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SOUTHERN CALIFORNIA EDISON COMPANY'S (U-338 E)
ANNUAL PROGRESS REPORT FOR THE CALIFORNIA ALTERNATE RATES
FOR ENERGY PROGRAM FOR THE PERIOD JANUARY - DECEMBER 2004

May 2, 2005

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

January 1, 2004 through December 31, 2004

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 Month[1] (electric usage)		
2004	**CARE Customers**	**Percentage Change**
January	897,951	-0.13%
February	907,429	1.06%
March	919,131	1.29%
April	926,876	0.84%
May	931,130	0.46%
June	941,263	1.09%
July	952,791	1.22%
August	957,842	0.53%
September	962,881	0.53%
October	969,287	0.67%
November	976,210	0.71%
December	974,205	-0.21%

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 1.29%.

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 2004. Current-year (2004) 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 2004.

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)**			
2004 **Quarter Ending**	**CARE Residential** **Households**	**CARE-Eligible** **Households**	**CARE Household** **Penetration Rate**
March 31	919,131	1,049,335	88%
June 30	941,263	1,053,643	89%
September 31	962,881	1,134,728	85%
December 31	974,205	1,134,841	86%

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

ANS. It is estimated that approximately 28% of SCE's 4,123,994 residential customers or 1,134,841 customers, were eligible for the CARE discount rate as of December 31, 2004.

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 33,413 sub-metered tenants were eligible for CARE at year-end 2004.

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

ANS. As of December 31, 2004, there were 17,250 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, 2004, 52% 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 some mobile home park owners and/or managers to administer CARE. SCE has initiated a continuous process improvement to address this issue. SCE worked closely with mobile home owners and managers to confirm that addresses are correct to which materials for the annual required reapplication of tenants are mailed. In addition, SCE has attempted to verify that tenant lists on CARE are correct and extra applications have been included when requested. Information on spaces served by each master meter has been confirmed whenever possible through customer contact.

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. Although this issue is not yet resolved, SCE

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will provide a tenant list current as of about June 1. This process will be analyzed for possible future implementation.

SCE has also considered mailing reenrollment materials directly to existing CARE sub-metered tenants, rather than relying on the owners/managers to complete this process. This issue is also not yet resolved. 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	330	260	590
CARE	322	139	461

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.	$79.31
CARE[2]	Not applicable.	$41.24

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 $15.82 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 $177,733,689.46.

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.

Table 5A	
CARE Residential Program **Administrative Costs by Category and Surcharge**	
Category	**Cost**
Outreach	$1,007,164
Processing, Certification, and Verification	$667,801
Billing System /Programming	$409,562
Measurement & Evaluation	$505,017
Regulatory Compliance	$98,595
General Administration	$942,041
LIAB Funding	$0
CPUC Energy Division Staff Funding	$76,328
TOTAL PROGRAM COSTS[1]	$3,706,508
Subsidies and Benefits	$177,733,689
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	$181,440,197

Notes:
1. Total does not include indirect costs consisting
   of employee pensions and benefits equal to
   $310,991, 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, 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, 2004 is $2.5 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 Collected[2]	Percentage of Total Annual CARE Surcharge Revenue Collected[2]
Residential	$3,977,849	$291,947,559	1.4%	$47,734,187	29.3%
Commercial	$6,643,224	$360,112,297	1.8%	$79,718,683	48.9%
Industrial	$1,781,721	$71,119,224	2.5%	$21,380,655	13.1%
Agricultural	$209,338	$10,672,306	2.0%	$2,512,060	1.5%
Public Authority	$973,843	$46,258,277	2.1%	$11,686,117	7.2%
Railroads	$10,752	$608,392	1.8%	$129,025	0.1%
Interdepartment[1]	$110	$7,776	1.4%	$1,315	0.0%
Totals	$13,596,837	$780,725,831	1.7%	$163,162,041	100.0%

Notes:
1. SCE operations.
2. Revenue billed.

IV. 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 899,148 on December 31, 2003, to 974,205 on December 31, 2004. This represents a gain of 75,057.

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

- 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. SCE enrolled 4,128 customers through this effort and paid out $48,346 in incentives to a total of 63 participating organizations.

- Contractors who perform LIEE assessment services complete and application that includes enrollment in CARE, if qualified. SCE enrolled 639 customers through this effort.

- SCE's Credit and Collections organization referred customers with a "senior" or "disabled" profile to our Consumer Affairs organization 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, and legislative offices. Public Affairs effectively promoted the CARE Capitation Fee Project to organizations through community group presentations. Public Affairs also successfully organized exhibit booths at numerous gatherings (e.g., shows, festivals, etc.) and mobilized volunteers including bilingual speaking volunteers, for ethnic-specific (hard to reach community) activities.

- SCE's Equal Opportunity/Supplier Diversity department was very effective in promoting CARE to faith-based and non-profit organizations and getting these entities to participate in enrollment events.

- 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 communication campaigns to increase awareness and enrollment of the CARE program as described below:

2004 CARE Outreach and Marketing

SCE continued its CARE outreach and marketing campaign from 2003. In 2004, multi-ethnic outreach and advertising was expanded 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.

WAVE 2 (Part II) – January – April 2004

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.

TV

Hispanic Market
From January through March, SCE ran Spanish language television advertising on Spanish TV stations promoting the CARE Program in targeted areas.

Radio

Hispanic Market
From January to March, SCE ran Spanish language radio advertising on Spanish radio stations promoting the CARE Program in targeted areas.

African American Market
For six weeks, from January through March, SCE ran CARE radio advertising on four different radio stations targeted at their African American customer base.

Asian
From January to March, SCE ran in-language radio advertising in Chinese, Korean, and Vietnamese on six Asian market radio stations promoting the CARE Program.

Point-of-Purchase

Asian (Cambodian, Chinese, Korean, and Vietnamese)
In January and February, 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
From January through April, 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 two weeks in March, SCE ran Spanish language print advertising in Spanish language newspapers.

Asian Markets (Cambodian, Chinese (Cantonese / Mandarin), English, Korean, and Vietnamese)
From January through March, SCE ran in-language print advertising in 17 different Asian language newspapers. English ads ran in Japanese, Filipino, Asian Indian, and East Asian targeted newspapers that are printed in English.

African American
From January through April, SCE ran print ads in 10 different African American newspapers.

Out-of-Home (OOH)

Asian Markets
From January to March, SCE posted in-language OOH advertising (Bus Shelters - Chinese, Korean, and Vietnamese and 30 sheet billboards in Cambodian) in the Asian market promoting the CARE Program.

Direct Mail

General Market

In October and November, a targeted bi-lingual (English/Spanish) direct mail campaign was rolled out. Over 31,000 customers have been enrolled in CARE through these efforts.

The October pieces were mailed to 100,000 customers and tested new packing and broadcast voicemail. The mailing was broken into thirds, a control piece, a new piece, and the new piece with broadcast voicemail. All pieces had about an 80% conversion (enrollment) rate however the response rates, all considered very good, varied as follows:

> Control: 7.1%
> New piece with broadcast voicemail: 8.0%
> New piece only: 8.9%

In November, 430,000 pieces of the new creative were mailed to targeted customers. The response rate was strong at 7.5%. The conversions rate was consistent with the other mailings at 80%.

Research

Ethnic Awareness Survey

SCE conducted an Ethnic Awareness Survey to assess the effectiveness of its CARE ethnic advertising among residential customers in five ethnic segments: Hispanic, Chinese, Korean, Vietnamese and African American. Key findings show CARE is the most recalled SCE program among ethnic market customers and the majority of ethnic market customers (58%) prefer that information regarding CARE be provided only in their primary language.

B. Discuss each of the following:

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

   ANS. Using the percentage of approved applications by volume from various outreach methods, SCE considers the most effective outreach methods to be direct mail, including the annual solicitation as well as targeted mailings to under-penetrated geographic areas. A close second is

enrollment as a result of Call Center requests for applications as shown in the following table:

Comparison of Enrollment Percent between SCE and Third Parties			
Enrollment Activity	Received	Approved	Percent
SCE			
SCE Direct Mail	139,700	109,781	79%
SCE Call Center Requests	84,984	68,893	81%
SWG Data Exchange	2,492	2,001	80%
DCSD Automatic Enrollment	7,022	5,167	74%
SoCalGas Data Exchange	65,230	37,109	57%
Third Parties			
Capitation Fee Project/LIEE[2]	9,446	4,476	47%

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 Southern California Gas Company and Southwest Gas Company to share CARE participant data electronically to assist customers to enroll in each utility's program. In 2004, 37,109 and 2,001 customers were added to SCE's CARE rate through the SoCalGas and Southwest Gas exchanges, respectively. In May, SCE began to electronically share CARE participant data with State Department of Community Services and Development (DCSD) to enroll DCSD LIHEAP clients who were not already on SCE's CARE program. SCE enrolled 5,167 customers in CARE through this effort.

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. SCE enrolled 639 customers through this effort.

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 2004, SCE expanded its CARE marketing and communications, focusing on ethnic customers, as discussed in the answer to IV.A. above.

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.

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 2004:

- SCE automated 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 to help reduce attrition and the program drop-off rate. This new reminder letter gives the customer an additional 30 days to provide the requested information. (Providing follow-up notification for verification was a CARE process evaluation recommendation.)

- SCE shares data with Southern California Gas. Enhancements in 2004 included automating (1) the placing of customers on CARE, (2) auto-re-certification for those customers that were up for recertification within 60 days from the date of the data exchange, (3) the mailing of an enrollment confirmation letter, and (4) the mailing of a letter and application to SCE customers that could not be exactly matched.

- SCE expanded its efforts to increase program enrollment by facilitating new data sharing processes with Southwest Gas Company in January and the State Department of Community Services Development (DCSD) in May.

- The infrastructure for an accounts payable interface file to electronically request payments to organizations participating in the CARE Capitation Fee Project, developed in 2003, was made operational in 2004. This reduces the processing time from three weeks to two days.

- SCE analyzed the ability to track the language of customers and correspondence for recertification and verification in the customer's preferred language. A first phase is proposed to target the largest non-English speaking population which is Spanish.

- SCE streamlined its customer information system functionality to:

  o Allows users to perform simultaneous processes.

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- o Perform additional validations.
- o Eliminate repetitive motions.
- o Provide more visibility to events on screens.
- o Improve tracking.
- o Document communications with customers.
- o Extend removal deadlines if additional information has been requested from a customer.

- SCE enhanced its Source Code tracking system for incoming applications by adding 53 new source codes. This expanded SCE's capability to track the sources of applications. (Enhancement of CARE tracking systems was a CARE process evaluation recommendation.)

- SCE implemented a report that tracks the number of customers removed from CARE due to recertification and verification and how many of those customers reenroll on CARE within specified time periods.

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 2004.

	TABLE 7				
	CARE Capitation Fee Project				
	CARE Applications Submitted				
Entity	**Received[1]**	**Approved**	**Denied**	**Pending/Never Completed[2]**	**Duplicates**
Alpha Enterprise	583	204	126	0	253
Altamed Health Svcs Corp	107	33	12	0	62
Antelope Vly Boys & Girls Club	22	3	12	0	7
Apac Service Center	1,081	903	42	0	136
Asian American Drug Abuse Prog	1	0	0	0	1
Asian American Resource Center	19	6	5	0	8
Atlantic Comm Econ Dev Corp	24	8	0	0	16
Boys&Girls Club Of San Gabriel	2	2	0	0	0
Cap Of San Bernardino Cty	282	163	30	0	89
Cathedral City Senior Center	2	0	0	0	2
Catholic Charities Of La Inc	278	80	90	0	108
Catholic Charities Of Orange C	69	27	9	0	33
Catholic Charities-Sb/Riversid	63	31	12	0	20
Centro C.H.A., Inc.	5	3	0	0	2
Centro Shalom	3	2	0	0	1
Charo Community Development Co	2	2	0	0	0
Chinatown Service Center	1	0	0	0	1
Comm Act Comm Sta B County	1	1	0	0	0
Comm Action Partnership Of Oc	565	389	50	0	126
Comm Assist Program Moreno Vly	7	2	0	0	5
Commission On Human Concerns	48	32	9	0	7
Community Pantry	28	15	3	0	10
Community Svc Dept Of S. B.	270	176	50	0	44
Costa Mesa Comm Foundation	4	2	1	0	1
Crisis Ministry Church Of Vly	59	36	4	0	19
El Sol Science & Arts Academy	1	1	0	0	0
Fair Housing Council Riverside	1	0	0	0	1
Fame Assistance Corporation	388	227	66	0	95
Families - Costa Mesa	9	3	0	0	6
Families Forward	9	4	1	0	4
Friendship Missionary Baptist	1	0	0	0	1
Help Of Ojai, Inc.	5	3	2	0	0
High Desert Youth Center	1	0	1	0	0
Hngtn Pk-Adult School Gage Br	7	2	0	0	5
Hsng Authority Cty Of San Bnavnt	5	2	0	0	3
Human Services Association	2	2	0	0	0
Iecaac	1	0	0	0	1

TABLE 7				
CARE Capitation Fee Project				
	CARE Applications Submitted				
Entity	**Received**[1]	**Approved**	**Denied**	**Pending/Never Completed**[2]	**Duplicates**
Kernville Union School District	5	3	0	0	2
Kings Cty Commission On Aging	2	1	0	0	1
Knights Of Columbus - 12834	1,029	356	130	0	543
Korean Churches Comm Dev- Kccd	1	1	0	0	0
Little Tokyo Service Center	1	0	0	0	1
Los Angeles Music/Art School	1	0	1	0	0
Maywood Chamber Of Commerce	1	1	0	0	0
Mental Health Association	4	4	0	0	0
Mexican American Opportunity	3	1	1	0	1
Moorpark Senior Citizens Inc	4	3	0	0	1
Multicultural Civ Assoc Mor Vl	12	1	6	0	5
Oc Black Chamber Of Commerce	9	3	0	0	6
Occc, Inc.	176	146	9	0	21
Pacific Asian Consortium Emplo	3	3	0	0	0
Pomona Inland Vly Cncl Church	1	0	0	0	1
Proteus, Inc.	795	521	91	0	183
Redondo Beach Unified Sch Dist	3	0	0	0	3
Riverside Dept Comm Action	112	24	22	0	66
Rsvp Of South Bay	12	2	0	0	10
Santa Clarita Vly Comm Aging	5	4	0	0	1
Sgusd/San Gabriel Family Ctr	10	5	0	0	5
Sisters Of St Joseph Of Orange	1	1	0	0	0
Somebody Cares-- Rancho Cucamo	4	0	2	0	2
Somebody Cares Southland	53	15	8	0	30
Southeast Riovista Family YMCA	5	1	2	0	2
St Francis Medical Ctr Hlth	71	42	7	0	22
St Joseph Church	132	34	21	0	77
St Mary's Church	197	65	26	0	106
St Pius V Church	210	59	31	0	120
St Polycorp Family Support Ctr	232	56	30	0	146
Sta Barbara Neighborhood Clinics	7	3	1	0	3
Temecula Senior Citizens Svc	2	0	2	0	0
Todec Legal Center, Inc.	64	13	7	0	44
Tri City Mental Health Center	1	0	0	0	1
Trinity Community Outreach	3	3	0	0	0
United Cambodian Community Inc	10	3	0	0	7
Ventura City Housing Authority	2	2	0	0	0
Veterans In Community Service	593	351	69	0	173
Vietnamese Community Of OC Inc	4	1	0	0	3
Wake Up Incorporated	3	0	0	0	3
West Angeles Comm Dev Corp	11	0	2	0	9
Winning Our World	87	28	5	0	54

TABLE 7					
CARE Capitation Fee Project					
Entity	CARE Applications Submitted				
	Received[1]	Approved	Denied	Pending/Never Completed[2]	Duplicates
Wrap Family Services	18	4	2	0	12
Youth Empl Svc - Harbor Area	8	4	1	0	3
Total	7,863	4,128	1,001	0	2,734
Percentage	100%	52.5%	12.7%	0.00%	34.8%

Notes:
1. Percentage calculation based on the total number of applications received.
2. Enrollment applications are not placed in a pending/never completed status.

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[2]	4,146,879	347,847	252,732	47,016	Note [4]	48,099
Recertification	272,916	168,370	166,504	1,866	Note [4]	0
Total	4,419,795	516,217	419,236	48,882	Note [4]	48,099
Percentage	Note [5]	100%	81%	10%	Note [4]	9%

Notes:
1 Includes sub-metered customers.
2 Includes a number of applications SCE provided for all direct mailing campaigns, customer calls made to the call center, and other outreach methods. Because there are other means by which customers obtain applications which are not counted, this number is only an approximation.
3 Includes only customers who no longer qualified for the program. Table 9 includes both those dropped due to ineligibility and nonresponse.
4 Applications are not placed in a pending/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 Customers[1] Removed by Month through Recertification and Post-Enrollment Verification			
2004	Recertification	Post-Enrollment Verification	Total
January	8,893	543	9,436
February	3,674	553	4,227
March	553	633	1,186
April	1,063	558	1,621
May	1,160	502	1,662
June	3,136	556	3,692
July	3,043	572	3,615
August	12,762	656	13,418
September	740	556	1,296
October	2,202	554	2,756
November	4,639	534	5,173
December	12,236	387	12,623
Total	54,101	6,604	60,705

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	Duplicates
Total[1]	8,733	1,633	1,351	6,604	228	Not Available
Percentage[3]	100%	19%	15%	76%	3%	Not Available

Notes:
1 Sum of "Received," "Approved", "Denied", and
   "Pending/Never Completed" is greater than total "Mailed"
   due to verification requests initiated in 2003 which were
   received and processed in 2004.
2 Denied' includes customers who no longer qualified for
   the program and those who were dropped due to non-
   response.
3 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 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 2004, 63 organizations submitted applications to SCE that were approved, 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 IV.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 cost is about 33% 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	248,895	$958,638	$3.85
Capitation Fee Project[1]	4,567	$53,587	$11.73

Notes:
1. Does not include 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.

Comparison of Enrollment Percent between SCE and Third Parties			
Enrollment Activity	**Received**	**Approved**	**Percent**
SCE			
SCE Call Center Requests	84,984	68,893	81%
SWG Data Exchange	2,492	2,001	80%
SCE Direct Mail	139,700	109,781	79%
DCSD Automatic Enrollment	7,022	5,167	74%
SoCalGas Data Exchange	65,230	37,109	57%
Third Parties			
Capitation Fee Project/LIEE[2]	9,446	4,476	47%

Notes:
1. So Cal Gas, SWG, and DCSD Automatic enrollment "Received" counts are those records that were customer matches within the SCE database.
2. 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.

- SCE continues to refine its marketing and communications strategy which tests new and innovative techniques to reach a broad base of customers, especially ethnic groups, and learns valuable lessons for future marketing and communications planning.

- SCE used more Source Codes in 2004 that enabled the development of more detailed reports to achieve better program evaluation and decision-making.

- SCE's success in enrolling its customers on CARE continues to be greatly enhanced by the efforts of many of its internal organizations and employee affinity group volunteers who specifically support community events and promote CARE.

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	351	132	483
February	372	134	506
March	391	133	524
April	408	139	547
May	388	146	534
June	301	149	450
July	318	176	494
August	265	132	397
September	291	147	438
October	290	148	438
November	294	151	445
December	293	156	449

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 2004 was:

Residential: 7,203
Commercial: 5,438

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 Usage[1]		
Customer	**Gas** **Therms**	**Electric** **KWh**
Residential Facilities	Not applicable.	1,235
Commercial Facilities	Not applicable.	10,200

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	$5,061
Processing, Certification, and Verification	$3,356
Billing System /Programming	$2,058
Measurement & Evaluation	$2,538
Regulatory Compliance	$495
General Administration	$4,734
LIAB Funding	$0
CPUC Energy Division Staff Funding	$384
TOTAL PROGRAM COSTS	$18,626
Subsidies and Benefits	$663,014
TOTAL PROGRAM COSTS & CUSTOMER DISCOUNTS	$681,640

B. Discount Information

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

    ANS. $710.56 (electric usage)

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

    ANS. $2,949.47 (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 public awareness initiatives which include presentations to community groups and contacts with community agencies though 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) and Southwest Gas Corporation 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	0	Not available.
Percentage[1]	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.