

**SOUTHERN CALIFORNIA GAS COMPANY
12TH ANNUAL PROGRESS REPORT
CALIFORNIA ALTERNATE RATES FOR ENERGY
RESIDENTIAL AND EXPANDED PROGRAMS**

January 1, 2000 through December 31, 2000

Submitted May 1, 2001

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CARE Residential Program

Includes Individual and Submetered Participants (Tenants of Qualifying Master-Meter Customers)

I. Participant Information

- A. Provide the total number of residential CARE customers, including submetered tenants, by month, by energy source, for the reporting period. See Table 1.**

TABLE 1		
Residential CARE Program		
Customers by Month¹		
(Year)	CARE Customers	Percentage Change
January	517,421	-0.40%
February	520,057	0.51%
March	522,900	0.55%
April	530,448	1.44%
May	499,227	-5.89%
June	539,383	8.04%
July	539,274	-0.02%
August	542,306	0.56%
September	546,731	0.82%
October	549,326	0.47%
November	547,628	-0.31%
December	549,158	0.28%

Total individual and submetered.

Southern California Gas Company - CARE 12th Annual Report

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

Due to an Information Technology (IT) anomaly, associated with the customer information database in May 2000, active residential meter and CARE customer counts fell for the month. This fluctuation was rectified in June 2000.

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

- 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.**
- 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 submetered tenants) and CARE-ineligible meters (i.e., master meters that are not submetered or other residential meter configurations that do not provide residential service.)**
- 3. Discuss how the estimates of current CARE-eligible households were developed.**
- 4. Describe how current CARE customers were counted.**
- 5. Discuss how the elements above were used to derive the utility's CARE participation rates by energy source.**

CARE eligibility rates were calculated for the entire program year utilizing SoCalGas specific methodology as described below. Beginning June 1, 2001, CARE eligibility rates will be calculated pursuant to the RRM methodology approved in D.01-03-028.

The CARE-eligible population was updated in January of 2000 in response to a CPUC data request. The updated potential eligible data was estimated by counting the number of households that met the June 1, 1998 income guidelines for that household size category, using Claritas market research data for 1998. The number of CARE-eligible households was then adjusted to reflect gas meters as a percentage of total households using SoCalGas meter data from December 1999 and updated Claritas market research data. The total CARE estimated eligible customers, adjusted for gas meters, for SoCalGas entire service area was then determined. This number was divided by total active residential meters to derive the service area percentage of CARE eligible customers. This percentage was then applied to SoCalGas total active residential meters to derive total estimated CARE eligible customers. No additional adjustments were made to the eligibility criteria during PY2000.

- C. Provide the total number of CARE residential customers, CARE-eligible households, and CARE participation rates, by energy source, by quarter. See Tables 2.

TABLE 2			
CARE Residential Penetration Rate			
2000 Quarter Ending	CARE Residential Households	CARE-Eligible Households	CARE Penetration Rate
March 31	522,900	821,732	64%
June 30	539,383	823,558	65%
October 31	546,731	824,271	66%
December 31	549,158	823,192	67%

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

In December 2000, SoCalGas had 4,799,951 active residential customers. Using the methodology stated previously, SoCalGas determined that 17.15% of its residential customers were eligible for the CARE program. Based on this, SoCalGas estimates that 823,192 of its residential customers were CARE eligible for program participation. At year-end 2000, there were 549,158 residential customers enrolled in the program, for a participation rate of 67%.

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

SoCalGas had 1,866 master-metered customers that were 100% submetered as of year-end 2000. There were approximately 180,000 submetered units, which were associated with the 1,866 master meters. SoCalGas estimates that almost 31,000 of these submetered units were CARE eligible at year-end. SoCalGas uses the same CARE eligible to total residential meters percentage to estimate CARE eligible submetered units as of December 2000.

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

As of December 2000, over 30,900 submetered tenants were receiving CARE benefits.

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

The penetration rate for submetered CARE customers is almost 100% of the estimated CARE eligible population.

Southern California Gas Company - CARE 12th Annual Report

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

SoCalGas master-metered customers are the "customer of record" rather than the submetered tenants. For the first six months of this reporting period, SoCalGas relied upon the landlords, mobile home park or property owners/managers to facilitate and coordinate enrollment of CARE eligible tenants. The most common difficulty encountered by SoCalGas in enrolling submetered tenants into the CARE Program had been obtaining cooperation from some of the owners/managers in providing the CARE applications and discount CARE qualified tenants. In response, SoCalGas implemented enhancements to its Customer Information System by providing the ability to mail pre-printed submetered CARE applications directly to the submetered tenants of the master-metered customer. This system is also used to inform master-metered customers which tenants have qualified for the program that month and which have been removed from the rate. This system provides information to the master-meter customers to assist in the proper billing of their CARE qualified tenants. It furthermore provides a means of facilitating communication between SoCalGas, the owners/managers, and submetered CARE tenants, and results in quicker resolution of conflicts and issues regarding the CARE program.

All CARE documents (including CARE applications) issued have the tenant name, address and Facility Identification Number pre-printed for ease of applicant completion and are mailed directly to the tenant in the master-meter facility. Also included with all correspondence are pre-addressed return envelopes that are mailed directly to SoCalGas. If tenants do not desire to go through the landlords, mobile home park or property owners/managers they need only request a CARE application by calling our customer service 800 number. SoCalGas continues to also provide applications to the site of the landlords, mobile-home park or property owners/managers master-metered facility for tenant distribution.

SoCalGas implemented administrative processes to ensure enrollment and recertification of CARE eligible submetered customers operates smoothly. Administration has been refined and SoCalGas is committed to continuously provide updated tenant data; and pass this information along to the master meter customers on a regular basis. Although less than 5% of the customers enrolled in the CARE program are submetered tenants, the administration and oversight are more involved than with individually metered CARE customers. In addition, more billing issues arise with submetered CARE tenants than with individually metered CARE customers, often due to lack of timely notification of changes in tenants' status. SoCalGas directly bills individually metered CARE customers, while the master-meter customer bills the tenants. If SoCalGas is not notified when tenants move, the submetered system does not correctly reflect which tenants are qualified for the CARE discount. This creates errors in billing the master-metered customers, as well as tenants.

One of the primary difficulties SoCalGas encounters with CARE submetered tenants is that some owners/managers indicate that the submetered CARE program is too much effort to administer. SoCalGas continues to work with owners/managers and associations (e.g., the Western Mobile Home Park Association) to understand the administrative burdens of the owners/managers in facilitating

Southern California Gas Company - CARE 12th Annual Report

SoCalGas' administration of the CARE program to submetered tenants. This has enabled SoCalGas to implement solutions that reduce barriers for its master-meter customers and the CARE-eligible tenants.

II. Usage and Bill Information

- I. 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. See Table 3.

TABLE 3			
Average Monthly Gas / Electric Usage Residential Non-CARE vs. CARE Customers ¹			
Customer	Gas Therms Tier 1	Gas Therms Tier 2	Total
Non-CARE	29.3	17.1	46.4
CARE	22.5	8.8	31.3
Customer	Electric KWh Tier 1	Electric KWh Tier 2	Total
Non-CARE	N/A	N/A	N/A
CARE	N/A	N/A	N/A

Excludes master-meter usage.

- II. 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. See Table 4.

TABLE 4		
Average Monthly Gas / Electric Bill Residential Non-CARE vs. CARE Customers ¹ (Dollars per Customer)		
Customer	Gas	Electric
Non-CARE	38.02	N/A
CARE	22.62	N/A

¹ Excludes master-meter usage.

III. Program Costs

A. Discount Cost

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

The average monthly CARE discount received per participating CARE customer in PY2000 was \$4.03 per month, with an annual subsidy of \$48.35 per customer. This does not include the Service Establishment Charge discount provided to qualifying customers.

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

During PY2000, over \$25.9 million was paid as subsidies for assistance with customers' energy bills. An additional, \$2.2 million was provided to assist customers with a 60% discount on their initial service establishment charge. Total combined benefits to customers were \$28.1 million.

B. Administrative Cost

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

Costs are captured by category as shown on Table 5A; however, detailed line item costs are not available.

2. Explain what is included in each administrative cost category. See Table 5A.

TABLE 5A CARE Residential Program Administrative Costs by Category and Surcharge		
<u>Category</u>	<u>Description</u>	<u>Cost</u>
Outreach	1. Bill Inserts	\$1,004,839
	2. Advertising	
	3. Applications (printing and mailing)	
	4. Posters, Brochures, Flyers	
	5. Postage	
	6. Submeter Non-Profit and Agricultural Housing Outreach	
	7. Information Technology (technical support and software licensing)	
	8. Call Center Labor	
	9. Staff Labor	
	10. Out Bound Dialing	
	11. 800#	
	12. Outreach Pilot	

Southern California Gas Company - CARE 12th Annual Report

Processing, Certification, and Verification	1. Staff Labor	\$588,298
	2. Information Technology (technical support and software licensing)	
	3. Application Processing	
	4. Training	
	5. Programming Labor Submeter Certification	
Billing System /Programming	1. Manual Rebilling	\$91,400
	2. Programming and Billing Labor	
Measurement & Evaluation	1. Needs Assessment Study	
	2. Customer Satisfaction Survey	NA
Regulatory Compliance	1. Applications	
	2. Advice Filings	
	3. Comments and Reply Comments	
	4. Hearings	
	5. Reports and Studies	
General Administration	6. Working Group Meetings	
	3. Public Input Meetings	
	4. Tariff Revisions	NA
LIAB Funding	1. Office Supplies	
	2. Market Research	
	3. Program Management Labor	
	4. Information Technology (technical support and software licensing)	NA
		\$63,586
CPUC Energy Division Staff Funding		\$57,531
TOTAL PROGRAM COSTS		\$1,805,653
Subsidies and Benefits	1. Rate Discounts/SEC Credits	\$28,184,858
	2. Merger Savings	\$300,000
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS		\$30,290,511

Outreach - \$1,004,839

Outreach includes the costs to inform non-participating residential customers about the CARE program, and includes the following:

Semi-annual bill inserts - Costs associated with translation and printing of the inserts.

Applications - Paper and postage costs to mail CARE applications and letters to customers as well as costs to translate CARE application forms, instructions, and letters into Spanish, Mandarin, Vietnamese, and Korean.

Call Center Activities – To offer the CARE Program and explain the reduced service establishment (initial connection) charge to all residential customers when they call to establish service, change the name on the account, or to request payment arrangements. Included in this

Southern California Gas Company - CARE 12th Annual Report

cost is the incremental “talk time” that customer service representatives in the Call Center and branch offices devote to discussing the CARE program with customers, as well as associated telecommunications costs.

Outreach Pilot – The CARE Outreach Pilot is a one-year study that runs from June 1, 2000 through May 31, 2001. The primary objective of the pilot is to solicit new and innovative approaches to identifying and enrolling hard-to-reach and/or under served low-income customers. SoCalGas has contracted with six community based organizations to test new and innovative methods of reaching eligible, but non-participating customers.

Processing, Certification and Verification - \$588,298

These costs are associated with the centralized, dedicated CARE Administrative Group that process CARE applications.

The CARE Administrative Group - Primary activities include initiating and responding to telephone inquiries from CARE customers and potential applicants, handling CARE-related correspondence, and tracking information on customers' applications as required by the Commission. This may include investigating customer complaints, initiating corrected billings, and explaining the CARE program's eligibility requirements, including the time frames established by the Commission to qualify for a discounted service establishment discount (initial connection charge discount) and renewing CARE status. The CARE Administrative Group also manages the master-meter/CARE process, which includes communicating with mobile home park owners/managers regarding their tenants.

Billing System/Programming - \$91,400

These are primarily computer programming and staff labor costs required to maintain and enhance the CARE computer system and integration with the Company's Customer Information System.

These costs include the system integration necessary to modify customer records due to changes in CARE-eligibility requirements, make billing adjustments to CARE customer records, and to maintain and/or enhance the CARE customer information, reporting and billing systems.

Measurement & Evaluation, Regulatory Compliance and General Administration - \$0

Costs were not captured separately during PY2000 in these budget categories.

LIAB Funding, CPUC Energy Division Staff Funding - \$121,117

Pursuant to Resolution E-3601, SoCalGas provides an allocated portion of funding to support the activities associated with Low Income Advisory Board and the CPUC Energy Division Staff in conjunction with the low-income collaborative process.

Southern California Gas Company - CARE 12th Annual Report

Subsidies and Benefits - \$28,484,858

Subsidies and Benefits include the CARE rate benefits (15% discount on CARE customers rates and customer charges); CARE initial-connection charge benefits (\$15 discount off the \$25 regular service establishment charge, where applicable). These discounts account for \$28,184,858 million in direct benefit to customers. The Merger Cost Transition Account credits resulting from the merger of Pacific Enterprises and Enova Corporation account for \$300,000 of the costs recorded under this category.

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

As of December 31, 2000, the CARE balancing account was over collected by \$15.3 million.

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

All cost categories are recorded to the CARE balancing account.

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. See Table 6.

Information available for PY2000 is available for the Customer Classes as shown below. Separate reporting mechanisms are not in place for Agricultural, Public Authority, Railroads or Indepartmental categories. The variance associated with the surcharge revenue collected and the total subsidies paid result from the periodic surcharge tariff adjustments which are tied to the over or under collection of the balancing account.

TABLE 6					
CARE Surcharge and Revenue Collected by Customer Class					
Customer Class	Average Monthly CARE Surcharge	Average Monthly Bill	CARE Surcharge as Percent of Bill	Total CARE Surcharge Revenue Collected	Percentage of CARE Surcharge Revenue Collected
Residential	\$.021	\$38.02	.56%	\$10,967,611	48.13%
Core C&I	\$1.65	\$243.68	.68%	\$4,103,666	18.01%
Non-Core C&I	\$572.16	\$5,493.26	10.42%	\$7,717,090	33.86%
Agricultural	N/A	N/A	N/A	N/A	N/A
Public Authority	N/A	N/A	N/A	N/A	N/A
Railroads	N/A	N/A	N/A	N/A	N/A
Interdepartment	N/A	N/A	N/A	N/A	N/A

IV. Outreach

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

Utility Outreach

SoCalGas uses a variety of methods to inform potentially eligible, non-participating residential customers about the CARE program. These include:

All residential customers are offered the CARE program when they call to: (1) establish service, (2) change the name on the account, or (3) request payment arrangements. This outreach method provides direct contact with the customer and offers an opportunity for the company to explain the program and solicit participation.

The multi-lingual Customer Resource Center (Call Centers and Branch Offices) provides general program information to customers as well as mailing customized CARE applications.

The multi-lingual, centralized CARE Administration Group provides customized support such as explanations of what information is required to qualify as well as assisting customers with specific and personalized service and clarification regarding their participation in the program.

Implementation of a simplified CARE application that clearly defines the qualification criteria and which is provided in five languages: English, Spanish, Mandarin, Korean and Vietnamese, with multi-lingual referrals.

The Interactive Voice Response Unit, which allows customers to self-select information on the CARE program and to request CARE applications.

Semi-annual bill inserts to notify customers about the program provide updated program requirements and/or income guidelines. These inserts are mailed to all non-participating residential customers and are printed in English and Spanish, with multi-lingual referrals.

Printing reminder messages on customers' bills when those customers have not returned completed CARE applications.

Field Services personnel provide a CARE information card describing the CARE program benefits and requirements which may be left with customers.

Public Affairs personnel, who represent SoCalGas in our communities and inform the public about the CARE program as well as make presentations at civic forums and special events.

CARE support staff also met with 120 United Way agencies to provide information about the program and train personnel on the application requirements, recertification and post enrollment verification process.

Southern California Gas Company - CARE 12th Annual Report

Third-Party Outreach

The most notable third party activity associated with CARE outreach is the Gas Assistance Fund (GAF). During the reporting period, SoCalGas continued to provide energy assistance through customer and shareholder support via the GAF. The fund provides for a one-time credit of up to \$100 on a customer's winter bill and the eligibility guidelines for GAF are the same as for the CARE program. GAF is administered on behalf of SoCalGas by United Way, which collects the contributions and disburses the funds through its network of more than 120 community agencies. SoCalGas' support included mailing GAF solicitation envelopes with customer bills in November 2000, which are matched by shareholder contributions up to an additional \$250,000.

For the PY2000, total gas assistance payments were over \$526,380, with the average assistance per customer of \$65.37. During this reporting period, SoCalGas was able to provide assistance to over 8,050 households. Also, SoCalGas does not send renewal applications to CARE customers that have been approved for GAF within the past year, which allows for post enrollment verification and recertification for continued participation in the program.

Six community-based organizations were awarded contracts and began work on various outreach and enrollment activities for the program in June 2000. By year-end, 2,526 additional customers had been enrolled in the program via the pilot activities. A final report to the PUC covering the various outreach activities and results of the pilot is scheduled after the completion of the program which runs through May 31, 2001.

CARE program staff participates in a variety of community based events such as senior meetings, fairs and group presentations. Customers are informed about the program, encouraged to enroll and assisted with completion of the application process.

B. Discuss each of the following:

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

SoCalGas believes the most effective and efficient means of CARE outreach is offering the CARE program to all residential customers when they call to: (1) establish service, (2) change the name on the account, or (3) request payment arrangements. This outreach method provides direct contact with the customer and offers an opportunity for the company to solicit program participation. There currently are no measured analysis related to this outreach method.

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

SoCalGas continued to undertake outreach activities in 2000, by sharing CARE customer enrollment data with SCE. SoCalGas provides SCE with data on newly enrolled CARE customers. In December 2000, an additional 50,000 customers were identified as an exact match and automatically enrolled in the SCE program. There were also an additional 50,000 customers that had some non-matching variables in the records, and these customers were mailed applications for enrollment in the SCE program. This database benefits the customers not only in receiving the rate, but eliminates the need for the customer to complete an additional application. SoCalGas expects to receive customer data from SCE during PY2001.

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.

SoCalGas offered CARE applications to low-income customers as part of its Direct Assistance Program (DAP) which provides no-cost weatherization services. The DAP weatherization contractor's outreach workers canvass limited-income areas to find qualifying customers for participation in that program. During PY2000, these workers provided customers with energy education materials, including the CARE application, and explained the CARE program's eligibility requirements. Over 20,000 Energy Education packets were distributed to customers participating in the DAP program. CARE applications are also distributed at the Energy Education workshops supported by the DAP program. Customers are encouraged to complete and forward the CARE applications to SoCalGas.

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. (Note: These agreements are limited to sharing 1-800 phone numbers with customers and providing CARE benefit information for the federal fiscal year, October 1 of the current year through September 30 of the subsequent year. There are no tracking mechanisms in place to determine how many customers contact the other programs or actually become enrolled in other program(s) as a result of these agreements.) See Attachment A.

In May 2000, the State of California Department of Community Services and Development (CSD) and SoCalGas entered into a Letter Agreement, shown as Attachment A. This agreement solidified the coordination of resources and program benefits between CSD's Low-Income Home Energy Assistance Program (LIHEAP) and SoCalGas' CARE and GAF programs. In June 2000, SoCalGas added the toll-free telephone numbers for the LIHEAP and DAP programs on the CARE applications. At the same time, SoCalGas began providing CSD's toll free number to customers calling SoCalGas to request information on low-income assistance programs. In October 2000, SoCalGas provided CSD with documentation to

Southern California Gas Company - CARE 12th Annual Report

support an additional \$24 million for leveraged funding and the data necessary to complete the State's Annual Leveraging Application.

SoCalGas also cross-referenced information on customers receiving LIHEAP grants during PY2000 with its CARE database. This eliminates the need for customers to complete and submit post enrollment CARE verification applications and allows for automatic update of their account. As the income guidelines for both programs are similar, SoCalGas does not send renewal applications to CARE customers that have been approved for LIHEAP within the past year. SoCalGas also cross-references customers receiving LIHEAP services, but not enrolled in the CARE program. Those customers identified as not participating in CARE are mailed applications preprinted with the customers' name, account number and address.

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

One of the primary barriers to participation has been ensuring the timely response from the customer with completed application information. The typical time between receiving a completed, qualifying application and placing a customer on the appropriate CARE rate generally takes twelve to fifteen business days. However, the time it takes a customer to complete an application once it has been mailed varies considerably, anywhere from five days to 55 days or longer. When the information received is incomplete, it extends the timeframe to enroll a customer on the program. SoCalGas is considering options for cost efficient, yet effective, means of reminding customers to return their paperwork and ensure it is submitted correctly and completely. Currently reminders, special notices and outbound dialing are being considered for potential implementation.

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.

SoCalGas will be working with the other utilities and through the collaborative process to identify other methods whereby information can be shared to improve the outreach systems for increased program participation. The current legislative session in 2001 has put forth numerous possibilities as it applies to the CARE program and SoCalGas is committed to streamlining and improving customer participation.

SoCalGas is working with SCE on many of their community based activities, and evaluating other suggested improvements such as capitation fees to agencies for qualified care enrollment, targeted advertising and direct mail, expanding the community network and collaborative outreach with other utilities and programs.

Southern California Gas Company - CARE 12th Annual Report

Contracts for the Pilot Outreach Program focused on identifying new and innovative outreach methods. SoCalGas has found that smaller organizations, with more targeted client bases, were less successful in their enrollment efforts as well as successfully reaching new customers (outside their existing base). Larger, more well established organizations, that provide a wide variety of services to a large client base, are most successful in both attracting new customers and in enrolling existing customers in the program. SoCalGas will provide a full report on the results of the outreach pilot after its completion.

V. Processing CARE Applications

A. Processing Self-Certification and Self-Rectification Applications (Individual and Submetered Customers)

1. Provide the total number of third-party CARE applications received, approved, denied, pending/never completed, or duplicates in the reporting period. See Table 7. (Note: Pursuant to Res. E-3601, a report will be submitted to the Commission discussing the results of the CARE Outreach Pilot at its conclusion. The CARE Outreach Pilot runs from June 1, 2000, through May 31, 2001.)

TABLE 7					
CARE Outreach Pilot					
June 1, 2000 through December 31, 2000¹					
Entity	CARE Applications Submitted				
	Received	Approved	Denied	Pending/Never Completed	Duplicates
Foothill Unity Center	127	88	3	23	14
Orange County Community Develop. Council	1,135	909	12	101	107
Community Rehab. Services	109	89	1	14	6
Proteus	515	399	0	79	38
Korean Health, Educ., Info. & Research Center	473	334	10	91	39
Community Pantry	167	114	0	46	9
Total	2,526	1,933	26	354	213
Percentage		76%	1%	18%	11%

¹ The CARE Outreach Pilot runs from June 1, 2000, through May 31, 2001.

Southern California Gas Company - CARE 12th Annual Report

2. Provide the number of utility CARE self-certification and self-rectification applications provided, received, approved, denied, pending/never completed, or duplicates for the reporting period. See Table 8.

TABLE 8						
CARE Self-Certification and Self-Recertification Applications ¹						
	Provided	Received	Approved	Denied	Pending/Never Completed	Duplicates
Total	815,412	411,741	342,117	26,932	37,650	5,042
Percentage		50%	83%	7%	9%	1%

¹Includes submetered customers.

3. Provide a table showing the number of customers removed from CARE by month due to the recertification process. (NOTE: Customers may be removed due to a variety of reasons including non-response to a request to recertify, failure to complete the application process, ineligibility, or by customer request due to changed eligibility status.) See Table 9.

TABLE 9			
Residential CARE Program			
Customers ¹ Removed by Month through			
Recertification and Post-Enrollment Verification			
(2000)	Recertification	Post-Enrollment Verification	Total
January	1,102	2,343	3,445
February	433	1,380	1,813
March	709	1,754	2,463
April	607	1,157	1,764
May	674	1,345	2,019
June	652	1,305	1,957
July	692	1,018	1,710
August	959	1,509	2,468
September	833	917	1,750
October	1,233	1,149	2,382
November	630	1,163	1,793
December	819	939	1,758
Total	9,343	15,979	25,322

¹ Total individual and submetered.

4. Describe the utility's process for recertifying submetered tenants of master-meter customers.

SoCalGas mails renewal information directly to submetered tenants in June of each year. This helps to reduce the administrative burden of the annual submetered recertification process on owners/managers. Tenants are then able to directly respond to SoCalGas without having to coordinate the process through the owners/managers. As a courtesy, SoCalGas sends the owners/managers a sample self-recertification application form and instructions, in both English and Spanish, and provides an 800 number for the owners/managers to call for assistance or information. In addition, SoCalGas provides the owners/managers with extra recertification applications and instructions and a list of tenants that received the renewal applications.

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. See Table 10.

TABLE 10						
CARE Random Post-Enrollment Verification Applications						
	Mailed	Received	Approved	Denied	Pending/Never Completed	Duplicates
Total	64,751	52,435	32,615	1,730	18,090	N/A
Percentage		81%	62%	3%	34%	0%

2. Provide a table showing the number of customers removed from CARE by month due to the verification process. (NOTE: Customers may be removed due to a variety of reasons including non-response to a request to verify income, failure to complete the verification process, ineligibility, or by customer request due to changed eligibility status.) See Table 9 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.

During PY2000, SoCalGas contracted with six community-based organizations as a pilot outreach and enrollment program. The primary objective of the pilot is to implement innovative outreach methods to enroll hard-to-reach customers. As part of this process, participating

Southern California Gas Company - CARE 12th Annual Report

organizations conduct certification and inform customers about the recertification and/or verification process. A final report of this project will be submitted at the completion of the pilot.

VI. Program Management

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

SoCalGas continues to find customer confusion related to the definition of "income" and "households" as they relate to program eligibility, particularly for non-traditional households. Qualifiers such as multiple families in one household, room mates and student situations cause confusion and may be tied to customers being overqualified for participation or not completing and returning the paperwork to enroll in the program.

During 2000, SoCalGas received eleven CPUC related and three executive office customer complaints pertaining to the CARE program. Five of the CPUC complaints were telephone referrals and six were CPUC informal contacts that required written responses. Of the five telephone referrals, two customers were requesting CARE applications and three were related to not being on the discounted rate. Of the six informal contacts, two customers had been removed from the program due to over qualification, three had issues related to completion of post enrollment verification or applications and one customer requested retroactive rate adjustment. Four of the informal contacts have been resolved in SoCalGas' favor and two are still pending resolution. The executive office complaints were related to income verification and back billing at the discount rate.

In general, customer comments received via the Call Center were not positive in their feedback associated with the post-enrollment verification and rebilling process. Many customers suggested that providing the verification prior to being enrolled in the program would maximize customers understanding of eligibility criteria and minimize the possibility of not returning the information to the Gas Company in a timely manner, providing incomplete information or of being back billed if not qualified.

SoCalGas has identified a number of areas for improvement related to the Outreach Pilot Program. Outreach is not a one-time process and continued efforts are required to sign up hard-to-reach or resistant customer. Agencies and community organizations need to keep a dedicated staff for continued focus and support of the program. The fee structure has proven not to be cost effective for the utility as organizations are paid a fee whether or not approved applications are submitted. It is recommended that fees be paid only for qualified and accepted enrollment of customers. There has been consensus that some customers just will not participate in these types of programs due to trust, pride, immigration and education issues; and for those reasons, 100% participation is not reasonable. At the completion of the pilot program, SoCalGas will evaluate processes or delivery mechanisms to advance the goal of effective, efficient delivery of program services to eligible non-participating customers.

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. See Table 11.

SoCalGas does not have residential accounts on the CARE Expansion Program.

TABLE 11			
CARE Expansion Program			
Participating Facilities by Month			
(2000)	CARE Residential Facilities	CARE Commercial Facilities	Total
January	N/A	616	616
February	N/A	613	613
March	N/A	620	620
April	N/A	618	618
May	N/A	619	619
June	N/A	619	619
July	N/A	618	618
August	N/A	613	613
September	N/A	611	611
October	N/A	614	614
November	N/A	614	614
December	N/A	617	617

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

As of December 2000, there were almost 5,000 residents in the non-residential CARE participating facilities.

Southern California Gas Company - CARE 12th Annual Report

II. Usage Information

- A. Provide the average monthly usage by energy source per residential facility and per commercial facility. See Table 12.

TABLE 12		
CARE Expansion Program		
Average Monthly Gas / Electric Usage ¹		
Customer	Gas Therms	Electric KWh
Residential Facilities	N/A	N/A
Commercial Facilities	174,150	N/A

¹Excludes master meter usage.

III. Program Costs

A. Administrative Cost

1. Show the CARE Expansion Program's administrative cost by category.

SoCalGas does not record costs separately for the CARE expansion program.

B. Discount Information

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

SoCalGas does not have residential accounts on the CARE Expansion Program.

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

The average monthly CARE discount received per participating CARE commercial facility in PY2000 was about \$32 per month, with an annual subsidy of almost \$380 per facility.

IV. Outreach

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

Utility Outreach

Consistent with residential customer notification, SoCalGas non-residential customers are notified of the CARE program at the time the facility's application for gas service is taken at the Call Center.

Third Party Outreach

During PY2000, SoCalGas contracted with six community-based organizations as a pilot outreach and enrollment program to conduct certification, recertification and/or verification for CARE customers. These organizations received training related to the expansion program, however, their focus was primarily directed to their residential customers.

Non-profit group living facilities are often affiliated with social services networks that provide opportunities to share information about programs similar to CARE. This network has been effective in communicating the availability of the program. Direct mailings to group living facilities, identified by agencies such as the County Departments of Social Services, the SoCalGas District or Regional Affairs Managers, United Way agencies, etc. are the most cost effective and efficient means of outreach for this element of the CARE program.

- B. Discuss each of the following:**

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

SoCalGas believes the most effective outreach methods for non-residential facilities is the current combination of notification at the time of service establishment in conjunction with the networking communications as mentioned above. SoCalGas currently has as no formal mechanism in place to measure the success of specific outreach methods.

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

SoCalGas provides SCE with information on non-residential facilities that are participating in the CARE expansion program so they may derive the benefit of discounts from both utilities.

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

Some of the barriers to program participation have been difficulties in targeting outreach and lack of consistency and commitment from staff at facilities to follow through in a timely and complete manner. The eligible population is not as familiar with the program and often the application process is confusing to the facilities' staff. In addition, SoCalGas' customer information database system contains limited information on potentially eligible facilities.

There are also additional administrative costs associated with tracking these facilities as outreach, enrollment and recertification processes require supplementary manual processing.

- 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.**

SoCalGas recommends that the Low-Income Needs Assessment include non-profit living group facilities as an element of the assessment process. The results would provide SoCalGas with additional information about this element of the customer population. This information could then be utilized to develop and implement a more structured outreach and enrollment plan for non-profit group facilities.

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. See Table 13. (Note: Pursuant to Resolution. E-3601, a report will be submitted to the Commission discussing the results of the CARE Outreach Pilot at its conclusion. The CARE Outreach Pilot runs from June 1, 2000 through May 31, 2001.**

The pilot program focus is on residential customer enrollment rather than group facility enrollment.

2. Provide the total number of utility CARE Expansion program applications received, approved, denied, pending/never completed, or duplicates for the reporting period. See Table 13.

SoCalGas does not have the information available for PY2000 as presented in Table 13 for the expansion program applications. This information will be available for next year's report.

TABLE 13					
CARE Expansion Program					
CARE Outreach Pilot, Other Outreach, and Utility¹					
Entity	CARE Applications Sent By Third Parties				
	Received	Approved	Denied	Pending/Never Completed	Duplicates
1	N/A	N/A	N/A	N/A	N/A
2	N/A	N/A	N/A	N/A	N/A
3	N/A	N/A	N/A	N/A	N/A
4	N/A	N/A	N/A	N/A	N/A
5	N/A	N/A	N/A	N/A	N/A
6	N/A	N/A	N/A	N/A	N/A
Utility	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
Percentage	%	%	%	%	%

¹ Describe other outreach activities undertaken during the reporting period.

- 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.

The six contracting organizations participating in the pilot program did receive training covering the group facility enrollment process, however as mentioned above, the primary focus was on residential customer enrollment. SoCalGas did not have other contracts in place to conduct certification, recertification and or verification on the utility's behalf.

VI. Program Management

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

The CARE expansion program faces some challenges not associated with the residential component of the program. The outreach associated with this element of the program is more difficult because the SoCalGas customer information database was not designed to identify potentially eligible facilities and contains limited information, which can be utilized to target outreach. Tracking and processing of applications for this segment is labor-intensive and often requires more staff interaction and clarification of issues than do residential customers. The eligible population is much less familiar with SoCalGas' expansion program than the residential segment. And, SoCalGas also finds that the application process is confusing to the facilities and applicants.

As mentioned previously, SoCalGas recommends that the Low-Income Needs Assessment include non-profit living group facilities as an element of the assessment process to provide additional information about this element of the customer population.

ATTACHMENT A

May 10, 2000

Mr. Timothy Dayonot
Director
State of California
Department of Community Services
and Development
700 North 10th Street, Room 258
Sacramento, California 95814-0338

RE: Letter Agreement Between the State of California Department of Community Services and Development and Southern California Gas Company for Leveraging and Reporting the California Alternate Rates for Energy Program Discounts and the State of California Low-Income Home Energy Assistance Program

This Letter of Agreement is entered into by the State of California Department of Community Services and Development (CSD) and Southern California Gas Company (SoCalGas) for the purpose of ensuring integration and coordination of resources and benefits between CSD's Low-Income Home Energy Assistance Program (LIHEAP), and SoCalGas' California Alternate Rates for Energy (CARE) and Gas Assistance Fund (GAF) Programs. The existence of this Agreement places CSD within compliance of the Department of Health and Human Services' LIHEAP Leveraging Incentive Program requirements and enables California to claim the GAF payment/CARE discount (s) as leveraged resources. These programs all provide a form of energy assistance to low-income customers. It is mutually agreed that both parties will assist in the referral of their customers to the other energy assistance program through written and/or verbal referrals of the program. SoCalGas will include the toll-free telephone numbers for the LIHEAP and SoCalGas' Direct Assistance Program (DAP) on SoCalGas' CARE applications starting June 1, 2000 and on all GAF materials starting January 1, 2001.

The eligibility criteria and income guidelines are specific to each program. LIHEAP income guidelines are set at 60% of the State Median Income; GAF/CARE income guidelines are 150% of the Federal Income Poverty Guidelines.

The levels of assistance for each program vary according to the respective program. The amount of Federal funding; the number of persons in the household; the applicant's geographical location; and the household's income determine LIHEAP assistance levels. The GAF program offers one payment of an applicant's gas bill up to a maximum of \$100.00 per calendar year. The CARE program offers a 15% reduction off the applicant's monthly gas bill and a 60% discount on the Service Establishment Charge, if qualified for CARE within 90 days of starting new gas service.

The LIHEAP program is operated year round and provides one-time assistance, per household, per program year (January through December). Applicants must re-apply annually. The GAF program provides one-time assistance, per household, per 8-week period (February through March), per calendar year.

Applicants must re-apply annually. CARE provides a continuous 15% rate reduction throughout the year with the applicant re-certifying biennially.

These programs are integrated/coordinated through the written/verbal referral of applicants/customers to the opposite program. Program applications will have the name and toll free telephone numbers of the other programs printed on the applications.

A report on the number of households assisted and the total amount of assistance will be provided to the LIHEAP Program annually starting October 1, 2000.

SoCalGas shall make available to the CSD or its representative all appropriate documents, papers and records pertinent to the referral process and leveraged amounts for examination, copied or mechanical reproduction for a period of three years from the date the information is submitted to CSD. Specifically, SoCalGas will provide CSD with data necessary for completion of California's annual Leveraging Application. The data will be requested each October and will cover the preceding October through September timeframe. The information requested includes: 1) the total number of households currently receiving the reduced rate/energy payment; and 2) the total discount/payment received by all participating households.

AGREED TO:

Tim Dayonot, Director
State of California
Department of Community Services
and Development

Donna Jones-Moore
Manager, Mass Markets
Southern California Gas Company

Dated: _____

Dated: _____