



FAMILY ELECTRIC RATE ASSISTANCE (FERA) PROGRAM ANNUAL REPORT

Program Year 2013 Results

May 1, 2014

INTRODUCTION:

The purpose of this annual report is to provide information on San Diego Gas & Electric Company's (SDG&E) Family Electric Rate Assistance (FERA) program¹ and to report on the administrative and subsidy costs incurred by the program. The California Public Utilities Commission (Commission or CPUC) in D.04-02-057, dated February 26, 2004, adopted the FERA program, whereby qualifying lower-middle income large household participants are charged Tier 2 (101% - 130% of baseline) electric rates for their Tier 3 (131% - 200% of baseline) usage. The FERA program is available to households of three or more persons with total household annual gross income levels between 200% (plus \$1) and 250% of the Federal Poverty Guidelines (FPG)² in accordance with D.05-10-044.³ These income levels are subject to revision pursuant to the Commission's communication of its updated annual income guidelines, which are issued no later than April 1 of each year and effective June 1st of each year.

SDG&E's FERA program implementation plan utilizes the existing procedures already developed and adopted by the Commission for the California Alternate Rates for Energy (CARE) Program. These existing protocols and procedures relate to outreach practices, enrollment, verification, and recertification activities. SDG&E uses a dual application form for the CARE and FERA program.

The following summarizes SDG&E's FERA program activities for 2013.

¹ FERA was originally referred to in Decision (D.) 04-02-057 as the Middle Income Large Household Program.

² FPG Link: <http://aspe.hhs.gov/poverty/11poverty.shtml>

³ See D.05-10-044, Ordering Paragraph 3.

**SAN DIEGO GAS & ELECTRIC COMPANY'S
FAMILY ELECTRIC RATE ASSISTANCE (FERA) PROGRAM**

January 1, 2013 through December 31, 2013

I. PARTICIPANT INFORMATION

A. Provide The Total Number Of FERA Customers By Month, For The Reporting Period.

See Table 1.

TABLE 1		
2013	FERA Enrolled	FERA Receiving Tier 3 Benefit¹
January	4,398	2,815
February	4,433	2,474
March	4,480	2,262
April	4,492	2,026
May	4,475	2,124
June	4,462	2,316
July	4,483	2,714
August	4,577	2,633
September	4,585	3,374
October	4,762	2,609
November	4,869	2,261
December	4,968	2,491

¹This category 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.

TABLE 2			
FERA Penetration Rate			
2013 Quarter Ending	(Estimated) FERA Eligible Households	FERA Participating Households	FERA Household Penetration Rate¹
March 31	47,187	4,480	9.5%
June 30	47,250	4,462	9.4%
September 30	47,305	4,585	9.7%
December 31	47,434	4,968	10.5%

¹ The FERA Household Penetration Rate is calculated by dividing FERA Participating Households by FERA-Eligible Households. Estimated number of FERA-eligible customers is 3.78% of SDG&E's residential electric customers.

C. Discuss How The Estimates Of Current FERA-Eligible Households Were Developed.

SDG&E used a customer information system count of residential customers within its territory as the basis for estimating the number of FERA-eligible households.

The estimate of FERA-eligible households was developed by multiplying the number of residential customers, by the factor in the Annual Eligibility Update for CARE/FERA⁴, which is 3.78% for program year 2013.

Total Residential Customers/Estimated Eligible = FERA Eligible Households.

⁴ Compliance Filing of Southern California Edison Company (U 338-E) on Behalf of Itself, Southern California Gas Company (U 904-G), San Diego Gas & Electric Company (U 902 M) and Pacific Gas and Electric Company (U 39-M) Regarding the Annual Estimates of CARE Eligible Customers and Related Information, filed February 11, 2013.

D. Provide The Current FERA Sub-Metered Tenant Counts At Year-End.

At year-end 2013, the number of sub-metered tenants participating in FERA totaled 112. Outreach and enrollment efforts for sub-metered facilities are leveraged with CARE outreach. Enrollments, however, continued to be heavily skewed to CARE in these facilities.

E. Discuss Any Problems Encountered During The Reporting Period Administering The FERA Program For Sub-Metered Tenants And/Or Master-Meter Customers.

SDG&E did not encounter any problems administering the sub-metered FERA program during 2013.

II. PROGRAM COSTS

A. Discount Cost

1. State the average monthly FERA discount received, in dollars per FERA customer.

2013 Average Monthly Discount Per Customer = \$19.06

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

2013 Cumulative Annual Discount = \$ 582,488

B. Administrative Cost

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

See Table 4 below.

Table 4	
FERA Program Administrative Costs by Category and Benefits	
Category	Cost
Outreach	\$9,093
Processing, Certification, and Verification	\$11,914
General Administration	9,527
TOTAL PROGRAM COSTS	\$30,534
CUSTOMER BENEFITS	\$582,488
TOTAL PROGRAM COSTS & CUSTOMER BENEFITS	\$613,022

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

Outreach

The cost of outreach includes capitation fee payments and the cost of direct mail.

Capitation fees are fees paid to partner agencies that generate enrollments for the program by cross-selling FERA with their other assistance programs.

Processing, Certification, and Verification

The cost of processing, certification and verification consists of the labor costs to process, certify and verify FERA applications.

General Administration

General administration costs include the costs associated with managing and reporting on the program.

Customer Benefits

Customer benefits costs include the cost of the FERA rate discounts provided to customers.

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

The costs of distinct CARE and FERA activities are charged separately to each program by using separate source codes for each program. To the extent possible, the costs of CARE/FERA activities are allocated in proportion to the work that was attributable to either CARE or FERA. Because most CARE and FERA program activities are integrated, most costs are shared between the programs.

C. Provide The Year-End December 31 Balances For The FERA Balancing Account For Both The Current And Prior Reporting Periods.

As of December 31, 2013, there was \$35,666 in the FERA sub-account of SDG&E's Baseline Balancing Account (BBA). The FERA sub-account records applicable costs associated with the FERA program from its inception in 2004. The forecasted year-end 2012 balance under collection of \$37,009 was amortized in 2013 rates and recorded to the FERA sub-account. The balance in the FERA sub-account of the BBA as of December 31, 2012 totaled \$42,356.

III. OUTREACH

A. Discuss Utility Outreach Activities And Those Undertaken By Third Parties On The Utility's Behalf.

Direct Marketing

Targeted communication channels that seek to initiate a specific action from customers. In 2013, SDG&E's direct marketing tactics included email campaigns, automated voice messaging (AVM) campaigns, bill inserts and door-to-door efforts.

Email campaigns

Campaigns were leveraged with the Energy Savings Assistance (ESA) Program and contained an integrated message, directing customers to the online application process. Customer testimonials were the featured concept while subject lines and content were modified based on results. Unique open rates, defined as how many people opened the email, were as high as 32%, indicating the subject lines were compelling to customers. By comparison, industry standard open rates hover around 26%. Email campaigns were designed in tandem with the corresponding awareness campaigns that featured the same customer testimonials in order to reinforce messaging and generate familiarity amongst customers. See Appendix 1 for sample of email creative.

AVM Campaigns

Approximately 140,000 contacts took place using the AVM platform in 2013. Calls were administered by a third party vendor via an automated outbound dialing system. The campaign strategy was designed by SDG&E, including the development of the script. Customers were able to interact with the system and provide pertinent

information in order for SDG&E to procure the enrollment. Approximately 50 customers enrolled in FERA using the AVM system.

Bill inserts

SDG&E's annual notification to all non-CARE/non-FERA customers took place in July. All customers not already enrolled in the CARE or FERA program, received a bilingual program application inside their SDG&E bill. In addition, another insert took place in March and November, and another bilingual insert promoting the CARE and FERA programs occurred. Customers were directed to the new dual online application process for both CARE and the ESA program. A customer's household size and income eligibility information determines which program the customer qualifies and subsequently enrolls in. Approximately 20 customers enrolled in FERA through bill insert efforts. See Appendix 2 for sample of bill insert.

Door-to-Door

In order to target the harder to reach neighborhoods, SDG&E collaborated with a third party and Diverse Business Enterprise vendor, The Harris Group, to identify and strategize door to door campaigns. Contractors canvassed high opportunity neighborhoods using traditional tactics and were able to interact with customers, in-language when necessary, to enroll them in the programs. In 2013, door-to-door efforts enrolled 451 customers for the FERA program.

Integration Efforts

Represents the combined efforts of internal resources to raise program awareness and create a positive customer experience. In 2013, integration efforts included

SDG&E's interactive voice response (IVR) system, Energy Service Specialists (ESS), branch offices, field collectors, collection calls, and informational brochures.

Interactive Voice Response (IVR)

SDG&E's Energy Service Center assists thousands of customers with a variety of energy inquiries. While waiting to speak with an Energy Service Specialist (ES Specialist), customers are provided information about the CARE and ESA programs in both English and Spanish. Customers are provided an option of requesting a CARE application through this process as well. In 2013 there were 3,451 requests for English applications and 682 requests for Spanish applications requested through SDG&E's IVR system. In addition, the CARE program has a dedicated program IVR in which customers may call and enroll in the program. The IVR asks a series of questions which are used to determine eligibility for the program and customers interact using the touch tone keypad on their phone. The system offers English and Spanish options and in 2013, 115 FERA enrollments resulted from the IVR system.

Energy Service Specialists (ES Specialists)

SDG&E's customer contact center, or Energy Service Center, continually interacts with customers. In handling various inquiries, the ES Specialists are trained to offer solutions to customers, depending on the individual need. Customers inquiring about high bills or that specify having trouble paying their bill are advised of an array of solutions and resources the programs may offer, including the FERA program. In 2013, ES Specialists enrolled approximately 185 customers for the FERA program.

Branch Offices

The Customer Assistance group and the company's bill payment locations continually collaborate and leverage outreach solutions for customers. Customer service representatives are trained on the programs in order to identify those customers that might benefit. The outreach team regularly engages the branch offices to conduct training as well as help facilitate customer enrollment in these programs. There were 57 FERA enrollments generated through branch office interactions in 2013.

Field Collection

SDG&E field collectors deliver notices of disconnection to customers facing disconnection due to non-payment. Collectors are educated through training about the CARE program and also include CARE applications as part of their collection process.

Collection Call

SDG&E provides an additional outbound telephone call and a follow up letter to customers facing collection activity on their account. The letter includes information about solutions available to them including payment arrangements and information on the assistance programs.

Informational Brochures

Informational brochures offered throughout the company include information on the assistance programs. The *Whole House Guide* offers customers information on residential energy efficiency resources such as rebates, energy surveys and appliance recycling, and also includes information on assistance programs. The *Guide to SDG&E Services* details the various services offered and includes information about the assistance

programs. The *Floor to Ceiling Guide*, also contains helpful energy efficiency information includes information on assistance programs. The brochures are available to customers through direct requests or are available at various outreach events. Due to the structure of SDG&E's marketing group, collateral development is done through collaboration with all marketing advisors, thus ensuring all program information is leveraged.

Mass Media

Diversified communication mediums designed to reach large masses of audiences and serve as an overall awareness driver to supplement direct marketing tactics. In 2013, mass media components included print, TV, radio and digital media.

Print Campaigns

Leveraging the testimonial concept, culturally relevant print ads were developed that specifically targeted the Chinese, Vietnamese and Filipino communities. Using real SDG&E employees, the in-language ads talked about the importance of the programs using culturally relevant cues that would resonated with the target audience. The ads ran in various Chinese, Filipino and Vietnamese publications. Digital banner ads were also modified and used in online campaigns, specific to targeting Asian American audiences. Examples of the print ads can be found in Appendix 3.

Television

Fifteen and thirty second TV spots, targeting general market and Hispanic audiences took place. Various English and Spanish television networks aired the spots, which featured real customers taking part in the programs and SDG&E employees as

well. The spots served to create overall awareness in conjunction with the numerous direct marketing and outreach activities taking place.

Radio

Leveraging with SDG&E's Winter Prep campaign, fifteen second traffic IDs about the programs occurred on various radio stations. The IDs briefly described the benefits of the programs and how to apply.

SDG&E collaborated with Univision, a broadcast television network aimed at Spanish language audiences. Univision has a strong radio presence as well and SDG&E joined forces with one of their most popular radio personalities in an effort to promote the programs. Mery Lopez Gallo, host of the popular show De Viva Voz, featured an SDG&E employee as her guest. The two discussed the programs, the benefit to the Spanish language community, and how to apply. See Appendix 4.

Online Campaigns

SDG&E used an online strategy of increasing awareness for the programs, driving online submissions, and geo-targeting SDG&E's service territory to target low income segments. The campaign used efforts such as paid search, display ads, video ads, ad networks, audio networks, news networks, and mobile networks. A summary of each effort is outlined below:

Paid search – using hundreds of key words such as “bill discount”, “food stamps”, and “qualify for WIC” users were exposed to ads featuring information about the programs. More than 79,000 customers visited the Customer Assistance landing page on the SDG&E website as a result of using search terms.

Display ads – (graphic ads that appear next to content on web pages) geo-targeted ads featuring both customers and SDG&E employees had a .31% click through rate (CTR), which is defined as the percentage of times an ad is clicked on out of the total number of ad views within a given time period. The 2013 CTR represents an improvement over the CTR in 2012 which was .30%.

Video ads –pre-roll video on networks such as TubeMogul and NGL Media helped to increase awareness and campaign impressions to geo-targeted areas.

Ad networks – used for behavioral or geo targeting to hone in on the right customer segment. Alcance media group, a Spanish digital marketing company, was also used to target Spanish language audiences.

Audio networks – used Pandora for thirty second audio spots that described the programs. This was the first time using this medium and was considered successful due to the low execution costs compared to the high number (3.8 million) of impressions delivered. Impressions are defined as the number of times an ad is seen, whether clicked on or not.

News networks – publishers such as UT San Diego, ESPNLA and ESPN Deportes, combined with other tactics, served to increase impressions and overall clicks.

Mobile networks – Millennial Media was used for digital mobile advertising. Display ads had a strong performance, delivering almost 4.6 million impressions. Using mobile networks this year produced a low click through rate yet delivered high impressions.

In summary, digital campaigns produced over 273,000 web visits, the cost per click was reduced from last year, and the quality of impressions greatly increased in 2013. All digital campaigns were monitored throughout the year in order to gauge effectiveness early and often. For example, early on, ESPNLA was cancelled after not performing well and the budget allocated for ESPN Deportes was reduced due to performance as well.

Capitation Agencies: Working in partnership with organizations that serve low-income and in-need clients every day (often referred to as “intake agencies like WIC offices and social service agencies), SDG&E continued to train agency employees on how to engage customers in enrolling in both the CARE and FERA Programs during the customer’s visit at the partner’s office. Often the visit to a CBO is for another issue and the agency must work through the most pressing issue before promoting the utility programs with the customer. SDG&E has worked closely with its partner agencies to enroll eligible customers in CARE with FERA as a companion program, should the customer not meet the CARE eligibility requirements.

Energy Solutions Partner Network: In 2013, SDG&E established its Energy Solutions Partner Network to provide enhanced opportunities with grassroots, neighborhood organizations serving the Southern Orange County and San Diego regions. These organizations are diverse and provide direct services to populations including seniors, special needs/disabled, low-income and young families. More than 400 activities were coordinated through these partners to promote the CARE Program in 2013. The FERA Program outreach efforts are leveraged as part of CARE outreach. In addition, 211 San

Diego -- an organization that provides San Diego County with community, health and disaster services through a free, 24/7 stigma-free phone service continues to be a very active partner in offering the program and other customer assistance offerings as part of a comprehensive solution.

Sub-metered Apartments and Mobile Home Parks

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 Energy Savings Assistance Program and other appropriate low-income programs.**

FERA information is distributed in conjunction with the CARE program. Both FERA and CARE are promoted through a joint application form. All outreach efforts for FERA are combined with the CARE program outreach. For example, all targeted direct mail and telephone campaigns promote the FERA program through the joint application. Customers entering income that exceeds the CARE guidelines but are within the FERA guidelines are appropriately enrolled in FERA. Additionally, customer data received from the Energy Savings Assistance Program regarding potentially eligible customers is shared with the FERA program.

Additionally, SDG&E leverages FERA program information with SDG&E's Middle Income Direct Install (MIDI) program. The MIDI program management team leveraged income verification practices, as well as FERA verification documentation, for the purpose of simplifying enrollment processes for customers participating in the MIDI program. Contractors conducting outreach for MIDI also inform customers under their guidelines about the CARE, FERA and ESA programs.

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

FERA program marketing efforts are leveraged with CARE program marketing efforts. CARE marketing is highly targeted to lower income areas and enrollments in the FERA program result from customer's with household size and eligibility information within the FERA guidelines, and therefore enroll in the program if they don't qualify for CARE. This process does not result in a large quantity of FERA customer enrollments. For example, in 2013, SDG&E received over 105,000 eligible applications, of which approximately 2,987 were received as FERA applications.

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 below.

Table 5						
FERA Self-Certification and Self-Recertification Applications¹						
Utility Capitation Other Third- Party	Provided²	Received	Approved³	Denied	Pending/Neve r Completed	Duplicates
	922,952	2,886	2,714	42	4	126
		60	57	2	0	1
		41	29	8	0	4
Total	922,952	2,987	2,800	52	4	131

¹ This includes sub-metered tenants. Self-Certification applications are distributed/mailed through a wide variety of fulfillment and outreach methods, such that it is not possible to determine an actual count. Recertification applications are tracked.

² The FERA and CARE applications are joint applications. This number represents an estimate of all applications provided.

³ Approved includes CARE ineligible applications that are eligible for FERA.

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.**

Table 6						
FERA Random Post-Enrollment Verification Requests						
	Requested	Received₁	Approved¹	Denied	Pending/Never Completed	Duplicates
Total	3	123	110	9	0	4

¹ Received and Approved includes CARE ineligible Post Enrollment Verification Requests that are eligible for FERA.

V. PROGRAM MANAGEMENT

- A. Discuss Issues And/Or Events That Significantly Affected Program Management In The Reporting Period And How These Were Addressed.**

There were no significant issues affecting FERA program management in 2013.

APPENDIX

FERA Program

APPENDIX

FERA Program:


1. Email Campaign
2. Bill Insert
3. Print Campaign
4. Radio

2013 FERA Annual Report Items for Appendix

Email Campaigns


Email creative (Appendix 1)

See if you qualify for home improvements and a bill discount through our Assistance Programs



Find Savings for Your Home

[Tweet](#) [Share](#) [Forward to a friend](#)



“We received \$3,000 in upgrades for our house and a 20% monthly discount.”
- The Banks Family

[Qualify Now »](#)

The Banks family is living more comfortably thanks to the home improvements they received. In addition, they're saving 20% every month on their energy bill.

If you're on a limited income or recently lost your job, you may be eligible for improvements like weather stripping and insulation* and even appliances like a new refrigerator or microwave**.

You could also be saving 20% a month with our monthly discount program, which can average about \$275 a year in savings.

It's easy to find out if you qualify

Visit our [program qualification page](#) to see if you qualify for home improvements and a bill discount through our Assistance Programs.

[Qualify Now »](#)

Bill Inserts

Bill insert (Appendix 2)



"We received \$3,000 in upgrades for our house and a 20% monthly discount."

Are you on a limited income or have recently lost your job? If so, you may be eligible for free energy-efficient home improvements* or an energy bill discount, or both.

The Banks family qualified and received approximately **\$3,000** worth of home improvements which included weather stripping, insulation, select appliances** like a new refrigerator, lighting and showerheads. In addition, they were eligible to receive a **20% discount** on their monthly bill.

To see if you qualify, visit us at sdge.com/assistance



*As long as the residence was not previously served by the program.
**Existing appliances must meet age requirements to qualify for replacement.
Co-pay may be required for landlords who own appliances and pay tenant utility bill.
These programs are funded by the utility customers and administered by San Diego Gas & Electric* under the auspices of the California Public Utilities Commission. SDG&E makes no representations as to the safety, reliability and/or efficiency of goods and services selected. SDG&E makes no warranty, whether express or implied, including warranty of merchantability or fitness for any particular purpose, use or application of selected goods and services.

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Mass Media

Print Campaigns

Print creative (Appendix 3)



"Với Chương Trình CARE của chúng tôi, tiết kiệm tiền dễ dàng hơn quý vị tưởng."
— Linh-Chi, Nhân Viên của SDG&E*

connected với tiết kiệm

"Đối với người cao niên, hoặc người sống với một mức lợi tức hạn chế hay người bất thành linh phải đối diện với khó khăn, tiết kiệm lên đến 20% trên hoá đơn năng lượng sẽ giúp nhẹ bớt phần nào phí tổn."

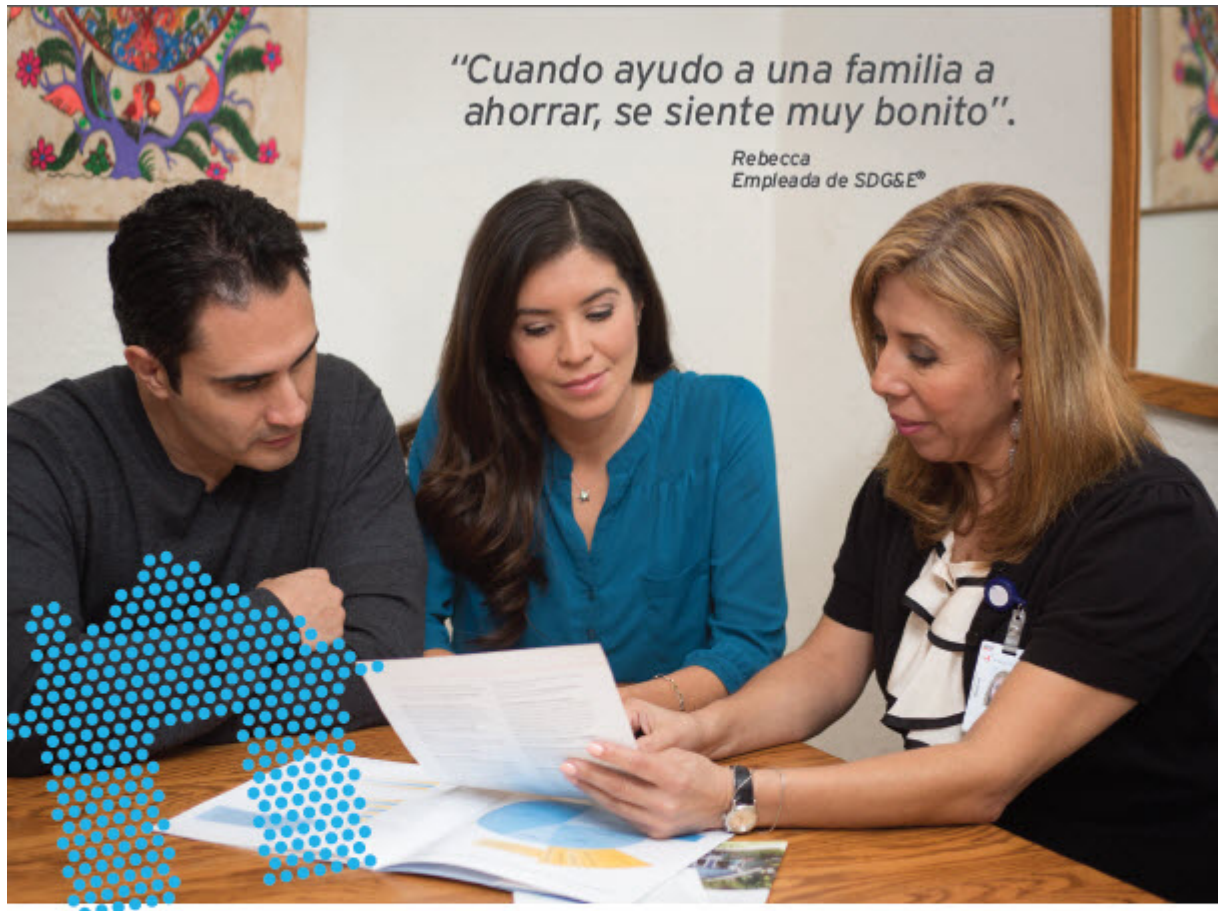
Đời sống nhiều bất ngờ. Nhiều thay đổi bất chợt. Chúng tôi tận lực tìm hiểu về các nhu cầu của quý vị, dù lớn hay nhỏ. Qua Chương Trình CARE, khách hàng có thể tiết kiệm trung bình \$275 mỗi năm. Hãy mang những ích lợi này về nhà chỉ cần nhấp vào chuột vài lần.

Nếu quý vị hiện có lợi tức giới hạn hay gần đây vừa mất việc, quý vị có thể hợp lệ nhận chương trình CARE. Để xem quý vị có hội đủ điều kiện hay không, hãy vào sdge.com/Vietnamese hay gọi 211.

Lưu ý: Hình ảnh được sử dụng chỉ mang tính chất minh họa và không phải là một lời cam kết. SDG&E được sự ủy quyền của California Public Utilities Commission.

SDGE connected
Semptra Energy utility*

Print creative (Appendix 3 - continued)



conectados *** para más comodidad en el hogar**

Atender las necesidades de nuestros seres queridos con un presupuesto limitado puede ser todo un reto. Nuestro Energy Savings Assistance Program puede aumentar la comodidad de su hogar* y, al mismo tiempo, reducir sus costos de energía. Puede obtener gratis mejoras eficientes en energía para el hogar como aislamiento y colocación de burletes –y hasta aparatos seleccionados. Si tiene un ingreso limitado o recientemente se quedó sin trabajo, tal vez reúna los requisitos necesarios para participar.

Rebecca y nuestros demás representantes pueden ayudarle a ver si reúne los requisitos. Además, tal vez tenga derecho a recibir un 20% de descuento en la factura mensual de energía. Llame al 866-597-0597 o **conéctese con nosotros en sdge.com/asistencia**.

* Siempre y cuando la residencia no haya recibido anteriormente servicios del programa. Este programa está financiado por los clientes de las empresas de servicios públicos de California y administrado por San Diego Gas & Electric®, bajo los auspicios de la Comisión de Servicios Públicos de California.

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**Energy Savings
Assistance Program™**



Radio

Univision Radio Segment (Appendix 4)

