

May 1, 2008

VIA ELECTRONIC MAIL & OVERNIGHT DELIVERY

Mr. Sean Gallagher
Director - Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Re: Southern California Edison Company's (U 338-E) Annual Progress
Report for the California Alternate Rates for Energy (CARE)
Program for the Period January – December 2007

Dear Mr. Gallagher:

Southern California Edison Company (SCE) hereby submits its Annual Progress Report for the California Alternate Rates for Energy (CARE) Program for the period January through December 2007.

If you have any questions regarding this Report, please contact SCE's Low-Income Programs Manager, Jack Parkhill at (626) 633-3056.

Very truly yours,

/s/ STACIE SCHAFFER
Stacie Schaffer

cc: Administrative Law Judge Sarah Thomas
Sarita Sarvate, CPUC
Sarvijit Randhawa, CPUC
Natalie Walsh, CPUC
Melicia Charles, CPUC
Johanna Sevier, CPUC
Michael Black, CPUC

Matthew Tisdale, DRA
Karen Watts-Zagha, DRA
Rashid Rashid, DRA
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SOUTHERN CALIFORNIA
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**SOUTHERN CALIFORNIA EDISON COMPANY'S (U-338 E)
ANNUAL PROGRESS REPORT FOR THE CALIFORNIA ALTERNATE RATES
FOR ENERGY PROGRAM FOR THE PERIOD JANUARY - DECEMBER 2007**

May 1, 2008

**SOUTHERN CALIFORNIA EDISON COMPANY'S ANNUAL
PROGRESS REPORT FOR CALIFORNIA ALTERNATE RATES
FOR ENERGY
RESIDENTIAL AND EXPANDED PROGRAMS**

January 1, 2007 through December 31, 2007

CARE RESIDENTIAL PROGRAM

This section covers individual and sub-metered participants (tenants of qualifying master-meter customers).

I. Participant Information

A. Provide the total number of residential CARE customers, including sub-metered tenants, by month, by energy source, for the reporting period.

ANS. See Table 1.

TABLE 1		
Residential CARE Program Customers by Month¹ (electric usage)		
2007	CARE Customers	Percentage Change
January	1,048,719	-1%
February	1,048,316	-1%
March	1,038,989	-1%
April	1,032,932	-1%
May	1,026,320	-1%
June	1,025,621	-1%
July	1,031,159	1%
August	1,034,543	1%
September	1,040,299	1%
October	1,032,249	-1%
November	1,029,791	-1%
December	1,024,148	-1%

Notes:

1. Total individually-metered and sub metered.

1. Explain any monthly variance of 5% or more in the number of participants.

ANS. No monthly variance exceeded 1%

B. Describe the methodology, sources of data, and key computations used to estimate the utility's CARE penetration rates by energy source.

ANS. SCE, and the other California IOU's, used the joint utility methodology adopted by the CPUC in D.01-03-028 for developing quarterly and monthly penetration estimates in 2007. This method entails annual estimation of eligibility for CARE, LIEE, and other income-by-household size parameters at the small area (block group, census tract, zip+2, etc.) for each IOU territory and for the state as a whole.

Sources for this estimation include the CPUC's current guidelines, current year small area vendor marginal distributions on household characteristics, Census PUMS 2000 and PUMS 2004-2006 sample data, utility meter and master meter household counts, Department of Finance CPI series, and various GIS sources.

Estimates from the block group level are aggregated to county/utility and whole utility level, among other aggregations. Each quarter, the utility applies county/utility level eligibility fractions to a new set of "technical eligibility counts" (for CARE these are metered and sub-metered occupied housing units) obtaining an estimate of income/demographic eligibility in household count form.

Every month, including each quarter, the utility counts the number of households (by small area, by county, and overall) that are enrolled in CARE. The CARE household total, including individually metered and sub-metered occupied housing units, is divided by the total income/demographic eligibility.

In November 2007, Athens Research made a refinement to the joint utility method. This method uses available (and legitimately obtainable) Census data (Advance Query, PUMS, and SF3) tabulations to produce block group level estimates of eligibility at 200% of federal poverty guidelines among individually metered, sub-metered, and non-sub-metered master metered households. These estimates may be aggregated in various ways to provide

current year estimates of eligibility by “payer status”, i.e., individually metered, sub-metered, and non-sub-metered.

The most recent estimates of eligibility by payer status, from November 2007, are used to disaggregate the overall CARE eligibility rate that has been estimated historically, yielding CARE eligibility and penetration estimates that differ between individually and sub-metered households (and which are consistent with the overall estimate).

1. Describe how the estimates of current demographic CARE-eligibility rates, by energy source for the pre-June 1st and post-June 1st periods, were derived.

ANS. The joint energy utility methodology, as described in the response to Question I.B. above was used throughout 2007.

2. Describe how the estimates of current CARE-eligible meters were derived. Explain how total residential meters were adjusted to reflect CARE-eligible meters (including sub-metered tenants) and CARE-ineligible meters (i.e., master meters that are not sub-metered or other residential meter configurations that do not provide residential service.)

ANS. See SCE’s response to Question I.B above. CARE eligibility rates by small and large area are developed so that they apply to individually metered and sub-metered households only. Additionally, as the utilities apply these rates in successive quarters, they are applied to individually metered and sub-metered household counts for a given quarter.

3. Discuss how the estimates of current CARE-eligible households were developed.

ANS. See SCE’s response above to Question I.B. Note that the methodology is based on estimating small area (block group) level household size-by-income-by householder-age tabulations for the current year, and connecting these estimates with small area counts of households that are individually metered or sub-metered. Block group/utility-specific estimates are then disaggregated/aggregated to various geographic levels within a given utility area: zip+2, zip, tract, county, territory, etc. Statewide estimates, regardless of utility boundaries, are also provided at small and large area levels.

4. Describe how current CARE customers were counted.

ANS. At each month's end, individually metered service accounts, or low income tenants at sub-metered residential facilities are counted.

5. Discuss how the elements above were used to derive the utility's CARE participation rates by energy source.

ANS. CARE-participating residential households were divided by the estimated number of CARE-eligible households to calculate a penetration rate.

C. Provide the total number of CARE residential customers, CARE-eligible households, and CARE penetration rates, by energy source, by quarter.

ANS. See Table 2.

TABLE 2			
CARE Residential Penetration Rate Households (electric usage)			
2007 Quarter Ending	CARE Residential Households	CARE-Eligible Households	CARE Household Penetration Rate
March 31	1,038,989	1,358,684	76%
June 30	1,025,621	1,361,514	75%
September 31	1,040,299	1,364,265	76%
December 31	1,024,148	1,367,169	75%

D. Provide the estimates of current demographic CARE-eligibility rates by energy source at year-end.

ANS. SCE estimates that approximately 32% of SCE's 4,286,041 residential customers, or 1,367,169 customers, were eligible for the CARE discount rate as of December 31, 2007.

E. Provide the estimates of current CARE-eligible sub-metered tenants of master-metered customers by energy source at year-end.

ANS. SCE estimates that 66,748 sub-metered tenants were eligible for CARE at year-end 2007.

F. Provide the current CARE sub-metered tenant counts by energy source at year-end.

ANS. As of December 31, 2007, there were 21,600 sub-metered tenants participating in CARE.

G. Provide the current CARE sub-metered penetration rates by energy source at year-end.

ANS. As of December 31, 2007, 32% of the estimated CARE-eligible sub-metered tenants were participating in CARE.

H. Discuss any problems encountered during the reporting period administering the CARE program for sub-metered tenants and/or master-meter customers.

ANS. No issues were encountered.

II. Usage and Bill Information

A. Provide a comparison of CARE and non-CARE residential usage by tier (Baseline and Non-Baseline), excluding usage of residential master-meter customers, by energy source.

ANS. See Table 3.

TABLE 3			
Average Monthly Gas / Electric Usage Residential Non-CARE vs. CARE Customers¹			
Customer²	Gas Therms Tier 1*	Gas Therms Tier 2**	Total
Non-CARE	104	9	113
CARE	17	2	19
Customer	Electric KWh Tier 1	Electric KWh Tier 2	Total
Non-CARE	329	276	605
CARE	332	163	495

Notes:

1. Excludes master-meter usage for both non-CARE and CARE customers.
 2. Does not include submetered or D-CARE-E.
- * Baseline
 ** Non-Baseline

B. Provide a comparison of the average monthly bill for CARE and non-CARE residential customers, excluding bills of master-meter residential customers, by energy source.

ANS. See Table 4.

TABLE 4		
Average Monthly Gas / Electric Bill Residential Non-CARE vs. CARE Customers ¹ (Dollars per Customer)		
Customer	Gas ³	Electric
Non-CARE	58.21	100.30
CARE ²	45.89	52.30

Notes:

1. Excludes master-meter usage for both non-CARE and CARE customers.
2. After CARE discount.
3. SCE provides gas service only to customers on Santa Catalina Island.
4. Does not include submetered or D-CARE-E

III. Program Costs

A. Discount Cost

1. State the average monthly CARE discount received, in dollars per CARE customer, by energy source.

ANS. The average discount per CARE customer was \$16.28 per month.

Note: Does not include commercial CARE or D-CARE-E customers or their discount.

2. State the annual subsidy (discount) for all CARE customers by energy source.

ANS. The annual subsidy (discount) for all CARE Residential Program customers was \$200,528,322.09.

Note: Does not include commercial CARE or D-CARE-E customers or their discount.

B. Administrative Cost

1. Show the CARE Residential Program’s administrative cost by category.

ANS. See Table 5. Total Program Costs for the Residential Program are 99.5% of total costs as 0.5% of the total costs have been allocated to the Expansion Program.

Table 5			
CARE Program			
Administrative Costs by Category and Surcharge			
Category	Cost		
	Residential	Expansion	Total
Outreach	\$1,784,094	\$8,965	\$1,793,059
Automatic Enrollment	\$23,946	\$120	\$24,066
Processing, Certification, and Verification	\$893,502	\$4,490	\$897,993
Information Technology /Programming	\$304,230	\$1,529	\$305,759
Pilots	\$0	\$0	\$0
Measurement & Evaluation	\$ 71,151	\$358	\$71,509
Regulatory Compliance	\$65,150	\$327	\$65,477
General Administration	\$444,466	\$2,234	\$446,700
LIOB Funding			
CPUC Energy Division Staff Funding	\$82,598	\$415	\$83,013
TOTAL PROGRAM COSTS¹	\$ 3,669,136	\$18,438	\$3,687,574
Subsidies and Benefits	\$200,528,322	\$1,007,680	\$201,536,002
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	\$204,197,458	\$1,026,118	\$205,223,575

Notes:

1. Total does not include indirect costs consisting of employee pensions and benefits equal to \$406,837 which are not part of SCE’s CARE administrative budget.

2. Explain what is included in each administrative cost category.

ANS. See table below.

Category	Description
Outreach	Includes: Bill inserts, advertising, applications (printing and mailing), posters, brochures, flyers, postage, sub-meter, non-profit, and agricultural housing outreach, information technology (technical support and software licensing), staff labor, out-bound dialing, 800#, outreach pilot, and Capitation Fee Project.
Processing, Certification, and Verification	Includes: Staff labor, information technology (technical support and software licensing), application processing, training, programming labor, and sub-meter certification.
Information Technology/Programming	Includes: Programming and labor costs associated with system enhancements and maintenance of existing processes.
Pilots	Includes: Any pilots being initiated to identify and/or investigate possible program additions or enhancements.
Measurement & Evaluation	Includes: Needs assessment study and customer satisfaction survey.
Regulatory Compliance	Includes: Applications, advice filings, comments and reply comments, hearings, reports and studies, responses to data requests, working group meetings, public input meetings, and tariff revisions.
General Administration	Includes: Office supplies, market research, program management labor (including pensions and benefits), and information technology (technical support and software licensing).
LIOB Funding	Includes: Low Income Oversight Board (LIOB) reimbursed expenditures.
CPUC Energy Division Staff Funding	Includes: CPUC Energy Division Staff expenditures.
Subsidies and Benefits	Includes: Rate discounts.

C. Provide the year-end December 31 balance for the CARE balancing account.

ANS. In D.02-09-021, the CPUC required SCE to establish the CARE balancing account (CBA), effective January 1, 2002. The balance in the CBA as of December 31, 2007 was \$2.3 million.

D. Describe which cost categories are recorded to the CARE balancing account and which are included in base rates.

ANS. SCE does not recover CARE-related costs in base rates. In D.97-08-056, the CPUC allocated SCE's administration costs associated with the CARE Program to SCE's Public Purpose Programs rate component. D.02-09-021¹ required SCE to establish a CARE balancing account to record the following on a monthly basis: (1) the difference between CARE discounts provided to CARE-eligible customers and CARE surcharges billed to non-CARE customers, (2) the difference between the authorized CARE administration amounts and actual incurred CARE administration expenses, (3) costs associated with the CARE automatic enrollment program, and (4) costs associated with the Energy Division's audit of the CBA.

¹ Decision 06-12-038 and Advice 2079-E authorized SCE to eliminate the entry associated with recording CBA-related retail revenue and include an entry to allow for the transfer of the year-end balance recorded in the CBA to the PPPAM.

E. Provide a table showing, by customer class, the CARE surcharge paid, the average bill paid, the percentage of CARE surcharge paid relative to the average bill, the total CARE surcharge collected, and the percentage of total CARE revenues paid.

ANS. See Table 6.

TABLE 6					
CARE Surcharge and Revenue Collected by Customer Class (2007)					
Customer Class	Average Monthly CARE Surcharge	Average Monthly Bill	CARE Surcharge as Percent of Bill	Total Annual CARE Surcharge Revenue Collected ²	Percentage of Total Annual CARE Surcharge Revenue Collected ²
Residential	\$4,988,451	\$371,416,927	1.3%	\$59,861,406	29.6%
Commercial	\$8,588,064	\$417,122,975	2.1%	\$103,056,771	51.0%
Industrial	\$1,856,275	\$72,882,254	2.5%	\$22,275,302	11.0%
Agricultural	\$287,924	\$13,468,981	2.1%	\$3,455,090	1.7%
Public Authority	\$1,119,312	\$49,823,824	2.2%	\$13,431,740	6.6%
Railroads	\$13,499	\$692,114	2.0%	\$161,989	0.1%
Interdepartment ¹	\$0	\$25,098	0.0%	\$0	0.0%
Totals	\$16,853,525	\$925,432,174	1.8%	\$202,242,299	100.0%

Notes:

1. SCE operations.
2. Revenue billed.

IV. Outreach

A. Discuss utility outreach activities and those undertaken by third parties on the utility's behalf.

ANS. SCE's goal is to enroll as many eligible customers who are willing to participate in CARE. CARE enrollment decreased from 1,056,061 on December 31, 2006, to 1,024,148 on December 31, 2007, which represents a net loss of 31,913.

The following provides an overview of SCE's outreach initiatives.

- SCE's Consumer Affairs organization administers the Rate Relief Program which provides assistance to customers with paying winter energy bills. Applicants were not enrolled in CARE when they enrolled in the Rate Relief Program due to the higher income guidelines

for the Rate Relief Program. As part of the Partners for Hope Program, Consumer Affairs performs outreach to community-based and social services agencies that provide services to customers with special needs. The in-service trainings conducted with these organizations include overviews on the CARE/FERA and CARE Capitation Programs. Examples of these organizations include: senior centers, regional centers, and independent living centers.

- SCE's CARE Capitation Fee Project, established under SBX1 5 Rapid Deployment, continued using outside organizations to assist customers in completing a CARE application. 2,127 customers were enrolled through this effort and SCE paid out \$27,186 in incentives to a total of 47 participating organizations.
- Contractors who perform Energy Management Assistance (EMA) assessment services complete an application that includes enrollment in CARE, if qualified. 2,323 customers were enrolled through this effort.
- SCE's Credit and Collections organization referred customers with a "senior" or "disabled" profile to our Consumer Affairs organization prior to disconnection for nonpayment. As a part of this follow-up, Consumer Affairs provides these customers information on enrolling in CARE as part of a plan to reduce electric bills.
- SCE's Public Affairs worked extensively with community based organizations, city councils and staff, chambers of commerce, small businesses, senior centers, and legislative offices. Public Affairs effectively promoted the CARE Capitation Fee Project to organizations through community group presentations. Public Affairs also successfully organized exhibit booths at numerous gatherings (e.g., shows, festivals, etc.) and mobilized volunteers, including bilingual-speaking volunteers, for ethnic-specific (hard-to-reach communities) activities.
- SCE's Equal Opportunity/Supplier Diversity department was very effective in promoting CARE to faith-based and non-profit organizations and getting these entities to participate in enrollment events.
- Customers were made aware of the CARE program when calling in to SCE's phone centers.

- Customers are able to obtain CARE information and enroll, recertify their eligibility, and inform SCE of their ineligibility for the CARE program through SCE's "real-time" online applications at www.sce.com/careandfera. The online applications are available in English, Spanish, Chinese, Korean, and Vietnamese. Customers can also download a CARE application from SCE's website and mail it in. The downloadable applications are available in English, Spanish, Chinese, Korean, Vietnamese, and Cambodian. In addition, the online applications and downloadable applications have large font capability.
- CARE information was provided at authorized bill payment agencies which can be frequented by potential CARE-eligible customers.
- Quarterly bill messages informed customers about the availability of CARE.
- In June, two months prior to its high demand season, SCE conducted its annual solicitation for CARE participation by inserting a CARE application to all non-CARE residential customers' electric bills.
- SCE's success in enrolling its customers in CARE continues to be greatly enhanced by the efforts of employee affinity group volunteers who specifically support community events and promote CARE.
- SCE conducted marketing to increase awareness of and enrollment in the CARE program as described below:

Marketing

Ethnic earned media outreach for the CARE Program generated newspaper readership and television interviews to customers in the Southern California Edison service territory.

Ethnic media outlets are continually interested in providing information to their audiences that raise awareness about money-saving programs. Not surprisingly, programs such as CARE garner significant media attention because it provides a tangible benefit to their audiences. However, with the heat storms and wildfires that ravaged Southern California in 2007, much of our media outreach was dedicated to providing our customers with information on avoiding power outages and staying safe during emergency situations.

Currently SCE provides the CARE enrollment application in Spanish, Chinese, Vietnamese, Korean and Cambodian languages. Additionally, to encourage recertification and continued receipt of the discounted rate, efforts are continually

made to provide re-certification notices and other communications to these customers in the same language in which their applications were completed.

Earned Media (PR and Outreach):

**Newspaper
Hispanic Community**

Information about the CARE Program was conveyed in Hispanic publication El Mexicalo in Bakersfield, reaching an estimated readership of more than 15,100.

TV

African-American Communities

The cable television station airing, “Inside the Inland Valley,” and “Compton from the Inside/Out”, conveyed the information about SCE’s CARE Program.

In an interview during “Inside the Inland Valley”, an SCE representative discussed with Ed Pruitt the various bill assistance programs Southern California Edison offers its customers, as well as details about the CARE program and its income requirements.

Southern California Edison representative, Ed Robinson, provided information about the CARE program, as well as other income qualified assistance programs, to Dave Ford during his interview for “Compton from the Inside/Out” which was taped in April.

Paid Media (Advertising):

Between January and March 2007, SCE launched an advertising campaign to promote CARE to Hispanic, Asian (Chinese, Korean and Vietnamese) and African American audiences.

Hispanic:

SCE’s campaign utilized radio and print advertising. Specifically, radio ads aired over a three week period on KLVE/KSCA and print ads (including free standing CARE applications) were inserted in La Opinion during back-to-back weeks in March.

Asian:

SCE's campaign utilized radio, running advertisements on KUSC in addition to Chinese stations KAZN, KWRM, KMNY and KMRB, and Korean stations KIAP and KHZ and Vietnamese stations KALI, KNAR, and VNCR.

Additionally, SCE's television promotional spots were viewed on Chinese station ETTV from late January through early-March

African American:

SCE's campaign utilized radio and print, featuring advertisements on radio stations KJLH and KDAY and in print outlets ACC Church News, the LA Watts Times, California Crusader, LA Sentinel, Black Voice News, Our Weekly, and the Compton Bulletin

Direct Mail

General Market

In 2007, SCE's goal was to continue to develop outreach campaigns that would take advantage of a variety of channels using a coordinated mix of communications vehicles that would deliver the most effective and efficient outreach across our culturally diverse service territory. These efforts, described in greater detail below, included targeted bilingual direct mail efforts in April, July and October, bilingual CARE applications included in SCE's New Residential Customer Welcome Kit, a new recertification program, and print advertising with a CARE application in Spanish-language newspaper La Opinion.

In February, SCE advertised the CARE program in the Spanish-language newspaper, LaOpinion, to increase the awareness of the Hispanic population in Los Angeles. To encourage immediate enrollment, a free-standing CARE insert was included in that day's issue. As a result of this advertising effort, more than 1,235 new CARE customers were enrolled in the program.

April 2007 brought the first direct solicitation of the year to encourage enrollment of new CARE customers to SCE. Approximately 280,000 bilingual (English and Spanish) direct mail pieces were sent to targeted customers in SCE's low-penetration ZIP codes, where there was a high opportunity for new enrollments because of low enrollment rates. These "hard to reach" areas typically have an expected lower response rate, but SCE continues to market to them to encourage enrollment in the program. Through December 31, 4,404 applications were returned – a 1.60% response rate, which would be expected from this audience. More than 3,900 new customers (90% conversion rate) were enrolled in the CARE Program.

**Southern California Edison
CARE Annual Progress Report
January 1 – December 31, 2007**

In July, the second CARE enrollment direct mail offer was sent to approximately 280,000 income-qualified customers. As SCE continued to promote energy efficiency and thereby reducing the negative impact on our environment, two different messages were tested to this audience, with a randomly selected 50% receiving a traditional CARE offer (the Control group), and the other 50% receiving the same offer, but included additional information about ways to help protect our environment (the Environmental group). The Control group had 5,874 responses (4.2% response rate), a higher than average response rate. The Environmental group responded with 7,131 applications submitted (5.1% response rate). Combined, more than 13,000 new CARE applications were received, resulting in nearly 12,000 new CARE customers enrolled in the program.

A new acquisition mailing was sent at the end of 2007. In October, a newly designed CARE direct mail solicitation was sent to approximately 50,000 customers identified as “Spanish preference” customers. This bilingual, self-mailer, included more culturally sensitive images and messaging and a tear-off CARE application. Through December, approximately six weeks from mailing, 2,251 responses were received, with nearly 1,900 enrolling in the CARE program (84% conversion rate).

In mid-December, SCE sent out approximately 193,000 bilingual direct mailers, which included a CARE enrollment application, targeting customers who have received a Final Call notice. (Final Call notices are sent to customers advising them that their account is past due, and action is needed in order to avoid disconnection. After approximately two weeks, SCE received 31 enrollment applications resulting in 26 new enrollments and 2 recertifications.

CARE applications are also distributed to new or transferring SCE customers through the Residential New Customer Welcome Kit. A CARE application is included in the Welcome Kit providing a little financial relief for income-qualified customers. In 2007, 39,165 new SCE customers returned a CARE application, and 22,200 were enrolled in the CARE Program.

SCE’s recertification efforts in 2007 included (1) mailing recertification letters and pre-filled applications one month prior to their 2-year CARE anniversary date; (2) mailing letters and applications to customers who fell off the CARE rate in 2006 due to failure to respond to previous recertification communications; (3) mailing Spanish recertification letters who were enrolled through a Spanish-only application; (4) recertification by phone using an automated voice-response unit; and (5) telephone operator-assisted enrollment and recertification.

Finally, SCE, as well as PG&E, SDG&E and Southern California Gas Company are working with the Energy Division to assist the Commission in its efforts to comply with SB 580. Through this pilot program, the joint utilities will facilitate the enrollment of Women, Infants and Children (WIC) participants onto the CARE rate.

Overall response rates to customer solicitations remain strong. Direct mail efforts targeted to customers most likely to qualify for CARE resulted in an overall 3.75% response rate and a conversion rate of approximately 87%, enrolling new CARE customers. Non-targeted communications, such as the annual June solicitation to all SCE customers, enrolled 28,574 new CARE customers into the program.

B. Discuss each of the following:

1. Most effective outreach method, including a discussion of how success is measured.

ANS. Using the percentage of approved applications by volume from various outreach methods, SCE considers two outreach methods to be equally very effective: Call Center requests for applications and direct mail, which includes the annual solicitation as well as targeted mailings based on demographics and under-penetrated geographic areas. Although some of the data exchanges produce higher percentage approved applications, the volumes are quite small in comparison, and, therefore, are not considered most effective. Results are shown in the following table:

Comparison of Enrollment Percent between SCE and Third Parties			
Enrollment Activity	Received¹	Approved	Percent
SCE			
SCE Call Center Requests	180,478	118,553	66%
SCE Direct Mail	107,627	72,629	67%
PG&E Data Exchange	217	187	86%
SWG Data Exchange	522	434	83%
SoCalGas Data Exchange	81,520	38,621	47%
DCSD Automatic Enrollment ²	0	0	0%
Third Parties			
Capitation Fee Project	3,663	2,127	58%
EMA Contractors	2,696	2,323	86%

Notes:

1. For PG&E, SWG, and DCSD "Received" counts are those records that were active customer account matches with SCE's database after "scrubbing" all records received for non-matches, closed accounts, ineligible rates, and existing accounts on CARE.

For SoCalGas, "Received" count are those records that were active customer account matches with SCE's database after "scrubbing" all records received for non-matches, closed accounts, and ineligible rates. However, existing accounts on CARE are included in the "Received" count because these accounts are automatically recertified in the data exchange.

2. No records from DCSD were received in 2007.

2. How CARE customer data and other relevant program information is shared by the utility with other utilities sharing its service territory.

ANS. SCE continued collaborating with Southern California Gas Company and Southwest Gas Company to share CARE participant data electronically to assist customers to enroll in each utility's program. In 2007; 38,621 and 434 customers were added to SCE's CARE rate through the SoCalGas and Southwest Gas exchanges, respectively. The electronic data exchange with PG&E garnered 187 enrollments in 2007.

3. How CARE customer data and other relevant program information is shared within the utility, for example, between its LIEE and other appropriate low-income programs.

ANS. Contractors who perform LIEE (for SCE, this is known as EMA) assessment services complete an application that includes enrollment in CARE, if qualified. In 2007; 2,323 customers were enrolled through this effort.

4. Attach a copy of the utility's agreement with CSD. Describe the process for cross-referral of low-income customers between the utility and CSD. Describe how the utility's CARE customer discount information is provided to CSD for inclusion in its federal funds leveraging application.

ANS. A copy of SCE's ongoing agreement with CSD was filed in 2001 with SCE's 2000 CARE Annual Report. SCE includes the following language on its individually-metered customer CARE application for cross-referral of low-income customers to CSD:

“Other Programs and Services You May Qualify For: LIHEAP (Low Income Home Energy Assistance Program) provides bill payment assistance, emergency bill assistance, and weatherization services. Call the Department of Community Services and Development at 1-800-433-4327 for more information. For other Edison assistance programs, call 1-800-736-4777.”

SCE's agreement with CSD provides that, upon request by CSD, SCE will provide CSD (1) the total number of households receiving CARE and Energy Assistance Fund (EAF) assistance and (2) the total dollar amount of CARE and EAF assistance received by all participating households from October of the previous year through September of the current year. This information is to be provided to CSD for inclusion in its federal funds leveraging application.

5. Discuss barriers to participation encountered during the reporting period and steps taken to mitigate them.

ANS. Although no formal study has been conducted by SCE to identify barriers to participation, it is believed, through anecdotal information and experience that some barriers to participation do exist. These include lack of knowledge about the availability of CARE, language and cultural barriers, geographical barriers to reach potentially-eligible customers, and a certain segment of the eligible population that does not wish to participate.

As described in this report, SCE uses a multifaceted outreach approach to reaching its potentially CARE-eligible customers and believes it continues to make progress in overcoming barriers to enrollment. As described elsewhere in this report, CARE marketing and correspondence has been designed to reach increasing numbers of ethnicities and under-penetrated geographic areas. Process improvements, such as the “real-time” online enrollment, recertification, and de-enrollment applications are providing additional opportunities for customer enrollment, recertification, and notification of ineligibility and assist in eliminating barriers for customers. These online applications are available in English, Spanish, Chinese, Korean, and Vietnamese and have large-font capability.

C. Discuss any recommendations to improve cost-effectiveness, processing of applications, or program delivery. Discuss methods investigated or implemented by the utility or third parties under contract to the utility to improve outreach and enrollment services to non-participating households in the prior year. Provide cost-effectiveness assessments, if available.

ANS. SCE implemented the following improvements in 2007:

- SCE enhanced its Source Code tracking system for incoming applications by adding 19 new source codes. This expands SCE’s capability to track the sources of applications.
- In January, SCE increased the CARE Capitation fee to \$15.00 per enrollment.
- SCE implemented requirements to comply with SB580; specifically to automatically enroll customers participating in the WIC programs and to exempt them from the verification process.

- A TTY user checkbox was added to SCE’s processing system as well as the submetered enrollment application to allow tracking of tenants who notify SCE that they are hearing impaired.
- In November, SCE implemented an on-line enrollment form in the five languages supported by CARE, English, Spanish, Korean, Chinese and Vietnamese. As of December 31, 2007, there were 1,326 approvals for CARE via this application. A recertification and de-enrollment form was also made available on sce.com.
- In 2007, 16,705 recertifications were automatically completed via SCE’s Voice Response Unit (VRU).
- For the first time, SCE and the Gas Company successfully exchanged submetered tenant data. SCE enrolled over 2,500 new tenants in 2007 via this data exchange.

V. Processing CARE Applications

A. Processing Self-Certification and Self-Recertification Applications (individual and sub-metered customers)

1. Provide the total number of third-party CARE applications received, approved, denied, pending/never completed, or duplicates in the reporting period)

ANS. See Table 7 for the results of the CARE Capitation Fee Project. Entities participating in this Project are not listed if they submitted no applications in 2007.

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TABLE 7					
CARE Capitation Fee Project					
Entity	CARE Applications Submitted				
	Received¹	Approved	Denied	Pending/Never Completed²	Duplicates
ACCESS CALIFORNIA SERVICES	5	5	0	0	0
ALPHA ENTERPRISE	429	157	42	0	230
ALTAMED HEALTH SVCS CORP	1	0	1	0	0
APAC SERVICE CENTER	521	383	10	10	128
ASIAN AMERICAN RESOURCE CENTER	4	1	0	1	3
ATLANTIC COMM ECON DEV CORP	1	0	0	0	1
CAP OF SAN BERNARDINO CTY	897	563	28	21	297
CATHOLIC CHARITIES OF LA INC	101	52	4	11	45
CATHOLIC CHARITIES OF ORANGE C	1	0	0	0	1
COMM ACTION OF VENTURA COUNTY	41	24	5	0	11
COMM ACTION PARTNERSHIP OF OC	217	159	6	4	52
COMMUNITY PANTRY	165	92	17	1	56
CRISIS MINISTRY CHURCH OF VLY	24	12	2	3	9
DISABLED RESOURCES CTR, INC	15	9	4	0	2
EL CONCILIO DEL CONDADO DE	3	1	0	0	2
ENGAGE:THE ART OF ACTIVE AGING	1	0	0	0	1
FAMILY SVC ASSOC - W RIVERSIDE	4	3	0	0	1
GUAM COMMUNICATIONS NETWORK	1	0	1	0	0
HELP OF OJAI, INC.	3	2	0	0	1
HOSANNA COMMUNITY CHURCH	1	0	0	0	1
HOUSING WITH HEART INC	5	2	1	0	2
KINGS CO HOUSING AUTHORITY	13	8	1	0	4
KINGS COMMUNITY ACTION ORG	1	1	0	0	0
KINGS CTY COMMISSION ON AGING	1	1	0	0	0
KNIGHTS OF COLUMBUS - 12834	94	40	8	15	45
LA COUNTY HOUSING AUTHORITY	27	18	3	0	6
LUTHERAN SOCIAL SVCS OF SO CA	21	9	4	0	8
MEXICAN AMERICAN OPPORTUNITY	8	2	2	1	4
MONTEBELLO HOUSING DEVELOPMENT	2	2	0	0	0
MTN. COMMUNITIES HEALTHY START	1	0	0	0	1
OCCC	54	38	3	1	11
OPERATION GRACE	2	0	0	0	2
PROTEUS, INC.	291	184	26	8	77
REACH OUT 29	2	2	0	0	0
RIVERSIDE DEPT COMM ACTION	124	46	17	4	57
RSVP OF SOUTH BAY	1	0	1	0	0

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TABLE 7					
CARE Capitation Fee Project					
Entity	CARE Applications Submitted				
	Received ¹	Approved	Denied	Pending/Never Completed ²	Duplicates
SAMARITAN'S HELPING HAND	36	29	1	0	6
SO. ANTELOPE VLY EMERGENCY SVC	23	11	6	0	6
ST EMYDIUS CHURCH	163	50	5	0	108
ST FRANCIS MEDICAL CTR HLTH	3	2	0	0	1
ST PIUS V CHURCH	1	0	1	0	0
STOP VIOLENCE INCREASE PEACE	1	1	0	0	0
TODEC LEGAL CENTER, INC.	82	41	12	0	29
VENTURA CITY HOUSING AUTHORITY	7	2	0	1	5
VETERANS IN COMMUNITY SERVICE	262	173	7	0	82
WEST ANGELES COMM DEV CORP	2	1	1	0	0
WRAP FAMILY SERVICES	1	1	0	0	0
Total	3,663	2,127	219	81	1,295
Percentage	100%	58%	5%	2%	35%

Notes:

1. Percentage calculation based on the total number of applications received.
2. Enrollment applications are not placed in a pending/never completed status.

B. Provide the number of utility CARE self-certification and self-recertification applications provided, received, approved, denied, pending/never completed, or duplicates for the reporting period.

ANS. See Table 8.

TABLE 8						
CARE Self-Certification and Self-Recertification Applications ¹						
	Provided	Received	Approved	Denied ³	Pending/Never Completed ⁴	Duplicates
Self Certification²	4,059,897	386,014	240,526	57,215	n/a	88,273
Recertification	607,763	415,749	409,181	163,249	35,333	0
Total	4,667,660	801,763	649,707	220,464	35,333	88,273
Percentage	Note5	100%	81%	27%	4%	11%

Notes:

1. Includes sub-metered customers.
2. Includes number of applications SCE provided for all direct mailing campaigns, customer calls made to the call center, and other outreach methods. Because there are other means by which customers obtain applications which are not counted, this number is only an approximation.

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3. Includes customers who no longer qualified for the program and those that dropped due to non-response.
4. Includes cancelled recertification requests and closed accounts.
5. Percentage calculations are based on the total number of applications received.

3. Provide a table showing the number of customers removed from CARE by month due to the recertification process.

ANS. See Table 9.

TABLE 9			
Residential CARE Program Customers¹ Removed by Month through Recertification and Post-Enrollment Verification			
2007	Recertification	Post-Enrollment Verification	Total
January	11,813	614	12,427
February	10,194	573	10,767
March	10,950	641	11,591
April	15,321	534	15,855
May	19,622	620	20,242
June	13,379	578	13,957
July	9,383	568	9,951
August	9,083	593	9,676
September	9,821	517	10,338
October	22,297	401	22,698
November	17,586	20	17,606
December	13,800	6	13,806
Total	163,249	5,665	168,914

Notes:

- 1 Total individually-metered and sub-metered.

4. Describe the utility’s process for recertifying sub-metered tenants of master-meter customers.

ANS. Annually, SCE mails a package of sub-metered tenant CARE applications to master-meter customers to distribute to their sub-metered tenants to recertify (reapply) for CARE. The master-metered customer is responsible for providing account and master-meter information to permit sub-metered tenants to complete the CARE application to mail to SCE.

In 2007, in compliance with AB2104, SCE also mailed recertification packets to the sub-metered tenants.

B. Processing Random Post-Enrollment Verification Applications

- 1. Provide the total number of applications mailed, received, approved, denied, pending/never completed, or duplicates, for the reporting period.**

ANS. See Table 10.

TABLE 10						
CARE Random Post-Enrollment Verification Applications						
	Mailed	Received	Approved	Denied ²	Pending/Never Completed ³	Duplicates
Total¹	8,335	1,151	955	5,665	1,715	0
Percentage⁴	100%	14%	11%	68%	21%	0%

Notes:

- Sum of “Received,” “Approved”, “Denied”, and “Pending/Never Completed” is greater than total “Mailed” due to verification requests initiated in 2005 which were received and processed in 2007.
- “Denied” includes customers who no longer qualified for the program and those who were dropped due to nonresponse.
- Includes cancelled verification requests and closed accounts
- Percentage calculation based on verifications mailed (requested).

- 2. Provide a table showing the number of customers removed from CARE by month due to the verification process.**

ANS. See Table 9 in V.A.3. above.

C. Describe any contracts the utility has with third parties to conduct certification, recertification and/or verification on the utility’s behalf. Describe how these third-party efforts compare to the utility’s efforts in comparable customer segments, such as hard-to-reach or under-served. Include comparisons of effectiveness and cost-effectiveness of comparable customer segments, if available.

ANS. SCE has agreements under the CARE Capitation Fee Project (Project) to conduct certification of new applicants for CARE. SCE did not have any contracts with third parties to conduct recertification and/or verification on its behalf.

The Project was authorized by the CPUC in Decision 01-05-033, dated May 7, 2001. Its purpose is to take advantage of the opportunity to enroll eligible customers in CARE while they are receiving other services from entities that assist low-income clients. This Project is centered on providing outreach and enrollment services, not recertification or verification services.

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

In 2007, 47 organizations submitted applications to SCE that were approved, the results of which are presented in Table 7.

Comparison of Efforts, Cost, and Effectiveness between Utility and Third Parties

SCE's outreach methods are described in V.A. above, and all are considered effective in their own way because each uniquely reaches SCE's customers and results in enrollments in CARE. Third-party outreach and enrollments for SCE occur primarily through organizations participating in the Capitation Fee Project and Energy Management Assistance (EMA) contractors. The Project was intended to provide valuable outreach services for the CARE program by assisting clients in filling out CARE applications as an adjunct to the organization's other daily activities.

As an improvement over the 2006 process, EMA assessment contractors complete an application with submetered tenants as well as residential customers who are eligible for CARE. SCE currently automatically enrolls customers who have received an EMA service into CARE.

SCE can make a comparison of outreach cost per enrollment. The following table shows that SCE's enrollment cost is about 22% of that for the Capitation Fee Project.

Comparison of Cost per Enrollment between SCE and Third Parties			
	Enrolled	Outreach Cost	Cost per Enrollment
SCE	238,399	1,750,386	\$6.99
Capitation Fee Project ¹	2,127	\$66,739	\$31.38

Notes:

1. Includes all costs including capitation fees.
2. Does not include enrollments from EMA contractors as they do not have an unbundled fee for a CARE enrollment.

In addition, SCE can make a comparison to effectiveness. The following table compares the approval percentages among SCE enrollment activities and the third-party Capitation Fee Project/EMA contractors. Here, SCE enrollment activities generally generate higher volumes of enrollment.

The approval percentage for Capitation activity is lower than that for enrollment through EMA due to the fact that many of the applications received via Capitation agencies are duplicate applications. However, in December 2007, SCE implemented a new process whereby the duplicate applications received via the Capitation agencies are used to recertify existing customers' eligibility for the CARE rate.

With enrollment of EMA customers into CARE, the existing customers are excluded when the list of those eligible customers to be enrolled is created thereby causing EMA to have a higher enrollment percentage.

In addition, SCE can make a comparison to effectiveness. The following table compares the approval percentages among SCE enrollment activities and the third-party Capitation Fee Project/EMA contractors. Here, SCE enrollment activities generally generate higher volumes of enrollment and higher approval rates.

Comparison of Enrollment Percent between SCE and Third Parties			
Enrollment Activity	Received¹	Approved	Percent
SCE			
SCE Call Center Requests	180,478	118,553	66%
SCE Direct Mail	107,627	72,629	67%
PG&E Data Exchange	217	187	86%
SWG Data Exchange	522	434	83%
SoCalGas Data Exchange ²	81,520	38,621	47%
DCSD Automatic Enrollment	0	0	0%

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Third Parties			
Capitation Fee Project	3,663	2,127	58%
EMA Contractors	2,696	2,323	86%

1. For PG&E, SWG, and DCSD "Received" counts are those records that were active customer account matches with SCE's database after "scrubbing" all records received for non-matches, closed accounts, ineligible rates, and existing accounts on CARE.
2. For SoCalGas, "Received" count are those records that were active customer account matches with SCE's database after "scrubbing" all records received for non-matches, closed accounts, and ineligible rates. However, existing accounts on CARE are included in order to use these to automatically recertify these accounts for participation.

VI. Program Management

A. Discuss issues and/or events that significantly affected program management in the reporting period and how these were addressed.

ANS.

- SCE provides electric, gas, and water services to customers on Santa Catalina Island. In 2007, a CARE rate was established for gas customers. A communications plan was implemented. Customers already on electric-CARE were sent a letter informing them that they would be placed on gas-CARE automatically. Electric customers with gas service not on CARE were sent a letter informing them about CARE and provided an application to enroll for both electric and gas simultaneously. Gas-only customers were sent a letter and an application for gas-CARE enrollment.

In 2007, in Resolution W-4665, the Commission authorized SCE to establish a water CARE rate for Santa Catalina Island customers. On March 27, 2008, SCE filed Advice 63-W to establish Schedule W-1-CARE, Santa Catalina Island California Alternate Rates for Energy – Domestic Water Service.

- In Decision 05-10-044, dated October 27, 2005, the CPUC formalized input taken from utilities and interested parties to address the impact of anticipated increases in natural gas prices on the low-income population and the means to assist these customers during the winter period between November 1, 2005 and April 30, 2006. This effort was identified as the "Winter Initiative". As part of the Winter Initiative,

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Decision 05-10-044 increased the CARE income guidelines from 175% to 200% of Federal Poverty Guidelines on November 1, 2005, increasing the pool of customers eligible to enroll in CARE requiring the updating and reprinting of CARE applications.

Following the Winter Initiative period, the CPUC maintained the alignment of the LIEE and CARE income guidelines, thereby making the income guideline increase to 200% of Federal Poverty Guidelines permanent.

CARE EXPANSION PROGRAM

This section covers the non-profit homeless shelters and group living facilities, migrant and farm worker housing centers, qualified privately-owned employee housing, and qualified non-profit housing for agricultural employees.

I. Participant Information

A. Provide the total number of residential and/or commercial facilities by month, by energy source for the reporting period.

ANS. See Table 11.

TABLE 11			
CARE Expansion Program Participating Facilities by Month			
2007	CARE Residential Facilities	CARE Commercial Facilities	Total
January	304	129	433
February	305	130	435
March	306	129	435
April	309	131	440
May	308	131	439
June	313	133	446
July	323	133	456
August	221	107	328
September	260	114	374
October	279	127	406
November	300	131	431
December	312	134	446

B. State the total number of residents (excluding caregivers) for residential facilities, and for commercial facilities, by energy source, at year-end.

ANS. The total number of residents (excluding caregivers) at the end of 2007 was:

Residential: 6,370
 Commercial: 2,904

II. Usage Information

- A. Provide the average monthly usage by energy source per residential facility and per commercial facility.**

ANS. See Table 12.

TABLE 12		
CARE Expansion Program Average Monthly Gas / Electric Usage ¹		
Customer	Gas Therms	Electric KWh
Residential Facilities	N/A	914
Commercial Facilities	N/A	12,340

Notes:

Excludes master meter usage.

III. Program Costs

- A. Administrative Cost**

- 1. Show the CARE Expansion Program’s administrative cost by category.**

ANS. The information is provided in Table 5 above.

- B. Discount Information**

- 1. State the average annual CARE discount received per residential facility by energy source.**

ANS. \$642.78

- 2. State the average annual CARE discount received per commercial facility by energy source.**

ANS. \$4,457.78 (electric usage)

IV. Outreach

- A. Discuss utility outreach activities and those undertaken by third parties on the utility’s behalf.**

ANS. Potentially-eligible customers may become aware of the CARE Expansion Program through SCE's phone centers. SCE also conducts consumer outreach public awareness initiatives which include presentations to community groups and contacts with community agencies through which customers may become aware of the Program. Organizations participating in the CARE Capitation Fee Project may assist a customer who is eligible to complete a CARE application for the Expansion Program.

B. Discuss each of the following:

1. Most effective outreach method, including a discussion of how success is measured.

ANS. Customers who would qualify under the Expansion Program, primarily group living facilities, which can be residential or commercial customers, cannot be identified using SCE's customer database to enable SCE to selectively contact them. SCE's most effective outreach method to domestic customers is through contact with SCE's internal call center. Although, the Call Center would probably not be the best method for the Expansion Program if potentially-eligible customers could be identified. Direct mail campaigns based on demographic data is SCE's second best method of enrollment and would probably be a better vehicle for enrollment for the Expansion Program. Domestic customers receive information throughout the year about CARE. Therefore, if a group living facility is on a domestic rate, they would at least receive information and could inquire about enrollment. If a customer operating a group living facility is a corporation, the rate would typically be commercial. To most effectively reach commercial customers, SCE would probably use a bill message or bill insert to provide information about CARE.

2. How the CARE facility data and relevant program information is shared by the utility with other utilities sharing its service territory.

ANS. SCE collaborates with SoCalGas, Southwest Gas, and PG&E to share CARE participant data electronically to enroll qualified customers in each utility's program. The exchanges with Southwest Gas and PG&E have only matched individually-metered customers. In 2007, SCE and SoCalGas exchanged data for submetered tenants as well.

- 3. Barriers to participation encountered in the prior year and steps taken to mitigate these, if feasible, or not, if infeasible.**

ANS. See SCE's response to Question IV.B.1. discussing outreach activities.

- C. Discuss any recommendations to improve the cost-effectiveness, processing of applications, or program delivery. Discuss methods investigated or implemented by the utility or third parties on the utility's behalf to improve outreach and enrollment services to non-participating facilities in the prior year. Provide cost-effectiveness assessments, if available.**

ANS. See SCE's response to Question IV.B.1. discussing outreach activities.

V. Processing CARE Applications

A. Processing Self-Certification and Self-Recertification Applications

- 1. Provide the total number of third-party CARE Expansion program applications received, approved, denied, pending/never completed, or duplicates.**

ANS. See Table 13.

- 2. Provide the total number of utility CARE Expansion program applications received, approved, denied, pending/never completed, or duplicates for the reporting period.**

ANS. See Table 13.

TABLE 13					
CARE Expansion Program CARE Capitation Fee Project, Other Outreach, and Utility CARE Applications					
Entity	Received	Approved	Denied	Pending/Never Completed	Duplicates
CARE Capitation Fee Project	0	0	0	0	0
Other Outreach	0	0	0	0	0
Utility	935	454	481		75
Total	935	454	481		75
Percentage	Note 1	49%	43 %	0%	7%

Notes:

1. Percentage calculation based on the total of “Approved”, “Denied”, and “Duplicates” of 75 because the Received count includes applications that were returned to customers to complete and which were subsequently received again and processed.

B. Describe any contracts the utility has with third parties to conduct certification, recertification and/or verification on the utility’s behalf. Describe how these third-party efforts compare to the utility’s efforts in comparable customer segments such as hard-to-reach or under-served. Include comparisons of effectiveness and cost-effectiveness of comparable customer segments, if available.

ANS. SCE did not specifically contract with third parties to outreach and enroll (certify), recertify, or verify eligibility of customers participating in the CARE Expansion Program, although Capitation Fee Project contractors may assist a customer who is eligible to complete a CARE application for the Expansion Program.

VI. Program Management

A. Discuss issues and/or events that significantly affected program management in the reporting period and how these were addressed.

ANS. There were no issues or events that significantly affected program management. As discussed in IV.B.1 above, SCE would like to have an effective means to selectively outreach to potential Expansion Program customers. It appears that a non-selective, mass notification is the most practical way to outreach these customers.