



**SOUTHERN CALIFORNIA EDISON COMPANY'S (U-338 E)
ANNUAL PROGRESS REPORT FOR THE CALIFORNIA ALTERNATE RATES
FOR ENERGY PROGRAM FOR THE PERIOD JANUARY - DECEMBER 2003**

May 1, 2004

**SOUTHERN CALIFORNIA EDISON COMPANY'S ANNUAL
PROGRESS REPORT FOR CALIFORNIA ALTERNATE RATES
FOR ENERGY
RESIDENTIAL AND EXPANDED PROGRAMS**

January 1, 2003 through December 31, 2003

CARE RESIDENTIAL PROGRAM

This section covers individual and sub-metered participants (tenants of qualifying master-meter customers).

I. Participant Information

- A. Provide the total number of residential CARE customers, including sub-metered tenants, by month, by energy source, for the reporting period.**

ANS. See Table 1.

TABLE 1		
Residential CARE Program Customers by Month¹ (electric usage)		
2003	CARE Customers	Percentage Change
January	821,796	1%
February	820,300	0%
March	828,811	1%
April	833,118	1%
May	834,866	0%
June	867,521	4%
July	894,258	3%
August	909,841	2%
September	899,571	-1%
October	901,566	0%
November	899,847	0%
December	899,148	0%

Notes:

1. Total individually-metered and sub metered.

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

ANS. No monthly variance exceeded 4%.

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

ANS. SCE used the joint energy utility methodology adopted by the Commission in D.01-03-028 for developing quarterly penetration estimates for March, June, September, and December 2003. Current-year (2003) vendor data was used to provide household size and income information. This methodology estimates a demographic eligibility rate by county for customers, based on an income limitation of 175% 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. The penetration rates for March, June, September, and December are reported in Table 2 below.

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.

ANS. The joint energy utility methodology, as described in the response to Question I.B. above was used throughout 2003.

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 sub-metered tenants) and CARE-ineligible meters (i.e., master meters that are not sub-metered or other residential meter configurations that do not provide residential service.)

ANS. See SCE's response above to Question I.B., discussing the methodology used to estimate CARE penetration rates. Based on this methodology, households that meet CARE eligibility requirements and that have an individual meter or sub-meter are included in the estimated total of CARE-eligible households. In this case, households and meters have the same meaning. No adjustment to total residential meters was made, as only residential customers on CARE-eligible rates are counted.

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

ANS. See SCE's response above to Question I.B., discussing the methodology used to estimate CARE penetration rates. Based on this methodology, households that meet CARE eligibility requirements and that have an individual meter or sub-meter are included in the estimated total of CARE-eligible households.

4. Describe how current CARE customers were counted.

ANS. Individually metered or sub-metered residential customers who are on the CARE rate are counted as CARE participating households.

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

ANS. CARE-participating residential households were divided by the estimated number of CARE-eligible households to calculate a penetration rate.

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

ANS. See Table 2.

TABLE 2			
CARE Residential Penetration Rate Households (electric usage)			
2003 Quarter Ending	CARE Residential Households	CARE-Eligible Households	CARE Household Penetration Rate
March 31	828,811	1,042,623	79%
June 30	869,135	1,049,420	83%
September 31	899,571	1,051,374	86%
December 31	899,148	1,048,353	86%

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

ANS. It is estimated that approximately 26% of SCE's 4,069,640 residential customers or 1,048,353 customers, were eligible for the CARE discount rate as of December 31, 2003.

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

ANS. SCE estimates that 31,072 sub-metered tenants were eligible for CARE at year-end 2003.

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

ANS. As of December 31, 2003, there were 15,072 sub-metered tenants participating in CARE.

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

ANS. As of December 31, 2003, 49% of the estimated CARE-eligible sub-metered tenants were participating in CARE.

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

ANS. Anecdotal information from customers indicates there may be reluctance on the part of mobile home park owners and/or managers to administer CARE. SCE has addressed this issue by developing an improved package of informational materials to the mobile home park owners/managers which is used when the annual required reapplication of tenants is requested by SCE.

Feedback from both owners/managers and tenants suggests that the recertification process take place on the one-year anniversary date of enrollment on CARE rather than annually in June for all sub-metered tenants. This way, the tenant who enrolls in April does not receive a request to reenroll in June. SCE will consider implementing system changes to enable this process to be automated in 2004.

SCE would also be considering mailing reenrollment materials directly to existing CARE sub-metered tenants, rather than relying on the cooperation

of owners/managers to complete this process. This would be easier for both owner/manager and tenant. Owners/managers would still be mailed CARE applications and informational materials annually so that CARE can be offered to new tenants throughout the year.

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.

ANS. See Table 3.

TABLE 3			
Average Monthly Gas / Electric Usage Residential Non-CARE vs. CARE Customers ¹			
Customer	Gas Therms Tier 1*	Gas Therms Tier 2**	Total
Non-CARE	Not applicable.	Not applicable.	Not applicable.
CARE	Not applicable.	Not applicable.	Not applicable.
Customer	Electric KWh Tier 1	Electric KWh Tier 2	Total
Non-CARE	326	254	579
CARE	320	131	451

Notes:

1. Excludes master-meter usage for both non-CARE and CARE customers.

* Baseline

** Non-Baseline

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.

ANS. See Table 4.

TABLE 4		
Average Monthly Gas / Electric Bill Residential Non-CARE vs. CARE Customers ¹ (Dollars per Customer)		
Customer	Gas	Electric
Non-CARE	Not applicable.	\$79.01
CARE ²	Not applicable.	\$40.35

Notes:

1. Excludes master-meter usage for both non-CARE and CARE customers.
2. After CARE discount.

III. Program Costs

A. Discount Cost

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

ANS. The average discount per CARE customer was \$13.18 per month.

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

ANS. The annual subsidy (discount) for all CARE Residential Program customers was \$135,800,847.36.

B. Administrative Cost

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

ANS. See Table 5A. Total Program Costs for the Residential Program are 99.5% of total costs as 0.5% of the total costs have been allocated to the Expansion Program. Subsidies and Benefits are actual costs.

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Table 5A	
CARE Residential Program	
Administrative Costs by Category and Surcharge	
Category	Cost
Outreach	\$2,576,006
Processing, Certification, and Verification	\$465,858
Billing System /Programming	\$465,801
Measurement & Evaluation	\$66,996
Regulatory Compliance	\$43,116
General Administration	\$625,054
LIAB Funding	\$49,216
CPUC Energy Division Staff Funding	\$13,705
TOTAL PROGRAM COSTS¹	\$4,305,752
Subsidies and Benefits	\$135,800,847
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	\$140,106,599

Notes:

1. Total does not include indirect costs consisting of employee pensions and benefits equal to \$211,864, which are not part of SCE's CARE administrative budget.

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, sub-meter, non-profit, and agricultural housing outreach, information technology (technical support and software licensing), staff labor, out bound dialing, 800#, outreach pilot, 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.
Billing System /Programming	Includes: Manual rebilling and programming and billing labor.
Measurement & Evaluation	Includes: Needs assessment study and customer satisfaction survey.
Regulatory Compliance	Includes: Applications, advice filings, comments and reply comments, hearings, reports and studies, working group meetings, public input meetings, and tariff revisions.
General Administration	Includes: Office supplies, market research, program management labor (including pensions and benefits), and information technology (technical support and software licensing).
LIOB Funding	Includes: Low Income Oversight Board (LIOB) reimbursed expenditures.
CPUC Energy Division Staff Funding	Includes: CPUC Energy Division Staff expenditures.
Subsidies and Benefits	Includes: Rate discounts.

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

ANS. The Commission in D.02-09-021 required SCE to establish a CARE balancing account. In compliance with D.02-09-021, SCE submitted Advice Letter 1652-E implementing, among other things, the required ratemaking, and establishing the CARE Balancing Account (CBA) effective January 1, 2002. SCE has not yet received notification from the Energy Division that the Commission has approved Advice Letter 1652-E. For purposes of answering this question, SCE has assumed that the CBA will be approved with an effective date of January 1, 2002. The balance in the CBA as of December 31, 2003 is \$43.1 million.

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

ANS. SCE does not recover CARE-related costs in base rates. The Commission in D.97-08-056 allocated SCE's administration costs associated with the CARE Program to SCE's Public Purpose Programs rate component. As discussed in response to III.C, above, D.02-09-021 required SCE to establish a CARE balancing account (CBA). The CBA has been established (assuming an effective date of January 1, 2002 upon approval of Advice 1652-E) to record on a monthly basis: (1) the undercollection or overcollection in revenue which results from the difference between the amount of the CARE Discount provided to CARE program participants and the CARE Surcharge charged to non-CARE customers; (2) the difference between the Commission-authorized CARE administrative costs recorded in the Public Purpose Programs Adjustment Mechanism (PPPAM) and actually incurred CARE administrative costs; (3) actual costs incurred associated with the automatic enrollment program per D.02-07-033; and (4) reimbursements made to the Energy Division associated with Energy Division's audit of SCE's CARE Program.

- 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.**

ANS. See Table 6.

TABLE 6					
CARE Surcharge and Revenue Collected by Customer Class					
Customer Class	Average Monthly CARE Surcharge	Average Monthly Bill	CARE Surcharge as Percent of Bill	Total Annual CARE Surcharge Revenue Collected²	Percentage of Total Annual CARE Surcharge Revenue Collected²
Residential	\$2,579,699	\$290,322,331	0.9%	\$30,956,387	30.0%
Commercial	\$4,140,424	\$370,060,577	1.1%	\$49,685,088	48.2%
Industrial	\$1,121,783	\$75,664,872	1.5%	\$13,461,396	13.1%
Agricultural	\$123,210	\$10,322,504	1.2%	\$1,478,515	1.4%
Public Authority	\$616,896	\$49,124,346	1.3%	\$7,402,747	7.2%
Railroads	\$6,199	\$646,357	1.0%	\$74,389	0.1%
Interdepartment ¹	\$54	\$5,637	1.0%	\$643	0.0%
Totals	\$8,588,264	\$796,146,624	1.1%	\$103,059,165	100.0%

Notes:

1. SCE operations.
2. Revenue billed.

V. Outreach

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

ANS. SCE's goal is to enroll as many eligible customers who are willing to participate on CARE. CARE enrollment was increased from 817,637 at December 31, 2002, to 899,148 at December 31, 2003 which represents a gain of 81,511.

The following provides an overview of SCE's outreach initiatives.

- SCE collaborated with Southern California Gas Company to electronically share CARE participant data to enroll customers in each utility's program. 37,079 customers were enrolled in CARE through this ongoing effort.

- SCE worked with Southwest Gas Company (SGC) to begin to electronically share CARE participant data. SGC covers SCE's eastern territory that includes the cities of Barstow and Victorville. Although testing began in late 2003, SCE plans to place this data sharing into production in early 2004.
- SCE's Consumer Affairs organization administers the Energy Assistance Fund (EAF) which provided assistance to customers with paying winter energy bills. Applicants are enrolled in CARE when they enroll in EAF. As part of the Partners for Hope Program, Consumer Affairs trains local hospital staffs to assist low-income patients to complete CARE applications. In addition, Consumer Affairs has partnered with the American Red Cross to distribute CARE program information to senior residents participating in local "Meals on Wheels" programs.
- SCE's CARE Capitation Fee Project, established under SBX1 5 Rapid Deployment, continued using outside organizations to assist customers in completing a CARE application. 7,534 customers were enrolled through this effort. SCE paid out \$89,000 in incentives to a total of 72 participating organizations.
- Contractors who perform LIEE assessment services complete and application that includes enrollment in CARE, if qualified. 670 customers were enrolled through this effort.
- SCE's Credit and Collections organization referred customers with a "senior" or "disabled" profile to our Consumer Affairs to contact to make payment arrangements. As a part of this service, Consumer Affairs provides these customers information on enrolling in CARE as part of a plan to reduce electric bills.
- SCE's Public Affairs worked extensively with community based organizations, city councils and staff, chambers of commerce, small businesses, senior centers, legislative offices. Public Affairs has also promoted the CARE Capitation Fee Project to community organizations. Public Affairs has also successfully organized community booths at various gatherings (e.g., shows, festivals, etc.) and mobilized volunteers including bilingual speaking volunteers.
- SCE's Equal Opportunity/Supplier Diversity department was very effective in promoting CARE to faith-based and non-profit

- Customers were made aware of the CARE program when calling in to SCE's phone centers.
- Customers are able to obtain CARE information and download a CARE application they can mail in from SCE's website sce.com.
- CARE information was provided at authorized bill payment agencies which can be frequented by potential CARE-eligible customers.
- Quarterly bill messages informed customers about the availability of CARE.
- 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.
- SCE conducted communications campaigns to increase awareness about the CARE program as follows:

WAVE 1 – January– August 2003

SCE concentrated on creating a consistent look and feel that was reinforced across all CARE communications and enhanced cost effectiveness of all communications and outreach efforts.

SCE implemented an annual campaign that employed a variety of channels using an integrated mix of vehicles and tools to deliver the most effective and efficient outreach across a culturally diverse customer base. This included:

- Mass media to reach the entire SCE customer base
- Targeted ethnic media outreach
- Targeted direct mail outreach with CARE applications to customers eligible but not currently enrolled in CARE.
- Events/grass roots outreach for personalized, face-to-face messaging by SCE's Public Affairs, Consumer Affairs, Supplier Diversity, Equal Opportunity, and employee volunteer organizations.
- Strategic alliance outreach to touch constituents of CBO's, government agencies, faith-based organizations, schools, trade associations to extend message to "hard-to-reach" customers.

Direct Mail

General Market

SCE's February 2003 bi-lingual (English/Spanish) direct mail campaign targeted at customers in the Riverside area yielded almost 5,000 new CARE customers.

The Annual Bill Insert (bi-lingual English/Spanish) was distributed with the June bill. This resulted in about 40,000 new CARE enrollees.

In July a targeted bi-lingual (English/Spanish) direct mail campaign was rolled out. Over 45,000 customers were enrolled in CARE through this effort. SCE used this mailing to also test new packing which was quite successful. While the control which was mailed to the majority of customers had a 3.5% response rate and a 72% conversion rate the test package had a 6.7% response rate and a 77% conversion rate. Moving forward the new packing will become the control.

Radio

General Market

For a 6 week period from June to July SCE ran general market radio advertising to promote the CARE program.

Hispanic Market

In June and August SCE ran Spanish language radio advertising on Spanish radio stations promoting the CARE Program in targeted areas.

Print

Asian Market [In-Language Chinese (Cantonese / Mandarin), Korean, Vietnamese and Cambodian]

From July through September of 2003, SCE ran print advertising in 8 Asian publications in 4 different languages.

African American Market

For 8 weeks during June through August 2003, SCE ran print advertising in 8 different African American newspapers.

Showcase Presentation

A CARE Showcase Presentation was created for SCE's Public Affairs, Equal Opportunity and other internal organizations as well as community-based and faith-based organizations to use as an educational tool about the CARE Program. Pieces included:

- Folder
- CARE overview and guide
- Formal presentation
- Q&A
- Capitation Fee fact sheet
- Cover letter templates (These can be used by SCE representatives when conducting a mailing to various organizations, hotels, factories, manufacturers, agricultural organizations, etc. to conduct CARE informational campaigns for these entities' employees.)

Event Toolkit

An Event Toolkit was provided to organizations that may plan to have a CARE event which includes:

- Promotion tips
- CARE Applications
- Flyers (announcing an event and in multiple languages)
- Posters announcing an event
- Table top displays with applications
- Eligibility guideline chart for easy reference
- Q&A (in English and Spanish)

WAVE 2 – October – December 2003

In Wave 2, SCE extended its CARE multi-ethnic outreach and advertising to reach a broader eligible audience in the Asian, Hispanic and African American markets. SCE also expanded its grass roots efforts through strategic alliances with retail partners.

Radio

Hispanic Market

During November, SCE ran Spanish language radio advertising on Spanish radio stations promoting the CARE Program in targeted areas.

African American Market

For 3 weeks, from October through November, SCE ran CARE radio advertising on 4 different radio stations targeted at their African American customer base.

Point-of-Purchase

Asian (Cambodian, Chinese, Korean, and Vietnamese)

Beginning in December, SCE posted in-language counter top displays in over 500 local businesses with predominately Asian customer bases. The displays had a pocket for in-language applications and also displayed the corresponding in-language phone number for questions.

African American Market

In November 2003, SCE began testing advertising on the back of register receipt tapes in 10 local stores with predominately African American customer bases.

Print

Hispanic Market

For 3 weeks in November SCE ran Spanish language print advertising in Spanish language newspapers.

Asian Markets (Cambodian, Chinese (Cantonese / Mandarin), English, Korean, and Vietnamese)

During November and December, SCE ran print advertising in 8 different Asian language newspapers. English ads ran in Japanese and Filipino targeted newspapers that are printed in English.

African American

From October through December, SCE ran print ads in 10 different African American newspapers.

Grass Roots

During November and December, SCE was part of a cooperative effort with Bear Valley Electric and Southwest Gas. New grass roots promotional tactics were used whereby pieces were distributed in San Bernardino, Riverside, Kern, Kings, Santa Barbara, Visalia / Tulare and Inyo counties. All pieces included CARE information, income guidelines, and the SCE CARE phone number. The outreach included:

- Paper grocery bags provided to food banks
- Napkins provided to senior nutritional centers
- Posters provided to welfare offices and community-based organizations
- Envelope stuffers included in welfare and CBO mailings

The SCE CARE application was also inserted in 77,000 assistance checks mailed out by the San Bernardino welfare offices.

Direct Mail

In December a small bi-lingual (English/Spanish) direct mail effort was targeted at SCE's LIEE customers that were not enrolled in the CARE Program. This mailing resulted in 523 new CARE customers.

B. Discuss each of the following:

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

ANS. SCE considers the most effective outreach method to be direct mail, including the annual solicitation as well as targeted mailings to under-penetrated geographic areas. When these are conducted, SCE uses a Source Code to help track returned applications.

The appropriate measure of success is (a) percent of returned applications compared to mailed, and (b) percent of enrolled customers compared to applications returned. Total direct mailings yielded more than 166,000 responses, approximately 91,000 of which were enrolled.

As an example, in July 2003, SCE mailed 1.5 million bi-lingual (English/Spanish) direct mail pieces to targeted SCE customers. By using Source Codes on each piece SCE was able to measure the campaign's effectiveness. Over 45,000 customers were enrolled on CARE through this effort. SCE used this mailing to also test new packing which was quite successful. While the control which was mailed to the majority of customers had a 3.5% response rate and a 72% conversion rate the test package had a 6.7% response rate and a 77% conversion rate. Moving forward the new packing will become the control. The overall cost per enrollment was \$10.18.

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

ANS. SCE continued collaborating with SoCalGas to share CARE participant data electronically to assist customers to enroll in each utility's program. In 2003, 38,079 customers were added to SCE's CARE rate through this ongoing effort. SCE also began testing file transfers with Southwest Gas Company (SGC), also to electronically

share CARE participant data. SCE expects put this exchange into production in early 2004.

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.

ANS. Contractors who perform LIEE assessment services complete an application that includes enrollment in CARE, if qualified. However, SCE also matched its LIEE data base of CARE eligible customers with its current CARE data base to determine whether there were eligible customers that were not on the CARE rate. 670 customers fit this criteria and were automatically enrolled on CARE.

4. Attach a copy of the utility's agreement with CSD. Describe the process for cross-referral of low-income customers between the utility and CSD. Describe how the utility's CARE customer discount information is provided to CSD for inclusion in its federal funds leveraging application.

ANS. A copy of SCE's ongoing agreement with CSD was filed in 2001 with SCE's 2000 CARE Annual Report. SCE includes the following language on its individually-metered customer CARE application for cross-referral of low-income customers to CSD:

"Other Programs and Services You May Qualify For: LIHEAP (Low Income Home Energy Assistance Program) provides bill payment assistance, emergency bill assistance, and weatherization services. Call the Department of Community Services and Development at 1-800-433-4327 for more information. For other Edison assistance programs, call 1-800-736-4777."

SCE's agreement with CSD provides that, upon request by CSD, SCE will provide CSD (1) the total number of households receiving CARE and Energy Assistance Fund (EAF) assistance and (2) the total dollar amount of CARE and EAF assistance received by all participating households from October of the previous year through September of the current year. This information is to be provided to CSD for inclusion in its federal funds leveraging application.

5. 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 do exist. These include lack of knowledge about the availability of CARE, 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. In-language efforts are helping SCE to improve the enrollment process and address the language and cultural barriers.

As described in this report, SCE uses a multifaceted outreach approach to reaching its potentially CARE-eligible customers and believes it has made progress in overcoming barriers to enrollment. However, SCE believes that CARE outreach and enrollment processes can be continually improved. In 2003, SCE implemented a greatly expanded CARE marketing and communications as discussed in the answer to V.A. above.

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

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.

ANS. SCE implemented the following improvements in 2003:

- Due to increases in CARE enrollment, SCE automated many manual CARE processes in its operational area. This effort involved streamlining and automating processes such as the removal of customers from the rate, re-billing of customers, and automatic generation of customer correspondence.
- SCE enhanced its Source Code tracking system for incoming applications by adding two new outreach types: “Events” and Special Projects”. This expands SCE’s tracking capability to these outreach activities. (Enhancement of CARE tracking systems was a CARE process evaluation recommendation.)

- SCE enhanced its CARE recertification and verification monthly tracking reports. These operational reports provide data on number of requests mailed, received, approved, and dropped because of disqualification or no response, regardless of the month of request. The enhancement creates another version of these reports so data is provided based on the month of the request so percentages can be calculated.
- The infrastructure for an accounts payable interface file to electronically request payments to organizations participating in the CARE Capitation Fee Project was developed in 2003 for implementation in early 2004. This will reduce the number of days to issues checks which has been done manually.
- SCE developed language preference reports, which added the capability to identify and track residential CARE customers based on a preferred language (Cambodian, Chinese, Korean, Spanish, and Vietnamese). These reports provide visibility to outcomes at various points in the CARE processing flow for our multi-lingual market segmentation. In addition, the data captured here may lend to decisions that support targeting mailings to “hard-to- reach” potential CARE customers. (Tracking language of customers and provide follow-up letters with information for recertification and verification in the customers preferred language. This was a CARE process evaluation recommendation.).

SCE is planning the following improvements in 2004:

- A phased approach for implementing selected key CARE communications for the customers in a language other than English to try to prevent drop offs due non-response to the recertification and verification processes. (Expanding in-language CARE materials and support was a CARE process evaluation recommendation.)
- Automate the mailing of a reminder letter to customers who do not respond to an initial request to provide documentation under post-enrollment verification of their CARE eligibility. (Providing follow-up notification for verification was a CARE process evaluation recommendation.)
- Automate the placing of customers on CARE from the SoCalGas data exchange, the mailing of enrollment confirmation letter, and the mailing of a letter and application to SCE customers that could not be exactly matched from SoCalGas data.

- Conduct an outreach to mobile home parks with no submetered tenants on CARE.
- Sending recertification applications directly to sub-metered tenants of master-metered properties.

SCE will study the feasibility of the following in 2004:

- Automate the preprinting of a customer's account information on a CARE application to be mailed when that customer has called to SCE's phone center to request one and use bar coding to streamline the processing of returned applications. (Preprinting a customer's account information on the CARE application was a CARE process evaluation recommendation.).

V. Processing CARE Applications

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

1. Provide the total number of third-party CARE applications received, approved, denied, pending/never completed, or duplicates in the reporting period)

ANS. See Table 7 for the results of the CARE Capitation Fee Project. Entities participating in this Project are not listed if they submitted no applications in 2003.

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TABLE 7					
CARE Capitation Fee Project					
Entity	CARE Applications Submitted				
	Received¹	Approved	Denied	Pending/Never Completed	Duplicates
Altadena Comm. Improvement Ctr.	3	0	2	0	1
Antelope Vly. Boys & Girls Club	33	7	0	0	26
Apac Service Center	1,162	937	31	0	194
Asian American Drug Abuse Prog.	1	0	0	1	0
Asian American Resource Center	24	10	5	0	9
Bellflower USD/Caring Conn.	1	1	0	0	0
Boys & Girls Club of Santa Bar	2	2	0	0	0
Boys & Girls Club of San Gabriel	1	1	0	0	0
Cathedral City Senior Center	2	1	0	0	1
Catholic Charities of LA, Inc	605	195	47	0	363
Catholic Charities of Orange Co.	759	324	46	0	389
Catholic Charities-SB/Riverside	518	202	54	4	258
Centro C.H.A., Inc.	29	16	0	0	13
Centro Shalom	8	0	1	0	7
Charo Community Development Co	1	0	0	0	1
Chinatown Service Center	2	1	1	0	0
City of La Quinta Senior Ctr	3	0	0	0	3
Comm Act Comm Sta B County	12	6	0	0	6
Comm Assist Program Moreno Vly	12	5	2	0	5
Comm Svc & Employment Training	12	5	1	0	6
Commission On Human Concerns	64	44	10	0	10
Community Pantry	44	26	5	0	13
Community Svc Dept of SB County	713	420	78	3	212
Corona Norco Family YMCA	32	12	3	0	17
Crisis Ministry Church Of Vly.	54	32	2	1	19
Duarte Community Svc Council	2	2	0	0	0
El Concilio Del Condado De	9	1	2	0	6
El Sol Science & Arts Academy	2	1	0	0	1
Escuela De La Raza Unida	2	0	0	0	2
Fame Assistance Corporation	1,807	977	351	2	477
Family Svc Assoc - W Riverside	2	0	1	0	1
First Chance / Y-Chow, Inc	2	0	0	0	2
Garvey School District	37	4	4	0	29
Heart of Compassion	11	2	0	0	9
Help of Ojai, Inc.	27	21	1	0	5

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TABLE 7					
CARE Capitation Fee Project					
Entity	CARE Applications Submitted				
	Received¹	Approved	Denied	Pending/Never Completed	Duplicates
High Desert Youth Center	4	3	0	0	1
Hngtn Pk-Adult School Gage Br.	101	42	10	0	49
Homemaker Service Of IWV	1	1	0	0	0
Hsng. Authrty. Cty of San Bnavnt	29	9	2	0	18
Hub Cities Career Worksource	8	2	0	0	6
Human Services Association	16	11	4	0	1
Kernville Union School District	1	1	0	0	0
Kings Community Action Org	13	9	1	0	3
Kings Cty Commission on Aging	2	1	0	0	1
Korean Churches Comm Dev- Kccd	15	6	3	1	5
Libreria Del Pueblo, Inc.	1	0	1	0	0
Little Tokyo Service Center	5	3	0	0	2
Los Angeles Music/Art School	1	0	0	0	1
Los Angeles Urban League	3	0	0	0	3
Loveland Church Jubilee Party	17	6	2	0	9
Lutheran Social Svc of So Cal	11	8	1	0	2
Maywood Chamber of Commerce	21	12	3	0	6
Mental Health Association	6	5	1	0	0
Mexican American Opportunity	21	6	2	0	13
Moorpark Senior Citizens Inc	27	8	1	0	18
Norco Snr Ctr Pet Relief Fund	1	1	0	0	0
Oc Community Develop Council	750	568	23	4	155
Occc, Inc.	50	27	1	0	22
Pacific Asian Consortium Emplo	37	22	1	0	14
Prime Time School	1	1	0	0	0
Priscillas Helping Hands, Inc.	7	4	0	0	3
Proteus, Inc.	1,435	1,010	90	6	329
Riverside Dept Comm Action	112	48	34	0	30
RSVP of South Bay	29	14	1	1	13
Salvation Army Pomona Corps	182	63	10	0	109
Santa Clarita Vly Comm Aging	47	24	2	0	21
Santiago Compostela Catholic	58	21	17	0	20
Sgusd/San Gabriel Family Ctr	7	6	0	0	1
Sisters of St Joseph Of Orange	75	37	4	0	34
Somebody Cares-- Rancho Cucamo	17	9	0	1	7
Somebody Cares Southland	191	68	38	0	85
Southeast Community Developmen	1	0	0	0	1
Southeast Riovista Family Ymca	4	2	1	0	1
Southwest Riovista Family Ymca	1,367	1,049	199	7	112
Spirit of The Eagle Foundation	14	3	3	0	8

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TABLE 7					
CARE Capitation Fee Project					
Entity	CARE Applications Submitted				
	Received ¹	Approved	Denied	Pending/Never Completed	Duplicates
St Francis Medical Ctr Hlth	18	13	1	0	4
St. Hilarys Church Archbishop	52	30	3	0	19
Temecula Senior Citizens Svc	3	2	0	0	1
Templo Calvario, Inc.	40	10	4	0	26
Todec Legal Center, Inc.	13	3	2	1	7
Tri City Mental Health Center	32	14	7	0	11
Trinity Community Outreach	1	0	0	0	1
United Cambodian Community Inc	315	84	3	3	225
United Steel Wkrs of Am 2018	41	31	4	0	6
Veterans In Community Service	1,207	932	30	5	240
Vietnamese Community Of Oc Inc	7	1	0	0	6
Wake Up Incorporated	1	1	0	0	0
Winning Our World	157	45	25	0	87
Wrap Family Services	14	3	0	0	11
Youth Empl Svc - Harbor Area	2	0	0	0	2
Total	12,589	7,534	1,181	40	3,834
Percentage	100%	59.8%	9.4%	0.3%	30.5%

Notes:

1. Percentage calculation based on the total number of applications received.

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

ANS. See Table 8.

TABLE 8						
CARE Self-Certification and Self-Recertification Applications ¹						
	Provided	Received	Approved	Denied ³	Pending/Never Completed ⁴	Duplicates
Self Certification	Note 2	626,691	539,056	87,635	2,795	Not Available
Recertification	294,970	179,262	176,085	3,177	115,708	Not Available
Total	Note 2	805,953	715,141	90,812	118,503	Not Available
Percentage⁵	Note 2	100%	89%	11%	Note 5	Not Available

Notes:

1. Includes sub-metered customers.

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2. Self-Certification applications are distributed/mailed through a wide variety of fulfillment and outreach methods making it impossible to determine an actual count. Recertification applications are tracked.
3. Although SCE does not track the number of applications denied on the basis that the applicant is already participating in CARE, a large number of denials are made on this basis.
4. Self-certification applications do not remain in a pending status/never completed status.
5. Percentage calculations are based on the total number of applications received.

3. Provide a table showing the number of customers removed from CARE by month due to the recertification process.

ANS. See Table 9.

TABLE 9			
Residential CARE Program Customers¹ Removed by Month through Recertification and Post-Enrollment Verification			
2003	Recertification	Post-Enrollment Verification	Total
January	3,613	575	4,188
February	7,368	513	7,881
March	9,142	471	9,613
April	3,483	537	4,020
May	4,344	537	4,881
June	6,166	481	6,647
July	5,984	537	6,521
August	5,279	619	5,898
September	10,089	536	10,625
October	8,862	231	9,093
November	8,063	493	8,556
December	7,301	12	7,313
Total	79,694	5,542	85,236

Notes:

1 Total individually-metered and sub-metered.

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

ANS. Annually, SCE mails a package of sub-meter tenant CARE applications to the master-meter accountholder because sub-metered tenants are required to reapply for CARE annually through the master-meter accountholder. The accountholder is responsible for obtaining a newly-signed CARE application for all sub-metered tenants participating in CARE.

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.**

ANS. See Table 10.

TABLE 10						
CARE Random Post-Enrollment Verification Applications						
	Mailed	Received	Approved	Denied ²	Pending/Never Completed ³	Duplicates
Total¹	9,143	4,036	3,601	435	5,107	Not Available
Percentage⁴	100%	44%	39%	5%	56%	Not Available

Notes:

- 1 Sum of "Received," "Approved," "Denied", and "Pending/Never Completed" is greater than total "Mailed" due to verification requests initiated in 2002 which were received and processed in 2003.
- 2 Customer no longer qualified for CARE.
- 3 Dropped due to no response.
- 4 Percentage calculation based on verifications mailed (requested).

2. **Provide a table showing the number of customers removed from CARE by month due to the verification process.**

ANS. See Table 9 in V.A.3. above.

- C. **Describe any contracts the utility has with third parties to conduct certification, recertification and/or verification on the utility's behalf. Describe how these third-party efforts compare to the utility's efforts in comparable customer segments, such as hard-to-reach or under-served. Include comparisons of effectiveness and cost-effectiveness of comparable customer segments, if available.**

ANS. SCE has agreements under the CARE Capitation Fee Project (Project) to conduct certification of new applicants for CARE. SCE did not have any contracts with third parties to conduct recertification and/or verification on its behalf.

The Project was authorized by the CPUC in Decision 01-05-033, dated May 7, 2001. Its purpose is to take advantage of the opportunity to enroll eligible customers in CARE while they are receiving other services from entities who assist low-income clients. This project is centered on

providing outreach and enrollment services, not recertification or verification services.

Under the Project, SCE pays a capitation fee to entities for each new customer they help to enroll in SCE's CARE program. The capitation fee is to reimburse entities for the incremental amount associated with assisting customers in completing an SCE CARE application, generally while the customer is receiving other low-income services and/or information from that entity.

In 2003, 72 organizations submitted applications to SCE, the results of which are presented in Table 7.

Comparison of Efforts, Cost, and Effectiveness between Utility and Third Parties

SCE's outreach methods are described in V.A. above, and all are considered effective in their own way because each uniquely reaches SCE's customers and results in enrollments in CARE. Third-party outreach and enrollments for SCE occur primarily through organizations participating in the Capitation Fee Project and LIEE contractors. The Project was intended to provide valuable outreach services for the CARE program by assisting clients in filling out CARE applications as an adjunct to the organization's other daily activities. Contractors who perform LIEE assessment services complete an application that includes enrollment in CARE, if qualified.

SCE can make a comparison of outreach cost per enrollment. The following table shows that SCE's enrollment is about 40% of that for the Capitation Fee Project, although the Capitation Fee Project is targeted at the "hard-to-reach" customers who have not responded to other outreach efforts.

Comparison of Cost per Enrollment between SCE and Third Parties			
	Enrolled	Outreach Cost	Cost per Enrollment
SCE	530,853	\$2,495,531	\$4.70
Capitation Fee Project ¹	7,533	\$88,707	\$11.78

Notes:

1. Does not include 670 enrollments from LIEE contractors as they do not have an unbundled fee for a CARE enrollment.

In addition, SCE can make a comparison to effectiveness. The following table compares the approval percentages among SCE enrollment activities and the third-party Capitation Fee Project/LIEE contractors. Here, SCE enrollment activities generate higher volumes of enrollment and higher approval rates, except for SCE Direct Mail. The approval rate for Direct Mail was impacted in 2003 because approximately 300,000 CARE applications were mailed to CARE-enrolled customers in error during the annual solicitation in June. This resulted in many applications being returned that were duplicates.

Comparison of Enrollment Percent between SCE and Third Parties			
Enrollment Activity	Received	Approved	Percent
SoCalGas Data Exchange	44,224	38,079	86%
SCE Call Center Requests	472,626	393,561	83%
Capitation Fee Project/LIEE ¹	15,641	8,203	60%
SCE Direct Mail	166,772	91,058	55%

Notes:

1. Includes received and approved applications from LIEE contractors..

VI. Program Management

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

ANS.

- The CARE Process Evaluation performed by Quantec was a good opportunity to identify “best practices” among utilities and receive recommendations from a third-party that could be used to develop plans for process improvements.

- SCE used the most sophisticated marketing and communications strategy in recent years which tested a broad range of techniques to reach a broad base of customers and learned valuable lessons for future marketing and communications planning.
- SCE used more Source Codes in 2003 that enabled the development of more detailed reports to achieve better program evaluation and decision-making.
- More IT resources available in 2003 enabled projects, originally planned for completion in 2002, to move forward at a faster pace which, when completed, will improve program efficiencies, program management, and customer service.
- SCE's success in enrolling its customers on CARE has been greatly enhanced by the efforts of many of its internal organizations. The low-income programs group administering CARE found that proactively engaging and supporting other internal organizations in promoting CARE resulted in a cohesive and comprehensive outreach effort.

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.

ANS. See Table 11.

TABLE 11			
CARE Expansion Program Participating Facilities by Month			
2003	CARE Residential Facilities	CARE Commercial Facilities	Total
January	330	183	513
February	333	186	519
March	341	194	535
April	351	208	559
May	352	209	561
June	352	211	563
July	364	232	596
August	364	233	597
September	277	226	503
October	277	241	518
November	288	231	519
December	336	223	559

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

ANS. The total number of residents (excluding caregivers) at the end of 2003 was:

Residential: 5,520
 Commercial: 5,227

II. Usage Information

A. Provide the average monthly usage by energy source per residential facility and per commercial facility.

ANS. See Table 12.

TABLE 12		
CARE Expansion Program		
Average Monthly Gas / Electric Usage¹		
Customer	Gas Therms	Electric KWh
Residential Facilities	Not applicable.	1,177
Commercial Facilities	Not applicable.	6,796

Notes:

1. Excludes master meter usage.

III. Program Costs

A. Administrative Cost

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

ANS. Costs for the Expansion Program are not tracked separately from total CARE administrative costs but are allocated as 0.5 percent of the total costs. Subsidies and benefits are actual, not allocated, costs.

Table 5B	
CARE Expansion Program	
Administrative Costs by Category and Surcharge	
Category	Cost
Outreach	\$12,945
Processing, Certification, and Verification	\$2,341
Billing System /Programming	\$2,341
Measurement & Evaluation	\$337
Regulatory Compliance	\$217
General Administration	\$3,141
LIAB Funding	\$247
CPUC Energy Division Staff Funding	\$69
TOTAL PROGRAM COSTS	\$21,637
Subsidies and Benefits	\$561,827
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	\$583,464

B. Discount Information

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

ANS. \$474.35 (electric usage)

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

ANS. \$1,886.35 (electric usage)

IV. Outreach

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

ANS. Potentially-eligible customers may become aware of the CARE Expansion Program through SCE's phone centers. SCE also conducts

consumer outreach which includes presentations to community groups and contacts with community agencies through which customers may become aware of the Program. Organizations participating in the CARE Capitation Fee Project may assist a customer who is eligible to complete a CARE application for the Expansion Program.

B. Discuss each of the following:

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

ANS. SCE has yet to find an effective outreach method to reach customers who could be potentially eligible for the Expansion Program. The primary problem is finding a good source of information for locating group living facilities. Ideally, a governmental registry would be available and a targeted, cost-effective, solicitation for the Program could be made.

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

ANS. SCE collaborates with Southern California Gas Company (SoCalGas) to share CARE participant data electronically to enroll qualified customers in each utility's program. Thus far, resources have focused on matching individually-metered customers. SCE continues to explore the possibility of expanding this effort to enroll group-living facility customers eligible for the Expansion Program.

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

ANS. See SCE's response to Question IV.B.1. discussing outreach activities.

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.

ANS. See SCE's response to Question IV.B.1. discussing outreach activities.

V. Processing CARE Applications

A. Processing Self-Certification and Self-Recertification Applications

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

ANS. See 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.**

ANS. See Table 13.

TABLE 13					
CARE Expansion Program					
CARE Capitation Fee Project, Other Outreach, and Utility					
CARE Applications					
Entity	Received	Approved	Denied	Pending/Never Completed	Duplicates
CARE Capitation Fee Project	0	0	0	0	0
Other Outreach	0	0	0	0	0
Utility	1,081	455	626	0	Not available.
Total	1,081	455	626		Not available.
Percentage¹	100.0%	42.1%	57.9%	0.0%	Not available.

Notes:

1. Percentage calculation based on applications received.

- B. Describe any contracts the utility has with third parties to conduct certification, recertification and/or verification on the utility's behalf. Describe how these third-party efforts compare to the utility's efforts in comparable customer segments such as hard-to-reach or under-served. Include comparisons of effectiveness and cost-effectiveness of comparable customer segments, if available.**

ANS. SCE did not specifically contract with third parties to outreach and enroll (certify), recertify, or verify eligibility of customers participating in the CARE Expansion Program, although capitation contractors may assist a customer who is eligible to complete a CARE application for the Expansion Program.

VI. Program Management

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

ANS. SCE will continue to seek new ways of identifying group living facility customers, so that a targeted, cost-effective, solicitation for the program can be made. Organizations participating in the CARE Capitation Fee Project may assist a customer who is eligible to complete a CARE application for the Expansion Program.