

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

**FAMILY ELECTRIC RATE ASSISTANCE  
(FERA)**

**JANUARY 1, 2004 - DECEMBER 31, 2004**

**PACIFIC GAS AND ELECTRIC COMPANY  
FERA PROGRAM  
MAIL CODE H14H  
PO Box 770000  
SAN FRANCISCO, CA 94177**

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## FAMILY ELECTRIC RATE ASSISTANCE (FERA)

### I. PARTICIPANT INFORMATION

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

See Table 1.

Table 1		
2004	FERA Enrolled <sup>1</sup>	FERA Receiving Tier 3 Benefit <sup>1</sup>
January	n/a	n/a
February	n/a	n/a
March	n/a	n/a
April	n/a	n/a
May	n/a	n/a
June	616	0
July	1,619	65
August	4,231	765
September	8,095	1,393
October	8,921	2,944
November	9,321	3,556
December	9,729	4,911

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			
2004 Quarter Ending	FERA-Eligible Households <sup>1</sup>	FERA-Participating Households <sup>1</sup>	FERA Household Penetration Rate <sup>2</sup>
March 31	Not applicable.	Not applicable.	Not applicable.
June 30	208,000	616	0%
September 30	208,000	8,095	4%
December 31	208,000	9,729	5%

1. Does not include sub-metered tenants.

2. FERA Household Penetration Rate is calculated by dividing FERA Participating Households by FERA-Eligible Households.

**C. Discuss how the estimates of current FERA-eligible households were developed.**

The estimates of current FERA-eligible households were developed from PG&E's 1995 Residential Appliance Saturation Survey estimates of the number of people per household and households with incomes between 175 percent and 250 percent of the 1995 federal poverty level.

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

There were 57 sub-metered tenants enrolled in the FERA Program at year-end.

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

Since FERA is a new program, all of the issues encountered from master-meter customers were questions on how to understand the FERA discount on their bill and the difference between the FERA discount and the CARE discount.

## II. PROGRAM COSTS

### A. Discount Cost

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

The average monthly FERA discount in 2004, per FERA customer, was \$7.75.

1. Does not include sub-metered tenants.
2. Does include all enrolled customers who have received a discount in any month.

2. State the cumulative annual discount for all FERA customers<sup>1</sup>.

The cumulative annual FERA discount in 2004 was \$97,694.92.

Notes:

<sup>1</sup>Does not include sub-metered tenants.

### B. Administrative Cost

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

See Table 4

Table 4	
FERA Program Administrative Costs by Category and Benefits	
Category	Cost
Outreach	\$ 168,215.03
Processing, Certification, and Verification	\$ 34,119.75
General Administration	\$ 25,207.39
Regulatory Compliance	\$ 146.66
Startup <sup>1</sup>	\$ 20,852.47
<b>TOTAL PROGRAM COSTS</b>	<b>\$ 248,541.30</b>
<b>CUSTOMER BENEFITS</b>	<b>\$ 97,851.42</b>
<b>TOTAL PROGRAM COSTS &amp; CUSTOMER BENEFITS</b>	<b>\$ 346,392.72</b>

1. Includes billing system/programming cost of \$2,390.76 and general administrative cost from March – May of \$18,461.71.

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

See table below.

<b>Category</b>	<b>Description</b>
<b>Outreach</b>	Includes: Bill inserts, advertising, applications (printing and mailing), posters, flyers, postage, and other outreach, information technology (technical support and software licensing), staff labor, out bound dialing and website design.
<b>Processing, Certification, and Verification</b>	Includes: Staff labor, information technology (technical support and software licensing), application processing, training, programming labor, and sub-meter certification.
<b>General Administration</b>	Includes: <b>Billing System /Programming</b> Manual rebilling and programming and billing labor  <b>Other</b> Office supplies, market research, program management labor (including pensions and benefits), and information technology (technical support and software licensing).
<b>Regulatory Compliance</b>	Includes: Applications, advice filings, comments and reply comments, hearings, reports and studies, working group meetings, public input meetings, and tariff revisions.
<b>Startup</b>	Includes: Labor and system programming to implement the program
<b>Benefits</b>	Includes: Rate discounts.

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

PG&E had minimal costs for joint CARE/FERA activities. Those activities were limited to outreach events, of which the labor cost would be billed to the appropriate CARE/FERA order number depending on the number of hours spent on each program. By using a separate program application, PG&E did not incur any joint material or processing costs for CARE/FERA and both programs used separate accounting.

**C. Provide the year-end December 31 balances for the FERA balancing account for both the current and prior reporting periods<sup>1</sup>.**

2004 was FERA's first reporting year. The year-end December 31 balance for the FERA balancing account was \$341,525.46.

### **III. OUTREACH**

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

Consistent with the provisions of D. 04-02-057 that "additional outreach should be undertaken when it can be done at little cost" (*Id. at* p. 56), minimal outreach activities were launched for FERA, aside from the bill inserts described below.

**Bill Inserts**

Two bill inserts were distributed in customer bills in 2004. The first bill insert in June consisted of FERA Program information notifying customers about the new program and how to apply. The second bill insert in August consisted of a multi-lingual miniature application, which generated over 15,000 applications.

**Leveraging**

FERA leveraged with CARE and the Energy Partners Programs in order to generate FERA enrollments. FERA information and applications were distributed at various CARE and Energy Partners outreach events. In addition, CARE Community Outreach Contractors (COCs) assisted in enrolling FERA customers at no additional cost.

CARE customers who notified PG&E of a change in income status which no longer qualified them for CARE were then informed about FERA and provided with an opportunity to apply if they qualified. More importantly, customers that



applied for CARE but were income qualified for FERA were automatically enrolled in the FERA Program.

### **Web**

PG&E used the PG&E Web site to promote the FERA Program. Each multilingual application was coded and posted in a format that allowed easy download and printing. A *Frequently Asked Question* section accompanied each program area. Links to other assistance programs were provided. Feedback from users of the web site will be used to improve the site in 2005.

### **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.**

The FERA discount is noted directly into PG&E's Customer Information System. This allows customer service representatives to see the FERA status of any customer that phones PG&E's call center for assistance, and to discuss appropriate benefits and services.

FERA leveraged other financial assistance information on PG&E's FERA applications. The applications provided a brief description of other assistance available and contact numbers for these programs. All FERA applications that qualified for CARE were forwarded to the CARE processing center and vice versa.

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

With the increasing awareness of energy efficiency, many FERA income qualified households with electric usage below Tier 3 (131 – 200 percent of baseline) were not interested in applying for the FERA discount since they would not benefit from it. The FERA Program commended customers in their energy conservative efforts but encouraged them to apply for FERA anyway in preparation for any unforeseen future energy usage increase. The FERA customer would then automatically receive their savings without having to reapply.

## 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 5.

TABLE 5						
FERA Self-Certification and Self-Recertification Applications <sup>1</sup>						
	Provided <sup>2</sup>	Received	Approved	Denied	Pending/Never Completed <sup>3</sup>	Duplicates
Utility	10,757	22,960	9,729	646	12,585	190
Capitation	0	0	0	0	0	0
Other Third-Party	0	0	0	0	0	0
Total	10,757	22,960	9,729	646	12,585	190

1. Includes sub-metered tenants.
2. Excludes outreach applications
3. Includes applications forwarded to CARE Program

### 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 6.

TABLE 6						
FERA Random Post-Enrollment Verification Requests <sup>1</sup>						
	Requested	Received	Approved	Denied	Pending/Never Completed	Duplicates
Total	448	151	151	0	297	0

1. Verification process for FERA is the same as CARE.

## V. PROGRAM MANAGEMENT

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

In the first year of the FERA Program, there were no significant issues and/or events that affected program management. However, for future planning the FERA Program staff would like to expand its outreach to include additional bill inserts, direct customer phone contact, and dedicated community outreach contracts. This would require a planned budget.