

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

Application of Southern California Edison
Company (U338E) for Approval of its 2012-
2014 California Alternate Rates for Energy
(CARE) and Energy Savings Assistance
Programs and Budgets.

And Related Matters.

Application 11-05-017
(Filed May 16, 2011)

Application 11-05-018
Application 11-05-019
Application 11-05-020

**ANNUAL PROGRESS REPORT OF PACIFIC GAS AND ELECTRIC COMPANY
(U 39 E) ON THE FAMILY ELECTRIC RATE ASSISTANCE (FERA) PROGRAM,
JANUARY 1, 2014 - DECEMBER 31, 2014**

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Dated: May 1, 2015

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Pacific Gas and Electric Company (PG&E) files its Annual Progress Report on its 2013 Family Electric Rate Assistance (FERA) Program efforts in compliance with the FERA reporting requirements developed jointly by the utilities, DRA, Energy Division, Latino Issues Forum, and TURN as set forth in PG&E's Advice Letter 2498-E-A, which became effective June 17, 2004. This advice letter was a requirement of Decision 04-02-057, page 59, and Ordering Paragraph 5.

Respectfully submitted,

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

**FAMILY ELECTRIC RATE ASSISTANCE
(FERA)**

JANUARY 1, 2014 - DECEMBER 31, 2014

May 1, 2015

**PACIFIC GAS AND ELECTRIC COMPANY
FERA PROGRAM
MAIL CODE N3F
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FAMILY ELECTRIC RATE ASSISTANCE (FERA)

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

I. PARTICIPANT INFORMATION

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

See Table 1.

Table 1		
2014	FERA Enrolled ¹	FERA Receiving Tier 3 Benefit ¹
January	28,392	16,956
February	28,439	13,851
March	28,684	13,899
April	28,663	13,426
May	28,213	15,720
June	27,804	16,188
July	27,959	17,770
August	28,313	17,489
September	28,588	17,918
October	28,583	16,988
November	28,300	14,745
December	28,573	15,941

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.

See Table 2.

Table 2			
FERA Penetration Rate			
2014 Quarter Ending	FERA-Eligible Households¹	FERA-Participating Households¹	FERA Household Penetration Rate²
March 31	173,026	28,684	17%
June 30	173,026	27,804	16%
September 30	173,026	28,588	17%
December 31	173,026	28,573	17%

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.

To develop current estimates of FERA-eligible households, PG&E and the other California IOUs used the joint utility methodology adopted by the CPUC in D.01-03-028 for developing monthly penetration estimates in 2014. This methodology requires IOUs to estimate eligibility for CARE, ESA, FERA and other income-by-household size parameters at the small area (block group, census tract, ZIP+2, etc.) for each IOU territory and for the state as a whole.

The requirements for 2014 eligibility used the January Health and Human Services (HHS) Poverty Guidelines [Federal Register /Vol. 79, No. 14 /Wednesday, January 22, 2014 /Notices; p.3593].

The sources PG&E relied upon to estimate FERA-household eligibility include the current HHS Poverty Guidelines for 2014, current year small area vendor marginal distributions on household characteristics, Census American Community Survey Public Use Microdata Sample (PUMS) 2009-2013 survey data, utility meter and master meter household counts, Department of Finance Consumer Price Index series, and various Geographic Information System sources. PG&E also adjusts small area (block group) income distributions to match the latest American Community Survey distributions at the Public Use Microdata Area.

Annually, PG&E applies county level eligibility fractions to a new set of “technical eligibility counts” (for FERA these are individually metered and occupied housing units) obtaining an estimate of income/demographic eligibility in household count form. Monthly, PG&E counts the number of households (by small area, by county, and overall) that are enrolled in FERA. The FERA household total, including individually metered and sub metered occupied housing units, is divided by the total income/demographic eligibility.

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

There were 224 sub-metered tenants enrolled in the FERA Program at year-end.

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

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

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

PG&E observed continued turnover within mobile home park ownership (MHP) and management in 2014, which results in undelivered reports and delayed communications. Whenever a change of ownership or change of management occurred, PG&E worked with the new owners to transfer existing FERA-certified tenants’ data to new accounts, update the contact information in the database and informed owners and management about the FERA Program and the processes involved.

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

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

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

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

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

II. PROGRAM COSTS

A. Discount Cost

1. State the average monthly FERA discount received, in dollars per FERA customer.^{1,2}

The average monthly FERA discount in 2014, per FERA customer, was \$31.37.

Notes:

¹Does not include sub-metered tenants.

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

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

The 2014 annual FERA discount was \$6,225,348.

The 2004 through 2014 cumulative annual discount was \$44,692,282.

Notes:

¹Does not include sub-metered tenants.

B. Administrative Costs

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

See Table 3.

Table 3	
FERA Program Administrative Costs by Category and Benefits	
Category	Cost
Outreach	\$40,123
Processing, Certification, and Verification	\$40,822
General Administration	\$2,146
Billing System / Programming	\$0
Regulatory Compliance	\$0
Energy Division Staff Funding	\$0
TOTAL PROGRAM COSTS [1]	\$83,091
CUSTOMER BENEFITS	\$6,225,348
TOTAL PROGRAM COSTS & CUSTOMER BENEFITS	\$6,308,439

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The year-end December 31, 2012 balance for the FERA balancing account was a debit of \$7,873,940¹

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

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

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

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

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

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

The year-end December 31, 2005 balance for the FERA balancing account was a debit of \$1,340,372.²

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

Notes:

¹ The figures were adjusted and different from the 2012 Annual Report

² The figures were adjusted and different from the 2005 Annual Report.

III. OUTREACH

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

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

During 2014, PG&E leveraged the CARE multi-touch acquisition campaign efforts to residential customers that included direct mail, emails, automated voice messaging and telemarketing by including FERA enrollment information. Following are 2014 outreach initiatives undertaken by the CARE Program at no additional cost or minimal cost to the FERA Program.

Bill Inserts

PG&E inserted postage-paid bilingual applications in English and Spanish into customers' monthly bill packages four times in 2014 (June, September, October and November). This initiative reached residential PG&E customers who were not already on the FERA Program.

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

PG&E launched several acquisition campaigns to outreach to FERA customers, including direct mail, email, and automated voice messaging in multiple languages.

- The first wave of acquisition emails, direct mail and automated voice messaging outreach launched March through April. The emails garnered a 27% open rate with a 5% unique click-thru rate above the industry average of 2%.
- The second wave of acquisition email, direct mail and automated voice messaging outreach launched July through September. Results show that emails generated an overall 40% open rate with a 7% unique click-thru rate, again above the industry average.
- The third wave of acquisition email, direct mail and automated voice messaging outreach launched October through December. To increase response rates for email, PG&E conducted an email message test to better understand how PG&E can leverage messaging to break down identified barriers to participation. Results showed that email generated an overall 24% open rate with a 4% unique click-thru rate, again above industry standards.

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

Integration

The FERA Program is integrated with the CARE, Cooling Centers and the ESA Programs to generate FERA enrollments. FERA applications are available to participants at Cooling Centers that partner with PG&E. FERA Program information and applications are also distributed at various CARE and ESA Program outreach events. Also, CARE Community Outreach Contractors (COCs) assisted in enrolling FERA customers at no additional cost to PG&E.

During May 2014, PG&E participated in Cinco de Mayo events in Fresno and San Jose to build awareness among Spanish-speaking communities of PG&E's low income assistance programs. At these events, PG&E showcased financial assistance programs including FERA, energy efficiency, an electric safety demonstration and shared information on public safety.

PG&E concluded that its presence at these events were successful in assisting customers in determining what PG&E low income assistance program they might be eligible for, including FERA. Based on this success, PG&E participated in four Hispanic and Chinese community events in September, engaging with over 2,700 customers in Chinese and Spanish, with many bringing energy bills to booths.

- On September 6-7, PG&E joined the 24th Annual Autumn Moon Festival in San Francisco Chinatown, which had over 100,000 attendees

- On September 14, PG&E held a booth at the Fiestas Parties Celebration in Placer County Fairgrounds, which had over 12,000 attendees
- On September 20-21, PG&E participated in the 19th International Dragon Boat Festival on San Francisco Treasure Island, which had over 80,000 people in attendance
- On September 28, PG&E contributed at the Festival de Sol in Santa Clara

In addition, PG&E made the Integrated Programs brochure, which includes information on the FERA Program, available at safety events held in April 2014, as part of the National Safe Digging Month. The events were held in Sacramento, San Jose, Emeryville, and Modesto.

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

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

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

Online Enrollment

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

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

In December 2014, PG&E implemented the mobile platform that enable FERA enrollment via mobile devices such as smart phones or tablets.

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

Seniors and Disabled

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

Sub-Metered

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

B. Discuss each of the following:

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

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

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

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

IV. PROCESSING FERA APPLICATIONS

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

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

See Table 4.

TABLE 4						
FERA Self-Certification and Self-Recertification Applications ¹						
	Provided ²	Received	Approved	Denied	Pending/Never Completed	Duplicates
Utility	11,845	17,651	17,322	286	43	1,790
Capitation	0	0	0	0	0	0
Other Third-Party	0	0	0	0	0	0
Total	11,845	17,651	17,322	286	43	1,790

Notes:

¹Includes sub-metered tenants.

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

B. Processing Random Post-Enrollment Verification Requests

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

See Table 5.

TABLE 5						
FERA Random Post-Enrollment Verification Requests ¹						
	Requested	Received	Approved ²	Denied	Pending/Never Completed	Duplicates
Total			1,139			

Notes:

¹Random Post-Enrollment Verification was not conducted specifically for FERA in 2014 due to the small number of enrollments and discounts.

² 1,139 CARE Post-Enrollment Verification requests were approved for FERA in 2014.

V. PROGRAM MANAGEMENT

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

Because the FERA Program does not have a separate, authorized budget, it is dependent on CARE outreach efforts. The program is administered incrementally within the CARE Program Administrative budget, which provides FERA outreach to customers at no additional, or minimal cost. While the number of outreach efforts increased in 2014, FERA customers are not adequately targeted, thus enrollment increases are small. For 2014, FERA Program penetration increased by one percent to 17 percent.

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