



SOUTHERN CALIFORNIA
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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 2004**

May 2, 2005

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

January 1, 2004 through December 31, 2004

I. Participant Information

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

ANS. See Table 1.

Table 1		
2004¹	FERA Enrolled²	FERA Receiving Tier 3 Benefit²
January	0	0
February	0	0
March	0	0
April	0	0
May	0	0
June	1,126	333
July	3,039	729
August	3,637	1,398
September	3,916	2,031
October	4,995	2,112
November	5,453	2,211
December	7,759	3,315

Notes:

¹FERA was implemented in June 2004.

²Does 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			
2004 Quarter Ending	FERA-Eligible Households ¹	FERA-Participating Households ¹	FERA Household Penetration Rate ²
March 31	Not applicable.	Not applicable.	Not applicable.
June 30	308,520	1,126	0%
September 30	309,671	3,916	1%
December 31	310,359	7,759	3%

Notes:

¹Does not include sub-metered tenants.

²FERA 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 2004. Current-year (2004) 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. 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, 2004, there were 75 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 has initiated a continuous process improvement to address this issue for both CARE and FERA. SCE worked closely with mobile home owners and managers to confirm that addresses are correct to which program materials are mailed. In addition, SCE has attempted to verify that tenant lists are correct and program applications are always available. Information on spaces served by each master meter has been confirmed whenever possible through customer contact.
- Each June, SCE mails a package of materials to mobile home park owners/managers to request that they reenroll their tenants on CARE. The package was expanded in 2004 to include an explanation of the FERA program, tariff information, and a new combined CARE/FERA application. This enabled the mobile home park owners/managers to enroll tenants on either program at the same time.
- Some additional processing was required because some customers sent applications for both CARE and FERA. This may have been due to a belief that they could participate in both programs at the same time.

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 \$2.89.

Notes:

¹Does not include sub-metered tenants.

²Does 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 \$35,016.79.

Notes:

¹Does not include sub-metered tenants.

²Does 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 4	
FERA Program Administrative Costs by Category and Benefits	
Category	Cost
Outreach	\$13,820
Processing, Certification, and Verification	\$36,029
General Administration	\$34,520
Startup	\$78,545
TOTAL PROGRAM COSTS	\$162,914
CUSTOMER BENEFITS	\$35,017
TOTAL PROGRAM COSTS & CUSTOMER BENEFITS	\$197,931

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: Billing System /Programming Manual rebilling and programming and billing labor 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, 2004 is \$174,000. Since 2004 is the first year that FERA has been in existence, there is not a prior balance for December 31, 2003.

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 June through December 2004 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 download a CARE/FERA joint application they can mail in from SCE's website sce.com.
- In October and November, a targeted bi-lingual (English/Spanish) direct mail campaign was rolled out that promoted CARE and FERA..
- 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 qualified.

- 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 assessment services assist customers in completing an application that includes enrollment in CARE or FERA, whichever program for which they qualify.

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

ANS. FERA is a new program with low participation. As customers become more familiar with the program as the result of SCE's outreach efforts, SCE believes participation should continue to grow. SCE believes FERA penetration is unlikely to match CARE due to the smaller level of benefits that are paid to participants. Also, many FERA participants do not receive a discount if they do not use energy in the third tier.

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.

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 2004, 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	Received	Approved	Denied	Pending/Never Completed	Duplicates
Utility		7,437	7,366	0	0	80
Capitation		32	32	0	0	1
Other Third-Party		0	0	0	0	0
Total		7,469	7,400	0	0	81

Notes:

¹Includes sub-metered tenants.

²Self-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.

³Denied applications are counted to the CARE program due to the dual CARE/FERA application

⁴Self-Certification applications are never placed in Pending/Never Completed status.

⁵Numbers do not include Self-Recertification results because program has not been in existence for 2 year

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	Duplicates
Total	38	4	4	34	0	0

Notes:

¹Verification process for FERA is the same as CARE.

²Includes customers who were dropped due to non-response.

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.