



SOUTHERN CALIFORNIA  
**EDISON**<sup>®</sup>

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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 2005**

**May 1, 2006**

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

**January 1, 2005 through December 31, 2005**

## **I. Participant Information**

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

ANS. See Table 1.

<b>Table 1</b>		
<b>2005</b>	<b>FERA Enrolled<sup>1</sup></b>	<b>FERA Receiving Tier 3 Benefit<sup>1</sup></b>
<b>January</b>	8,590	4,058
<b>February</b>	10,038	3,744
<b>March</b>	11,646	4,682
<b>April</b>	13,653	4,735
<b>May</b>	14,553	5,297
<b>June</b>	15,124	6,951
<b>July</b>	16,207	6,767
<b>August</b>	17,013	9,689
<b>September</b>	18,036	8,487
<b>October</b>	18,537	8,414
<b>November</b>	18,634	7,636
<b>December</b>	18,897	9,432

Notes:

1. 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.

<b>Table 2</b>			
<b>FERA Penetration Rate</b>			
<b>2005 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	311,971	11,646	4%
June 30	312,381	15,124	5%
September 30	314,621	18,036	6%
December 31	195,707	18,897	10%

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 Commission in D.01-03-028 for developing quarterly penetration estimates for March, June, September, and December 2005. Current-year (2005) 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 175% of the federal poverty guideline. For December, an income limitation of 200% of the federal poverty guideline, which serves as the maximum for CARE and minimum for FERA was used to reflect the revised income guidelines in D.05-10-044. 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. SCE converted the CARE methodology into a methodology that would be useful for FERA by substituting the FERA income and household size guidelines into the CARE methodology.

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

ANS. As of December 31, 2005, there were 132 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. Anecdotal information from customers indicates there may be reluctance on the part of some mobile home park owners and/or managers to administer CARE and, since FERA procedures and processes mirror CARE, this may also be true for FERA. SCE contacted mobile home owners and managers to confirm that the addresses are correct to which materials for the annual reapplication of tenants are mailed. These materials contain information on the obligations California law places on master-metered customers with respect to offering rate options and billing as though SCE did this directly with their sub-metered tenants.

SCE also encounters problems administering CARE for master-metered customers with sub-metered tenants when more than one master-meter serves an apartment complex or mobile home park. This would apply to FERA as well as the application is joint for CARE and FERA. The sub-metered tenant must be placed on the correct master-meter for SCE to apply any FERA discount correctly and enable landlords to pass the discount on to the correct sub-metered tenant. If SCE is provided incorrect information on the sub-metered tenant application, placing the sub-metered tenant on FERA is delayed until the correct master-meter is determined.

**II. Program Costs**

**A. Discount Cost**

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

ANS. The average monthly FERA discount received, in dollars per FERA customer was \$2.96.

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<sup>1,2</sup>.**

ANS. The cumulative annual discount for all FERA customers was \$243,411.

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 3.

<b>Table 3</b>	
<b>FERA Program Administrative Costs by Category and Benefits</b>	
<b>Category</b>	<b>Cost</b>
<b>Outreach<sup>1</sup></b>	<b>\$0</b>
<b>Processing, Certification, and Verification</b>	<b>\$27,942</b>
<b>General Administration</b>	<b>\$3,028</b>
<b>Startup</b>	<b>\$0</b>
<b>TOTAL PROGRAM COSTS</b>	<b>\$30,970</b>
<b>CUSTOMER BENEFITS</b>	<b>\$243,411</b>
<b>TOTAL PROGRAM COSTS &amp; CUSTOMER BENEFITS</b>	<b>\$274,381</b>

Notes:

1. See answer to III.A. In 2005, SCE conducted FERA outreach as an adjunct to CARE outreach, and therefore all outreach costs are counted to the CARE program.

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

ANS. See table below.

<b>Category</b>	<b>Description</b>
<b>Outreach</b>	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.
<b>Processing, Certification, and Verification</b>	Includes: Staff labor, information technology (technical support and software licensing), application processing, training, programming labor, and sub-meter certification.
<b>General Administration</b>	Includes: <b>Billing System /Programming</b> Manual rebilling and programming and billing labor  <b>Regulatory Compliance</b> Applications, advice filings, comments and reply comments, hearings, reports and studies, working group meetings, public input meetings, and tariff revisions.  <b>Other</b> Office supplies, market research, program management labor (including pensions and benefits), and information technology (technical support and software licensing).
<b>Startup</b>	Includes: Labor and system programming to implement the program
<b>Benefits</b>	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 separately attributable 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, 2005 was \$227,000. The balance recorded in SCE's Family Electric Rate Assistance Balancing Account (FERABA) as of December 31, 2004 was \$174,000.

**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 in 2005 as follows:

- All communications to customers under the CARE marketing plan that included a CARE/FERA application which enabled the customer to receive information and enroll on FERA.
- 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 download a CARE/FERA joint application they can mail in from SCE's website [www.sce.com](http://www.sce.com).
- SCE's CARE Capitation Fee Project, established under SBX1 5 Rapid Deployment, continued using outside organizations to assist customers in completing CARE applications. As the application is joint for

CARE and FERA, customers can apply for FERA if they are not eligible for CARE.

- Contractors who perform Energy Management Assistance (EMA) assessment services assist customers in completing an application that includes enrollment in CARE or FERA.
- Quarterly bill messages informed customers about the availability of CARE and FERA.

**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. Contractors who perform LIEE (for SCE, this is known as EMA) assessment services assist customers in completing an application that includes enrollment in CARE or FERA.

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

ANS. Although no formal study has been conducted by SCE to identify barriers to participation, it is believed, through anecdotal information and experience, that some barriers to participation in rate discount programs, both CARE and FERA, do exist. 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.

SCE uses a multifaceted outreach approach to reach its potentially CARE-eligible customers and believes it continues to make progress in overcoming barriers to enrollment. CARE marketing and correspondence has been designed to reach increasing numbers of ethnicities and under-penetrated geographic areas. FERA benefits from this as it receives exposure as a discount program along with CARE.

FERA participation grew by approximately 11,000 or 70 percent in 2005. This is attributed to customers becoming more familiar with the program as the result of SCE's outreach efforts. The total FERA discounts paid also increased from \$35,000 to \$243,000, an increase of



594 percent. Despite this, the average discount per participant remained about the same as 2004, only growing from \$2.89 in that year to \$2.96 in 2005. For this reason, SCE believes FERA penetration is unlikely to match CARE due to the small level of benefits that are paid to participants. Also, FERA participants do not receive a discount if they do not use energy in the third tier. Due to this, only 44 percent received discounts in 2005.

It is expected that there will be a better understanding of the reasons some individuals are not willing to participate in programs when the results of the statewide low-income needs assessment, conducted by the CPUC, are released to the public.

#### **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 4.

<b>TABLE 4</b>						
<b>FERA Self-Certification and Self-Recertification Applications<sup>1,5</sup></b>						
	<b>Provided<sup>2</sup></b>	<b>Received</b>	<b>Approved</b>	<b>Denied<sup>3</sup></b>	<b>Pending/Never Completed<sup>4</sup></b>	<b>Duplicates</b>
<b>Utility</b>		13,937	13,177	0	0	760
<b>Capitation</b>		13	12	0	0	1
<b>Other Third-Party</b>		0	0	0	0	0
<b>Total</b>		13,950	13,189	0	0	761

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 applications are counted to the CARE program due to the dual CARE/FERA application.
4. Self-Certification applications are not placed in Pending/Never Completed status.

5. Numbers do not include Self-Recertification results because program has not been in existence for two years.

## **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 5.

<b>TABLE 5</b>						
<b>FERA Random Post-Enrollment Verification Requests<sup>1</sup></b>						
	<b>Requested</b>	<b>Received</b>	<b>Approved</b>	<b>Denied<sup>2</sup></b>	<b>Pending/Never Completed<sup>3</sup></b>	<b>Duplicates</b>
<b>Total</b>	104	30	14	75	15	0

Notes:

1. Verification process for FERA is the same as CARE.
2. Includes customers who were dropped due to non-response.
3. 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. In Decision 05-10-044, dated October 27, 2005, the CPUC formalized input taken from utilities and interested parties to address the impact of anticipated increases in natural gas prices on the low-income population and the means to assist these customers during the winter period between November 1, 2005 and April 30, 2006. This effort was identified as the “Winter Initiative”. SCE implemented several processes to assist its customers during the this period. Some of the CARE processes developed (1) allowing customers to recertify their CARE eligibility by calling in to a Voice Response Unit (VRU); (2) allowing customers submitting signed, but incomplete (missing information) applications to provide the needed information to complete them over the phone; and (3) suspending CARE customers from being removed from the rate for failing to respond to a recertification and/or verification request.

As FERA was implemented in June 2004, customers are not yet required to recertify. Recertification is only required after customers have

participated for two years, which will begin in June 2006. Therefore, the recertification through VRU process was not used for FERA customers.

In addition, Decision 05-10-044, increased the CARE upper limit of the income guidelines from 175% to 200% of Federal Poverty Guidelines on November 1, 2005, increasing the pool of customers eligible to enroll on CARE. At the same time, the lower limit of the FERA income guidelines was raised from 175% to 200% as FERA eligibility starts where CARE eligibility ends. This resulted in a change in the total income range for FERA from a broader 175% to 250% to a narrower 200% to 250%. Although this does not significantly affect program management, it did result in a reduction in the number of FERA-eligible customers from 315,000 to 196,000, a total of 119,000 or 38 percent.