

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

Application of Southern California Edison Company (U 338-E) for Approval of its 2012-2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets	Application 11-05-017 (Filed May 16, 2011)
Application of Southern California Gas Company (U 904 G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012–2014	Application 11-05-018 (Filed May 16, 2011)
Application of Pacific Gas and Electric Company for Approval of the 2012-2014 Energy Savings Assistance and California Alternate Rates for Energy Programs and Budget (U 39 M)	Application 11-05-019 (Filed May 16, 2011)
Application of San Diego Gas & Electric Company (U 902 M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014	Application 11-05-020 (Filed May 16, 2011)

**TENTH ANNUAL REPORT OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
ON THE RESULTS OF ITS 2013 FAMILY ELECTRIC RATE ASSISTANCE
PROGRAM EFFORTS IN COMPLIANCE WITH ADVICE LETTER 2498-E-A**

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Dated: May 1, 2014

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Pacific Gas and Electric Company (PG&E) files its Tenth 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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**TENTH ANNUAL PROGRESS REPORT TO THE
CALIFORNIA PUBLIC UTILITIES COMMISSION**

**FAMILY ELECTRIC RATE ASSISTANCE
(FERA)**

JANUARY 1, 2013 - DECEMBER 31, 2013

May 1, 2014

**PACIFIC GAS AND ELECTRIC COMPANY
FERA PROGRAM
MAIL CODE B5K
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TABLE OF CONTENTS

FERA PROGRAM

I.	PARTICIPANT INFORMATION.....	1
II.	PROGRAM COSTS	5
III.	OUTREACH.....	8
IV.	PROCESSING FERA APPLICATIONS.....	12
V.	PROGRAM MANAGEMENT.....	13

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		
2013	FERA Enrolled¹	FERA Receiving Tier 3 Benefit¹
January	27,989	18,705
February	28,242	15,766
March	28,430	15,971
April	28,441	13,786
May	27,937	17,464
June	27,781	16,827
July	27,639	19,230
August	27,871	18,509
September	28,062	17,743
October	28,358	14,773
November	28,301	14,583
December	28,308	16,706

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			
2013 Quarter Ending	FERA-Eligible Households ¹	FERA-Participating Households ¹	FERA Household Penetration Rate ²
March 31	174,919	28,430	17%
June 30	174,919	27,781	16%
September 30	174,919	28,062	16%
December 31	174,919	28,308	16%

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.

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 2013. This method entails annual estimation of 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.

Sources for the estimation include the CPUC's current guidelines, current year small area vendor marginal distributions on household characteristics, Census Public Use Microdata Sample (PUMS) 2000 and PUMS 2007-2011 sample data, utility meter and master meter household counts, Department of Finance Consumer Price Index (CPI) series, and various Geographic Information System (GIS) sources. An important change has been implemented since 2011, which involves adjusting small area (block group) income distributions to match the latest American Community Survey distributions at the Public Use Microdata Area.

Estimates from the block group level are aggregated to county/utility and whole utility level, among other aggregations. Annually, PG&E applies county/utility level eligibility fractions to a new set of "technical eligibility counts" (for FERA these are electric metered and sub-metered 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.

A refinement in 2007 made use of Census Advance Query, PUMS, and SF3 tabulations to develop estimates specific to “payer types:” i.e., individually metered, sub-metered, and non-sub metered master meters.

In 2009, the method was augmented to better incorporate the impact of labor force changes (unemployment and other forms of job separation, as well as positive changes that are expected to occur in California subsequent to the recession). The method adjusted block group marginal distributions on household income based on sub-state modeling that incorporated Current Population Survey, Integrated Public Use Microdata Survey data, American Community Survey Data, and California Employment Development Department county and Metropolitan Statistical Area (MSA) level labor force series. This adjustment to block group income marginal is then incorporated into the otherwise “standard” estimation approach to produce small area estimates reflecting small area income changes due to labor market forces.

In 2012, Athens developed an improved method for estimation of payer status-specific eligibility. This method took into consideration American Community Survey microdata relationships between guideline status (above/below 200% FPG), tenure, and fuel payment relationships. These cross-classifications are fitted to small area (block group) marginal to produce payer-type specific distributions, which can be aggregated to various other geographical levels.

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

186 sub-metered tenants were 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.

Since the FERA Program was created in June 2004, the main problems encountered by sub-metered tenants and/or master-metered customers 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.

PG&E provides a FERA certification report to landlords/managers at regular intervals. PG&E also requests 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 an increase in turnover within mobile home park ownership and management in recent years. When change of ownership happened, PG&E worked with new owners to transfer existing FERA-certified tenants' data to new accounts and informed them about the FERA Program and the processes involved. When landlords change managers, they often fail to provide PG&E with new contact information, which results in undelivered reports and delayed communications.

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

Another problematic issue was the insufficient discount information on the tenant bill from the facility billing agency. For example, the FERA discount might not be shown as a separate line item, making it difficult for the tenant to verify whether they were receiving the discount. When a tenant called PG&E with questions, PG&E confirmed that the tenant was certified for the program and reviewed the bill with the tenant to ensure they were receiving the discount. If it appeared the tenant was not receiving the FERA discount, the tenant was advised to contact their manager or billing agency for further clarification. If the tenant did not find resolution with their billing agency and/or sub-metered facility manager, PG&E advised the tenant to contact their County's Department of Weights and Measures (DWM). DWM could help tenants with meter reading accuracy/testing, proper meter installation, billing accuracy, and verification of correct rate. If contacting the DWM did not resolve the tenant's billing question, the tenant was advised to file a complaint with the CPUC.

To reach out to eligible tenants of sub-metered residential facilities, PG&E mailed information packages containing program applications and posters to landlords/managers annually. However, some of these packages were either returned or undelivered due to high turnover of landlords/managers, which resulted in lower new enrollments than expected.

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 2013, per FERA customer, was \$36.60.

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 2013 annual FERA discount was \$7,661,719.

The 2004 through 2013 cumulative annual discount was \$38,466,934.

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	\$58,166
Processing, Certification, and Verification	\$49,939
General Administration	\$2,798
Billing System / Programming	\$0
Regulatory Compliance	\$0
Energy Division Staff Funding	\$0
TOTAL PROGRAM COSTS	\$110,903
CUSTOMER BENEFITS	\$7,661,719
TOTAL PROGRAM COSTS & CUSTOMER BENEFITS	\$7,772,622

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

Outreach: This category includes 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 staff labor for application processing, certification, recertification, verification and training.

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

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

Regulatory Compliance: This category includes 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 funding for the Energy Division staff.

Customer Benefits: This category includes 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, 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.

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), outreach for the FERA Program is coordinated with PG&E's CARE and Energy Savings Assistance (ESA) Programs outreach efforts.

Following are outreach initiatives undertaken by the CARE Program at no additional cost or minimal cost to the FERA Program.

Automated Phone Enrollment

The phone enrollment initiative continues to be vital in the FERA Program's outreach efforts by providing a quick and efficient way to reach income-qualified customers via automated inbound and outbound phone calls. Working with a third-party vendor, PG&E utilizes Automated Voice Messaging (AVM) technology, allowing customers to self-certify their eligibility and enroll/recertify in the program via a touchtone phone.

Bill Inserts

A bill insert consisting of a postage-paid bilingual application in English and Spanish was mailed in the March and June billing cycles. This initiative was an efficient outreach tool because it reached residential PG&E customers who were not already on the FERA Program.

Direct Mail

Direct mail continues to be the most successful outreach method. Bi-lingual applications were mailed to customers' homes, thereby reducing barriers to accessibility of enrollment information. Direct mail initiatives for 2013 included:

- Direct mail pieces were inserted in 15-day notices, giving customers an opportunity to enroll in the FERA Program.
- Mailing to customers utilizing data from the Propensity Model.

- Monthly mail piece to customers who were removed from CARE due to failure to recertify, asking them to re-apply for the program if they still qualified or apply for the FERA Program if they no longer qualified for the CARE Program.
- Direct mail pieces were inserted in welcome packets, giving customers an opportunity to enroll in the FERA Program as soon as they established new service with PG&E.

Integration

The FERA Program integrated with the CARE, Cooling Centers and the ESA Programs, in order to generate FERA enrollment. FERA applications were on display and available to participants at Cooling Centers that partnered with PG&E. FERA Program information and applications were distributed at various CARE and ESA Program outreach events. Also, CARE Community Outreach Contractors (COCs) assisted in enrolling FERA customers at no additional cost. In addition, 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.

Local Office Partnership

Through partnership with the Local Office, Americans with Disabilities Act (ADA)-compliant self-service kiosks have been installed to create an easy-to-use touch point for customers to apply for the FERA Program. The kiosks help raise awareness and generate new enrollments while providing a convenient way for customers to fill out an application. In addition to the kiosks, local office customer service representatives (CSRs) have been trained to speak about the program benefits with every customer.

These kiosks include an application holder as well as a slot where customers can deposit their completed application. Each kiosk comes with a lock and key in order to help maintain security and confidentiality, and gives customers the opportunity to enroll while waiting in line to pay their utility bill. The local office staff replenishes the supply of applications in the kiosk and mails completed applications to the FERA Program team on a regular basis.

Online Enrollment

PG&E continues to utilize its website to promote the FERA Program. Each application is posted in-language and in a format that allows easy downloading

and printing. Detailed information about the program is provided, and links to other assistance programs are made available.

With online applications available in English, Spanish and Chinese on PG&E's website, customers can enroll online 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, accept the declaration which states the information they provided is true, and submit the application electronically.

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

Seniors and Disabled

The FERA Program continues its outreach to seniors and those with disabilities. With respect to the challenges associated with financial assistance programs, seniors and those with disabilities may be overwhelmed with the steps involved in completing the application. As a result, the FERA Program team developed large-print applications in multiple languages.

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.

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.

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) are not interested in applying for the FERA discount since they would not benefit from it. The FERA Program team commends customers on their energy conservation efforts and encourages them to apply 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	17,354	17,539	17,258	191	90	2,608
Capitation	0	0	0	0	0	0
Other Third-Party	0	0	0	0	0	0
Total	17,354	17,539	17,258	191	90	2,608

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			1,660			

Notes:

¹Random Post-Enrollment Verification was not conducted specifically for FERA in 2013 due to the small number of enrollments and discounts.

² 1,660 CARE Post-Enrollment Verification requests were approved for FERA in 2013.

V. PROGRAM MANAGEMENT

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

The FERA Program does not have a separate, authorized budget. The program is administered incrementally within the CARE Program Administrative budget, which provides FERA outreach to customers at no additional, or minimal cost. For 2013, FERA Program enrollment increased to 17 percent in the first quarter then decreased to 16 percent for the rest of the year .

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.