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SOUTHERN CALIFORNIA
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May 1, 2008

VIA ELECTRONIC MAIL & OVERNIGHT DELIVERY

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

Re: Southern California Edison Company's (U 338-E) Annual Progress
        Report for the Family Electric Rate Assistance (FERA) Program for
        the Period January – December 2007

Dear Mr. Gallagher:

Southern California Edison Company (SCE) hereby submits is Annual Progress Report for the Family Electric Rate Assistance (FERA) Program for the period January through December 2007.

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

Very truly yours,

/s/ STACIE SCHAFFER
Stacie Schaffer

cc: Administrative Law Judge Sarah Thomas   Matthew Tisdale, DRA
      Sarita Sarvate, CPUC   Karen Watts-Zagha, DRA
      Sarvijit Randhawa, CPUC   Rashid Rashid, DRA
      Natalie Walsh, CPUC   Alik Lee, DRA
      Melicia Charles, CPUC   Robert Lehman, DRA
      Johanna Sevier, CPUC
      Michael Black, CPUC

SS:ss:LAW-#1501791

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SOUTHERN CALIFORNIA EDISON COMPANY'S (U-338 E)
REPORT FOR THE FAMILY ELECTRIC RATE ASSISTANCE (FERA)
PROGRAM FOR THE PERIOD JANUARY - DECEMBER 2007

May 1, 2008

SOUTHERN CALIFORNIA EDISON COMPANY'S REPORT FOR THE FAMILY ELECTRIC RATE ASSISTANCE (FERA) PROGRAM

January 1, 2007 through December 31, 2007

I. Participant Information

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

ANS.   See Table 1.

Table 1		
2007[1]	FERA Enrolled[2]	FERA Receiving Tier 3 Benefit[2]
January	19,326	11,796
February	19,022	9,399
March	19,076	9,401
April	18,811	8,370
May	18,633	8,928
June	18,384	9,703
July	18,476	10,574
August	18,522	11,850
September	18,656	11,106
October	18,648	9,802
November	18,735	8,875
December	19,075	10,217

Notes:
[1]FERA was implemented in June 2004.
[2]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.

ANS. See Table 2.

Table 2			
FERA Penetration Rate			
2007 Quarter Ending	**FERA-Eligible Households[1]**	**FERA-Participating Households[1]**	**FERA Household Penetration Rate[2]**
March 31	226,061	19,076	8%
June 30	227,106	18,811	8%
September 30	227,551	18,633	8%
December 31	228,039	18,384	8%

Notes:
[1]Does not include sub-metered tenants.
[2]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.

ANS. SCE used the joint energy utility methodology for the CARE program that was adopted by the CPUC in D.01-03-028 for developing quarterly penetration estimates for March, June, September, and December 2007. Current-year (2007) vendor data was used to provide household size and income information. This CARE methodology estimates a demographic eligibility rate by county for customers, based on an income limitation of 200% of the federal poverty guideline. The demographic eligibility rate is applied to (multiplied by) the total number of technically eligible customers (those having an eligible meter or sub-meter) to determine the total number of eligible households. The total number of participating households is divided by the number of eligible households to estimate the CARE penetration rate. Since the CARE eligibility estimation methodology is a more general approach that allows estimation of any household size by household income—related parameter at the small area or large area, FERA eligibility was easily determined.

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

ANS.   As of December 31, 2007, there were 77 sub-metered tenants participating in FERA.

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

ANS. **No issues encountered.**

II. Program Costs

A. Discount Cost

1. State the average monthly FERA discount received, in dollars per FERA customer[1,2].

ANS.   The average monthly FERA discount received, in dollars per FERA customer was $ 15.95.

Notes:
[1]Does not include sub-metered tenants.
[2]Does include all enrolled customers who have received a discount in any month.

2. State the cumulative annual discount for all FERA customers[1,2].

ANS.   The cumulative annual discount for all FERA customers was $1,944,996.28

Notes:
[1]Does not include sub-metered tenants.
[2]Does include all enrolled customers who have received a discount in any month.

B. Administrative Cost

1. Show the FERA Program's administrative cost by category.

ANS.   See Table 4.

<table>
<tr><td colspan="2" align="center">**Table 4**</td></tr>
<tr><td colspan="2" align="center">**FERA Program
Administrative Costs by Category and Benefits**</td></tr>
<tr><td align="center">**Category**</td><td align="center">**Cost**</td></tr>
<tr><td>**Outreach**</td><td align="right">0</td></tr>
<tr><td>**Processing, Certification, and Verification**</td><td align="right">$13,562.31</td></tr>
<tr><td>**General Administration**</td><td align="right">0</td></tr>
<tr><td>**Information Technology**</td><td align="right">$46,388.75</td></tr>
<tr><td>**Capitation**</td><td align="right">$131.00</td></tr>
<tr><td>**TOTAL PROGRAM COSTS**</td><td align="right">**$60,082.06**</td></tr>
<tr><td></td><td></td></tr>
<tr><td>**CUSTOMER BENEFITS**</td><td align="right">**$1,944,996.28**</td></tr>
<tr><td></td><td></td></tr>
<tr><td>**TOTAL PROGRAM COSTS &
CUSTOMER BENEFITS**</td><td align="right">**$2,005,078.34**</td></tr>
</table>

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

ANS.   See table below.

Category	Description
Outreach	Includes: Bill inserts, advertising, applications (printing and mailing), posters, brochures, flyers, postage, and other outreach, information technology (technical support and software licensing), staff labor, out bound dialing, 800#, outreach pilots, and Capitation Fee Project.
Processing, Certification, and Verification	Includes: Staff labor, information technology (technical support and software licensing), application processing, training, programming labor, and sub-meter certification.
General Administration	Includes: **Information Technology/Programming** Programming and labor costs associated with system enhancements and maintenance of existing processes.

	Regulatory Compliance
	    Applications, advice filings, comments and reply comments, hearings, reports and studies, working group meetings, public input meetings, and tariff revisions.
	
	Other
	    Office supplies, market research, program management labor (including pensions and benefits), and information technology (technical support and software licensing).

Startup	Includes: Labor and system programming to implement the program
Benefits	Includes: Rate discounts.

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

   ANS.   The costs of distinct CARE and FERA activities are charged separately to each program. To the extent possible, the costs of joint CARE/FERA activities are allocated in proportion to the work that should be attributable separately to CARE and FERA.

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

   ANS.   The balance recorded in SCE's Family Electric Rate Assistance Balancing Account (FERABA) as of December 31, 2007 was $48,000. The prior balance for December 31, 2006 was $69,000.

III. Outreach

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

   ANS.   FERA outreach was conducted as an adjunct to CARE outreach from January through December 2007 as follows:

   - In June, two months prior to its high demand season, SCE conducted its annual solicitation for CARE participation by mailing a CARE application to all non-CARE residential customers with their electric bills. FERA is included as the application is joint for CARE and FERA.

   - Customers are able to obtain FERA information and enroll, recertify their eligibility, and inform SCE of their ineligibility for the FERA Program through SCE's "real-time" online applications at www.sce.com/careandfera. The online applications are available in English, Spanish, Chinese, Korean, and Vietnamese. Customers can also download a CARE application from SCE's website and mail it in. The downloadable applications are available in English, Spanish, Chinese, Korean, Vietnamese, and Cambodian. In addition, the online and downloadable applications have large-font capability.

   - SCE's CARE Capitation Fee Project, established under SBX1 5 Rapid Deployment, continued using outside organizations to assist customers in completing a CARE application. As the application is joint for CARE and FERA, customers can apply for FERA if they are not eligible for CARE.

- Contractors who perform LIEE assessment services complete an application that includes enrollment in CARE or FERA, if the household is qualified.

- Quarterly bill messages informed customers about the availability of CARE and FERA.

- Several joint CARE/FERA direct mail campaigns were initiated in 2007 to increase awareness and enrollment in the CARE and FERA programs.

B. Discuss each of the following:

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

   ANS. Since LIEE income guidelines and CARE income guidelines are identical, all customers participating in LIEE services are automatically enrolled into the CARE program. The only way a customer would not be enrolled into CARE after receiving LIEE services is if the customer opts not to be enrolled. The customer is given 30 days to opt out. If the customer does not opt out within 30 days, the customer is enrolled into CARE.

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

   ANS. FERA is a program that targets middle income households with high energy usage. SCE believes FERA penetration is unlikely to match CARE due to the lower level of benefits that are paid to participants. Also, many FERA participants do not receive a discount if their energy use is not at Tier III levels.

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

   To mitigate enrollment barriers, SCE uses a multifaceted outreach approach to reaching its potentially CARE-eligible customers. Because FERA information was included in the annual solicitation and

targeted outreach mailings for CARE in 2007., FERA received good exposure. However, SCE believes that rate discount program outreach and enrollment processes can and will be continually improved.

It is expected that there will be a better understanding of the reasons some individuals are not willing to participate in CARE through the statewide low-income needs assessment.

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.**

   ANS.   See Table 5.

TABLE 5						
FERA Self-Certification and Self-Recertification Applications[1]						
	Provided[2]	**Received**	**Approved**	**Denied[3]**	**Pending/Never Completed[4]**	**Duplicates**
Utility		21,549	13,312	6,314	483	1,440
Capitation		18	12	0	0	6
Other Third-Party		0	0	0	0	0
Total		21,567	13,324	6,314	483	1,446

Notes:
[1] Includes sub-metered tenants.
[2] Self-Certification applications are distributed/mailed through a wide variety of fulfillment and outreach methods so it is not possible to determine an actual count. Recertification applications are tracked.
[3] Denied self certification applications are counted to the CARE program due to the dual CARE/FERA application
[4] Includes cancelled recertification requests and closed accounts..

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.

ANS.   See Table 6.

TABLE 6					
FERA Random Post-Enrollment Verification Requests[1]					
	Requested	**Received**	**Approved**	**Denied**[2]	**Pending/Never Completed**[3]	**Duplicates**
Total	98	22	11	75	12	0

Notes:
[1]Verification process for FERA is the same as CARE.
[2]Includes customers who were dropped due to non-response.
[3]Includes cancelled requests and closed accounts.

V. Program Management

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

ANS.   FERA was implemented in June 2004. Because FERA procedures and processes are designed to mirror the well-established CARE program, there were no major issues and/or events that significantly affected program management.