the complete roll-out of automatic enrollment to all partner agencies, SCE believes that there will still be
23 a need for reaching the hardest-to-reach customers who are eligible but are not participating in CARE
24 (or other State programs). The Capitation Fee Project is an important and essential tool for contacting
25 such customers and enrolling them in CARE.

26 SCE also proposes to increase the maximum capitation fee amount from “up to
27 \$12” per approved application to “up to \$15” per approved application. SCE believes that this fee

1 increase is necessary to offset the incremental agency costs of assisting customers with enrolling in
2 SCE's CARE program. Since the implementation of the Capitation Fee Project in 2001, there has been
3 no increase in the maximum fee amount that can be paid to a capitation agency.

4 b) Grassroots Outreach

5 SCE will continue its CARE grassroots outreach in 2007 and 2008. SCE has
6 worked extensively to promote CARE with community based organizations (CBOs), non-profit
7 organizations, city councils and staff, chambers of commerce, small businesses, senior centers, and
8 legislative offices. SCE has also promoted the CARE Capitation Fee Project to CBOs, and mobilized
9 employee volunteers, many of them bilingual, to staff community booths at various gatherings (*e.g.*,
10 shows, festivals, *etc.*).

11 c) Advertising, Marketing, and Communication

12 Continuing its efforts to enroll all CARE eligible-customers that wish to
13 participate in the program, SCE will use a multifaceted outreach approach that incorporates a marketing
14 plan. This plan continues proven techniques and tests new ones in order to maximize enrollment. These
15 include:

16 (1) Targeted Mailings

17 SCE plans to continue to develop targeted communications aimed at low-
18 penetration, hard-to-reach areas, and multilingual communities to enroll eligible customers.

19 (2) In-Language Communications

20 As ethnic populations in SCE's service territory continue to grow,
21 communications in customers' native languages will be an important factor in enrolling non-English
22 speaking customers. Ethnic communications have been developed to accommodate the native languages
23 of SCE's customers, including Spanish, Chinese, Korean, Cambodian, and Vietnamese communications.

24 The use of multilingual applications and customer letters will also be
25 expanded. This includes correspondence used in the recertification and verification processes. Outreach
26 will be supported with more in-language brochures, fliers, and fact sheets providing important program
27 information to potentially-eligible customers.

1 (3) Print, TV, and Radio

2 SCE will continue the use of advertising in print, TV, and radio to
3 particularly focus on reaching ethnic communities, including African-American, Chinese, Korean,
4 Cambodian, Vietnamese, and Filipino communities. The planned communication media includes radio,
5 newspapers, journals and other publications.

6 (4) Collateral Materials

7 In 2004, a new “CARE Showcase Presentation” and “Event Tool Kit”
8 were developed for use by SCE’s Public Affairs, Equal Opportunity and other internal organizations, as
9 well as CBOs and faith-based organizations, as educational tools regarding the CARE Program. The
10 CARE Showcase Presentation was a comprehensive package that included a folder, CARE-overview
11 guide, a Questions and Answer sheet, a formal presentation and a Capitation Fee Enrollment Sheet. The
12 Event Tool Kit included promotion tips, a CARE application, fliers, posters and table-top displays to
13 provide additional resources to help promote the CARE program. Beginning in 2006 and continuing in
14 2007, a new CARE Showcase Presentation and Event Tool Kit will be developed that will incorporate
15 traditional collateral such as brochures and fliers. Additionally, a new CARE video will be developed to
16 provide SCE’s non-reading customers with information that they may not otherwise receive.
17 Understanding that illiteracy does not limit itself to only English-speaking residents, this sales tool will
18 be developed in other languages, including Chinese, Korean, Vietnamese, Cambodian, and Spanish.

19 (5) Bill Messaging and Inserts

20 SCE will continue its use of bill inserts and bill messages, and will also
21 look into the feasibility of adding additional bill inserts or bill messages to customer bills in
22 communities where demographic information shows there may be a large number of eligible but non-
23 participating customers.

24 d) Outreach Initiatives

25 SCE plans to evaluate and fund promising outreach initiatives in 2007 and 2008.
26 Approximately \$100,000 will be earmarked for events to promote CARE and targeted outreach
27 activities. Examples include outreach partnerships with faith-based organizations or community

1 agencies, which could include providing “seed” money to assist such organizations in undertaking
2 projects that would facilitate CARE enrollment.

3 **2. Operations**

4 a) Enrollment

5 (1) Automatic Enrollment

6 The Commission adopted automatic enrollment in Decision (D.) 02-07-
7 0337¹ in Rulemaking (R.) 01-08-027, directing the utilities to pursue automatic enrollment of customers
8 already identified as eligible for four assistance programs administered by State agencies. These public
9 assistance programs are Medi-Cal; Healthy Families; Women, Infants and Children (WIC); and Energy
10 Assistance Programs administered by the DCSD. Customers would be eligible for CARE, based on
11 current CARE program eligibility criteria or participation in one of the four recognized State programs.
12 Negotiations between the Commission and the partnering State agencies so far have resulted in an
13 Interagency Agreement with only the DCSD. SCE began processing data received from DCSD in May
14 2004. For both 2007 and 2008, SCE is budgeting \$30,000 for DCSD activities. If automatic enrollment
15 expands in the next few years to include other State agencies, SCE believes the amount of expenditures
16 for automatic enrollment will increase.

17 (2) Internet Enrollment

18 With ever increasing use of the Internet, SCE believes that providing
19 Internet CARE enrollment is a logical step in making the enrollment process convenient for customers.
20 Accordingly, SCE plans to analyze, design, and implement an Internet enrollment process. This
21 includes an online Internet CARE application, whereby customers will be able to fill out and submit
22 CARE applications online. The online process will allow customers to enroll in the CARE program as
23 well as recertify their eligibility.

¹ *Interim Decision: Status of Rapid Deployment, CARE Penetration Goals, Automatic Enrollment and Related Program Planning Issues*, dated July 17, 2002.

1 (3) Phone Enrollment

2 SCE plans to continue the telephone operator-assisted enrollment and
3 recertification process initiated as part of the 2005-2006 Winter Initiative proposals.⁸ A number of
4 customers submit signed, but incomplete, CARE enrollment or recertification applications. For
5 instance, customers may provide applications with missing income and/or number-in-household
6 information. Under the telephone operator-assisted enrollment and recertification process, a SCE
7 representative contacts these customers through outbound calling and gives these customers the option
8 of providing the missing information over the phone in order to complete the application process.

9 (4) Inter-Utility Exchange

10 SCE collaborates with SoCalGas, Southwest Gas Corporation (SWG) and
11 Pacific Gas & Electric (PG&E) to electronically share CARE participant data to enroll customers in
12 each utility's program. In 2005, 30,232 customers were enrolled in CARE through this ongoing effort.
13 Through May 2006, SCE added 20,429 new customers through this effort. SCE plans to continue
14 exchanging data with SoCalGas, SWG, and PG&E in 2007 and 2008.

15 (5) Categorical Targeting

16 SCE will work with Federal and State programs at the local level to enroll
17 eligible customers. Agencies or programs identified as being at or below CARE income guidelines
18 include Public Housing, Healthy Families, Food Stamps, Social Security Income (SSI), Title 1 Lunch
19 Program and others. Where possible, SCE will work with these agencies and/or programs at a local
20 level by attending client meetings to ensure program information is received. Communication to these
21 eligible customers could include a statement that, based on their enrollment in one of the Federal or
22 State programs, they automatically qualify for CARE and can enroll simply by returning a signed
23 application.

⁸ See D.05-10-044, pp. 11-12.

1 b) Processing, Recertification and Verification

2 (1) Processing

3 SCE expects that the volume of processing, recertification and verification
4 activity will increase in 2007 and 2008 as a direct result of the expanded CARE eligibility guidelines
5 and increased CARE participation. SCE has budgeted approximately \$873,000 and \$928,000 for 2007
6 and 2008, respectively, to support (1) increased recertification and verification due to increased
7 enrollment; (2) in-language applications, recertification and verification letters; (3) in-language
8 recertification and verification reminder letters; (4) application processing costs that assign “source
9 codes” to track virtually all outreach activities; and (5) the telephone operator-assisted enrollment and
10 recertification processes described below.

11 In 2007 and 2008, efforts will continue to improve and simplify the
12 recertification and verification processes associated with CARE participants who must reapply for the
13 program every two years and those who are subject to post-enrollment verification. SCE initially sends
14 correspondence to customers requesting that they complete a recertification application, or provide
15 documentation to verify their eligibility if they have been selected for post-enrollment verification. In
16 order to minimize attrition of CARE participation, if customers do not respond to SCE’s initial request,
17 SCE sends follow-up letters reminding customers that they must complete the recertification or
18 verification process. This follow-up letter is sent within 30 days of mailing the initial request to
19 customers who do not respond to the initial request. In 2007 and 2008, SCE plans on providing
20 additional recertification and verification letters and other documents in the non-English languages that
21 are most prevalent in SCE's service territory, including Cambodian, Chinese, Korean, Spanish, and
22 Vietnamese.

23 Additionally, in May 2006, SCE replaced its CARE recertification
24 application with a new letter pre-populated with the customer’s name, address, and account information.
25 With this new letter, the customer only needs to enter income and number of household members, and
26 sign and date the application to complete it. The same letter format is used for the follow-up letter sent
27 if the customer does not respond to the initial request.

1 SCE also intends to explore other ways to increase the probability that
2 customers will respond to recertification and verification requests. A discussion of associated system
3 enhancements can be found below.

4 (2) Recertification

5 (a) Phone Recertification

6 Also initiated as part of the 2005-2006 Winter Initiative proposals,
7 SCE plans to continue to allow CARE customers to call SCE's Voice Response Unit (VRU) to recertify
8 their CARE eligibility rather than having to mail a recertification application to SCE. Under this VRU
9 recertification process, customers may call a toll-free number provided in the recertification form sent to
10 CARE customers due to recertify. When customers call the toll-free number they are prompted by the
11 VRU to use the telephone keypad to answer questions regarding eligibility. If a customer is able to
12 successfully answer all questions, the customer is recertified at that time. If the customer has difficulty
13 using the VRU, or has questions, a representative via SCE's general 800 number is available to assist.

14 (b) Extended Recertification Period

15 Under consideration is a plan to revise the recertification
16 requirements for those customers identified as having fixed incomes, whereby they would be required to
17 recertify every three years instead of the current two-year requirement.

18 (3) Verification

19 (a) Probability Model

20 SCE also intends to develop a probability model that would assess
21 a participant's likelihood of being eligible for CARE and, therefore, could be exempt from the
22 verification process.

23 (b) Phone Verification

24 SCE plans to investigate, and, if feasible, implement a phone
25 verification process. This process would entail calling CARE participants (who are randomly selected
26 for verification), who reside in areas where demographic data show high proportions of CARE eligible
27 customers. Information would be collected over the phone to complete the verification process.

1 (c) Verification Through Categorical Eligibility

2 Customers enrolled in programs such as WIC, SSI/SSP, Healthy
3 Families, or Food Stamps are eligible for CARE based on their participation in other, means tested,
4 programs. SCE requests that documents showing enrollment in one of the eligible programs be accepted
5 as a form of income verification for CARE.

6 **3. Information Technology Systems**

7 Systems enhancements planned for 2007 and 2008 will assist in identifying and enrolling
8 hard-to-reach eligible customers, as well as maintaining their continued enrollment via expanded
9 customer communications and improved internal processes.

10 A number of system enhancements contained in SCE's application for funding for
11 program year 2006² included projects in support of CARE which will overlap with this Application.

12 a) 2007 Enhancements

13 In 2007, SCE has budgeted \$875,000 for planned enhancements that will include,
14 but are not limited to:

- 15 • Expansion of inter-utility data sharing program
- 16 • Expansion and improvement of customer communications
- 17 • Reporting enhancements
- 18 • Development of new enrollment channels
- 19 • Development of web-based interfaces
- 20 • Recertification / verification process improvements
- 21 • Application of census data
- 22 • Expanded use of voice response unit / bill messaging
- 23 • Development of master metered customer database
- 24 • Outreach program improvements
- 25 • Ongoing maintenance costs

² A.05-06-009, SCE's Application for Approval of Low-Income Assistance Programs and Budget for Program Years 2006 and 2007, filed June 1, 2005.

1 In late 2005 and early 2006, a number of projects were implemented to reduce the
2 impact of a forecasted spike in natural gas prices on low-income customers during the winter months.
3 SCE provided customers with the option of recertifying through SCE's automated VRU, thus reducing
4 barriers to recertification and increasing operational efficiency. SCE also implemented operator-assisted
5 enrollment and recertification, through which customers who provided signed but otherwise incomplete
6 applications were called by SCE's representatives and asked to provide the missing information over the
7 phone. SCE considered automating outgoing calls as part of the operator-assisted phone enrollment and
8 recertification effort, but opted not to based upon the poor success rate of similar outgoing calls for other
9 outreach efforts.

10 In 2006, projects were launched to personalize recertification forms, to print and
11 scan barcodes on recertification forms to enable the automatic location of a customer's account in the
12 recertification processing system, and to expand SCE's multi-lingual CARE communications to four
13 Asian languages: Chinese, Korean, Cambodian and Vietnamese.

14 In 2007 SCE plans on expanding new enrollment efforts by using census income
15 data to enroll entire geographic areas of customers, categorically enrolling customers who are
16 participating in other low-income programs, and allowing enrollment via telephone and/or Internet. To
17 assist in new enrollment outreach, SCE plans on increasing the capitation contractor fees from \$12 to no
18 more than \$15 per new enrollment. SCE's CARE application processing system will need to be
19 adjusted to apply the higher capitation fee.

20 Recertification enhancement efforts planned for 2007 include sharing
21 recertification (and verification) data with SoCalGas, extension of recertification frequency from 2 to 3
22 years, and allowing customers to recertify their eligibility for the program at any point in time.
23 Additionally, the verification-request materials will be overhauled to improve clarity and increase
24 response rate. SCE also plans to implement a new probability model to exclude from verification those
25 CARE participants who are most likely to qualify for the program. Planned enhancements to customer
26 communications for 2007 include translation of additional letters into the most common languages, and
27 notification of new enrollments via a bill message.

1 Research completed in 2006 showed that SCE's customer database is not capable
2 of tracking sub-metered tenant addresses or managing communications with those tenants. Modifying
3 the existing customer database to do so would require major changes to the way the database relates
4 customers to accounts, locations and meters. Pending instruction from the Legislature or Commission,
5 SCE proposes to implement by late 2007 an ad hoc database to provide these capabilities until a long
6 term solution can be implemented.

7 b) 2008 Enhancements

8 In 2008, SCE has budgeted \$950,000 for planned enhancements that will include,
9 but are not limited to:

- 10 • Expanded use of bar-coding technology
- 11 • CARE database improvements
- 12 • Recertification / verification process improvements
- 13 • Continued expansion and centralization of customer communications
- 14 • Expanded use of census data
- 15 • Reporting enhancements
- 16 • Continued data sharing program enhancements
- 17 • Web-based interface enhancements
- 18 • Ongoing maintenance costs

19 In 2008, SCE plans on implementing new projects as well as expanding on
20 several projects initiated in 2007. Some new projects include extending the verification period from 12
21 to 36 months for those customers whose incomes are not likely to change, and extending the
22 recertification response time from 60 to 90 days. These two initiatives will assist in preventing eligible
23 customers from dropping off of the program and having to call in to reapply. Expanding the use of the
24 census data to identify customers who should be exempt from recertification and verification, or have
25 their CARE anniversary date extended, is also being considered.

26 SCE also plans on expanding the bar-coding technology to include verification
27 requests. In addition, the web-based interface SCE plans on developing in 2007 will be expanded to

1 include the ability to determine a customer's eligibility and automatically enroll customers based on the
2 information provided. Also planned is the addition of a link to Capitation Fee Project agency
3 information, which will allow agencies to view their application information online and in real time.

4 SCE expects to expand inter-utility data sharing with SWG and PG&E to include
5 recertification and verification information. Leveraging this data will keep qualified customers on the
6 program and reduce duplicative efforts in contacting customers and requiring them to fill out the same
7 paperwork.

8 Further, SCE plans on improving its main Customer Service System (CSS) by
9 adding an on-line calculator, which will allow the system to determine a customer's eligibility and
10 automatically enroll the customer if qualified. Further planned enhancements to SCE's database will
11 include the utilization of an existing language preference profile to tag customers with their preferred
12 language. This will allow SCE to communicate with a larger portion of its multilingual community.

13 Reporting enhancements will include production reports that will gather statistics
14 from the web-based interfaces (e.g., online enrollment), and recertification/verification volume reports
15 that will give CARE management the ability to appropriately staff for fluctuation in responses based on
16 time of year.

17 c) 2007-2008 Systems Maintenance

18 SCE has allocated a portion of the 2007-2008 Information Technology funding
19 for costs associated with maintaining all systems related to the CARE program. Included in these costs
20 are the following: labor involved in the initial assessment of effort required for major enhancements,
21 impromptu reporting and data queries as requested either internally or by a regulatory body, the use of
22 server space for data retention, work involved with the correction of minor system malfunctions and
23 small enhancements to existing functionality.

24 **4. Measurement and Evaluation**

25 Developing updated CARE eligibility and penetration estimates for the IOUs is an annual
26 task with an estimated total cost of \$45,000. SCE's 30% share of this cost would be \$13,500.

27 Additionally, SCE plans to carry out monthly participation/penetration reporting and supplemental

1 penetration and eligibility analyses in 2007 and 2008 at an annual cost of \$30,000. The monthly
2 reporting is required by the Commission. The supplemental analyses help CARE program staff to target
3 a variety of CARE outreach activities and to respond to any external data requests arising from
4 Commission proceedings. Finally, the Measurement and Evaluation (M&E) staffing cost for managing
5 all of these activities is estimated at \$12,000 per year. As such, SCE's annual CARE M&E budget is
6 \$55,500 for each year, 2007 and 2008.

7 **5. Regulatory Compliance**

8 SCE expects it will require funding of \$70,000 in 2007 and \$80,000 in 2008 for
9 regulatory compliance activities within SCE's CARE program management organizations. SCE expects
10 regulatory compliance activities for CARE to include preparation of applications, advice filings, tariff
11 revisions, comments and reply comments on Commission decisions and reports, preparing responses to
12 data requests, submittal of monthly filings to the Commission, and attendance at working group
13 meetings, LIOB meetings, and public input meetings. These expenses do not include the cost of legal
14 assistance from SCE's Law Department, which is not billed to the CARE program.

15 **6. Other Administrative**

16 SCE has estimated \$665,500 and \$500,500 in expenses for other CARE administrative
17 activities in 2007 and 2008, respectively. This amount reflects SCE's focus on the administration
18 support and management of critical program areas. Within this cost category, SCE includes funding for
19 personnel that administer and manage the program, prepare monthly and annual reports for the
20 Commission, respond to data requests, plan and analyze various program scenarios, evaluate and
21 propose system enhancements, and oversee business resources in communicating with customers. Other
22 costs included within this category are expenditures for office supplies, maintenance of CARE desktop
23 computers, printing hardware, software, use of internal business resource services, conference
24 attendance, training, and other miscellaneous expenses.

1 **7. Oversight**

2 SCE includes its share of funding for the Commission’s Energy Division personnel who
3 oversee implementation of the CARE program. SCE is estimating the Energy Division costs to be
4 \$105,000 in both 2007 and 2008.

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III.

SCE'S 2007-2008 LOW-INCOME ENERGY EFFICIENCY PROGRAM PROPOSALS

A. Overview of SCE's 2007-2008 Low-Income Energy Efficiency Program

In 2007 and 2008, SCE proposes to offer through its LIEE (or EMA) program, all feasible measures to eligible customers as approved in D.05-12-026, and introduce new measures that will increase bill savings and comfort to eligible low-income customers throughout SCE's service territory. As previously described, SCE is moving forward with a needs-based approach in 2007-2008. SCE's proposed 2007-2008 LIEE program will continue the Commission's policy of providing a comprehensive offering of all feasible electric measures, and in addition, will target customers residing in hot desert climate areas within SCE's service territory who have the most need for services. This testimony discusses SCE's proposed budget and activities for the 2007-2008 LIEE program by expenditure category, as well as a description of the measures that will be offered.

SCE proposes a two-year LIEE budget of \$66,200,000 for the 2007-2008 timeframe. SCE further requests authorization to carry forward or carry back funding into either 2007 or 2008 to promote seamless program delivery to customers throughout the 2007-2008 timeframe.¹⁰ Additionally, SCE requests that the currently authorized practice of fund-shifting among the various LIEE budget categories be continued in 2007 and 2008.¹¹

SCE's program presents a comprehensive offering of all feasible electric measures that provide bill savings and comfort to eligible low-income customers. SCE contracts directly with CBOs and private contractors to install electric measures in low-income customer homes. Customer homes are first assessed to determine the eligible measures to be installed by contractors. Eligible measures include refrigerators, central air conditioners, window-wall air-conditioners, evaporative coolers,

¹⁰ See fn. 5, *supra*.

¹¹ See D.05-12-026, p. 19, Ordering Paragraph 10.

1 weatherization, compact fluorescent light bulbs and others. Inspections are then conducted to ensure
2 that measures are installed properly.

3 SCE's proposed budget is expected to meet the projected demand for EMA program services.
4 This demand is generated from a number of different sources throughout SCE's service territory. A
5 significant number of customers are referred through contractors assessing electric measures in homes
6 receiving weatherization services from SoCalGas. Other sources for referrals include SCE's Phone
7 Center, faith-based outreach, and SCE's marketing and advertising campaigns. In addition, SCE will
8 continue to build upon the partnerships that have been established with Low-Income Home Energy
9 Assistance Program (LIHEAP) agencies through program leveraging activities that include bulk
10 purchases of appliances.

11 **B. Background**

12 For several years, the Commission has undertaken efforts to standardize the delivery of services
13 to low-income customers. One result of this standardization process is SCE's increased coordination
14 with SoCalGas to ensure that all feasible measures are installed in qualified homes in a cost-effective
15 and customer-convenient manner. SCE and SoCalGas have successfully coordinated the delivery of
16 energy education over the past several years and have carried that success over to a well-coordinated
17 effort to assess SoCalGas' Direct Assistance Program (DAP) customer homes, that are also located in
18 SCE's service territory, for electric measures. SCE contracts directly with a mix of SoCalGas DAP
19 contractors and private contractors to install electric measures in low-income customers' homes.

20 In D.01-05-033, issued on May 3, 2001, the Commission adopted a rapid deployment strategy
21 for the low-income assistance programs administered by the four major IOUs. The Commission
22 expanded the scope of delivery of comprehensive services to include leveraging LIEE with LIHEAP.
23 SCE's approach to leveraging has been to provide LIHEAP agencies with refrigerators, at no cost, for
24 installation into a LIEE/LIHEAP joint customer home. SCE pays for energy efficient refrigerators and
25 cooling measures and LIHEAP pays for the installation and recycling of the old refrigerators. For 2007-
26 2008, SCE plans to increase this leveraging strategy to include window wall air conditioners and

1 evaporative coolers (cooling measures). This leveraging approach will extend the budget of both the
2 LIEE and LIHEAP programs to serve additional customers.

3 The Commission's policy direction in D.01-05-033 and the program standardization efforts have
4 also led to an expansion of coordination between SCE and SoCalGas for the delivery of LIEE measures
5 in overlapping service areas.

6 In 2003, SCE took another step to enhance the delivery of comprehensive services to all eligible
7 customers with the design, development and implementation of a home assessment program. Designed
8 specifically for SCE, a single source electric utility, this assessment tool is used by contractors to
9 evaluate electric appliances for possible replacement with more energy-efficient appliances. This
10 assessment also evaluates the home for weatherization, regardless of heating source. Referrals for
11 weatherization in gas heated homes are forwarded to SoCalGas. This program is currently being
12 implemented by SCE contractors, some of which are under contract with SoCalGas to perform
13 weatherization services. While in the past few years homes treated by SCE have received
14 comprehensive electric measures, this new step allows all homes serviced by either SCE or SoCalGas in
15 the overlapping area to receive all feasible measures.

16 The implementation of a comprehensive approach to the delivery of LIEE services has changed
17 the way SCE implements its LIEE program. The introduction of a rapid deployment strategy has had a
18 direct impact on SCE's LIEE program by increasing the average cost per home, as comprehensive
19 services provide for the installation of *all* eligible measures in each customer home, thereby decreasing
20 the overall number of homes serviced in a year. Other program costs have increased to accommodate
21 various tracking and operational reporting activities.

22 **C. Estimated Budgets and Plans for SCE's 2007-2008 Low-Income Energy Efficiency**
23 **Program**

24 SCE's authorized budget for 2006 is \$27,400,000. SCE proposes a two-year LIEE budget of
25 \$66,200,000 for the 2007-2008 timeframe. SCE's 2007-2008 LIEE request is reasonable, and its
26 proposed budget should be approved by the Commission.

27 SCE's proposed 2007-2008 LIEE budget is provided in Table III-2 below.

Table III-2
Proposed 2007-2008 LIEE Program Budget - SCE

LIEE Program	2007 Total	2008 Total
Energy Efficiency		
- Gas Appliances	N/A	N/A
- Electric Appliances	\$26,080,869	\$26,080,869
- Weatherization	585,011	585,011
Outreach and Assessment	1,856,227	1,856,227
In-Home Energy Education	429,736	429,736
Education Workshops	N/A	N/A
Energy Efficiency Total	<u>\$28,951,843</u>	<u>\$28,951,843</u>
Training Center	150,000	150,000
Inspections	232,675	232,675
Advertising	201,310	201,310
M&E Studies	331,250	331,250
Regulatory Compliance	75,000	75,000
Other Administration	3,112,922	3,112,922
Oversight Costs - CPUC Energy Division	45,000	45,000
Total	<u>\$33,100,000</u>	<u>\$33,100,000</u>
Grand Total - <u>\$66,200,000</u>		

1 **1. Categorical Eligibility**

2 SCE proposes enhancing the income verification process for EMA by
3 implementing a Categorical Eligibility policy. Certain low-income State and Federal programs, such as
4 WIC, SSI/SSP, Healthy Families and Food Stamps, have been determined to have lower income
5 thresholds for program participation than that of the LIEE program. SCE proposes that documents
6 proving participation in one of these State or Federal programs satisfy the income documentation
7 requirement for enrollment in LIEE.

8 **2. 2007-2008 LIEE Measures**

9 a) Window/Wall Air-Conditioner Replacement

10 SCE helps low-income customers control summer energy costs by offering new
11 energy-efficient window/wall air-conditioners. Installations are targeted at customers who reside in
12 eligible climate zones where temperatures regularly exceed 100 degrees. SCE projects that it will install
13 790 window/wall air-conditioners in both 2007 and 2008.

14 b) Central Air-Conditioner Replacement

15 SCE helps low-income customers control summer energy costs by offering new
16 energy-efficient central air-conditioners. Installations are targeted at eligible customers who reside in
17 Climate Zones 14 and 15. SCE requests approval to expand eligibility for central air-conditioners to
18 Climate Zone 13 and to renters in all eligible Climate Zones. In addition, SCE requests approval to
19 replace inoperable air-conditioners in eligible Climate Zones and to allow replacement of central air-
20 conditioners with a SEER rating of 10 or below or an age of 10 years or older. SCE projects that it will
21 install 1,280 central air-conditioners in both 2007 and 2008.

22 (1) Climate Zone 13

23 Some geographic areas in Climate Zone 13 experience temperatures over
24 100 degrees regularly during the summer months and count more cooling degree days during the
25 summer months than many areas in eligible Climate Zones. For example, areas such as Tulare, Visalia
26 and Delano average 230 cooling degree days during the summer, while Hesperia and 12 other cities in

1 Climate Zone 14 average less than 230 cooling degree days. As such, SCE requests the Commission's
2 authorization to offer central air-conditioners to its low-income customers residing in Climate Zone 13.

3 (2) Renter Eligibility

4 Renters of multi-family and single-family dwellings in extreme climate
5 areas experience the same temperatures as the owners of these units, but do not qualify for central air-
6 conditioners. Much of the basis for ineligibility has focused on the perceived benefit to the landlord of
7 increased property value and on local building codes requiring operable furnaces for all rental property.
8 Although local codes may apply to heating systems, they do not apply for cooling systems. With respect
9 to a possible increase in property value, the customer need and bill savings achieved should outweigh
10 any perceived notion that property prices are going to increase. Accordingly, SCE seeks the
11 Commission's authorization to offer central air-conditioners to renters.

12 (3) Replacement of Inoperable Air-Conditioners

13 Owners of inoperable air-conditioners who live in extreme climate areas
14 have the greatest risk of experiencing health-related problems caused by the heat. Without available
15 funding, these customers cannot purchase these essential systems. As cooling is critical for customers
16 residing in hot dry climate areas, SCE requests the Commission's authorization to replace inoperable
17 air-conditioners.

18 c) Evaporative Cooler Installation

19 SCE helps low-income customers control summer energy use and costs by
20 offering an evaporative cooler to use as an alternative to their existing air-conditioners that consume
21 more energy than evaporative coolers. Installations are targeted at eligible customers who reside in hot
22 climate zones where coolers are most effective. SCE projects that it will install 3,933 evaporative
23 coolers in both 2007 and 2008.

24 d) Refrigerator Replacement

25 In 2007 and 2008, SCE will continue to replace older inefficient refrigerators with
26 high-efficiency units. SCE also recycles the used refrigerators and recycles or disposes of hazardous

1 materials in accordance with Federal and State standards. Refrigerators are purchased in bulk to
2 minimize costs. SCE projects that it will install 21,772 refrigerators in both 2007 and 2008.

3 e) [Relamping and Porch Light Fixture Replacement](#)

4 SCE continues to offer the replacement of inefficient incandescent light bulbs
5 with energy-efficient compact fluorescent light bulbs (CFLs) for indoor lighting purposes and for
6 outdoor porch light use. SCE bulk purchases CFLs directly from the manufacturer and has inventory
7 shipped directly to service providers who deliver program services to customers. SCE projects that it
8 will install 172,290 CFLs and 524 porch light fixtures in both 2007 and 2008.

9 f) [Weatherization](#)

10 Weatherization measures are offered to SCE customers who have 1) permanently-
11 installed electric space heating, or 2) use an electric portable heater as their primary heat source because
12 there is no other fuel source for heating in the home. Because of the limited number of low-income
13 customers residing in electric heated homes, weatherization is not a major measure for installation in
14 SCE customer homes. Weatherization services include, but are not limited to, weather-
15 stripping/caulking, low-flow showerheads, electric water heater blankets, and minor home repair. SCE
16 projects that it will weatherize 1,463 homes in both 2007 and 2008.

17 g) [Energy Education](#)

18 SCE offers energy education to all low-income customers participating in SCE's
19 EMA Program. This component consists of a booklet containing information on conservation tips,
20 appliance safety tips, community programs assisting low-income customers, and information about other
21 State, Federal, utility and community services assisting the low-income community such as LIHEAP,
22 and the CARE and FERA programs. SCE projects that it will provide 40,810 homes with energy
23 education services in both 2007 and 2008.

24 h) [Catalina Island Pilot – Gas Measures](#)

25 Catalina Island is unique within SCE's service area. In addition to electric
26 service, SCE also provides gas service through its distribution system of propane / butane to customers
27 on the Island. The remote nature of the Island makes it extremely difficult to provide a platform for

1 contractors to assess homes on and deliver services to the Island. Moreover, gas customers do not have
2 a public goods charge for financing gas efficiency improvements. In 2007, SCE's contractors will be
3 spending substantial time on Catalina Island to address the demand for EMA program services,
4 particularly since customers' gas bills are increasing. SCE believes that it is advantageous to deliver gas
5 measures to customers on the Island at the same time that EMA service providers are on the Island to
6 deliver electric measures. SCE estimates that several hundred households on Catalina Island are eligible
7 for LIEE services. As the Catalina Island Pilot is in its infancy, SCE has not had the opportunity to
8 quantify the need for gas measures on the Island, and therefore does not propose herein a gas-specific
9 budget or planning assumptions. However, to capture this unique leveraging opportunity, SCE requests
10 authorization to allocate up to \$100,000 of its 2007-2008 LIEE budget for the evaluation of the need for,
11 and installation of, gas measures on the Island. SCE's proposal addresses the challenge raised by the
12 Commission regarding Catalina Island's gas ratepayers.¹²

13 i) Heat Pump Installation and Replacement

14 Since existing policy does not address the installation or replacement of heat
15 pumps, customers who have electric heating sources are not receiving all heating and cooling services
16 offered under the LIEE program as would those customers who have dual-fuel HVAC units. To help
17 low-income customers control their energy costs, SCE requests authorization to replace:

- 18 • Inefficient heat pumps with new, energy-efficient heat pumps;
- 19 • Inoperable heat pumps with new, energy-efficient heat pumps;
- 20 • Inefficient central electric heat sources (i.e. embedded cable radiant
21 heating systems) with new, energy-efficient heat pumps; and
- 22 • Inoperable electric heat sources with new, energy-efficient heat pumps.

¹² See Decision (D.) 04-12-018, *Opinion Resolving General Rate Case*, dated December 2, 2004, p. 23 ("At the public participation hearings, customers pointed out that SCE electric rates are normalized with mainland rates, and they asked why some similar arrangement could not be made for gas. The answer is that SCE has no other gas customers who can share in the Catalina costs. Nevertheless, we encourage SCE to consider other approaches that might ease the burden on SCE gas customers, up to and including statutory changes.")

1 In addition to being available to homeowners, SCE requests that renters also be
2 eligible for heat pump installation and replacement. As part of this effort, SCE projects that it will
3 install 349 heat pumps in both 2007 and 2008.

4 j) [Central Air-Conditioner Service Pilot](#)

5 In Decision 05-12-026, the Commission ordered the utilities to develop proposals
6 for an Air Conditioning Maintenance Pilot and to submit them to the Commission as part of the July
7 2006 applications.¹³ SCE proposes to help low-income customers, who have previously received a
8 central air-conditioner from SCE, control summer energy costs by providing standard maintenance,
9 which includes checking and charging the central air-conditioners, and duct-maintenance services, to
10 ensure that the unit is operating at peak efficiency throughout the unit's expected life span. Low-income
11 customers cannot easily commit limited resources to pay for professional maintenance services. SCE
12 projects that it will service 1,500 central air-conditioners in both 2007 and 2008.

13 k) [Evaporative Cooler Maintenance](#)

14 SCE proposes to help low-income customers by offering an evaporative cooler
15 maintenance program to keep evaporative coolers operating at peak efficiency and to ensure continued
16 operation throughout the unit's expected life span. This measure was last offered in 2003 as a Rapid
17 Deployment measure, and was discontinued once Rapid Deployment funding was depleted. SCE
18 recognizes that cooler maintenance plays a critical part in cooler efficacy and long-term operation. SCE
19 projects that it will service 4,000 evaporative coolers in both 2007 and 2008.

20 l) [ENERGY STAR® Torchiera Replacement](#)

21 SCE proposes to help low-income customers control their energy costs by
22 replacing inefficient lighting using standard incandescent or halogen light bulbs with ENERGY STAR®-
23 qualified Torchieres. ENERGY STAR®-qualified Torchieres provide the highest levels of energy
24 efficiency and offer a safe alternative to typical halogen torchieres, which can burn at extremely high

¹³ D.05-12-026, p. 32.

1 temperatures – as high as 1,100 degrees Fahrenheit – and can pose a significant fire hazard. SCE
2 projects that it will install 369 ENERGY STAR®-qualified Torchieres in both 2007 and 2008.

3 m) [Energy Efficient Pool Pumps](#)

4 SCE requests approval to help low-income customers control their energy bills by
5 replacing inefficient pool pumps with new, energy-efficient pool pumps. For those residences that have
6 swimming pools, the pool pump is typically responsible for as much as 30% of a customer's monthly
7 bill. In addition, pool pumps run year-round and are usually in operation during peak hours. Although
8 there are not a large number of low-income customers who reside in homes with swimming pools, pool
9 pump replacement can provide additional bill savings for customers whose limited resources may
10 already be strained. In addition to being available to homeowners, SCE requests that renters also be
11 eligible for energy efficient pool pumps. SCE projects that it can replace 185 energy efficient pool
12 pumps in both 2007 and 2008.

13 n) [Electric Tankless Water Heater Installation Pilot](#)

14 SCE requests authorization to measure the feasibility of installing electric tankless
15 water heaters in qualifying low-income homes. Tankless water heaters heat water only as it is used, and
16 eliminate standby losses (defined as the heat conducted and radiated from the walls of tank water
17 heaters). These standby losses can represent a significant portion of a residence's annual water heating
18 costs. SCE will budget \$50,000 to measure the feasibility of installing electric tankless water heaters. If
19 not feasible, SCE would ask to shift the funding to approved electric measures.

20 o) [Solar Measures](#)

21 The Commission recently issued Decision (D.) 06-01-024,¹⁴ in which it approved
22 the California Solar Initiative (CSI) with multi-year funding of \$2.8 billion.¹⁵ The Commission has
23 directed that 10% of CSI funding be made available for low-income customers and affordable housing

¹⁴ *Interim Order Adopting Policies and Funding for the California Solar Initiative*, dated January 12, 2006.

¹⁵ Of the \$2.8 billion, \$2.5 billion is for Commission-managed programs and the remainder is related to programs managed by the California Energy Commission (CEC).

1 projects. The Commission and the CEC are exploring strategies for delivering solar measures to low-
2 income customers. SCE looks forward to further direction from the Commission on these issues.

3 p) Water Measures

4 The Commission and the LIOB have recently expressed interest in coordinating
5 the delivery of measures that reduce water usage with LIEE measures. SCE is requesting authorization
6 to implement a limited pilot during 2007-2008 to partner with a few water agencies that have experience
7 providing water conservation measures. To the extent these measures also demonstrate the ability to
8 reduce electricity usage through reduced pumping load, SCE may be able leverage on existing
9 incentives that are provided by water companies to ensure that new measures can be provided to low-
10 income customers at no cost.

11 **3. Measurement and Evaluation of the LIEE Program**

12 SCE anticipates the need for estimated two-year total funding as shown in Table III-3
13 below for the following Measurement & Evaluation (M&E) work related to the 2007-2008 LIEE
14 program:

Table III-3
Measurement & Evaluation of LIEE Program - SCE

Statewide Studies – Contract Costs	Total Cost	SCE Share	SCE Cost
Impact Evaluation of the 2007 LIEE Program	\$600,000	30%	\$180,000
Process Evaluation of the 2007 LIEE Program	\$150,000	30%	\$45,000
Reserve for Additional Study Requirements	\$300,000	30%	\$90,000
Annual Bill Savings Analysis	\$25,000	30%	\$7,500
Subtotal	\$1,075,000		\$322,500
SCE-Specific Activities			
Market characterization studies		100%	\$250,000
SCE labor for analysis and study/data management		100%	\$90,000
Total			\$662,500

1 An impact evaluation would be expected in 2007 if the previous two-year cycle for
2 requiring impact evaluations continues to be followed, with the currently mandated study being the 2005
3 LIEE programs evaluation. A process evaluation is projected because one has not been done for several
4 years, and with the changes in the program, it would be prudent to conduct an evaluation of the
5 effectiveness and efficiency of the program design and operations. SCE proposes a statewide reserve of
6 \$300,000 for additional study requirements that may be developed before the end of 2008. Possible uses
7 could include updating the cost-effectiveness model with the Commission’s newly adopted avoided
8 costs and/or a study to improve estimates of non-energy benefits. Utility personnel and other
9 stakeholders have raised questions about the methods used to develop the current values assigned to
10 non-energy benefits of the programs, and the currently used values come from a study that is now
11 several years old.

12 In the SCE-specific area, SCE allocates \$250,000 for market characterization studies and
13 analyses. As the program grows in budget, measures, and eligible customers, it is important to have
14 funding available to conduct analyses of customer and measure characteristics, which can help program

1 managers refine program approaches to make the program as effective and efficient as possible in
2 providing customer benefits.

3 Finally, SCE allocates \$45,000 per year for the M&E staff time and expenses of
4 managing these studies, gathering the necessary data for them, responding to M&E-related regulatory
5 requests, and providing ad hoc analyses that the program managers need for refining program design,
6 targeting, and operations. These activities result in a total estimated SCE M&E cost of \$662,500 or
7 \$331,250 annually in 2007 and 2008. Some of the cost will not be incurred until 2009, since evaluation
8 of the 2007 program impacts will require collection of complete 2008 energy consumption data before
9 the program energy savings can be estimated.

1 IV.

2 SCE'S 2007 AND 2008 COOL CENTER PROGRAMS PROPOSALS

3
4 **A. Background**

5 The Cool Center Program originated in 2001, when a task force of CBOs from San Bernardino
6 and Riverside Counties forwarded to the Commission four unsolicited proposals to establish 29 Cool
7 Center sites in the Inland Empire. The purpose of the Cool Centers is to provide low-income, senior,
8 and disabled residents an alternative to running their refrigerated air-conditioning systems by providing
9 a safe, cool place where they can gather during the hot summer months. Cool Centers also provide a
10 place for the target population to learn about low-income and energy efficiency programs, energy
11 conservation, and other available community programs. SCE ran its Cool Center Program in the
12 summers of 2001 through 2004. SCE was unable to run its Cool Center Program in 2005 due to the
13 program changes set forth by the Commission in Decision (D.) 05-04-052.¹⁶

14 In D.05-12-026, in which the Commission approved 2006 low-income assistance programs and
15 funding, the Commission stated that its “goal in D.05-04-052 was to reduce the cost of running these
16 Cool Centers, not to shut them down”¹⁷ and asked that SCE and the Division of Ratepayer Advocates
17 (DRA) work with the LIOB, community groups and others to develop a low cost plan for reviving the
18 Cool Centers for service in the summer of 2006.

19 In accordance with D.05-12-026, SCE worked with past Cool Center contractors, the DRA, the
20 LIOB and others to develop a 2006 Cool Center Program. On June 7, 2006, SCE filed Advice 2011-E,

¹⁶ *Interim Opinion Approving 2005 Low-Income Energy Efficiency (LIEE) and California Alternate Rates for Energy (CARE) Programs for Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company*, dated April 21, 2005. In D.05-04-052, the Commission eliminated the following budget categories from SCE’s 2005 Cool Center Program proposal (which were previously permitted in SCE’s 2001-2004 Cool Center Programs), leaving only \$95,000 to run the 2005 program: rent, utilities, insurance, janitorial services, other overhead costs, transportation (bus passes, vehicle rental, fuel costs), staffing at Cool Centers, as well as snacks and beverages for Cool Center attendees. SCE contacted its active Cool Center operators to discuss the program changes that were directed by the Commission, and all program operators declined participation due to the new limitations on eligible expense categories for reimbursement and concern over income qualifying Cool Center attendees.

¹⁷ D.05-12-026, p. 12.

1 seeking the Commission's authorization to establish a Cool Center Program in SCE's desert
2 communities during the summer of 2006 with a budget of \$556,000. On June 19, 2006, the Commission
3 approved Advice 2011-E, with an effective date of June 19, 2006.

4 **B. SCE's 2007 and 2008 Cool Center Program Plans and Budgets**

5 SCE's 2007 and 2008 Cool Center Program proposals are designed to provide services to
6 isolated communities located in extreme climate areas where few public facilities are available for use to
7 offer relief from the heat during the hot summer months.

8 SCE expects to provide the Cool Center activities in 2007 and 2008 at a cost of \$596,000 per
9 year, which provides for an evaluation of the Cool Center Program. SCE anticipates that this proposed
10 budget will fund approximately 20 Cool Centers in the target communities.

11 Whenever possible, SCE will contract with its past site operators to maximize opportunities to
12 reduce costs through use of existing infrastructure, equipment, and expertise. In some areas, SCE may
13 find it more efficient to work with new CBOs that are located in these communities.

14 The 2007 and 2008 Cool Centers will allow targeted low-income, seniors, and disabled
15 populations, who can least afford high energy costs, to visit a Cool Center in lieu of cooling their own
16 homes in an attempt to alleviate their home electrical usage, reduce their energy bills, and provide
17 comfort. The Cool Centers will provide a place for the target population to learn about low-income and
18 energy efficiency programs, energy conservation, and other available community programs.

19 SCE has identified communities that meet the criteria for Cool Centers. These include Cathedral
20 City, Landers, Joshua Tree, Victorville, Hesperia, San Bernardino, Rubidoux, Highgrove, Perris,
21 Redlands, Yucaipa, Blythe, Adelanto, Palm Springs, Palm Desert, and other Riverside County locations.
22 SCE anticipates the 2007 Cool Center Program operating from June 1, 2007, through October 15, 2007;
23 and the 2008 Cool Center Program operating from June 1, 2008 through October 15, 2008. SCE
24 proposes that the minimum hours of operation for each Cool Center site shall be 10:00 a.m. to 5:00 p.m.,
25 Monday through Friday. SCE further proposes that all Cool Center site locations shall be accessible to
26 persons with disabilities.

1 Appendix E attached hereto is a copy of SCE's proposed standard Scope of Work for the Cool
2 Center Program identifying the tasks necessary to be performed. Appendix F attached hereto is a copy
3 of SCE's proposed template for the 2007 and 2008 Cool Center Programs' Operational Plan for each
4 Cool Center under consideration, including a description of the types of program expenditures that
5 would be reasonably charged to the program.

6 **1. SCE's Proposed 2007 and 2008 Cool Center Program Activities and Cost Estimates**

7 Table IV-4 below represents the costs associated with the 2007 and 2008 Cool Center
8 Programs. These expense categories have been used as a part of the Cool Center Operational Plan since
9 2002 and have helped with the oversight of each Cool Center as well as the overall program operations.

Table IV-4
Proposed Cool Center Program Budgets for 2007 and 2008 - SCE

Category	Description of Expenditures	2007 Budget	2008 Budget
Oversight	These dollars are allocated for labor costs associated with planning and management oversight. This line item covers review and reconciliation of monthly expenditure reports, facilitating payments, ensuring all program guidelines are adhered to, any necessary training re: monthly reports, communicating key information to the agencies, etc.	\$73,304	\$73,304
Administrative	Incremental costs for the following: janitorial, insurance, office supplies, rent, bookkeeping, photocopying, management oversight, and other miscellaneous administrative expenses. Incremental costs are those costs that would not have been incurred by the Agency but for the operation of the Cool Center. <u>Exclusions:</u> Capital improvement items such as furniture, appliances, etc. are not covered by this program.	\$122,000	\$122,000
Utilities	Proportional electricity costs for actual space used for Cool Center activities.	\$41,178	\$41,178
Supplies	Office Supplies, activity items, etc.	\$18,882	\$18,882
Outreach/ Education	Printing and distribution of informal flyers or brochures, banners, etc., for use in providing outreach for the Cool Center; educational workshops or other assistance to inform Cool Center participants about other energy conservation or low-income programs. <u>Note:</u> SCE will provide some materials concerning its other energy efficiency and low-income programs for distribution to Cool Center participants.	\$57,142	\$57,142
Transportation	Bus passes, vehicle rental, and fuel costs to provide transportation for the target populations only. <u>Exclusions:</u> Costs to transport participants who are not members of the target population or to pay for non-Cool Center vehicle operation, and mileage associated with rental vehicles (unless charges are included in the rental contract), are not covered by this program.	\$47,142	\$47,142
Personnel/ Staff	Incremental compensation for existing on-site staff members to provide direct support of Cool Center activities at a location; and/or full compensation for 1-2 new staff persons dedicated to Cool Center activities. Costs could include payroll taxes, worker's compensation costs, etc. <u>Exclusions:</u> Costs for administrative or oversight personnel not directly involved with providing Cool Center services should be included under the "Administrative" category; charges for volunteer personnel are not covered by this program.	\$175,400	\$175,400
Refreshments	Incremental costs for the following: bottled water, coffee, tea, punch, cookies, crackers, pretzels, or other light snacks. <u>Exclusions:</u> Food purchases that could be construed as an effort to provide full meals for participants are not covered by this program.	\$20,952	\$20,952
Measurement & Evaluation	Evaluation of the program by an independent evaluation contractor	\$40,000	\$40,000
Total		\$596,000	\$596,000

1 **2. Measurement and Evaluation of Cool Center Program**

2 SCE’s Cool Center Programs were evaluated at least twice during the 2001-2004 period,
3 as mandated by the Commission. D.05-04-052 required that utilities offering Cool Center Programs in
4 the summer of 2005 submit proposals for evaluation of the effectiveness of the programs.¹⁸ Since SCE
5 did not offer the program in the summer of 2005, no proposal was submitted. The Cool Center Program
6 is being restarted in 2006 and is proposed to continue in 2007 and 2008. The Commission and SCE will
7 want to evaluate the program during these years. However, 2006 will be a start-up year that is expected
8 to yield recommendations and actions by SCE and Cool Center operators to refine the 2007 program.
9 SCE therefore proposes that an in-depth study of the 2007 program be conducted in order to provide the
10 most timely and up-to-date input for planning for 2009 and beyond. The estimated cost of this study is
11 \$80,000, and its cost has been spread between 2007 and 2008.

¹⁸ See Decision 05-04-052, p. 19.

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V.

REPORTING

The current annual reporting requirements for the CARE and LIEE programs were established by the Reporting Requirements Manual (RRM) Working Group under the direction of the Commission during 2001 and adopted by the Commission in 2002. In D.01-05-033, the Commission implemented the rapid deployment of SBX1 5 funds and directed the utilities to file regular status reports on their rapid deployment efforts. PG&E, SCE, SoCalGas and San Diego Gas & Electric (SDG&E) (the Joint Utilities), Energy Division, and the DRA developed the monthly and quarterly Rapid Deployment Reports over the early months of rapid deployment and have made modifications to those reports over time, as appropriate.

Looking ahead to the 2007 and 2008 CARE and LIEE reporting requirements, the Joint Utilities have evaluated the reporting requirements with the objective of making improvements, such as streamlining data and eliminating duplicative data, while continuing to provide information which is meaningful and provides value to the Commission and other stakeholders. The results of the Joint Utilities' efforts are contained in Appendix G.

In summary, the Joint Utilities recommend the following instead of continuing with the existing Rapid Deployment Monthly Status Reports:

- That the current Rapid Deployment Monthly Reports be renamed and replaced with "Low-Income Assistance Programs Monthly Reports;"
- That the monthly reports contain the same information each month thus eliminating quarterly reports;
- That obsolete information and tables be eliminated; and
- That tables with similar information be combined.

The Joint Utilities are also recommending that LIEE Annual Report data be made consistent with the reported monthly data and that the CARE Annual Report not be modified at this time. Therefore, in order to improve reporting on the Low-Income Assistance Programs, SCE requests that the Commission adopt the Joint Utilities' recommendations found in Appendix G.

1 VI.

2 PROPOSED RATEMAKING TREATMENT FOR SCE'S CARE, LIEE, AND COOL CENTER
3 PROGRAMS

4 This section describes SCE's proposed ratemaking treatment for the CARE, LIEE and Cool
5 Center Programs.

6 A. CARE

7 The purpose of the Care Balancing Account (CBA), as adopted in D.05-04-052 and D.05-12-
8 026, is to record CARE-related revenue and: (1) the difference between CARE discounts provided to
9 CARE-eligible customers and CARE surcharges billed to non-CARE customers; (2) the difference
10 between the authorized CARE administrative amounts and actual incurred CARE administrative
11 expenses; (3) recorded costs associated with the CARE automatic enrollment program; and (4) recorded
12 costs associated with the Energy Division's audit of the CBA. SCE currently recovers the CARE
13 administrative revenue requirement through the Public Purpose Programs Charge (PPPC) rate
14 component. Normally, the balance recorded in the CBA is relatively small since the purpose of the
15 CBA is to record only these differences.

16 As discussed above, the primary function of the CBA is to record the differences between
17 authorized and recorded CARE Administration funding and CARE discounts and CARE surcharges.¹⁹
18 In SCE's annual Energy Resource Recovery Account (ERRA) Forecast proceedings, the estimated
19 December 31st balance in the CBA is consolidated into the PPPC revenue requirement and included in
20 PPPC retail rate levels. In order to amortize the December 31st balance recorded in the CBA that was
21 included in PPPC rate levels, each month SCE allocates a portion of the PPPC retail revenue to the
22 CBA.²⁰ Since the December 31st balance recorded in the CBA is normally small, SCE proposes a

¹⁹ The CBA also includes entries associated with: 1) actual costs incurred associated with the automatic enrollment program per D.02-07-033, 2) reimbursements made to the Energy Division associated with Energy Division's audit of SCE's CARE programs; and 3) undercollections in revenue resulting from waiving reconnection fees for CARE customers from November 1, 2005 through April 30, 2006. The annual total of these amounts are relatively small.

²⁰ This allocation is determined based on the amount of the CBA balance that is included in the PPPC revenue requirement as a percentage of the total PPPC revenue requirement. Currently this percentage is 2.2%.

1 change. SCE proposes to simply transfer the December 31st balance recorded in the CBA to the Public
2 Purpose Programs Adjustment Mechanism (PPPAM) instead of allocating PPPC retail revenue to the
3 CBA. SCE will recover either the under-collected CBA balance, or return the over-collected CBA
4 balance through the operation of the PPPAM.²¹ It will no longer be necessary to allocate CBA-related
5 retail revenue to the CBA. Therefore, SCE proposes to modify Preliminary Statement, Part AA, CBA,
6 to eliminate the entry associated with recording CBA-related retail revenue and include an entry to allow
7 for the transfer of the balance recorded in the CBA on December 31st of each year to the PPPAM.

8 **B. LIEE**

9 SCE proposes no change to the currently-approved LIEE ratemaking as authorized in D.05-04-
10 052 and D.05-12-026. SCE's current ratemaking associated with LIEE includes: 1) the recovery of the
11 Commission-authorized LIEE revenue requirement through the operation of the PPPAM, and 2) the
12 comparison of the authorized LIEE revenue requirements with actually incurred LIEE expenses in the
13 Low-Income Energy Efficiency Programs Adjustment Mechanism (LIEEPAM).

14 Through the operation of the PPPAM, on a monthly basis SCE compares recorded PPPC revenue
15 with authorized Public Purpose Programs costs, including Public Goods Charge revenue requirements
16 and other authorized expenses such as authorized LIEE revenue requirements. In SCE's annual August
17 1st ERRA Forecast applications, SCE will set forth its consolidated revenue requirement for the
18 subsequent year. Included in the consolidated PPPC revenue requirement will be the authorized LIEE
19 revenue requirement plus the estimated year-end PPPAM balance. Through the operation of the
20 LIEEPAM, SCE compares the authorized LIEE revenue requirement with actual LIEE expenses. The
21 balance recorded in the LIEEPAM is carried over from one year to the next.

22 **C. Cool Center Program**

23 Consistent with SCE's proposed 2006 Cool Center ratemaking treatment filed in Advice 2011-E
24 on June 7, 2006, and approved by the Commission on June 19, 2006, SCE seeks to modify Preliminary

²¹ The estimated December 31st balance recorded in the PPPAM is consolidated into PPPC revenue requirements and PPPC retail rate levels in SCE's annual ERRA Forecast proceedings.

1 Statement, Part FF, PPPAM, to record up to \$596,000 in incremental Cool Center Program costs
2 associated with implementing the 2007 and 2008 Cool Center Programs.

3 The PPPAM balance is consolidated in SCE's PPC revenue requirement and included in PPC
4 rate levels in SCE's annual ERRA Forecast proceeding.

5 The Cool Center Program costs may be reviewed by the Commission, along with all entries
6 recorded in the PPPAM, in SCE's April 1 ERRA reasonableness application. As stated above, SCE
7 proposes that the Commission modify the PPPAM to record all incremental Cool Center Program-
8 related expenses incurred during the summers of 2007 and 2008, not to exceed \$596,000 for each year,
9 2007 and 2008.

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VII.

CONCLUSION

SCE requests approval of its 2007 and 2008 program budgets, plans and ratemaking for the CARE, LIEE and Cool Center Programs. Specifically, SCE requests:

- Approval of \$4,199,000 in 2007 and \$4,199,000 in 2008 for CARE program administration;
- Flexibility to reallocate funding among CARE budget categories as required to meet CARE goals and objectives;
- Authorization to raise the upper limit of the capitation fees for CARE outreach contractors from \$12 to \$15;
- Approval of new CARE processes described in this testimony, including the increased capitation fee, Internet enrollment, phone enrollment, phone recertification, extended recertification period, verification probability model, phone verification and verification through categorical eligibility;
- Approval of a two-year LIEE budget of \$66,200,000 for the 2007-2008 timeframe, with authority to carry forward or carry back funding within the timeframe to ensure seamless delivery of service to customers;
- Flexibility to reallocate funding among LIEE budget categories as required to meet LIEE goals and objectives;
- Authorization to offer heat pump installation and replacement, central air-conditioner service, evaporative cooler maintenance, ENERGY STAR® Torchiere Replacement, and energy-efficient pool pumps as new measures within the LIEE program;
- Authorization to offer central air-conditioners, heat pump installation and replacement, and energy-efficient pool pumps to renters;
- Authorization to replace inoperable air-conditioners;
- Authorization to offer central air-conditioners in Climate Zone 13;

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- Approval of categorical eligibility for LIEE through participation in qualifying State and Federal programs;
- Authorization to leverage resources in providing gas related measures and weatherization services to customers receiving gas service from SCE on Catalina Island;
- Authorization to measure the feasibility of adding tankless water heaters as a new electric measure;
- Authorization to implement a limited pilot to partner with water agencies to coordinate the delivery of LIEE measures with measures that reduce water usage;
- Authorization to revise the Statewide Policies and Procedures Manual and Weatherization Installation Standards Manual to reflect the addition of new measures after receiving appropriate public input;
- Approval of \$596,000 in 2007 and \$596,000 in 2008 for SCE’s Cool Center Programs; and
- Approval of the Low-Income Reporting Proposals submitted by the Joint Utilities in Appendix G.

Appendix A

Comparison of Annual CARE Budgets

Appendix A – Comparison of Annual CARE Budgets

CARE Expense Categories	2006 Approved Budget	2007 Planned Budget	2008 Planned Budget
Outreach			
Capitation Fees	\$100,000	\$100,000	\$100,000
Other Outreach	1,533,000	1,425,000	1,450,000
Subtotal – Outreach	1,633,000	1,525,000	1,550,000
Automatic Enrollment	60,000	30,000	30,000
Cool Centers	95,000	N/A	N/A
Processing/Recertification/Verification	600,000	873,000	928,000
Billing System – System development and enhancements – Information Technology	557,000	875,000	950,000
Measurement & Evaluation	58,000	55,500	55,500
Regulatory Compliance	50,000	70,000	80,000
Other Administrative	1,063,300	665,500	500,500
Oversight Costs - CPUC Energy Division Staff	82,700	105,000	105,000
Total Program Costs	\$4,199,000	\$4,199,000	\$4,199,000
Total Customer Subsidies	\$168,100,000	\$248,400,000	\$260,400,000
Total Program Costs and Customer Subsidies	\$172,299,000	\$252,599,000	\$264,599,000

Appendix B

SCE's Estimates of CARE Participation for 2007 and 2008

Appendix B – SCE’s Estimates of CARE Participation in 2007 and 2008

A	B	C	D	E	F	G	H	I	J	K	L	M
	Total Enrolled 12/31/05	Total Enrolled Through May 2006	PY 2006 Estimated Eligible	Estimated PY 2006 Net Enrollments	Estimated Year-End PY 2006 Participation	Estimated PY 2006 Penetration Rate	Estimated PY 2007 Net Enrollments	Estimated Year-End PY 2007 Participation	Estimated PY 2007 Penetration Rate	Estimated PY 2008 Net Enrollments	Estimated Year-End PY 2008 Participation	Estimated PY 2008 Penetration Rate
	(1)	(2)	(3)	(Col. F-B)	(4)	(Col. F/D)	(Col. (D-F)*.2)	(Col. F+H)	(Col. I/D)	(Col. (D-I)*.2)	(Col. I+K)	(Col. L/D)
SCE	972,488	1,039,720	1,339,509	77,512	1,050,000	78%	57,902	1,107,902	83%	46,321	1,154,223	86%

Notes:

- (1) SCE's CARE Annual Report, dated May 1, 2006
- (2) SCE's Report on Rapid Deployment, dated June 21, 2006
- (3) Estimate based on updated demographic eligibility rates that reflect the increase in CARE income guidelines to 200% of federal poverty guidelines. For this table the number of CARE eligible customers is assumed to be static. Actual eligibility numbers when filed during annual updates are likely to vary slightly.
- (4) SCE estimates that it will have 1,050,000 customers by year-end 2006. As enrollment climbs, fewer eligible customers remain to be enrolled. SCE in 2007 and 2008 expects to enroll 20% of the remaining customers that are estimated to be demographically eligible for but not participating in CARE at the beginning of each year. SCE updates its estimates of demographically eligible customers quarterly by applying the annual demographic eligibility rate factors to technically eligible customers. The technically eligible customers increase slightly each quarter due to population growth that is reflected in the increased number of meters on SCE's system.

Appendix C

2007-2008 LIEE Electric Budget Category Comparison

Appendix C - PY 2007-2008 LIEE ELECTRIC BUDGET CATEGORY COMPARISON - Southern California Edison

LIEE Cost Category	PY 2006 Year-End Estimated*	PY 2007 Year-End Projected	PY 2008 Year-End Projected
ENERGY EFFICIENCY			
Gas Appliances	\$0	\$0	\$0
Electric Appliances	\$25,757,500	\$26,080,869	\$26,080,869
Weatherization	\$685,705	\$585,011	\$585,011
Outreach & Assessment	\$2,294,655	\$1,856,227	\$1,856,227
In-Home Education	\$511,969	\$429,736	\$429,736
Education Workshops	\$0	\$0	\$0
OTHER PROGRAM ACTIVITIES			
Training Center	\$100,000	\$150,000	\$150,000
Inspections	\$200,000	\$232,675	\$232,675
Advertising	\$230,581	\$201,310	\$201,310
M&E	\$195,000	\$331,250	\$331,250
Regulatory Compliance	\$70,000	\$75,000	\$75,000
Other Administration	\$2,164,153	\$3,112,922	\$3,112,922
OVERSIGHT COSTS			
CPUC Energy Division	\$70,000	\$45,000	\$45,000
TOTAL PROGRAM COSTS			
Total Program	\$32,179,563	\$33,100,000	\$33,100,000

Note: SCE is proposing a two-year 2007-2008 LIEE Program Budget of \$66,200,000

*The PY 2006 year-end estimated expenditures take into account both the \$27,400,000 authorized by the Commission in D.05-12-026 for the 2006 program, and the carryover funds from the 2005 LIEE program.

Appendix D

**LIEE Planning Assumptions
Units, Energy Savings, and Demand Savings**

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	
		Appendix D - LIEE Planning Assumption - Southern California Edison														
		Units, Energy Savings, and Demand Savings														
		PY 2006 Year-End Estimated				PY 2007 Year-End Projected				PY 2008 Year-End Projected						
	Measures	Unit	# of Units	kWh (Annual)	kW	Therms (Annual)	# of Units	kWh (Annual)	kW	Therms (Annual)	# of Units	kWh (Annual)	kW	Therms (Annual)		
5	Furnaces															
6	- Repair - Gas	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
7	- Replacement - Gas	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
8	- Repair - Electric	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
9	- Replacement - Electric	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
10	Infiltration & Space Conditioning.															
11	- Gaskets for Cover Plates	Home	1242	3,092.58	-	N/A	1086	2,704.14	-	N/A	1086	2,704.14	-	N/A	N/A	
12	- Duct Sealing	Home	4150	1,183,040.50	249.00	N/A	3933	1,121,180.31	235.98	N/A	3933	1,121,180.31	235.98	N/A	N/A	
13	- Evaporative Coolers	Each	N/A	N/A	N/A	N/A	4000	217,520.00	40.00	N/A	4000	217,520.00	40.00	N/A	N/A	
14	- Reproductive Coolers Maintenance	Each	127	638.81	-	N/A	111	31,642.77	6.66	N/A	111	31,642.77	6.66	N/A	N/A	
15	- Evaporative Cooler/Air Cond. Covers	Each	863	197,713.30	43.15	N/A	349	17,605.83	51.49	N/A	349	17,605.83	51.49	N/A	N/A	
16	- Heat Pump Replacement	Each	863	197,713.30	43.15	N/A	790	180,989.00	39.50	N/A	790	180,989.00	39.50	N/A	N/A	
17	- Air Conditioner Replacement - Room	Each	1438	419,105.10	86.28	N/A	1280	373,056.00	76.80	N/A	1280	373,056.00	76.80	N/A	N/A	
18	- Air Conditioner Replacement - Central	Each	N/A	N/A	N/A	N/A	1500	609,975.00	97.20	N/A	1500	609,975.00	97.20	N/A	N/A	
19	- Air Conditioner Tune-up/Service	Each	N/A	N/A	N/A	N/A	1500	609,975.00	97.20	N/A	1500	609,975.00	97.20	N/A	N/A	
20	Weatherization															
21	- Attic Insulation	Home	3	2,343.87	0.51	N/A	2	1,562.58	0.34	N/A	2	1,562.58	0.34	N/A	N/A	
22	- Weatherstripping - Door	Each	2	19.18	-	N/A	1	9.59	-	N/A	1	9.59	-	N/A	N/A	
23	- Caulking	Home	1648	15,804.32	-	N/A	1440	13,809.60	-	N/A	1440	13,809.60	-	N/A	N/A	
24	- Minor Home Repairs	Home	608	11,795.20	-	N/A	564	3,163.34	-	N/A	564	3,163.34	-	N/A	N/A	
25	- Water Heater Savings	Each	279	29,972.97	5.98	N/A	244	26,212.92	4.88	N/A	244	26,212.92	4.88	N/A	N/A	
26	- Water Heater Blanket	Each	1471	118,606.73	29.42	N/A	1285	103,609.55	25.70	N/A	1285	103,609.55	25.70	N/A	N/A	
27	- Low Flow Showerhead	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
28	- Water Heater Replacement - Gas	Each	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
29	- Water Heater Replacement - Electric	Each	N/A	N/A	N/A	N/A	0	-	-	N/A	0	-	-	N/A	N/A	
30	- Tankless Water Heater	Home	127	5,457.19	1.27	N/A	111	4,769.67	1.11	N/A	111	4,769.67	1.11	N/A	N/A	
31	- Water Heater Pipe Wrap	Each	1268	40,740.84	12.68	N/A	1108	35,600.04	11.08	N/A	1108	35,600.04	11.08	N/A	N/A	
32	- Faucet Aerators	Home	0	-	-	N/A	0	-	-	N/A	0	-	-	N/A	N/A	
33	Miscellaneous Measures															
34	Lighting Measures															
35	- Compact Fluorescents (inc. outdoor)	Each	186715	4,126,401.50	-	N/A	172290	3,807,609.00	-	N/A	172290	3,807,609.00	-	N/A	N/A	
36	- Prismatic Fixture Replacement	Each	495	16,978.50	4.95	N/A	524	17,973.20	5.24	N/A	524	17,973.20	5.24	N/A	N/A	
37	- Interior Lighting CFL fixtures	Each	N/A	N/A	N/A	N/A	TBD	TBD	TBD	N/A	TBD	TBD	TBD	N/A	N/A	
38	- LED Lighting Replacement	Each	N/A	N/A	N/A	N/A	369	52,582.50	51.66	N/A	369	52,582.50	51.66	N/A	N/A	
39	- Toiletless Replacement	Each	N/A	N/A	N/A	N/A	185	259,000.00	99.90	N/A	185	259,000.00	99.90	N/A	N/A	
40	Refrigerators	Each	23256	17,596,187.28	3,720.96	N/A	21772	16,473,348.36	3,483.52	N/A	21772	16,473,348.36	3,483.52	N/A	N/A	
41	Pool Pump	Each	N/A	N/A	N/A	N/A	185	259,000.00	99.90	N/A	185	259,000.00	99.90	N/A	N/A	
42	Energy Education															
43	- Outreach & Assessment	Home	39939	-	-	N/A	36933	-	-	N/A	36933	-	-	N/A	N/A	
44	- In-Home Education	Home	48620	-	-	N/A	40810	-	-	N/A	40810	-	-	N/A	N/A	
45	- Education Workshops	Participant	0	-	-	N/A	N/A	-	-	N/A	N/A	-	-	N/A	N/A	
46	Homes Served															
47	- Total Number of Homes Treated	Home	39939	-	-	-	36933	-	-	-	36933	-	-	-	-	
48	- Total Number of Homes Weatherized	Home	1673	-	-	-	1463	-	-	-	1463	-	-	-	-	
49	Total Savings			23,771,518	4,154			23,364,244	4,231			23,364,244	4,231		4,231	

Appendix E

Scope of Work for the Cool Center Program

Appendix E

SCOPE OF WORK FOR THE COOL CENTER PROGRAM

Contractor shall operate a Cool Center at each of the following locations (each a “*Cool Center*”):

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-
-

In the performance of its obligations under the Agreement, Contractor shall, with respect to each Cool Center listed above, perform the following work:

A. General Operations:

1. Operate the Cool Centers from June 1, 200_, through October 15, 200_ (the “*Operating Period*”). The Cool Centers shall be open Monday through Friday during the peak hours of 10 a.m. to 5 p.m. These are the minimum hours of operation for each Cool Center.
2. Use reasonable efforts to target (i) low-income, (ii) seniors, and (iii) disabled persons. Reasonable efforts to target the population include, but are not limited to, those activities set forth in Section B below.
3. Admit any person who wishes to use the Cool Center for its intended purposes (a “*Participant*” or collectively “*Participants*”) regardless of such person’s age, gender, race, religion, ethnicity, or sexual orientation.
4. Keep the Cool Center air-conditioned during the Operating Period from Monday through Friday during the hours of 10 a.m. to 5 p.m. Contractor shall keep the Cool Center clean and in safe condition. Contractor shall ensure that drinking water is available for all Participants.
5. Take reasonable steps to ensure that parking is available to those Participants who drive to the Cool Center.
6. Establish and maintain during the Operation Period procedures to be followed by staff and Participants in the event of an emergency. Such procedures should reflect the highest level of care that can be taken in an emergency situation.
7. All Cool Center sites shall be handicap accessible.

B. Marketing and Public Awareness:

1. Inform local community-based organizations, local government agencies, senior agencies and other organizations that serve the needs of the target population about the Cool Centers so that these organizations may refer members of the target population to the Cool Center.
2. Use its best efforts to promote the Cool Centers on one or more local radio stations through the use of radio public service announcements.

3. Prepare an information flyer and/or brochure about the Cool Center to inform the target population about the Cool Center. Contractor shall distribute copies of such information flyer and/or brochure in a manner reasonably calculated to reach the target population. These efforts may include, without limitation, (i) direct mail, (ii) distribution to local community-based organizations, local government agencies, local businesses, and other organizations, and/or (iii) handing them out to Participants.

C. Education/Distribution of Information

1. Provide energy conservation education to Participants. Contractor is responsible for requesting written energy conservation materials from SCE and maintaining an adequate supply so as to ensure that each Participant can receive such materials during the Operating Period.
2. Assist Participants in reading their energy bills, as necessary.
3. Conduct daily workshops at the Cool Center to inform Participants about the California Alternative Rates for Energy (CARE) program and SCE's Energy Management Assistance (EMA) program, assist Participants in determining whether they are eligible to participate in the SCE CARE/EMA programs and, if so, assist in completing and mailing a CARE application. Customers eligible for SCE's EMA program will be referred directly to SCE to receive services. Contractor shall identify any CARE application submitted to SCE as a result of the work performed under the Agreement by placing Contractor's Source Code ("**Source Code**") on such application. Contractor's Source Code is .

D. Tracking and Reporting

1. Utilize the sign-in sheet attached hereto as **Exhibit A** ("**Sign-in Sheet**") to track Participants for each calendar month of operation (a "**Reporting Month**"). Contractor shall provide to SCE a copy of the Sign-in Sheet for each Reporting Month no later than the fifth day of the calendar month following such Reporting Month. Contractor shall take reasonable steps to ensure that each Participant signs and accurately completes all of the information requested on the Sign-in Sheet upon each visit to the Cool Center.
2. Track all referrals provided to other low-income and/or LIHEAP programs and include this tracked referral data in the Contractor's Monthly Report (defined below).
3. Track the energy conservation workshops and CARE workshops held in each Reporting Month, and include such data in the Monthly Report (defined below) for such Reporting Month.
4. Maintain supporting documentation for all expenditures related to the Cool Center operations for each Reporting Month and include such supporting documentation in the Monthly Report (defined below) for such Reporting Month. SCE may, in its sole discretion, disallow any expenditure for which there is no supporting documentation. Contractor understands that any expenditure that is (i) exorbitant or (ii) not reasonably related to the performance of Contractor's obligations under the Agreement, may be disallowed for reimbursement by SCE. Contractor may seek prior approval from SCE for any expenditure that is not described in the Contractor's initial Operation Plan.

5. Prepare an accurate report of the Cool Center operations for each Reporting Month, utilizing the monthly report forms attached hereto as **Exhibit B (“Monthly Report”)**, and provide such Monthly Report to SCE by no later than the fifth day of the calendar month following such Reporting Month. Failure to submit a Monthly Report by its due date may result in additional funding delays. SCE may, in its sole discretion, refuse to accept any Monthly Report provided more than ten days after its due date, in which case any and all expenditures reported thereon will automatically be disallowed. Any Monthly Report that SCE deems unsatisfactory for reasons including, but not limited to, incompleteness, illegibility or use of incorrect format, will be returned to Contractor for revision. Contractor shall have five (5) business days from the date Contractor receives the unsatisfactory Monthly Report from SCE to revise it and return it to SCE. Failure to revise the Monthly Report in a satisfactory manner or return it to SCE within the allotted 5 days may result in the automatic disallowance of any or all expenditures reported on such Monthly Report.
6. Prepare a final report for each Cool Center, identifying, for the Operating Period, (i) the total budgeted amount for each budget category, (ii) the total actual reasonable expenditures for each budget category, and (iii) the reasons for any variance in each budget category between the total budgeted amount and the total actual reasonable expenditures, if any (the “**Final Report**”). The Final Report shall also set forth the total number of Participants served over the Operating Period, identify the total number of Participants falling into each of the Target Population categories (i.e., low-income, disabled, seniors), and evaluate the level of success achieved in the operation of each Cool Center, contemplating the purposes and goals of the Cool Center Project. The Final Report for each Cool Center shall be submitted to SCE by no later than November 1, 200_.

E. Transportation:

1. Provide transportation as follows: Contractor shall obtain and distribute bus passes to Participants who (i) are members of the Target Population, (ii) require transportation to and/or from the Cool Center, and (iii) can reasonably be expected to use the bus for such transportation. The bus passes should be valid for the Operating Period, but should not be valid for any substantial period beyond the Operating Period. For Participants who (i) are members of the Target Population and (ii) require transportation to and/or from the Cool Center but cannot reasonably be expected to use the bus, Contractor may provide car and/or van service to transport such Participants to and from the Cool Center as needed. Contractor shall not provide transportation to any Participant who does not meet the requirements set forth in this paragraph without prior approval from SCE.
2. Use its best efforts to encourage and organize ride-sharing among Participants.
3. Maintain each vehicle, if any, used by Contractor to transport Participants in safe operating condition during the Operating Period. Such vehicle(s) must be equipped to accommodate passengers for transportation purposes, including, but not limited to, having a seat belt available for each passenger, and must be covered by insurance as set forth in section F2 below.
4. Ensure that any person employed by Contractor to operate a vehicle used to transport Participants (i) meet the “Fitness for Duty” requirements of the Agreement, (ii) have and maintain a valid California Driver’s License to operate such vehicle, and (iii) have and maintain a safe driving record, at all times during the Operating Period.

F. Insurance

1. Maintain insurance on the Cool Center operations during the Operating Period in accordance with the requirements of Section 16 of the Agreement. Contractor must provide SCE a copy of each insurance policy covering the Cool Center prior to beginning Cool Center operations.
2. Maintain insurance on each vehicle, if any, used by Contractor to transport Participants to and from the Cool Center during the Operating Period in accordance with the requirements of Section 16 of the Agreement. Contractor must provide SCE a copy of the insurance policy for a vehicle prior to using such vehicle to transport Participants to and from the Cool Center.

Appendix F

Cool Center Program Operational Plan

Appendix F - 2007 and 2008 Cool Center Program Operational Plan

Estimated No. of Participants to be served:

Daily: _____ **Weekly:** _____ **Monthly:** _____

Agency: _____

Cool Center Location: _____

Category	Description of Expenditures Within Category	Budget Amount (Proposed by Agency)	Activities (Please specify the Agency's planned activities or anticipated expenditures within each proposed budget category. If no budget for a category is listed, please indicate if another funding source will be used, or reasons no budget has been allocated)
Administrative	<p>Incremental costs for the following: janitorial, insurance, office supplies, rent, bookkeeping, photocopying, management oversight, and other miscellaneous administrative expenses.</p> <p>Incremental costs are those costs that would not have been incurred by the Agency but for the operation of the Cool Center.</p> <p><u>Exclusions:</u> Capital improvement items such as furniture, appliances, etc. are not covered by this program.</p>	\$ _____	
Utilities	Proportional electricity costs for actual space used for Cool Center Activities.	\$ _____	
Supplies	Office supplies, activity items, etc.	\$ _____	
Outreach/Education	<p>Printing and distribution of informational flyers or brochures, banners, etc., for use in providing outreach for the Cool Center; educational workshops or other assistance to inform Cool Center participants about other energy conservation or low-income programs.</p> <p><u>Note:</u> SCE will provide some materials concerning its other energy efficiency and low-income programs for distribution to Cool Center participants.</p>	\$ _____	
Transportation	<p>Bus passes, vehicle rental, and fuel costs to provide transportation for the target populations only.</p> <p><u>Exclusions:</u> Costs to transport participants who are not members of the target population or to pay for non-Cool Center vehicle operation, and mileage associated with rental vehicles (unless charges are included in the rental contract), are not covered by this program.</p>	\$ _____	
Personnel/Staff	<p>Incremental compensation for existing on-site staff members to provide direct support of Cool Center activities at a location; and/or full compensation for 1-2 new staff persons dedicated to activities. Costs could include payroll taxes, worker's compensation costs, etc.</p> <p><u>Exclusions:</u> Costs for administrative or oversight personnel not directly involved with providing Cool Center services should be included under the "Administrative" category; charges for volunteer personnel are not covered by this program.</p>	\$ _____	
Refreshments	<p>Incremental costs for the following: bottled water, coffee, tea, punch, cookies, crackers, pretzels, or other light snacks.</p> <p><u>Exclusions:</u> Food purchases that could be construed as an effort to provide full meals for participants are not covered by this program.</p>	\$ _____	

Appendix G

Low-Income Reporting Recommendations for 2007 and 2008

Appendix G

Low-Income Reporting Recommendations for 2007 and 2008

Background:

The current annual reporting requirements for the CARE and LIEE programs were established by the Reporting Requirements Manual (RRM) Working Group under the direction of the Commission during 2001 and adopted by the Commission in 2002. In (D.) 01-05-033 the Commission implemented the rapid deployment of SBX1 5 funds and directed the utilities to file regular status reports on their rapid deployment efforts. The utilities and the Energy Division developed the monthly and quarterly Rapid Deployment (RD) Reports over the early months of rapid deployment and have made modifications to those reports as appropriate.

Looking ahead to 2007 and 2008 CARE and LIEE reporting requirements, the IOUs (San Diego Gas & Electric, Southern California Gas Company, Southern California Edison Company, and Pacific Gas and Electric) reviewed the reporting requirements for the RD and the Annual Reports. The following issues were identified:

- Current RD reporting frequencies and tables reflect SBX1 5 funding and legislative requirements and requests from Commission personnel who are no longer involved with the programs. Quarterly reporting does not reflect calendar year quarters but an adjusted timeframe to reflect SBX1 5 reporting to the Legislature by the CPUC which is no longer required.
- RD reports are not concise. It may be difficult for Commission staff and the LIOB to easily find meaningful information in the reports.
- Low-Income Energy Efficiency Annual Report tables are not aligned with RD reporting tables and do not always provide meaningful information.

Upon completion of the review, the IOUs drew an overriding conclusion, defined objectives for reporting on the programs, and developed recommendations in support of those objectives which are presented below.

Conclusion:

Current reporting frequencies and tables which reflect SBX1 5 funding and legislative requirements are obsolete and can be improved to better meet the information requirements of the Commission.

Reporting Objectives:

- Provide meaningful information to the Commission and interested parties while streamlining the reporting process and report content to achieve efficiencies.
- Improve reports so that they are clear and concise, and easy to read (e.g., larger print, format).

- Ensure reports provide key information which is sufficiently informative without being overly detailed.
- Ensure reports are of value to the Commission in its role of overseeing the utilities' low-income programs.
- Information may be expanded over time to reflect information requests from current Commission staff and LIOB.

Recommendations:

Reporting Frequency and Titling of the Reports:

- The same tables should be filed monthly.
- Reports for a given month will be due the 21st of the following month.
- Some RD tables should be moved to the LIEE Annual Report Tables and Technical Appendix Tables, which will continue to be due May 1 of the subsequent year.
- The monthly reports should be renamed as “Low-Income Assistance Programs Monthly Reports.”

Monthly Report and Tables

- A brief narrative overview which highlights program activity during the month and/or year-to-date should be filed each month in addition to quantitative tables showing the results for the programs.
- The following revisions should be made to the monthly report tables in order to provide useful and sufficient information to the Commission while creating efficiencies in the reporting process.

Tables A, B, C, LIEE Outreach, CARE Outreach and Leveraging, CARE Media Outreach -- Delete. This information is provided in annual LIEE and CARE reports.

Table 1, LIEE Program Expense – Keep. Delete SBX1 5 columns; remove LIAB/LIOB rows; move Indirect Costs below Totals.

Tables 2, 2A, LIEE Direct Purchase and Installation Contractor Expenses and Contractor Legend -- Delete. This information can be provided on an ad hoc basis if requested. This table is obsolete. It helped assure compliance with SBX1 5 which is no longer required.

Table 3, LIEE SBX1 5 Percentage of Expenditures – Delete. No longer applicable; SBX1 5 funds are no longer available.

Table 4, LIEE Measure Installations – Keep. Make YTD; delete measures dropped per CPUC directive; capture new measures as approved in this proceeding; delete SBX1 5 columns and only report on base program completed & expensed; delete initiated not completed because the information may not be accurate and was originally intended to

provide forward looking information on the rapid deployment efforts; expand to include impact information currently reported in Table 5.

Table 4A, LIEE Installations by Housing Types – Move to LIEE Annual Report. Make YTD; take out SBX1 5 columns; remove “Goal” columns since no formal service goals for single and multi-family residences have been established.

Table 5, LIEE Energy Impacts -- Merge into Table 4; report YTD only; delete SBX1 5 columns.

Tables 5A, 5 B, 5C, LIEE Average Bill Savings – Move 5A to LIEE Annual Report. Make YTD; delete 5B and 5C.

Table 6 – CARE Expenses – Keep. Drop SBX1 5 columns; delete LIAB/LIOB rows; move Indirect Costs below Totals.

Tables 7, 7A, CARE Leveraging and Outreach Contractor Expense and Contractor Legend – Delete. Obsolete because they were originally established to refer to pre-Rapid Deployment CARE outreach pilot programs.

Tables 8, 8A, CARE Capitation Fees by Contractor and Contractor legend – Delete. Total Fees are captured in Table 6, Capitation Enrollments in Tables 10 and 16. Table initially provided useful information in early stages of CARE capitation program to measure utilities’ progress in signing up capitation contractors. However, information on capitation contracts and outreach results is included in the CARE Annual report.

Table 9, CARE SBX1 5 Percentage of Expenditures for Mass Marketing – Delete. SBX1 5 funds are no longer available.

Table 10, CARE Enrollment, Recertification, and Attrition – Keep. Merge columns from Table 16 into this Table; the table provides useful and timely information on the CARE program.

Table 11, CARE Random Verification Results – Keep. This table provides useful information in an area that is of interest to stakeholders.

Tables 11A, 11B, CARE Random Verification Outreach Results SBX1 5 and non SBX1 5 – Delete. SBX1 5 funds no longer available; outreach strategies initially funded by SBX1 5 have been incorporated into the utilities’ base funding for CARE.

Table 12, CARE Enrollments – Keep. Delete separate columns for fuel type and urban/rural split; provide one table only that provides CARE enrollment by county.

Tables 13A - 13F, Urban/Rural LIEE Installations – Delete. This information can be provided on an ad hoc basis if required at any future time.

Tables 14, 15, 16 Rural, Urban, and Combined CARE Participation – Delete. Merge Table 16 data that is not reported elsewhere into Table 10.

Tables 17 - 24, Summary of Homes Treated, LIEE Base Program – Delete. This information can be provided on an ad hoc basis if required at any future time.

Table 25 - 28, Summary Energy and Bill Savings LIEE Base Program – Delete. This information can be provided on an ad hoc basis if required at any future time.

Table 29, Summary Rural and Urban CARE Capitation Contractors – Delete. Utilities have demonstrated program delivery throughout their service areas. Information can be produced on an ad hoc basis if required at any future time.

Table 30, LIEE Penetration – Move to LIEE Annual Report. This table provides a longer-term perspective on LIEE program penetration over a rolling 10 year period more appropriate to an annual report than a monthly report.

Attached one are the recommended monthly reporting tables revised per the IOUs' recommendations. The measures depicted in the reports match the measures that are currently authorized by the Commission. Lines would be added or deleted to reflect changes to approved measures in 2007 and 2008.

1	A	B	C	D	E	F	G	H	I	J	K	L	M
2													
3	LIEE Program:	Current Month Expenses			Year to Date Expenses			Budget			% of Budgeted Spent YTD		
		Electric	Gas	Elec & Gas	Electric	Gas	Elec & Gas	Electric	Gas	Elec & Gas	Electric	Gas	Elec & Gas
4	Energy Efficiency												
5	- Gas Appliances												
6	- Electric Appliances												
7	- Weatherization												
8	- Outreach and Marketing												
9	- In Home Energy Education												
10	- Education Workshops												
11	- Pilot												
12	Energy Efficiency TOTAL												
13													
14	Training Center												
15	Inspections												
16	Advertising												
17	M&E Studies												
18	Regulatory Compliance												
19	Other Administration												
20	CPUC Energy Division												
21													
22	TOTAL PROGRAM COSTS												
23													
24	Indirect Costs												
25													
26	NGAT Costs												

	A	B	C	D	E	F
1	Table 2¹ - LIEE Measure Installations & Savings - Utility Name - Through Month 20XX					
2			Completed & Expensed Installations			
3			Measures	Units	Quantity	kWh (Annual)
4	Furnaces					
5	- Repair - Gas	Each				
6	- Replacement - Gas	Each				
7	- Repair - Electric	Each				
8	- Replacement - Electric	Each				
9						
10	Infiltration & Space Conditioning.					
11	- Gaskets for Cover Plates	Each				
12	- Duct Sealing	Home				
13	- Evaporative Coolers	Each				
14	- Evaporative Cooler/Air Cond. Covers	Each				
15	- Air Conditioner Replacement - Room	Each				
16	- Air Conditioner Replacement - Central	Each				
17						
18	Weatherization					
19	- Attic Insulation	Home				
20	- Attic Access Weatherization	Each				
21	- Weatherstripping - Door	Each				
22	- Caulking	Home				
23	- Minor Home Repairs	Home				
24						
25	Water Heater Savings					
26	- Water Heater Blanket	Home				
27	- Low Flow Showerhead	Home				
28	- Water Heater Replacement - Gas	Each				
29	- Water Heater Replacement - Electric	Each				
30	- Water Heater Pipe Wrap	Home				
31	- Faucet Aerators	Each				
32						
33	Miscellaneous Measures	Home				
34						
35	Lighting Measures					
36	- Compact Fluorescents (inc. porchlights)	Each				
37	- Porchlights fixture replacement	Each				
38						
39	Refrigerators	Each				
40						
41	Energy Education					
42	- Outreach & Assessment	Home				
43	- In-Home Education	Home				
44	- Education Workshops	Participants				
45						
46	Pilots					
47	- Pilot					
48						
49	Homes Served					
50	- Total Number of Homes Treated	Home				
51	- Total Number of Homes Weatherized	Home				
52						
53	Total Savings					
54						
55						
56	¹ Table 4 and Table 5 in the former Rapid Deployment Reports					

	A	B	C	D	E	F	G	H	I	J
1	Table 3¹ - CARE Program Expenses - Utility Name - Through Month 20XX									
2		Year to Date			Budget			% of Budgeted Spent YTD		
3	CARE Program:	Electric	Gas	Electric & Gas	Electric	Gas	Electric & Gas	Electric	Gas	Electric & Gas
4	Outreach									
5	- Capitation Fees									
6	- Automatic Enrollment									
7	- Other Outreach									
8	Total Outreach									
9										
10	Processing/ Certification/Verification									
11	Billing System /Programming									
12										
13	Pilots									
14	- Pilot									
15	- Pilot									
16	- Pilot									
17	Total Pilots									
18										
19	Measurement & Evaluation									
20	Regulatory Compliance									
21	Other Administration									
22	CPUC Energy Division									
23										
24	SUBTOTAL MANAGEMENT COSTS									
25										
26	CARE Rate Discount									
27	Service Establishment Charge Discount									
28										
29	TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS									
30										
31	kWh Surcharge Exemption									
32										
33	Indirect Costs									
34										
35	¹ Table 6 in the former Rapid Deployment Reports									

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
TABLE 4¹- CARE Enrollment, Recertification, Attrition, and Penetration - Utility Name - Through Month 20XX																
	Gross Enrollment															
	Automatic Enrollment			Capitation			Other Sources ²			Total Adjusted (G+H)			Enrollment		Total CARE Participants	
	Inter-Utility	Inter-Agency	Combined (B+C)										Net (I-J)	Net Adjusted (K-H)		
5	January															
6	February															
7	March															
8	April															
9	May															
10	June															
11	July															
12	August															
13	September															
14	October															
15	November															
16	December															
17	Total Annual															
18																
19																
20	¹ Table 10 in the former Rapid Deployment Reports															
21	² Not Including Recertification Enrollment															

	A	B	C	D	E	F	G	H	I
1	Table 5¹ - CARE Standard Random Verification Results - Utility Name - Through Month 20XX								
2	Table 51 - CARE Standard Random Verification Results - Utility Name - Through Month 20XX	Total CARE Population	Participants Requested to Verify	% of Population Total	Participants Dropped (Due to no response)	Participants Dropped (Verified as Ineligible)	Total Dropped	% Dropped through Random Verification	% of Total Population Dropped
3									
4	January								
5	February								
6	March								
7	April								
8	May								
9	June								
10	July								
11	August								
12	September								
13	October								
14	November								
15	December								
16	Total Annual								
17									
18									
19									
20	¹ Table 11 in former Rapid Deployment Reports								

	A	B	C	D	E	F
1	Table 6¹ - CARE Enrollment by County - Utility Name - Through Month 20XX					
2	County	Estimated Eligible	Gross Enrollments		Total Participants	Penetration Rate
3			April	YTD		
4	County 1					0%
5	County 2					0%
6	County 3					0%
7	County 4 (etc.,)					0%
8						
9	TOTALS					0%
10						
11	¹ Table 12 in former Rapid Deployment Reports					

LIEE Annual Report and Technical Appendix Tables

IOUs recommend that the existing LIEE Annual Report and Technical Appendix Tables be replaced with the attached tables. The measures depicted in the reports match the measures that are currently authorized by the Commission. Lines would be added or deleted to reflect changes to approved measures in 2007 and 2008.

	A	B	C	D	E	F	G	H	I	J	K	L	M
Table 1													
LIEE Program Expenses - Utility Name - Calendar Year													
	Current Month Expenses			Year to Date Expenses			Budget			% of Budgeted Spent YTD			
	Electric	Gas	Elec & Gas	Electric	Gas	Elec & Gas	Electric	Gas	Elec & Gas	Electric	Gas	Elec & Gas	
1													
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
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23													
24													
25													
26													
27													
28													
29													

Same as Table 1 of Low Income Assistance Programs Monthly Reports

	A	B	C	D	E	F
1	Table 2					
2	LIEE Measure Installations & Savings - Utility Name - Calendar Year					
3			Completed & Expensed Installations			
4	Measures	Units	Quantity	kWh (Annual)	kW	Therms (Annual)
5	Furnaces					
6	- Repair - Gas	Each				
7	- Replacement - Gas	Each				
8	- Repair - Electric	Each				
9	- Replacement - Electric	Each				
10						
11	Infiltration & Space Conditioning.					
12	- Gaskets for Cover Plates	Each				
13	- Duct Sealing	Home				
14	- Evaporative Coolers	Each				
15	- Evaporative Cooler/Air Cond. Covers	Each				
16	- Air Conditioner Replacement - Room	Each				
17	- Air Conditioner Replacement - Central	Each				
18						
19	Weatherization					
20	- Attic Insulation	Home				
21	- Attic Access Weatherization	Each				
22	- Weatherstripping - Door	Each				
23	- Caulking	Home				
24	- Minor Home Repairs	Home				
25						
26	Water Heater Savings					
27	- Water Heater Blanket	Home				
28	- Low Flow Showerhead	Home				
29	- Water Heater Replacement - Gas	Each				
30	- Water Heater Replacement - Electric	Each				
31	- Water Heater Pipe Wrap	Home				
32	- Faucet Aerators	Each				
33						
34	Miscellaneous Measures	Home				
35						
36	Lighting Measures					
37	- Compact Fluorescents (inc. porchlights)	Each				
38	- Porchlights fixture replacement	Each				
39	- Interior Hardwire CFL fixtures	Each				
40	- Torchieres Replacement	Each				
41						
42	Refrigerators	Each				
43						
44	Energy Education					
45	- Outreach & Assessment	Home				
46	- In-Home Education	Home				
47	- Education Workshops	Participants				
48						
49	Pilot					
50	- Pilot					
51						
52	Homes Served					
53	- Total Number of Homes Treated	Home				
54	- Total Number of Homes Weatherized	Home				
55						
56	Total Savings					
57						
58	Same as Table 2 of Low Income Assistance Programs Monthly Reports.					

	A	B	C	D	F	G	H
1	Table 3						
2	Summary of LIEE Cost-Effectiveness - Utility Name - Calendar Year						
3							
4		Last Year - Recorded			Last Year - Recorded		
5		Ratio of Benefits Over Costs			Net Benefits; \$ Millions		
6		Utility Cost Test	Total Resource Cost Test	Low Income Public Purpose Test (LIPPT)	Utility Cost Test	Total Resource Cost Test	Low Income Public Purpose Test (LIPPT)
7	Energy Efficiency						
8							
9							
10	Combines Tables 3 and 4 of the Low Income Energy Efficiency Annual Report.						

	A	D	E
1	Table 4		
2	LIEE Homes Treated by Dwelling Type		
3	Utility Name - Program Year		
4	Metering	Total	% of Total Units
5	Single Family Units		
6	Multi-Family Units		
7			
8	Master-Metered Units		
9			
10			
11			
12	Formerly Table 4A from RD reports		

	A	B	C	D
1	Table 5			
2	LIEE Penetration - Utility Name - Calendar Year			
3				
4	Year ¹	Homes Treated	Estimated Eligible in Current Year	Current Year Penetration Rate for Homes Treated
5	1997			
6	1998			
7	1999			
8	2000			
9	2001			
10	2002			
11	2003			
12	2004			
13	2005			
14	2006			
15	Total Homes Treated in 10 Years			
16				
17				
18	¹ 10 Most Recent Years of activity are reported.			
19				
20	Formerly Table 30 from RD reports			

	A	B	C
1	TABLE TA _1		
2	Average Annual Bill Savings per Customer		
3	Utility Name		
4	Calendar Year		
5		Based on Year-End Installations Completed and Expensed	
6		kWh	Therm
7			
8			
9	Annual Savings		
10	Current Rate	\$	\$
11	Number of Customers Treated		
12	Average 1st Year Bill Savings/Customer	\$	
13	Average Lifecycle Bill Savings/Customer	\$	
14			
15			
16			
17	Formerly Table 5A of RD reports		

	A	B	C	D	E	F
1	TABLE TA _2 LIFE CYCLE BILL SAVINGS Utility Name Last Year					
2						
3						
4						
5						
	Measure Description	Number Installed	Per Measure Electric Impact (kWh)	Per Measure Gas Impact (Therms)	Effective Useful Life (EUL)	Total Measure Life Cycle Bill Savings
6						
7						
8	Energy Efficiency Measures					
9	Measure A					
10	Measure B					
11	Measure C					
12	Measure D					
13	Measure E					
14	Measure F					
15	Measure G					
16	Measure H					
17	Measure I					
18	Etc.					
19	Total Number of Homes Servied By the Program					
20	Life Cycle Bill Savings Per Home					
21						
22						
23						
24	Formerly TA _7 of AEAP Report					

	A	B	C
1	TABLE TA_.3		
2	ENERGY RATES USED FOR BILL SAVINGS CALCULATIONS		
3	Utility Name		
4	Year	\$/kWh	\$/Therm
5	Last Year		
6	This Year +1		
7	This Year +2		
8	This Year +3		
9	This Year +4		
10	This Year +5		
11	This Year +6		
12	This Year +7		
13	This Year +8		
14	This Year +9		
15	This Year +10		
16	This Year +11		
17	This Year +12		
18	This Year +13		
19	This Year +14		
20	This Year +15		
21	This Year +16		
22	This Year +16		
23	This Year +17		
24	This Year +18		
25	This Year +19		
26	This Year +20		
27	This Year +21		
28	This Year +22		
29	This Year +23		
30			
31			
32	Formerly TA_.8 of AEAP Report.		

	A	B	C	D	E
1	TABLE TA _4 BILL SAVINGS Utility Name				
2					
3					
4					
5					
6	Program Year	Program Costs	Program Lifecycle Bill Savings	Program Bill Savings/ Cost Ratio	Per Home Average Lifecycle Bill Savings
7	Last Year -2				
8	Last Year -1				
9	Last Year				
10					
11					
13					
14					

Appendix H
Witness Qualifications

SOUTHERN CALIFORNIA EDISON COMPANY
QUALIFICATIONS AND PREPARED TESTIMONY
OF JILL HOLMES

1
2
3
4 Q. Please state your name and business address for the record.

5 A. My name is Jill Holmes, and my business address is 2244 Walnut Grove Avenue,
6 Rosemead, California 91770.

7 Q. Briefly describe your present responsibilities at the Southern California Edison Company
8 (SCE).

9 A. I am a Financial Analyst in the Revenue Requirements section of SCE's Regulatory
10 Policy and Affairs (RP&A) Department. I am responsible for the monthly calculations
11 and balances of various Balancing and Memorandum Accounts and the calculations of
12 various fuel-related and DSM and energy efficiency related filings.

13 Q. Briefly describe your educational and professional background.

14 A. I graduated from San Diego State University in 1980 with a Bachelors of Science Degree
15 in Business, specializing in Marketing. I worked in the telecommunications industry
16 from 1980 to 1984. In September of 1984, I went to work for SCE as a
17 Telecommunication Specialist. I transferred to RP&A in October of 1986 as a
18 Regulatory Analyst. I have been responsible for revenue requirement and rate design
19 calculations for resale customers. I have previously testified before the California Public
20 Utilities Commission.

21 Q. What is the purpose of your testimony in this proceeding?

22 A. The purpose of my testimony in this proceeding is to sponsor Section VI of Exhibit SCE-
23 1, entitled *Testimony of Southern California Edison Company in Support of Application*
24 *for Approval of Low-Income Assistance Programs and Budgets for Program Years 2007*
25 *and 2008*, as identified in the Table of Contents thereto.

26 Q. Was this material prepared by you or under your supervision?

27 A. Yes, it was.

1 Q. Insofar as this material is factual in nature, do you believe it to be correct?

2 A. Yes, I do.

3 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
4 judgment?

5 A. Yes, it does.

6 Q. Does this conclude your qualifications and prepared testimony?

7 A. Yes, it does.

1 **SOUTHERN CALIFORNIA EDISON COMPANY**
2 **QUALIFICATIONS AND PREPARED TESTIMONY**
3 **OF JOHN F. NALL**

4 Q. Please state your name and business address for the record.

5 A. My name is John F. Nall, and my business address is 2131 Walnut Grove Avenue,
6 Rosemead, California 91770.

7 Q. Briefly describe your present responsibilities at the Southern California Edison Company
8 (SCE).

9 A. I am presently the Manager of Residential Energy Efficiency and Low-Income Programs for
10 SCE. My responsibilities include management and administration of energy audit, rebate,
11 lighting, refrigerator recycling, Community Partnerships, Innovative Solicitations, Low-
12 Income Energy Efficiency, the California Alternate Rates for Energy (CARE), and Cool
13 Center programs.

14 Q. Briefly describe your educational and professional background.

15 A. I graduated from Ball State University in 1970, with a Bachelor of Science in Education. I
16 also received an MFA degree from Indiana University in 1977. Prior to working at SCE, I
17 held energy efficiency program management positions with the California State Department
18 of Community Services – formerly California State Office of Economic Opportunity and
19 Development – and Foothill Area Community Services, in Pasadena.

20 Q. What is the purpose of your testimony in this proceeding?

21 A. The purpose of my testimony in this proceeding is to sponsor portions of Sections II-IV and
22 Sections V and VII of Exhibit SCE-1, entitled *Testimony of Southern California Edison*
23 *Company in Support of Application for Approval of Low-Income Assistance Programs and*
24 *Budgets for Program Years 2007 and 2008*, as identified in the Table of Contents thereto.

25 Q. Was this material prepared by you or under your supervision?

26 A. Yes, it was.

27 Q. Insofar as this material is factual in nature, do you believe it to be correct?

1 A. Yes, I do.

2 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
3 judgment?

4 A. Yes, it does.

5 Q. Does this conclude your qualifications and prepared testimony?

6 A. Yes, it does.

1 **SOUTHERN CALIFORNIA EDISON COMPANY**
2 **QUALIFICATIONS AND PREPARED TESTIMONY**
3 **OF MARIAN V. BROWN**

4 Q. Please state your name and business address for the record.

5 A. My name is Marian V. Brown, and my business address is 2131 Walnut Grove Avenue,
6 Rosemead, California 91770.

7 Q. Briefly describe your present responsibilities at the Southern California Edison Company
8 (SCE).

9 A. I am the manager of Measurement and Evaluation. My primary responsibilities are
10 planning, supervising staff, and supervising projects involving measurement, market
11 assessment, and evaluation of energy efficiency, low-income, and demand response
12 programs.

13 Q. Briefly describe your educational and professional background.

14 A. I received a Doctor of Philosophy (Ph.D.) degree in Economics from Stanford University
15 in 1979 and a Bachelor of Arts (B.A.) degree in Economics from Pomona College in
16 1968. Prior to joining SCE in 1986, I was an Assistant Professor of Economics at
17 Pomona College from 1977 to 1986, a Visiting Scholar to the Social Security
18 Administration in 1984-1985, and a Senior Research Analyst at the National Bureau of
19 Economic Research--West from 1975-1977.

20 I have been SCE's witness for program measurement and evaluation issues in energy
21 efficiency and demand response proceedings since the early 1990s. I am SCE's
22 representative to the California DSM Measurement Advisory Committee (CADMAC)
23 and the California Measurement Advisory Council (CALMAC) and chair both groups in
24 some years, in rotation with the other two utilities. I am a life member and past president
25 of the Association of Energy Services Professionals.

26 Q. What is the purpose of your testimony in this proceeding?

1 A. The purpose of my testimony in this proceeding is to sponsor portions of Sections II-IV
2 of Exhibit SCE-1, entitled *Testimony of Southern California Edison Company in Support*
3 *of Application for Approval of Low-Income Assistance Programs and Budgets for*
4 *Program Years 2007 and 2008*, as identified in the Table of Contents thereto.

5 Q. Was this material prepared by you or under your supervision?

6 A. Yes, it was.

7 Q. Insofar as this material is factual in nature, do you believe it to be correct?

8 A. Yes, I do.

9 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
10 judgment?

11 A. Yes, it does.

12 Q. Does this conclude your qualifications and prepared testimony?

13 A. Yes, it does.

1 **SOUTHERN CALIFORNIA EDISON COMPANY**
2 **QUALIFICATIONS AND PREPARED TESTIMONY**
3 **OF GENE E. RODRIGUES**

4 Q. Please state your name and business address for the record.

5 A. My name is Gene E. Rodrigues, and my business address is 2131 Walnut Grove Avenue,
6 Rosemead, CA 91770.

7 Q. Briefly describe your present responsibilities at the Southern California Edison Company
8 (SCE).

9 A. I am presently the Director of Energy Efficiency for SCE. In that capacity, I have direct
10 oversight of SCE's portfolio of energy efficiency programs, low-income energy
11 efficiency programs, the California Alternate Rates for Energy (CARE) program, the self
12 generation incentives program, and the measurement & evaluation and regulatory support
13 functions for these areas.

14 Q. Briefly describe your educational and professional background.

15 A. I received a Bachelor of Science degree in Education from Northern Arizona University
16 in 1980 and a Juris Doctor degree from the University of California, Hastings College of
17 Law in 1988. Before coming to SCE, I taught high school in Arizona and practiced law
18 with a civil litigation firm in Los Angeles. In 1990, I joined SCE's regulatory law
19 department, where I provided legal support for SCE's energy efficiency programs, among
20 other things. Since moving to the business side of SCE, I have held various positions
21 within the Customer Service Business Unit, managing energy efficiency policy,
22 operations and regulatory functions. My current position is Director of Energy
23 Efficiency. I have previously practiced law and testified before the Commission.

24 Q. What is the purpose of your testimony in this proceeding?

25 A. The purpose of my testimony in this proceeding is to sponsor Section I of Exhibit SCE-1,
26 entitled *Testimony of Southern California Edison Company in Support of Application for*

1 *Approval of Low-Income Assistance Programs and Budgets for Program Years 2007 and*
2 *2008, as identified in the Table of Contents thereto.*

3 Q. Was this material prepared by you or under your supervision?

4 A. Yes, it was.

5 Q. Insofar as this material is factual in nature, do you believe it to be correct?

6 A. Yes, I do.

7 Q. Insofar as this material is in the nature of opinion or judgment, does it represent your best
8 judgment?

9 A. Yes, it does.

10 Q. Does this conclude your qualifications and prepared testimony?

11 A. Yes, it does.