

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

Application of Southern California Edison  
Company (U 388E) for Approval of its Energy  
Savings Assistance and California Alternate  
Rates for Energy Programs and Budgets for  
Program Years 2015-2017.

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And Related Matters.

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Application 14-11-007  
(Filed November 18, 2014)

Application 14-11-009  
Application 14-11-010  
Application 14-11-011

**ANNUAL PROGRESS REPORT OF PACIFIC GAS AND ELECTRIC  
COMPANY (U 39 E) ON THE FAMILY ELECTRIC RATE ASSISTANCE (FERA)  
PROGRAM, JANUARY 1, 2015 - DECEMBER 31, 2015**

CHONDA J. NWAMU  
DARREN P. ROACH

Pacific Gas and Electric Company  
77 Beale Street, B30A  
San Francisco, CA 94105  
Telephone: (415) 973-6345  
Facsimile: (415) 973-5520  
E-Mail: [Darren.Roach@pge.com](mailto:Darren.Roach@pge.com)

Attorneys for  
PACIFIC GAS AND ELECTRIC COMPANY

Dated: May 2, 2016

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Pacific Gas and Electric Company (PG&E) files its Annual Progress Report on its 2015 Family Electric Rate Assistance (FERA) Program efforts in compliance with the FERA reporting requirements developed jointly by the utilities, DRA, Energy Division, Latino Issues Forum, and TURN as set forth in PG&E's Advice Letter 2498-E-A, which became effective June 17, 2004. This advice letter was a requirement of Decision 04-02-057, page 59, and Ordering Paragraph 5.

Respectfully submitted:

CHONDA J. NWAMU  
DARREN P. ROACH

/s/ Darren P. Roach  
By: DARREN P. ROACH

Pacific Gas and Electric Company  
77 Beale Street, B30A  
San Francisco, CA 94105  
Telephone: (415) 973-6345  
Facsimile: (415) 973-5520  
E-Mail: [Darren.Roach@pge.com](mailto:Darren.Roach@pge.com)

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**ANNUAL PROGRESS REPORT TO THE  
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**FAMILY ELECTRIC RATE ASSISTANCE  
(FERA)**

**JANUARY 1, 2015 - DECEMBER 31, 2015**

May 2, 2016

**PACIFIC GAS AND ELECTRIC COMPANY  
FERA PROGRAM  
MAIL CODE N3F  
PO Box 770000  
SAN FRANCISCO, CA 94177**

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## **FAMILY ELECTRIC RATE ASSISTANCE (FERA)**

The FERA Program provides a monthly discount on electric bills for income qualified households of three or more persons.

### **I. PARTICIPANT INFORMATION**

#### **A. Provide the total number of FERA customers by month, for the reporting period.**

See Table 1.

<b>Table 1</b>		
<b>2015</b>	<b>FERA Enrolled<sup>1</sup></b>	<b>FERA Receiving Tier 3 Benefit<sup>1</sup></b>
<b>January</b>	28,832	17,272
<b>February</b>	28,915	13,909
<b>March</b>	29,215	13,951
<b>April</b>	29,011	13,117
<b>May</b>	28,551	15,142
<b>June</b>	28,006	15,234
<b>July</b>	28,793	18,424
<b>August</b>	29,790	18,257
<b>September</b>	29,941	19,241
<b>October</b>	30,102	17,092
<b>November</b>	29,923	15,379
<b>December</b>	30,114	16,767

Notes:

<sup>1</sup> Does not include sub-metered tenants.

**B. Provide the total number of FERA-eligible households, FERA-participating households, and FERA household penetration rates by quarter.**

See Table 2.

<b>Table 2</b>			
<b>FERA Penetration Rate</b>			
<b>2015 Quarter Ending</b>	<b>FERA-Eligible Households<sup>1</sup></b>	<b>FERA-Participating Households<sup>1</sup></b>	<b>FERA Household Penetration Rate<sup>2</sup></b>
March 31	168,011	29,215	17%
June 30	168,011	28,006	17%
September 30	168,011	29,941	18%
December 31	168,011	30,114	18%

Notes:

<sup>1</sup>Does not include sub-metered tenants.

<sup>2</sup>FERA Household Penetration Rate is calculated by dividing FERA Participating Households by FERA-Eligible Households.

**C. Discuss how the estimates of current FERA-eligible households were developed.**

To develop current estimates of FERA-eligible households, PG&E and the other California IOUs used the joint utility methodology adopted by the CPUC in D.01-03-028 for developing monthly penetration estimates in 2015. This methodology requires IOUs to estimate eligibility for CARE, ESA, FERA and other income-by-household size parameters at the small area (block group, census tract, ZIP+2, etc.) for each IOU territory and for the state as a whole.

The requirements for 2015 eligibility used the January Health and Human Services (HHS) Poverty Guidelines [Federal Register /Vol. 80, No. 14 /Thursday, January 22, 2015 /Notices; p.3237].

The sources PG&E relied upon to estimate FERA-household eligibility include the current HHS Poverty Guidelines for 2015, current year small area vendor marginal distributions on household characteristics, Census American Community Survey Public Use Microdata Sample (PUMS) 2009-2013 survey data, utility meter and master meter household counts, Department of Finance Consumer Price Index series, and various Geographic Information System sources. PG&E also adjusts small area (block group) income distributions to match the latest American Community Survey distributions at the Public Use Microdata Area.

Annually, PG&E applies county level eligibility fractions to a new set of “technical eligibility counts” (for FERA these are individually metered and

occupied housing units) obtaining an estimate of income/demographic eligibility in household count form. Monthly, PG&E counts the number of households (by small area, by county, and overall) that are enrolled in FERA. The FERA household total, including individually metered and sub metered occupied housing units, is divided by the total income/demographic eligibility.

**D. Provide the current FERA sub-metered tenant counts at year-end.**

There were 221 sub-metered tenants enrolled in the FERA Program at year-end.

**E. Discuss any problems encountered during the reporting period administering FERA for sub-metered tenants and/or master-meter customers.**

The main problems encountered by sub-metered tenants and/or master-metered customers continues to include: 1) understanding the FERA discount on their bills; 2) understanding the difference between the FERA discount and the CARE discount; and 3) understanding whether or not they can apply for both discounts. These three problems persisted during this reporting period.

PG&E provides a monthly FERA certification report to landlords/managers. PG&E also requests that landlords/managers contact PG&E when tenant information needs to be updated. Nonetheless, some landlords/managers still fail to notify PG&E when a FERA-certified tenant moves out of the facility.

PG&E observed continued turnover within mobile home park ownership (MHP) and management in 2015, which results in undelivered reports and delayed communications. Whenever a change of ownership or change of management occurred, PG&E worked with the new owners to transfer existing FERA-certified tenants' data to new accounts, update the contact information in the database and informed owners and management about the FERA Program and the processes involved.

Some tenants move from one MHP to another MHP or from a residential house to a MHP and thought their FERA discount would be transferable. In these cases, PG&E explains to these customers that the discount is not transferable and advise them to fill out a new Sub-Meter application to apply for FERA.

PG&E also experienced problems obtaining sufficient FERA discount information on the tenant's bill from the facility billing agency. For example, the billing agency may not display the FERA discount as a separate line item on a bill, making it difficult for the tenant to verify whether they were receiving the discount.

When a tenant calls PG&E with questions, PG&E does confirm that the tenant is certified for the program and reviews the bill with the tenant to ensure they are

receiving the discount. If it appears the tenant is not receiving the FERA discount, the tenant is advised to contact their manager or billing agency for further clarification. If the tenant does not obtain resolution with their billing agency and/or sub-metered facility manager, PG&E advises the tenant to contact their County's Department of Weights and Measures (DWM). DWM helps tenants with meter reading accuracy/testing, proper meter installation, billing accuracy, and verification of the correct rate. If contacting the DWM does not resolve the tenant's billing question, the tenant is advised to file a complaint with the CPUC.

To reach out to eligible tenants of sub-metered residential facilities, PG&E annually mails information packets containing program applications and posters to landlords/managers. However, some of these packets are either returned or undelivered due to the high turnover of landlords/managers, which results in lower new enrollments.

## **II. PROGRAM COSTS**

### **A. Discount Cost**

#### **1. State the average monthly FERA discount received, in dollars per FERA customer.<sup>1,2</sup>**

The average monthly FERA discount in 2015, per FERA customer, was \$17.07.

Notes:

<sup>1</sup>Does not include sub-metered tenants.

<sup>2</sup> Enrolled customers are excluded from the monthly average during any months they did not reach Tier 3 usage.

#### **2. State the cumulative annual discount for all FERA customers.<sup>1</sup>**

The 2015 annual FERA discount was \$3,593,686.

The 2004 through 2015 cumulative annual discount was \$48,285,968.

Notes:

<sup>1</sup>Does not include sub-metered tenants.



## B. Administrative Costs

### 1. Show the FERA Program's administrative costs by category.

See Table 3.

Table 3	
FERA Program Administrative Costs by Category and Benefits	
Category	Cost
Outreach	\$6,375
Processing, Certification, and Verification	\$16,774
General Administration	\$1,088
Billing System / Programming	\$0
Regulatory Compliance	\$0
Energy Division Staff Funding	\$0
<b>TOTAL PROGRAM COSTS [1]</b>	<b>\$24,237</b>
CUSTOMER BENEFITS	\$3,593,686
<b>TOTAL PROGRAM COSTS &amp; CUSTOMER BENEFITS</b>	<b>\$3,617,923</b>

[1] Per GRC D.14-08-032, employee benefit burdens are included in the program recorded costs and in the FERA balance when it is transferred for recovery.

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

**Outreach:** This category includes costs related to bill inserts, applications (printing and mailing), postage, sub-metered outreach, information technology (technical support and software licensing), staff labor, event staffing, website design, and other outreach.

**Processing, Certification and Verification:** This category includes costs related to staff labor for application processing, certification, recertification, verification and training.

**General Administration:** This category includes costs related to office supplies, printing, program management labor, travel expenses, conference, training, and information technology (technical support and software licensing).

**Billing System / Programming:** This category includes costs related to manual rebilling, Information Technology (IT) programming, software enhancements, system maintenance and IT labor.

**Regulatory Compliance:** This category includes costs related to program applications and advice filings, comments and reply comments, hearings, reports and studies, working group meetings, public input meetings, and tariff revisions.

**Energy Division Staff Funding:** This category includes costs related to funding for the Energy Division staff.

**Customer Benefits:** This category includes costs related to rate discounts.

**3. Explain how costs of joint CARE/FERA activities are charged to each program.**

For joint CARE/FERA activities, PG&E charges the expenses to the appropriate CARE/FERA order numbers based on the nature of the activities and the number of hours spent on each program.

**C. Provide the year-end December 31 balances for the FERA balancing account for both the current and prior reporting periods.**

The year-end December 31, 2015 balance for the FERA balancing account was a debit of \$3,621,240.

The year-end December 31, 2014 balance for the FERA balancing account was a debit of \$6,312,202.

The year-end December 31, 2013 balance for the FERA balancing account was a debit of \$7,777,274.

The year-end December 31, 2012 balance for the FERA balancing account was a debit of \$7,873,940.<sup>1</sup>

The year-end December 31, 2011 balance for the FERA balancing account was a debit of \$7,881,273.

The year-end December 31, 2010 balance for the FERA balancing account was a debit of \$6,671,717.

The year-end December 31, 2009 balance for the FERA balancing account was a debit of \$4,643,804.

Notes:

<sup>1</sup> The figures were adjusted and different from the 2012 Annual Report

The year-end December 31, 2008 balance for the FERA balancing account was a debit of \$2,566,392.

The year-end December 31, 2007 balance for the FERA balancing account was a debit of \$1,603,094.

The year-end December 31, 2006 balance for the FERA balancing account was a debit of \$1,658,767.

The year-end December 31, 2005 balance for the FERA balancing account was a debit of \$1,340,372.<sup>1</sup>

The year-end December 31, 2004 balance for the FERA balancing account was a debit of \$340,948.

Notes:

<sup>1</sup> The figures were adjusted and different from the 2005 Annual Report.

### III. OUTREACH

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

PG&E's outreach for the FERA Program is coordinated with PG&E's CARE and Energy Savings Assistance (ESA) Programs outreach efforts consistent with the direction in D.04-02-057 that, "[A]dditional outreach should be undertaken when it can be done at little cost" (*mimeo*, p. 56).

During 2015, PG&E leveraged the CARE multi-touch, multi-channel acquisition campaigns efforts to residential customers that included direct mail, emails, and automated voice messaging and telephone outreach. Each campaign was bi-lingual (English/Spanish) to reduce accessibility barriers. The purpose of this outreach was to introduce current CARE participants to the FERA Program.

Channel sequence testing undertaken for FERA in 2015 underscored that our customer base needs multiple touches across multiple channels to enroll in low income programs. Throughout these efforts, PG&E identified opportunities and implemented learnings in real time for improved results, efficiency and cost-effectiveness.

Following are 2015 outreach initiatives undertaken by the CARE Program at no additional cost or minimal cost to the FERA Program.

### **Bill Inserts**

PG&E inserted postage-paid bilingual applications in English and Spanish into customers' monthly bill packages six times in 2015 (January, June, July, August, November, and December). This initiative reached residential PG&E customers who were not already enrolled in the FERA Program.

### **Email, Direct Mail, and Automated Voice Messaging (AVM)**

PG&E launched several acquisition campaigns to outreach to FERA customers, including direct mail, email, and automated voice messaging in multiple languages. Throughout these efforts, PG&E continued to identify optimization opportunities and implemented learnings in real time for improved results, efficiency and cost-effectiveness.

The first wave of acquisition outreach campaign launched February through March. As part of the campaign, PG&E conducted a channel sequence and frequency test, an arranged multi-touch effort, to determine whether customers respond to communications at a different rate depending on the order and frequency in which each touch is received. The overall objective was to increase enrollment of eligible customers.

The results of this channel sequence and frequency test revealed that customers need multiple touches across multiple channels before enrolling in the program. PG&E learned that a three-touch strategy is the most effective and that direct mail is the most relevant communication channel. Additionally by adding a direct mail touch to customers who have traditionally only received email communications, PG&E almost doubled its enrollment rate. With these learnings, PG&E created a robust multi-touch, multi-channel customer contact strategy, which launched in April and continued throughout June.

PG&E continued to optimize the multi-touch, multi-channel customer contact strategy with the launch of a new wave of acquisition campaign in July and October.

Additionally, PG&E also provides customers with an option to call PG&E directly to self-certify their eligibility and enroll/recertify in the FERA Program via AVM technology .

### **Integration**

The FERA Program is integrated with CARE, Cooling Centers and ESA Programs in an effort to generate FERA enrollments. FERA applications are available to participants at Cooling Centers partnering with PG&E. FERA Program information and applications are also distributed at various CARE and

ESA Program outreach events. Also, CARE Community Outreach Contractors (COCs) assisted in enrolling FERA customers at no additional cost to PG&E.

Throughout 2015, PG&E participated in select Hispanic and Chinese community events to engage with customers about low income assistance programs and services that help customers save money and energy.

- On February 7-8, PG&E joined the Oakland Lunar New Year Bazaar in Alameda, which had over 35,000 attendees.
- On March 7-8, PG&E joined the San Francisco Chinese Lunar New Year Festival Community Fair in Chinatown, which had over 600,000 attendees.

PG&E's Community Engagement (CE) staff participated in and supported 218 community and local PG&E Customer Service Office (CSO) outreach events to create awareness and provide education about low income programs. These outreaches were staffed by Customer Service Representatives (CSRs) helping customers with questions and understanding their accounts and educating customers about CARE, ESA and other programs. CSRs also provided information on Medical Baseline, Balanced Payment Plan, Large Print Bills, In-Language Bills, SmartRate, SmartAC and Rate Reform to give customers well-rounded information and promote "One PG&E." This outreach effort resulted in 17,134 customers with educational "touches."

CARE customers who notified PG&E of a change in income status which no longer qualified them for the CARE discount, were then informed about the FERA Program and provided with an opportunity to apply, if qualified. Additionally, customers who applied for the CARE discount and were ineligible, but income-qualified for the FERA discount, were automatically enrolled in the FERA Program.

FERA features other financial assistance information on its applications. Each 8.5" x 11" application provides a brief description of other assistance programs available as well as contact numbers.

FERA applications are also available at PG&E's local offices. Local office customer service representatives (CSRs) have been trained to speak about the program benefits with every customer and mail any completed applications to the FERA Program team on a regular basis.

### **Online Enrollment**

PG&E relies upon its website and mobile platform to promote the FERA Program, by providing detailed information about not only about FERA but also other assistance programs.

With online applications available in several languages, customers can enroll using one of two options: completion of a simple form which requires no registration, or via "My Energy", which requires registration. Customers are able to complete the necessary household and income eligibility information, and submit the application electronically.

PG&E utilizes an online mailbox – [CAREandFERA@pge.com](mailto:CAREandFERA@pge.com) – as an internal and external communication tool for any program-related inquiries.

### **Seniors and Disabled**

PG&E's FERA Program continues its outreach to seniors and those with disabilities by having the large-print applications (minimum 16 point font) in the same languages as noted above available in print and on the website.

### **Sub-Metered**

PG&E reached out to sub-metered tenants by mailing enrollment packets to sub-metered facility managers across its service area. The packets informed managers about the FERA Program benefits and encouraged them to distribute applications to their tenants.

## **B. Discuss each of the following:**

- 1. How FERA customer data and other relevant program information is shared within the utility, for example, between the ESA Program and other appropriate low-income programs.**

The FERA discount is recorded directly into the customer information system. This allows CSRs to see the FERA status of any customer calling PG&E's contact center for assistance. This provides important information for the CSR to use when discussing other benefits and services that may be of assistance to the income-qualified customer.

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

Since the FERA discount is only applied to electric usage in Tier 3 (131-200 percent of baseline), many FERA income-qualified households with electric usage below Tier 3 are not incentivized to apply for the FERA discount as they might not receive the benefits every month. Though PG&E commends customers on their energy conservation efforts to reduce usage, PG&E also encourages customers to apply or reapply for the FERA discount in preparation for any unforeseen future energy usage increase.

Per Residential Rate Reform Decision 15-07-001 issued on July 13, 2015, CPUC adopted a 12 percent discount for FERA customers at all usage levels. Once the new discount is implemented in March 2016, all FERA customers with electric usage will receive the discount and therefore mitigate the barrier discussed above.

## IV. PROCESSING FERA APPLICATIONS

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

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

See Table 4.

TABLE 4						
FERA Self-Certification and Self-Recertification Applications <sup>1</sup>						
	Provided <sup>2</sup>	Received	Approved	Denied	Pending/ Never Completed	Duplicates
Utility	12,584	17,418	16,867	425	126	2,939
Capitation	0	0	0	0	0	0
Other Third-Party	0	0	0	0	0	0
Total	12,584	17,418	16,867	425	126	2,939

Notes:

<sup>1</sup>Includes sub-metered tenants.

<sup>2</sup>Excludes CARE/FERA outreach applications and multiple bill inserts.

## B. Processing Random Post-Enrollment Verification Requests

1. Provide the total number of verifications requested, received, approved, denied, pending/never completed, or duplicates, for the reporting period.

See Table 5.

TABLE 5						
FERA Random Post-Enrollment Verification Requests <sup>1</sup>						
	Requested	Received	Approved <sup>2</sup>	Denied	Pending/ Never Completed	Duplicates
Total			1,009			

Notes:

<sup>1</sup> Random Post-Enrollment Verification was not conducted specifically for FERA in 2015 due to the small number of enrollments and discounts.

<sup>2</sup> 1,009 CARE Post-Enrollment Verification requests were approved for FERA in 2015.

## V. PROGRAM MANAGEMENT

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

Because the FERA Program does not have a separate, authorized budget, it is dependent on CARE outreach efforts. The program is administered incrementally within the CARE Program Administrative budget, which provides FERA outreach to customers at no additional, or minimal cost. While the number of outreach efforts increased in 2015, FERA customers still are not adequately targeted, thus enrollment increases are small. For 2015, FERA Program penetration was at 18 percent.

In an ongoing effort to protect the environment and reduce printing and mailing costs, PG&E continues to encourage residential customers to utilize our toll-free line and website for enrollment and recertification. PG&E also encourages sub-metered facility landlords/managers to sign-up to receive their monthly FERA certification reports via e-mail. Many facilities have requested receipt of their reports electronically.

On July 13, 2015, CPUC issued Decision 15-07-001 on Residential Rate Reform, adopted a 12 percent discount for FERA customers at all usage levels. PG&E has started the planning in 2015 and will implement the new discount on March 1,



2016. This new structure provides a discount to all FERA customers with electric usage.

In 2015, PG&E initiated the Mobile Home Park (MHP) Utility Upgrade program which is a voluntary 3-year pilot program through 2017 aimed at replacing existing MHP gas and electric facilities with new direct utility service. Qualified and selected applicants will have their privately owned master meter/sub-metered utility system replaced with new PG&E owned systems to deliver energy directly to park residents. The goal is to upgrade 10 percent of the 381,000 eligible MHP spaces over the next 3 years. This program will provide residents with safer, more reliable service, and will relieve owners from maintaining an aging system. The program will help overcome some of the administrative problems the FERA program encountered with sub-metered tenants and/or master-meter customers.