BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion to comply with Senate Bill 987 and realign residential rates, including baseline rates of California's energy utilities.	))))	I. 88-07-009

FILING OF SAN DIEGO GAS & ELECTRIC COMPANY (U-902-E) IN COMPLIANCE WITH COMMISSION DECISIONS D. 89-07-062 AND D.01-03-028

THIRTEENTH ANNUAL PROGRESS REPORT ON THE CALIFORNIA ALTERANTE RATES FOR ENERGY PROGRAM JANUARY 2001 - DECEMBER 2001

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May 1, 2002

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THIRTEENTH ANNUAL

CARE PROGRESS REPORT

Prepared by:

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May 1, 2002

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CARE PROGRESS REPORT
RESIDENTIAL AND EXPANDED PROGRAMS

January 1, 2001 through December 31, 2001

CARE Residential Program-Individual and Submetered Participants (Tenants of Qualifying Master-Metered 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 1.1 and 1.2.

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

No significant variance is found for PY2001.

TABLE 1.1
Residential CARE Program
Gas Customers by Month

Month	Individually Metered	Submetered	Total CARE Participants	Percentage Change
Jan-01	84482	7217	91699	2.05%
Feb-01	84704	7429	92133	0.47%
Mar-01	85103	7521	92624	0.53%
Apr-01	85108	7766	92874	0.27%
May-01	86135	7837	94152	1.38%
Jun-01	87927	7938	95865	1.82%
Jul-01	90249	7968	98617	2.45%
Aug-01	91357	7968	99325	1.13%
Sep-01	92583	6580	99163	-0.16%
Oct-01	93334	6785	100119	0.96%
Nov-01	92937	6865	99802	-0.32%
Dec-01	93681	7342	101023	1.22%

TABLE 1.2				
Residential CARE Program				
Electric Customers by Month				
Month	Individually Metered	Submetered	Total CARE Participants	Percentage Change
Jan-01	131692	7681	139373	-4.38%
Feb-01	131517	7973	139490	0.08%
Mar-01	131717	8026	139743	0.18%
Apr-01	131403	8366	139769	0.02%
May-01	132682	8582	141264	1.07%
Jun-01	133737	8725	142462	0.85%
Jul-01	137137	8556	145693	2.27%
Aug-01	139622	8556	148178	1.71%
Sep-01	141585	7143	148728	0.37%
Oct-01	142751	7368	150119	0.94%
Nov-01	142040	7283	149323	-0.53%
Dec-01	143371	7750	151121	1.20%

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.

January through May CARE eligibility rates were calculated as described below:

- Using SDG&E's 1998 Home Energy Survey (MIRACLE XIII[1]) database, the percentage of residential customers falling into each income level[2] and each number-in-household level for each fuel source was calculated and marginal distributions were obtained by multiplying the percentages by the total population.
- An iterative proportional fitting procedure was used, along with SDG&E's Customer Master File, to develop the CARE-eligibility rate by fuel source.
- The estimated eligibility criteria used was 150% of the federal poverty guidelines.

[1] Marketing Information Research and Customer Load Estimates Report.
[2] Income was updated using the San Diego County Consumer Price Index

For June, SDG&E began calculating CARE eligibility using PUMS 1990-based cross tabulations of income categories by household size, adjusted to match current year distributions of household size and incomes (separately) for San Diego and Orange County by zip code. Calculation of the eligibility percentage was done for each fuel source. This methodology was recommended by the Reporting Requirements Manual (RRM) Working Group in its October 2, 2000 Report for Low Income Assistance Programs and approved by the Commission in D. 01-03-028. Also in June, the eligibility criteria was changed to 175% of the federal poverty guidelines as ordered by the Commission in D. 01-06-010.

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.)**

   A count of all active residential meters and residential submetered units, minus residential accounts with billing tariffs that do not qualify for CARE, was made to derive the number of CARE-eligible meters (i.e., households) by fuel source. By using tariff rates as the criteria for counting, all non-eligible master metered accounts were not included in the count.

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

   See above explanation. CARE-eligible households equal CARE-eligible meters.

4. **Describe how current CARE customers were counted.**

   Current CARE customers were counted by tallying the number of customers billed each month on the CARE rate plus the number of submetered tenants receiving service through residential master-metered accounts and participating in CARE.

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

   The formula for calculating CARE-eligibility rates is:

$$\frac{\text{Number of CARE Customers}}{\text{Number of Estimated CARE-Eligible Active Residential Meters}}$$

The formula is used to determine the CARE-eligibility rates by energy source and was not changed during PY2001.

C. Provide the total number of CARE residential customers, CARE-eligible households, and CARE participation rates, by energy source, by quarter. See Tables 2.1 and 2.2.

TABLE 2.1			
CARE Residential Penetration Rate Electric			
2001 Quarter Ending	CARE Residential Households	CARE-Eligible Households	CARE Penetration Rate
March 31	139,743	244,762	57.1%
June 30	142,246	243,235	58.6%
September 30	148,728	242,762	61.4%
December 31	151,121	241,282	62.6%

TABLE 2.2			
CARE Residential Penetration Rate Gas			
2001 Quarter Ending	CARE Residential Households	CARE-Eligible Households	CARE Penetration Rate
March 31	92,624	171,851	53.9%
June 30	95,865	172,532	55.6%
September 30	99,163	173,239	57.2%
December 31	101,023	173,986	58.1%

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

County	Electric	Gas
San Diego	.225167	.225034
Orange County	.088614	.108348

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

SDG&E estimates that 22.5% of residential customers are eligible for CARE for both gas & electric services. For PY2001, SDG&E did not identify submetered tenants by County.

Total Gas Tenants:	34,503	Total Eligible Gas:	7,763
Total Electric Tenants:	43,013	Total Eligible Electric:	9,678

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

Gas – 7,342
Electric – 7,750

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

Gas – 94%
Electric – 80%

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

Although there were few problems with the submetered program, CARE administration did experience a challenge when implementing the one-time gas credit mandated in ABX1 3. Facility managers were concerned that they would be in violation of PUC Code, Section 739.5 (b) which outlines the general policy for providing credits and rebates to submetered tenants of master-metered customers. The PUC code requires that the submetered tenant receive rebates from the master meter customer based on consumption. Many facility managers were unaware that PUC section 793.4 (a) was added to accommodate the one-time gas credit mandated by ABX1 3. The new PUC code permitted the one-time gas credit be given to specified participants only and be provided as a fixed amount, thus creating an exception to the general policy detailed in Section 793.5 (b). In a letter to all gas utilities the Energy Division clarified how this special gas credit should be applied, and SDG&E sent a copy of this letter to all facility managers explaining and authorizing the exception.

Additionally, on September 6th, SB 920 was passed, requiring managers of mobile home facilities to give written notice regarding low income assistance programs to each park resident by February 1st of each calendar year. In December, SDG&E worked with the Western Mobilehomeowners Association (WMA) to publish information in their monthly newsletter that notified mobile home park managers of this new law. During January 2002, SDG&E also provided a sample notification in both English and Spanish to all mobilehome owners and managers to assist them in complying with this legislation.

SDG&E did not experience any problems with its annual suThe 2001 annual recertification for submetered CARE participants began in July and concluded in September. Managers were sent CARE applications and posters about the recertification process and the new income guidelines. The posters were made available to managers in Spanish & English. SDG&E continues to work closely with all managers to ensure their cooperation in outreaching the program and to ensure that the tenants participating in the program are qualified to receive the program benefits.

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. See Table 3.

TABLE 3

Average Monthly Gas/Electric Usage
Residential Non-CARE vs. CARE Customers

Customer	Gas Therms Tier 1	Gas Therms Tier 2	Total
Non-CARE	22	10	32
CARE	22	5	27
Customer	**Electric kWh Tier 1**	**Electric kWh Tier 2**	**Total**
Non-CARE	239	206	445
CARE	267	93	360

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. See Table 4.

TABLE 4		
Average Monthly Gas/Electric Bill Residential Non-CARE vs. CARE Customers (Dollars per Customer)		
Customer	Gas	Electric
Non-CARE	$46.15	$62.13
CARE	$41.61	$57.18

III. Program Costs

A. Discount Cost

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

   Average Gas Discount: $9.04
   Average Electric Discount: $8.15

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

   Annual Gas Subsidy: $8,611,290
   Annual Electric Subsidy: $6,811.499

B. Administrative Cost

1. **Show the CARE Residential Program's administrative cost by category. See Table 5.1 and 5.2**

TABLE 5.1	
CARE Residential Program	
CARE Costs and Reporting Classifications	
Category	**Cost**
Outreach	$63,4114
Processing, Certification and Verification	$171,452
Billing System/Programming	0
Pilots	$84,562
Measurement and Evaluation	$3,342
Regulatory Compliance	$29,889
General Administration	$183,507
Indirect Costs	$69,239
LIAB	$47,832
CPUC Energy Division Staff Funding	$38,610
Total Program Costs	**$1,262,925**
Subsidies and Benefits[3],[4]	$13,889,177
Merger Credit	$200,000
TOTAL PROGRAM COSTS AND CUSTOMER DISCOUNTS	**$15,352,102**

TABLE 5.2	
CARE SBX1 5	
CARE Costs and Reporting Classifications	
Category	**Cost**
Capitation Outreach	$8,363
Outreach	$475,622
Processing	$483,985
Billing System/Programming	$13,670
Measurement & Evaluation	$2,500
Regulatory Compliance	$15,209
Administration	$926
Indirect Costs	$9,795
Subsidy[5]	$1,533,612
TOTAL PROGRAM COSTS	**$2,059,697**

[3] Includes $542,011 in ABX1 3 credits.

[4] Additional subsidies equal to undercollection reported on Table 5.2. Combined total subsidies equal to $15,422,789.

[5] Though SBX5 1 funding did not provide subsidy costs to the utilities, the Energy Division has requested that SDG&E include in its Monthly Rapid Deployment Reports the amount SDG&E is undercollected in its CARE balancing account under SBX1 5 subsidy rather than cost in base program. SDG&E is being consistent in its reporting in this report.

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

Outreach: Costs included in outreach include bill inserts; advertising; the printing and mailing of applications; posters; brochures; flyers; postage; submeter, non-profit and agricultural housing outreach; information technology (technical support and software licensing); Call Center labor; staff labor; out-bound dialing; toll-free customer call number; and the outreach and enrollment efforts under SBX1 5.

Processing, Certification and Verification: Costs included in this category include staff labor; information technology (technical support and software licensing); application processing; training; programming labor; and submeter certification.

Billing System/Programming: These costs include manual rebilling and programming and billing labor. SDG&E's billing system technical support and programming support for CARE during PY2001 was charged to an operating account with all other Billing System/Programming costs.

Pilots: Includes the cost for that portion of the CARE Outreach Pilot conducted in from January 1, 2001 through May 31, 2002.

Measurement and Evaluation: Costs for measurement and evaluation include expenses for the Needs Assessment Study and development of CARE penetration methodology.

Regulatory Compliance: These costs include the preparation and filing of Program Applications, Advice Filings; Comments and Reply Comments, and Tariff Revisions; preparing reports and studies; attending working group meetings, public input meetings and other CPUC hearings or meetings.

General Administration: General costs include office supplies; market research; program management labor; and information technology (technical support and software licensing).

LIAB Funding: These costs are both amortized LIAB start-up costs and current year support.

CPUC Energy Division Staff Funding: This category of expenses covers the program management and staff support provided by the Energy Division for low income program implementation.

CARE Subsidies and Benefits: Includes the customer discount amounts and the ABX1 3 credit.

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

GAS – Undercollection of $5,654,532

ELECTRIC – Overcollection of $980,788

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

The costs charged to internal utility orders for the CARE program are recorded in the CARE balancing accounts. Expense categories include outreach, recertification, verification, billing, communications, program administration, including direct and indirect labor costs, regulatory compliance, measurement & evaluation, and processing as described above. The CARE balancing accounts record the monthly surcharge revenue and compare it with the CARE discount and the CARE program administration expenses to derive the over/under collection balance.

The charges described above are all recorded to the CARE balancing account. CARE balancing account charges are collected in the Public Goods Charge and Public Purpose Program Charge and are not included in base rates.

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 Tables 6.1 and 6.2.

TABLE 6.1					
CARE Surcharge and Revenue Collected by Customer Class - GAS					
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					
-Individually Metered	$0.06	$46.18	0.12%	$436,232	16.9%
-Master Metered	$0.50	$376.58	0.13%	$106,132	4.11%
Commercial	$.074	$536.42	0.14%	$250,768	9.72%
Industrial	$87.87	$73,061.87.	0.12%	$60,102	
-Core Subscription	$75.41	$37,887.82	0.20	$24,585	
Non-core	$99.21	$105,091.88	0.09%	$35,516	1.38%
Transportation Only	$150.61	$3598.90	4.18%	$1,727,689	66.94%
Total				$2,580,924	100.00%

TABLE 6.2					
CARE Surcharge and Revenue Collected by Customer Class - ELECTRIC					
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					
-Individually Metered	$0.24	$60.39	0.40%	$2,831,255	34.40%
-Master Metered	$1.90	$383.66	0.50%	$118,358	1.44%
Commercial	$2.70	$514.77	0.53%	$4,381,054	53.23%
Industrial	$103.77	$52,840.69	0.20%	$782,955	9.51%
Agricultural	$2.49	$570.54	0.44%	$116,271	1.41%
Total				$8,229,892	100.00%

IV. Outreach

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

UTILITY OUTREACH ACTIVITY

2001 Annual Notification – SDG&E's annual notification period for 2001 occurred between June and July. During this same time period when applications were mailed with customer bills, Energy Notes (a bill newsletter insert) featured an article in English and Spanish alerting customers about the program and the new income guidelines. Given the stable energy rates and increased outreach for the CARE program throughout the program year, the annual notification did not result in as large an increase in participation as it has in the past. Of the nearly one million applications distributed during annual notification, only 7,169 applications were returned.

Customer Contact Employees - SDG&E continues to offer CARE through our customer call center, bill payment offices and field services activities. Customer Service Representatives (CSRs) advise all turn-on customers and customers inquiring about a past-due account or high bill about the program. In PY2001, CSRs requested 124,140 applications be mailed to potentially CARE-eligible customers. Customers returned 40,751of these applications.

Interactive Voice Response (IVR) – Customers who call SDG&E are given the option to select recorded information about CARE and may also request an application in this manner. ABX1 3 required that IVR messages be updated to include prominent languages in the SDG&E service territory. In September, the IVR message was updated to include CARE information in Spanish.

Information on Hold - The messages to customers waiting for help on telephone inquiries provide information about the CARE program in both English and Spanish.

Field Collections - In April 2001, residential collection activity was augmented to help inform more hard-to-reach customers about CARE. Field collectors began providing a CARE application and a Customer Assistance Brochure that includes information about CARE to all residential customers facing a credit disconnect as part of the first collection call. Customers returned 738 of these applications.

Collection Call - During 2001, SDG&E implemented an additional outbound telephone call with a follow-up letter to low income customers faced with collection activity on their account. Information about the availability of payment arrangements and customer assistance programs is given, and the customer is urged to call SDG&E for more information. The call is directed to both CARE customers and customers identified as having a high probability of being low income customers.

Bilingual Employees – SDG&E's Customer Call Center and most company business offices are staffed with bilingual CSRs (English/Spanish) to ensure that all customers have access to information about utility services. Requests from Spanish speaking customers make up nearly 13% of the applications requested through the telephone center and company offices. In addition to Spanish-speaking CSRs, the telephone center is also staffed with CSRs who speak Vietnamese. The CARE processing group is also bilingual in English and Spanish.

To help ensure prompt service to non-English speaking customers, SDG&E contracts with the AT&T Language Line Service. This service offers an interpreter service for several different languages and dialects which includes, but is not limited to, French, German, Italian, Japanese, Russian, Spanish, Tagalog, and Vietnamese. CSRs stay on the telephone line with the customer and connect to the interpreter for translation.

Media: SDG&E launched a CARE television, newspaper and radio campaign in mid- 2001. The television and radio campaign were in both Spanish and English, while the print campaign included Korean, Chinese and Vietnamese in addition to English and Spanish. A total of 1,288 applications were submitted from newspaper advertisements, and enrollments from this effort totaled 779. Customer Service Representatives received over 400 calls in response to the CARE television campaign. Specific numbers of applications and enrollments resulting from the television and radio campaigns could not be tracked.

Energy Speakers Corps – Speakers from SDG&E delivered 286 presentations to groups of residential customers in 2001, providing information about CARE and other residential energy and assistance programs as well as CARE applications to more that 21,000 customers. Employees from all areas of the Company volunteer for these presentations and meetings.

Community Events - Starting in early January, SDG&E participated in over 180 local community events throughout San Diego County to provide information about CARE and its other low income programs and increase CARE enrollment. Types of events included, Cuyamaca College Parenting Fair, Lakeside Community Action Forum, Multiple Sclerosis Society

Conference, Lions Club, Campo Reservation Tribal Event and the San Diego County Fair, as well as numerous health and safety fairs and events throughout the service territory. Many of the events were leveraged with the Residential Downstream Lighting Program targeted to seniors and other hard to reach residential customers. 12,000 customers attended these events, which were held at senior centers and other community locations.

Submetered Apartments and Mobile Home Parks – In PY2001, CARE outreach personnel participated in many events targeting submetered communities. Presentations were made to both complex managers and tenants to inform them of all SDG&E low income assistance programs. SDG&E also utilized rate change and annual notification mailings to provide CARE information to complex owners and encourage them to inform their tenants about program eligibility.

Customer Brochures – SDG&E customers can receive information about CARE in several different brochures offered to residential customers. In 2001, customers requested the following brochures, which include a description of the CARE program:

Brochure	Requests
"New Customer Brochure" (English)	59,058
"New Customer Brochure" (Spanish)	3,857
"Medical Baseline"	10,237
Senior Brochure	1,274

Mail-In Energy Audit – In 2001, the Mail-In Energy Audit program included information about the CARE program and gave customers an opportunity to request CARE applications as part of the service. As a result, 1,496 applications were requested through this program. Of this number, 285 were sent CARE applications, 1,201 were already participating in the program, five had moved without reconnecting service and six were ineligible.

Multi-Family Rebate Program - SDG&E's Multi-Family Rebate Program provided cash rebates to property owners and managers. The applications which were sent to interested owners/managers, noted that tenants in these properties might qualify for CARE and made the property owners acknowledge they understood the availability of CARE for qualified tenants. Over 1,200 applications were mailed to property owners/managers.

Energy Education for Low Income Program (EELI) - This program, implemented by Richard Heath and Associates, Inc., for SDG&E educates low income customers about energy conservation and other programs and services, including CARE. Classroom education is provided through a network of local community-based organizations. CARE applications are made available at all classes. During the reporting period, the EELI Program

reached 36,577 low income customers, working with 15 San Diego based social service agencies. Agencies participating in EELI in PY2001 were as shown below:

Community Agencies Participating in Energy Education for Low Income (EELI)
Alliance for African Assistance (AAA)
Alpha of San Diego
Casa Familiar
Catholic Charities
Chicano Federation
Comprehensive Training Systems
Consumer Credit Counselors of San Diego
Metropolitan Area Advisory Committee (MAAC) Project
Mid City
North Coastal Lifeline
Refugee Assistance Center
San Diego American Indian Health Center
South Bay Community Services
United Way
Vista Community Clinic
College Senior Center
Escondido Adult Center
Escondido Lincoln Center
Escuela Central
La Mesa Senior Adult Center
Mesa Valley Senior Adult Center
Salvation Army Senior Center
Senior Community Center of San Diego
Metro

The EELI Program provided energy education and CARE information to low income customers who spoke the following languages:

Language	Customers
African	15,447
Arabic	153
Asian	11
Eastern European	108
English	17,345
Laotian	16
Middle Eastern	147
Russian	32
Spanish	3,043
Vietnamese	275

Direct Assistance Program - This low income weatherization program provides recipients of weatherization measures with in-home energy education, including CARE information and an opportunity to enroll in CARE. In 2001, 11,384 low income households received DAP services and were educated about CARE and energy-saving practices through DAP. Conducting this education in various languages, DAP representatives also helped customers complete 1,335 CARE applications and returned them directly to SDG&E.

THIRD PARTY OUTREACH ACTIVITY

Outreach Pilot – In PY2000, three agencies were contracted with to provide outreach services for SDG&E for a one-year period. The results of this pilot were jointly filed by the investor-owned utilities on September 28, 2001. In PY2001, from January 1st to May 31st, the contract agencies submitted 1,222 applications to SDG&E. The pilot was useful in identifying effective and ineffective methods for providing outreach and the barriers to successful outreach.

Outreach and Enrollment "Capitation" Contractors -- In D. 01-05-033, the Commission authorized utilities to use a portion of their SBX1 5 funds to implement a capitation fee, or fee per qualified application, of up to $12 per application payable to contracted agencies that enroll eligible customers in the CARE program. SDG&E contracted with eight agencies to provide outreach services. These agencies submitted 1,578 applications during the period August 1, 2001 through December 31m 2001.

Door-to-Door Outreach and Enrollment Campaign – In August, SDG&E contracted with an outside agency to provide door-to-door outreach and enrollment services. The outreach workers are targeting low income areas in Central San Diego. The program faced some start-up challenges in the first few months. However, the door-to-door method has proven effective in reaching and enrolling eligible customers, providing 2,192 applications and having an 87% enrollment rate during the October through December period.

B. Discuss each of the following:

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

SDG&E's Customer Call Center continues to be the most effective *measurable* outreach method, using rate of returned applications as the measure. Returns from radio and TV media advertising cannot be

measured in this manner; however, other outreach methods can be tracked using source codes.

CSRs inform customers initiating or transferring service, and on credit and billing calls, about CARE and send applications to customers requesting the information. In PY2001, 124,140 applications were requested, and 40,751 were returned for processing, equating to a 32.8% rate of return.

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

   SDG&E's service territory overlaps Southern California Gas Company's service territory in Southern Orange County. In PY2001, CARE applications were not shared between the utilities. Methods for sharing of CARE applications within this overlapping area are being evaluated in PY2002.

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.**

   CARE Customer Information – SDG&E was able to leverage CARE outreach efforts with other utility outreach efforts by providing CARE information and applications for those efforts (for example, SDG&E's Downstream Lighting Program, which was targeting seniors; SDG&E's Multi-Family Rebate Program; and SDG&E's Del Mar Fair exhibit). Also, as discussed above in Section A, outreach for the CARE program is also included in SDG&E's LIEE program, both in the DAP and in the EELI programs.

   LIHEAP Follow-up – SDG&E utilized LIHEAP energy assistance payment lists to mail CARE applications to LIHEAP recipients who were not participating in the CARE.

4. **Attach a copy of the utility's agreement with the Department of Community Services and Development (DCSD). 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 DCSD 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.)**

As part of SDG&E's leveraging agreement with the DCSD (see Attachment A), SDG&E added a statement on its CARE application describing the DCSD LIHEAP bill payment assistance programs and weatherization services and providing DCSD's telephone number for customers to call to obtain more information.

On October 22, 2001, SDG&E provided DCSD with a report that detailed, by month, the number of CARE participants and the total discount provided (see Attachment B) for inclusion in DCSD's federal funds leveraging application.

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

Language – Customers who do not speak English as their primary language may have difficulty with many types of American social interaction and business dealings. SDG&E's CARE application is fully translated into Spanish because Spanish-speaking customers make up approximately 16% of the residents in SDG&E's service territory. SDG&E has also translated the application into Chinese, Korean and Vietnamese, and has published the CARE application in newspapers written in these languages. SDG&E also keeps them in PDF files for customers requesting these applications through our CSRs. SDG&E's CARE media campaign, which consisted of television, radio, and print ads, was conducted in English, Spanish, and Vietnamese.

Trust – During the Outreach Pilot, it was noted that customers were often uncomfortable giving out confidential information. Most often they were afraid that the information would be shared with outside agencies, such as immigration, or with landlords. This barrier is most often overcome by using local community agencies, which have relationships with these customers and who utilize direct person-to-person contact as the primary method of outreach.

Pride – This barrier particularly affects persons who have always paid their way and have never asked for assistance. This is often the case with seniors who feel that they are asking for "charity" and are too proud to sign up. Also, this year, the September 11th tragedies impacted many different industries. Perhaps for the first time, executive, middle management as well as employees in the service sector found themselves unemployed or underemployed and in need of assistance. SDG&E proactively targeted outreach to specific industries that were impacted the most by the terrorist attacks and meeting with those affected within the industries.

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.

SDG&E continued to maintain CARE program administration costs at a reasonable level while efficiently providing services to the low income customer. In PY2001, The CARE processing staff processed applications within a week to 10 days of receipt. Program administrative costs remained at 8% of total program costs.

During 2001 SDG&E conducted several mass media marketing campaigns targeting hard to reach low income populations, such as non-English speaking customers. Promotional campaigns included print, radio and television ads. SDG&E was able to track customer service calls and applications received from many of these efforts. A total of 1,288 applications were received from newspaper advertisements. SDG&E's Customer Service Representatives received over 400 calls in response to the CARE television campaign.

SDG&E also directed outreach efforts toward the Southern California Tribal Chairmen's Association which resulted in the company's representatives attending eight community meetings to provide information on CARE and other low income programs. SDG&E partnered with tribal organizations that canvassed remote tribal areas, distributing CARE information and compact fluorescent light bulbs to Native American residents of these remote areas. SDG&E also attended two large tribal energy fairs for the local Barona and Pauma Indian tribes to provide information to the 500 Native American families who attended.

Another new avenue explored by SDG&E during 2001 was the targeting of working low income customers. By working with local employers in the visitor and tourist sector, SDG&E was able to provide CARE information and conduct on-site enrollment of CARE- eligible employees. Local employers indicated that they appreciated this effort to assist their employees as they were having to make hard choices in staff sizes, hours, and benefits.

In August, CARE contracted with a third party agency to provide door-to-door outreach services on a massive scale, expanding upon results from the CARE Outreach Pilot. Working in teams in low income neighborhoods, agency representatives knocked on doors to outreach to hard to reach, potentially CARE-eligible customers.

In November, SDG&E began telephone surveying of customers who fail to verify the information on their CARE applications when requested to do so. This investigation may provide insight of why customers don't respond to SDG&E's verification requests and if there is something the utility can do to minimize the non-response to requests for verification.

V. Processing CARE Applications

A. Processing New Applications and Recertifications (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 was submitted to the Commission discussing the results of the CARE Outreach Pilot at its conclusion. The CARE Outreach Pilot ran from June 1, 2000, through May 31, 2001.) See Tables 7.1 - Table 7.3.**

TABLE 7.1					
CARE Outreach Pilot January 2001 through May 31, 2001					
CARE Applications Submitted					
	Received	Approved	Denied	Pending/Never Completed	Duplicates
Total	1222	847	315	67	248
Percentage	100%	69.3%	25.7%	5.4%	20.3%

TABLE 7.2					
CARE Capitation Program August 1, 2001 through December 31, 2001					
CARE Applications Submitted					
	Received	Approved	Denied	Pending/Never Completed	Duplicates
Total	2282	1792	472	42	317
Percentage	100%	79%	21%	2%	14%

TABLE 7.3					
Other RDWP Third-Party Outreach August 1, 2001 through December 31, , 2001					
CARE Applications Submitted					
	Received	Approved	Denied	Pending/Never Completed	Duplicates
Total	2186	1886	296	6	144
Percentage	100%	86%	13%	.002%	7%

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

TABLE 8						
CARE Applications and Recertifications Applications						
	Provided	Received	Approved	Denied	Pending/Never Completed	Duplicates
Total	1,239,280	104,506	91,965	11,451	4690	5636
Percentage	100%	8.4%	88%	11%	4%	5.4%

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 Removed by Month through Recertification			
2001	Removed Ineligible	Removed Non-Response	Total
January	97	957	1054
February	62	803	865
March	62	749	811
April	43	449	492
May	49	604	653
June	38	608	646
July	49	397	446
August	97	439	536
September	66	608	674
October	70	1019	1089
November	48	1420	1468
December	51	1244	1295
Total	**732**	**9297**	**10029**

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

Pursuant to Decision D. 89-07-62, SDG&E recertifies submetered tenants of master-meter customers on an annual basis. The process begins on July 1st, with a notification sent to complex managers at the service address (or mailing address if requested) of the complex. The notification packet contains a letter advising the manager that the recertification process has begun, posters in English and Spanish for the manager to post to notify the tenants, submetered CARE applications, and a large postage paid return envelope for the manager to return completed applications to SDG&E. Tenants also have the option of returning their applications directly to SDG&E. SDG&E also provides an information form for complexes by which the manager can update the complex information and request more applications or posters.

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	1,459	1175	912	178	85	N/A
Percentage	100%	80%	78%	15%	7%	N/A

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 10.1

TABLE 10.1			
CARE Random Post-Enrollment Removals			
	Removed Ineligible	Removed Non-Response	Total Removed
January-01	25	85	110
February-01	23	70	93
March-01	16	67	83
April-01	23	65	88
May-01	25	84	109
June-01	9	92	101
July-01	9	85	94
August-01	6	17	23
September-01	10	9	19
October-01	13	5	18
November-01	11	42	53
December-01	8	49	57
Total For PY 2001	178	670	848

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.

In PY2001, SDG&E worked with the "capitation" contractors to provide income verification and recertification services for the CARE program. Applications of customers who were already on CARE were reviewed to

determine if the application could be used for recertification. Two agencies, which are LIHEAP providers, requested that any income verification requested of their clients be provided by their agencies, since they had collected income documentation during the LIHEAP application process. The agencies then submitted copies of the income documentation to SDG&E.

VI. Program Management

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

In PY2001, two pieces of California legislation were passed that affected program management significantly. SBX1 5 and ABX1 3 were passed in April and May respectively.

SBX1 5 provided SDG&E's CARE program with 2.1 million dollars to increase outreach activity. With this funding, the program was able to focus on reaching the most difficult and challenging CARE eligible customers. SBX1 5 also required a significant increase in reporting to the CPUC. Mandatory monthly program reports were required in addition to the quarterly reports filed.

ABX1 3 directed SDG&E to provide a credit to gas customers who enrolled in CARE during the period May 22, 2001 through September 20, 2001 with a credit. The credit was to be based on the average CARE cumulative discount amount received by CARE gas customers for the period October 2000 through March 2001. Programming to SDG&E's billing system was required in order to calculate and issue the credit amount as well as document the credit on affected customer bills. In addition, information was developed to explain this credit to the managers of submetered facilities to enable them to pass on the credit correctly to their tenants who qualified for the credit.

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.

TABLE 11						
CARE Expansion Program Participating Facilities by Month						
2001	Residential Facilities - Gas	Commercial Facilities - Gas	Total Gas Facilities	Residential Facilities - Electric	Commercial Facilities - Electric	Total Electric Facilities
January	396	116	512	458	183	641
February	401	116	517	469	183	652
March	401	116	517	469	183	652
April	411	116	527	491	179	674
May	412	113	525	532	179	711
June	412	113	525	532	179	711
July	412	113	525	532	179	711
August	427	113	540	527	179	706
September	428	113	541	528	179	707
October	399	113	512	496	179	675
November	399	113	512	496	179	675
December	405	113	518	502	179	681

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

TYPE	ELECTRIC	GAS
RESIDENTIAL	6471	8491
COMMERCIAL	7124	3466

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		
Type of Facility	Gas Therms	Electric kWhr
Residential Facilities	209	1,486
Commercial Facilities	756	15,714

III. Program Costs

A. Administrative Cost

1. **Show the CARE Expansion Program's administrative cost by category. See Table 5, Standardized CARE Administrative Cost Reporting Categories.**

Outreach –	$ 2,190
Processing, Certification and Verification –	$ 8,196
Billing System/Programming –	$ 315
Measurement and Evaluation –	N/A
Regulatory Compliance –	$ 107
General Administration –	$ 4,752
Indirect Costs -	$ 2,892
LIAB Funding –	N/A
CPUC Energy Division Staff Funding --	N/A

B. Discount Information

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

   Gas -- $629.53
   Electric -- $532.61

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

   Gas – $2,108.17
   Electric -- $5,743.46

IV. Outreach

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

The major outreach to potential Expanded CARE facilities occurred through the CARE Outreach Pilot. This effort resulted in 173 new facilities approved for participation in Expanded CARE in the 2000/2001-time period. As SDG&E became aware of new facilities being established in the service territory, direct contact was made with community organizations establishing

these shelters or group homes. SDG&E continues to maintain a partnership with the local I & R network (Information and Referral) to keep updated about any new facilities that can participate as Expanded CARE customers.

B. Discuss each of the following:

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

Not applicable.

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

SDG&E's service territory overlaps with a small portion of Southern California Gas service territory, and while information about CARE applicants was not shared in PY2001, steps are being taken to ensure that data sharing between the two utilities will occur in 2002.

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

The major barrier to participation in Expanded CARE arises from situations where the group housing or homeless shelter is established as a refuge for battered spouses and/or families. While SDG&E has had some success in encouraging the operators of such facilities to participate in Expanded CARE, the fear that somehow the 'batterer' will locate the address of a shelter is very high, and even though SDG&E's records are confidential and can be further protected by assigning passwords, that fear is difficult to mitigate.

Another barrier is that the various winter shelters set up for the homeless by cities and counties for the winter are not open for the 180 days mandated by the Expanded CARE program's participation rules. In SDG&E's service territory, the city or county establishes the location of the shelter, but turns over the operation of the facility to a local non-profit agency with expertise in operating such shelters. So, even though some of the facilities already operated by the non-profit agency participate in Expanded CARE, these temporary shelters are ineligible. This situation can only be mitigated by changing the rules of the program.

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.

Outreaching to agencies providing services to the homeless or providing group homes frequently must be done on an individual basis. Follow-up from initial contact, by phone or in person, is almost always required. Even recertifying current Expanded CARE participants becomes difficult when three or four letters or calls are not returned. Still, SDG&E does not remove any accounts from Expanded CARE until contact is made with the sponsoring agency confirming the fact that the facility is or is not providing housing and services within the requirements of Expanded CARE program participation. The outreach contractor that was able to enroll the most customers in Expanded CARE in PY2000 had to devote a single employee entirely to that effort.

However, with the addition of funding for supplemental outreach provided by SBX1 5 funds, SDG&E has been able to target additional outreach to potential Expanded CARE facilities in 2002.

V. Processing CARE Applications

A. Processing New Applications Recertifications

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

No third parties conducted recertification and/or verification on SDG&E's behalf for Expanded CARE in PY2001. Utility results are in 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. See Table 13.

TABLE 13					
CARE Expansion Program CARE Outreach, Other Outreach, and Utility					
Entity	Requested	Approved	Denied	Pending/Never Completed	Duplicates
SDG&E	160	88	N/A	N/A	N/A

B. Describe any contracts the utility has with third parties to submit applications or 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.

No third parties conducted recertification and/or verification on SDG&E's behalf for Expanded CARE in PY2001.

VI. Program Management

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

There were no events that significantly affected Expanded CARE during PY2001.

SDGE®

A Sempra Energy company

May 23, 2000

This Letter of Agreement is entered into by the Department of Community Services and Development (CSD) and San Diego Gas & Electric (SDG&E) for the purpose of ensuring integration and coordination of resources and benefits between CSD's Home Energy Assistance Program (HEAP), and SDG&E's California Alternate Rates for Energy (CARE) Program. 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 CARE discount as a leveraged resource. Both programs 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 advertising of the program.

The eligibility criteria for both programs is based solely on income eligibility and the guidelines are specific to each program. HEAP income guidelines are set at 60% of the State Median Income; CARE guidelines are set at 150% of the Federal Income Poverty Guidelines, adjusted annually by a formula based on changes in the Consumer Price Index. Assistance for either program is limited to eligible low-income households

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 HEAP assistance levels. The CARE program offers a 15% reduction off the applicant's monthly gas/electric costs or charges.

Both programs are operated year round. HEAP provides one-time assistance, per household, per program year (January through December). Applicants must reapply annually. CARE provides a continuous rate reduction throughout the year with the applicant re-certifying biennially.

Both programs are integrated/coordinated through the written/verbal referral of applicants/customers to the opposite program. Both programs provide the name and telephone number of the other program with their respective applications and have included cross-references to the other program in their marketing materials.

A report on the number of households assisted and the total amount of assistance will be provided to the HEAP Program annually.

SDG&E shall make available to the CSD or its representative all appropriate nonpriviledged documents, papers and records pertinent to the referral process and leveraged amounts for examination, copying or mechanical reproduction for a period of three years from the date the information is submitted to CSD. Specifically, SDG&E 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; and 2) the total discount received by all participating households.

AGREED TO:

[signed: Tim Dayonot]	**[signed: Yvette M. Vazquez**
Director Department of Community Services and Development	Manager, Residential Energy Programs San Diego Gas & Electric
[dated: 6/16/00]	**[dated: 5/24/00]**
Date	Date

[Executed document on file at SDG&E]

SDGE®
A Sempra Energy company

October 22, 2001

Gregg Wardrip
Department of Community Services and Development
700 North 10th Street, Room 258
Sacramento, CA 95814

Dear Mr. Wardrip:

SDG&E is herein providing the Department of Community Services and Development (CSD) the CARE data needed for completion of California's annual leveraging applications in the LIHEAP Leveraging Incentive program.

The attached report, covering the time period of October 2000 through September 2001, lists the total number of low income households currently receiving the CARE discount and the total discounts received by all participating households.

If you have any questions, please contact me at (858) 650-4160 or e-mail me at irobles@sdge.com.

Sincerely,

//Original Signed//

Irma Robles DePratti
CARE Program Manager
Consumer Programs and Services

Attachments

San Diego Gas & Electric Company
CARE Participation and Discounts

Month	Gas Discount	Electric Discount	Total Discount	Total Participants
Oct-00	$218,994	$703,241	$922,235	150,565
Nov-00	$334,554	$711,437	$1,045,991	148,905
Dec-00	$535,017	$827,757	$1,362,774	145,764
Jan-01	$888,680	$698,235	$1,586,915	139,373
Feb-01	$1,000,587	$823,195	$1,823,782	139,490
Mar-01	$877,880	$806,488	$1,684,368	139,743
Apr-01	$634,904	$708,537	$1,343,441	139,759
May-01	$525,992	$657,613	$1,183,605	141,264
Jun-01	$504,136	$684,872	$1,189,008	142,462
Jul-01	$348,908	$727,994	$1,076,902	145,693
Aug-01	$178,685	$748,576	$927,261	148,178
Sep-01	$257,641	$780,303	$1,037,944	148,728
Grand Total	$6,305,978	$8,878,248	$15,184,226	*

*The September 2001 figure is reported as the total number of CARE participants.