



**SOUTHERN CALIFORNIA GAS COMPANY (U-904-G)
TWENTIETH ANNUAL PROGRESS REPORT ON THE
CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM
JANUARY 2008 – DECEMBER 2008**

May 1, 2009

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CARE PROGRESS REPORT RESIDENTIAL AND EXPANDED PROGRAMS

January 1, 2008 through December 31, 2008

CARE RESIDENTIAL PROGRAM

Individual and Sub-metered Participants (Tenants of Qualifying Master-Metered 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.

See Table 1.

TABLE 1		
Residential CARE Program Gas Customers by Month		
PY2008	CARE Customers	Percentage Change
Jan	1,337,416	0.36%
Feb	1,344,575	0.54%
Mar	1,348,714	0.31%
Apr	1,357,365	0.64%
May	1,372,615	1.12%
Jun	1,375,522	0.21%
Jul	1,383,254	0.56%
Aug	1,385,426	0.16%
Sep	1,391,119	0.41%
Oct	1,417,550	1.90%
Nov	1,427,700	0.72%
Dec	1,435,398	0.54%

1. Explain any monthly variance of 5% or more in the number of participants.

Southern California Gas Company (SoCalGas) did not experience any month-to-month variations in CARE customer participation of more than five percent in 2008. However, SoCalGas is pleased to report the number of CARE participants increased each month in 2008.

B. Describe the methodology, sources of data, and key computations used to estimate the utility's CARE penetration rates by energy source.

1. Describe the estimates of current demographic CARE-eligibility rates, by energy source.

CARE eligibility for program year (PY) 2008 was developed using the joint utility methodology approved by the California Public Utilities Commission (Commission or CPUC) in Decision (D.) 01-03-028. This method entails annual estimation of CARE eligibility at the small area (block group, census tract, zip) for each utility as well as the state.

Sources for this estimation include the Commission's current guidelines, current year small area vendor distribution on household characteristics, Census Public Use Microdata Sample (PUMS) 2000 and PUMS 2004-2006 sample data, utility meter and master-meter household counts, Department of Finance Consumer Price Index (CPI) series and various Geographic Information System (GIS) sources.

Each month SoCalGas applies the county and utility level eligibility factors to our current set of residential meter counts, for CARE this includes both the metered and sub-metered housing units. Once the factors are applied, an estimate of income eligible customers is generated.

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.)

A count of all active residential meters and residential sub-metered units, minus residential accounts with billing tariffs that do not qualify for CARE, is used to derive the number of eligible residential meters (i.e., households). By using tariff rates as the criteria for counting, all non-eligible master-metered accounts were not included in the CARE eligible meter count.

3. Discuss how the estimates of current CARE-eligible households were developed.

Estimated CARE eligible rates, developed as described in the response to question I.B.1 above, were applied to the current count of CARE eligible meters, developed as described in the response to I.B.2 above, to the

estimated number of CARE eligible households to estimate the number of CARE-eligible households in SoCalGas' service territory.

4. Describe how current CARE customers were counted.

Each month SoCalGas calculates the number of CARE customers based on the total number of residential customers billed monthly on the CARE rate plus all participating tenants in sub-metered facilities.

Although residential sub-metered customers are not billed individually by SoCalGas, SoCalGas maintains the information of all participating tenants in sub-metered facilities. The sub-metered CARE customer count is included in the total number reported monthly as part of SoCalGas' Monthly Reports on Low-Income Assistance Programs.

5. Discuss how the elements above were used to derive the utility's CARE participation rates by energy source.

The formula for calculating CARE-participation rates is:

$$\frac{\text{Number of CARE Customers}}{\text{Number of Estimated CARE-Eligible Households}}$$

C. Provide the total number of CARE residential customers, CARE-eligible households, and CARE participation rates, by energy source, by quarter.

See Table 2.

TABLE 2			
CARE Residential Penetration Rate Gas			
PY2008 Quarter Ending	CARE Residential Customers	CARE Eligible Customers	CARE Penetration Rate
March 31	1,348,714	1,708,523	78.9%
June 30	1,375,522	1,707,065	80.6%
September 30	1,391,119	1,705,297	81.6%
December 31	1,435,398	1,707,954	84.0%

As a result of SoCalGas' bill inserts, telephone campaigns, third party outreach, capitation efforts, direct mailings, community events, mass media, community-based organizations (CBO), data exchanges with other utilities, automatic enrollment of Low-Income Home Energy Assistance Program (LIHEAP) and Low-Income Energy Efficiency (LIEE) participants and CARE process improvements, SoCalGas increased its net

CARE participation by 102,784 customers in 2008. As of December, 2008 SoCalGas had the highest participation rate of any investor-owned utility in the state.

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

SoCalGas is a single energy-source utility (natural gas). At year-end 2008, 32.34% or 1,707,749 of SoCalGas' 5,280,609 residential meters were estimated to be eligible for the CARE discount.

E. Provide the estimates of current CARE-eligible sub-metered tenants of master-meter customers by energy source at year-end.

At year-end 2008, SoCalGas had 144,223 sub-metered tenants in 1,814 master-meter facilities. Assuming 32.34% of its residential customers are eligible for CARE, SoCalGas estimates that 46,642 of its sub-metered tenants are CARE eligible.

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

At year-end 2008, SoCalGas had 37,334 CARE sub-metered tenants participating in the program.

G. Provide the current CARE sub-metered tenant penetration rates by energy source at year-end.

SoCalGas estimates that 80.04 % of the CARE eligible sub-metered tenants were enrolled in the CARE Program at year-end 2008.

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

SoCalGas did not encounter any major problems in administering the CARE program for sub-metered tenants or master-metered customers in PY2008. One minor issue involved a computer glitch which delayed the mailing of approximately 78 annual recertification applications to sub-metered mobile home parks. Due to this delay, approximately 2,300 sub-metered tenants were temporarily suspended from the CARE program.

After SoCalGas and its Information Technology (IT) department identified and fixed the computer glitch, the affected sub-metered tenants were re-billed on the CARE rate and received their recertification applications. During this thirty day process, the owners/managers were kept aware of what had transpired in order for them to accurately bill their tenants.

II. Usage and Bill Information

A. Provide a comparison of CARE and non-CARE residential usage by Baseline and Non-Baseline, excluding usage of residential master-meter customers, by energy source.

See Table 3.

TABLE 3			
Average Monthly Gas Usage			
Residential Non-CARE vs. CARE Customers			
Customer	Gas Therms Baseline	Gas Therms Non-Baseline	Total
Non-CARE	27.9	14.3	42.2
CARE	22.7	7.7	30.4

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.

See Table 4.

TABLE 4	
Average Monthly Gas Bill	
Residential Non-CARE vs. CARE Customers	
(Dollars per Customer)	
Customer	Gas
Non-CARE	\$52.77
CARE	\$30.23

III. Program Costs

A. Discount Cost

1. State the average monthly CARE discounts received, in dollars per CARE customer, by energy source.

The average monthly discount received per SoCalGas CARE customer in 2008 was \$7.25¹ per month, which does not include the CARE customers who received a discount on their Service Establishment Charge (SEC).

2. State the annual subsidy (discount) for all CARE customers by energy source.

SoCalGas' CARE customers received \$119,961,470 in natural gas rate discounts and \$3,293,400 in SEC discounts in 2008. The 2008 annual subsidy for all SoCalGas CARE customers exceeded \$123.2 million.

B. Administrative Cost

1. Show the CARE Residential Program's administrative cost by category.

See Table 5.

TABLE 5			
CARE Residential Program			
CARE Costs and Reporting Classifications			
Category	Cost		
	Residential	Expansion*	Total
Outreach	\$2,347,745	\$0	\$2,347,745
Processing, Certification and Verification	\$1,050,483	\$0	\$1,050,483
Information Technology/Programming	\$362,492	\$0	\$362,492
Measurement and Evaluation	\$10,669	\$0	\$10,669
Regulatory Compliance	\$220,025	\$0	\$220,025
General Administration	\$549,648	\$0	\$549,648
CPUC Energy Division Staff Funding	\$44,516	\$0	\$44,516
Total Program Costs	\$4,585,577	\$0	\$4,585,577
Subsidies and Benefits – Rate Discounts SEC discounts	\$123,254,870	\$0	\$123,254,870
TOTAL PROGRAM COSTS AND CUSTOMER DISCOUNTS	\$127,840,447	\$0	\$127,840,447

*Due to the relatively small dollar amount, SoCalGas does not record the CARE Expansion Program's administration cost separately from the regular CARE program cost.

¹ The average monthly rate discount was computed by dividing the CARE rate discount recorded to the CARE balancing account in 2008 by the monthly residential CARE customers: the total of the 12 months was then divided by 12 for the average monthly CARE discount per customer.

2. Explain what is included in each administrative cost category².

Outreach: Included within this category are costs for the printing and mailing of CARE applications and correspondence, the printing and mailing of Senate Bill (SB) 920³ annual notification, postage, bill inserts, brochures, flyers, advertising, direct mailing campaigns, telephone campaigns, third party outreach, community event sponsorships and support, distribution of collateral materials, outreach staff labor, and other outreach and enrollment efforts. Capitation payments and any agency-related outreach support efforts are also included in this category. Capitation payments are compensation fees paid to community-based organizations that assist SoCalGas in enrolling hard-to-reach CARE-eligible customers in the program.

Processing, Certification and Verification: Costs include the CARE Processing Group labor and data scanning costs. The function of the CARE group includes: 1) opening and sorting CARE application forms; 2) processing all CARE applications; 3) initiating and responding to customers' inquiries regarding CARE applications and or the program; and 4) tracking CARE enrollment and operating statistics in support of operations, management, and regulatory reporting.

Information Technology /Programming: Included in this category are IT staff costs to maintain the SoCalGas CARE application billing system, CARE documents, CARE database, system reports, data exchanges with other utilities; to conduct system enhancements to comply with CPUC mandates; and improve operational efficiency.

Measurement and Evaluation: This category includes costs for the annual CARE eligibility rate updates.

Regulatory Compliance: These costs include labor and non-labor costs for the preparation and filing of various regulatory filings including: program applications, advice letter filings, comments and tariff revisions,

² The descriptions of the activities included in each administrative cost category are in accordance with the Reporting Requirements Manual (RRM), as ordered by the Commission in D.01-12-020, Ordering Paragraph (OP) 11.

³ SB 920 requires that homeowners and residents of a master-metered park shall receive notification in their utility billing statement of the assistance available to them under the CARE program. This notification must be received on or before February 1st of each year.

preparation of reports and studies; attendance at working group meetings, and public input meetings and other CPUC hearings or meetings.

General Administration: General administration costs include program management labor, office supplies, market research, and general business expenses.

CPUC Energy Division Staff Funding: This category includes costs incurred by Energy Division staff in support of the CPUC's authorized low-income programs.

C. Provide the year-end December 31 balance for the CARE balancing account.

At year-end 2008 the CARE balancing account was under-collected by \$4.1 million due primarily to CARE subsidy costs exceeding Public Purpose Program (PPP) revenues billed/reimbursed (from the State Board of Equalization (BOE))⁴.

D. Describe which cost categories are recorded to the CARE balancing account and which are included in base rates.

All rate discounts, SEC discounts, surcharge revenues, amortization and interest are recorded to the CARE balancing account. All cost categories described in Section B are also recorded to the CARE balancing account.

CARE program costs recorded in the CARE balancing account are not included in base rates⁵ but are recovered through SoCalGas' PPP surcharge.

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.

See Table 6.

⁴ AB 1002, Section 892 – 892.2 requires gas utility companies to submit all revenue collected on behalf of AB 1002 and submit it to the State Board of Equalization. On or before the last day of each month following the calendar quarter the utility will request the fund for the preceding quarterly period.

⁵ D.05-04-052, OP.19 authorized the utilities to recover call center costs in base rates. No call center costs may be charged to the CARE program.

TABLE 6					
CARE Surcharge and Revenue Collected by Customer Class – Gas					
Customer Class	Average Monthly CARE Surcharge	Average Monthly Bill	CARE Surcharge		
			Percent of Bill	Revenue Collected	Percentage Revenue Collected
Residential	\$1.01	\$52.77	1.91%	\$47,229,573	41.80%
Core C & I	\$11.76	\$464.54	2.53%	\$29,672,357	26.26%
Non-Core C & I	\$4,572.21	\$9,071.28	50.40%	\$36,079,347	31.93%

IV. Outreach

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

In an effort to continue to provide exceptional service to our low-income customers, SoCalGas focused on increasing CARE program participation and awareness through the use of mass media, targeted mailing, automated messaging, bill inserts, door-to-door promotion and community outreach events.

- **Mass Media:** SoCalGas used various forms of mass media including radio, TV, print (newspapers and magazines), direct mail, bill inserts, bill messages, internet communications, automated outbound calling and community events to inform customers of both the CARE program benefits and associated eligibility guidelines. Media messages were communicated in English, Spanish, Chinese (Mandarin), Korean and Vietnamese. Cross promotion with other Customer Assistance (CA) energy programs and events were used whenever possible to increase program awareness and reduce costs.
- **Targeted Mailing:** SoCalGas continues to successfully use targeted direct mail for program enrollment purposes, and in 2008 sent out 212,000 pieces to customers projected to have a high probability of meeting the CARE eligibility criteria, based on an analysis of demographic data for SoCalGas' service territory. Direct mail campaigns, which are conducted in English and Spanish, produced a 13% response rate resulting in 20,000 new enrollments for 2008. Continual concentration on high gap (income-eligibility) demographic profiling, coupled with historical trend and correlation analysis enables this methodology to remain an effective outreaching medium for increasing SoCalGas' CARE program enrollment.

- **Grassroots Outreach:** This technique is used by SoCalGas to raise overall public awareness of the CARE program and to identify low-income customers who traditionally have not responded to generic forms of program outreach. By leveraging SoCalGas' relationships with local politicians, CBOs and internal personnel, events are held throughout the service territory to enroll CARE customers and inform the community of the multiple energy-related assistance programs available to them. Local politicians, along with print, radio and television media, are invited to these outreach events to further expand their effectiveness. Press releases describing the events are also developed and distributed to SoCalGas mass media contacts. An example of some of SoCalGas' 2008 grassroots outreach efforts are:
 - City of Monrovia's Area Partnership (MAP) event in which 500 customers received low-income program assistance information. The event allowed MAP to interact with low-income families and offer them grants to help revitalize their homes.
 - During the month of February, SoCalGas representatives conducted outreach events which included: 1) Los Angeles Tax Day; 2) Maria Shriver's WEConnect Tax Fair held at the Los Angeles Trade Tech College; 3) a Consumer Update in Redlands; and 4) a Senior Information Fair held at the Menlo Senior Center. The Los Angeles Tax Day and Maria Shriver's WEConnect Tax Fair targeted customers who were seeking free tax preparation services through organizations offering the IRS' Earned Income Tax Credit (EITC) program. In partnership with the EITC and Volunteer Income Tax Association (VITA) agencies, SoCalGas interacted with the income-eligible customers at the events to enroll customers into the SoCalGas CARE program. Participants were also given information about all of the programs and services currently being offered by SoCalGas. In total, over 800 customers received face-to-face service during the events.

1. Utility Outreach Activity

Web and Informational Brochures: Throughout 2008, SoCalGas continued to promote the use of the internet and the SoCalGas website to inform customers, key stakeholders, CBOs, and agencies about available customer assistance programs and services. This was accomplished by including the website address (www.socalgas.com) in all program

literature and most mass media communications. Website content is monitored to provide customers with up-to-date information. Program brochures have a special section promoting customer e-mail use for correspondence. CARE application forms are available in downloadable PDF formats in English, Spanish, Arabic, Armenian, Chinese, Farsi, Hmong, Khmer, Korean, Russian, Tagalog, Thai and Vietnamese languages. Over 33,082 CARE applications were received by SoCalGas customers from the CARE website, resulting in 16,554 new enrollments. In 2008, SoCalGas' web based outreach efforts included weekly e-mail blasts, bi-monthly electronic newsletters and over 235,000 targeted e-mails promoting the CARE program to customers who requested program and service information by email.

SoCalGas customer assistance brochures and collateral materials are designed to provide customers with quick and easy to understand information on all available customer assistance programs and services. Brochures are available in five languages: English, Spanish, Korean, Chinese (Mandarin) and Vietnamese. The brochures are also available in large print and in a special customer services field operation edition, for use by field techs during their daily work orders. For hearing impaired customers, a toll-free number is provided on the brochures and is available in English or Spanish. Customers that call 1-800-252-0259 are connected to the Telecommunication Device for the Deaf (TDD) equipment 24 hours a day, seven days a week.

Mass Media: In 2008, SoCalGas conducted a month-long communication campaign which ran throughout March. The campaign included radio, television, and newspaper ads as well as bill inserts, bill messages, and bill payment office solicitation. This strategy was designed to increase message awareness by leveraging the effect of the heightened bill sensitivity typically experienced by SoCalGas customers during the winter months due to colder weather. The mass media plan was also timed to coincide with the March system-wide CARE application bill insert that was distributed to all SoCalGas residential customers not enrolled in the CARE program and a targeted e-mail campaign. A smaller winter CARE radio campaign was conducted in November. These mass media activities included:

- **March:** SoCalGas conducted radio advertising campaigns for the English and Spanish speaking customers. The objective of these campaigns was to build overall customer awareness of the CARE program, while encouraging eligible customers to enroll. The strategy involved targeting the general audience income-eligible adult

customers (renters and homeowners), Hispanic customers, ages 18 and above and seniors. The geographic targets were cities within the following areas: City of Los Angeles (LA), Orange, Riverside and San Bernardino counties. The media used consisted of four weeks of 15 and 10 second traffic radio sponsorships along with a variety of newspaper and magazine publications. New for 2008 was the addition of a transit advertising component, which consisted of English and Spanish bus tail and interior ads covering the LA, Orange and San Bernardino counties. To specifically target senior customers, SoCalGas conducted ad placements in community newspaper, magazine and senior publications.

- November: SoCalGas conducted a two-week long TV interview and billboard campaign for Hispanic audience customers in LA. The purpose of this campaign was to reiterate to SoCalGas customers the availability of the CARE 20% rate discount before the winter season began. It also served to reinforce two large automated voice messaging campaigns launched in September and November, which targeted low-income customers living in these areas.

Outreach by SoCalGas' Customer Contact Personnel:

- *Customer Contact Center (CCC):* Customers are informed by the Interactive Voice Response (IVR) system about the CARE program when they call to request new service or payment arrangements. Customers may request a CARE application from a Customer Service Representative (CSR), the IVR or from SoCalGas' website.
- *Bilingual Employees:* The CCC, CARE administration office and most company business offices continue to be staffed with bilingual (English and Spanish) CSRs. Vietnamese, Korean, Mandarin and Cantonese telephone lines are staffed from 8:00 am to 5:00 pm Monday through Friday in the CCC. Additionally, SoCalGas CCCs provide service in 150 languages through a third-party translation service which is available to customers 24 hours a day, seven days a week. For hearing impaired customers, a toll-free number is provided in English or Spanish. Customers that call 1-800-252-0259 are connected to the TDD equipment 24 hours a day, seven days a week.
- *Branch Payment Offices (BPO):* Both English and Spanish CARE applications and program information brochures are located in BPOs. Applications and brochures are provided to customers upon request.

English and Spanish CARE posters (complete with program guidelines and helpful information) are on display in each BPO. These posters are revised as program information changes.

- *Community/Employee Presentations:* SoCalGas employees continue to inform and update local government officials and interested organizations about SoCalGas' customer assistance programs, including the CARE program.
- *Field Personnel:* SoCalGas field personnel inform customers about the CARE and LIEE programs during appliance service requests, new service turn on, service calls or anytime they enter the home. If the field personnel arrive when the customer is not home, a brochure is left on the door.

Bill Insert: During 2008, SoCalGas mailed CARE program information in four separate bill inserts. The March, July and September bill inserts included a self-mailer postage-paid bi-lingual CARE application that qualified customers could complete and mail in to enroll in the CARE program. During December, SoCalGas included a bill insert which provided information about the CARE expansion program and instructed potentially qualified customers to contact the SoCalGas CARE department to receive an enrollment application.⁶ The CARE bill insert remains a good performer and a favorite with low-income CARE customers. In 2008, 61,000 CARE bill insert applications were returned by customers resulting in 35,000 enrollments. The 2008 CARE bill insert distributions were as follows:

- March – 4 million bill inserts (system wide CARE eligible non-enrolled customers)
- July – 4 million bill inserts (system wide CARE eligible non-enrolled customers with new program income guideline information)
- September – 370,000 bill inserts (CARE eligible non-enrolled targeted bill insert sent to customers in LA County and local municipalities)

⁶ The Expanded CARE program includes 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

- December – 370,000 bill inserts (targeted bill insert sent to all customers in the CARE expansion program segment)

Bill Message: CARE bill messages were printed in both English and Spanish on non-participating customers' bills, during February, May, July and October, 2008. Additionally, if applicable, CARE bill messages are sent out 45 days after a Post Enrollment Verification (PEV) letter is mailed to remind customers that SoCalGas has not received their verification application and proof of income. If after 120 days, SoCalGas has not received customer responses, SoCalGas sends customers a bill message, informing them that they have been removed from the program.

Direct Mail: Direct mail continues to be an effective method for enrolling CARE customers. However, in 2008 the number of direct mailers sent and the size of the target audience was temporarily limited to test other comparable outreach tactics. SoCalGas conducted one targeted direct mail campaign in 2008, consisting of approximately 212,00 pieces directed at customers believed to have a high probability of meeting the CARE program's eligibility requirements. The campaign was designed to target a unique geographic area and/or customer segment. This major campaign was conducted in May and covered the LA County and municipal utility service areas. Targeting criteria for direct mail campaigns consisted of geographic areas (zip codes) demonstrating a high probability of customer eligibility, along with various niche demographic markets further segmented by age, ethnicity, past program participation and recent program attrition.

Direct Mailing to Sub-metered Apartments and Mobile Home Parks: SoCalGas continued to conduct its annual targeted mailing to 1,814 master-meter facilities with sub-metered customers in 2008 in accordance to the requirements of SB 920. SoCalGas also continued to work with master-metered facilities with sub-metered tenants to maintain compliance with AB 2140⁷. There are currently 144,223 units represented by these

⁷ AB 2140, requires each utility providing CARE discounts to (1) develop processes whereby it directly accepts CARE applications from tenants of a mobile-home park, apartment building, or similarly residential complex, (2) develop processes whereby it directly notifies and provides renewal applications to tenants of a mobile-home park, apartment building, or similar residential complex, that are existing CARE customers, and (3) provide each master-meter customer that is subject to Section 739.5 with a list of tenants who are approved to receive discounts pursuant to the CARE program and that specifically identifies those tenants added to or deleted from CARE program eligibility since the previous billing cycle.

customers. Sub-metered CARE program participation was 37,334 at year-end.

Cross Program Promotion: SoCalGas coordinates the communications for the CARE program, as well as its other programs and services in a manner that provides clear, comprehensive and consistent messages to its customers. Communication and outreach opportunities are sought out to cross promote the CARE program with other customer assistance programs and general market (rebate and or incentive) programs to maximize customer value and reduce costs. Mass media cross advertising campaigns incorporating both SoCalGas' CARE and LIEE customer assistance programs are conducted annually. The ability to apply for CARE through SoCalGas' LIEE applications makes it easier for customers to obtain services and other SoCalGas program information simultaneously. Customer information obtained from SoCalGas' LIEE and Gas Assistance Fund (GAF) programs, along with California's LIHEAP program is administered by the California Department of Community Services and Development (DCSD) and is used for CARE enrollment, recertification, and verification purposes. Certain collateral materials used by SoCalGas' outreach department and field operations personnel have been specifically designed to provide customers with information on all available low-income and special needs customer programs and services.

The following are examples of CARE cross program promotion:

- SoCalGas' LIEE agreement form includes a CARE program signature block, allowing applicants to apply for both programs simultaneously if eligible. LIEE outreach workers are instructed to promote the CARE program during their customer consultations. LIEE call center representatives also refer customers, who inquire or show interest in the CARE program to designated call center CSRs for information, literature or enrollment.
- SoCalGas contractors performing outreach based enrollment services for the LIEE program are trained to enroll eligible customers into the CARE program. Located on the LIEE application is an area designated for customers to use to enroll in CARE.
- SoCalGas customer assistance brochures contain program information about SoCalGas' assistance programs and services available such as CARE, LIEE, Medical Baseline, LIHEAP and GAF.

- CARE program information is discussed and distributed during outreach events involving SoCalGas' Diverse Market Business and Residential Rebate Program departments.
- SoCalGas' GAF customer information is used to cross enroll eligible customers into the CARE program.
- SoCalGas has data sharing agreements with Southern California Edison (SCE), San Diego Gas & Electric (SDG&E) and Pacific Gas & Electric (PG&E) in which, within each utilities joint service area, CARE enrollment information is shared during the year.
- In December of 2008, SoCalGas signed an agreement with the Los Angeles Department of Water and Power (LADWP) for data sharing low-income customer information for purposes of increasing CARE enrollment. SoCalGas is very pleased to have this agreement in place as there are thousands of customers who will benefit from this agreement.

Community Events: During 2008, SoCalGas personnel participated in over 28 low-income community events. Criteria used to select events were multi-cultural appeal, income status, hard-to-reach communities, senior events, and those involving low-income parents and children. The goal of each event was to target customers eligible for SoCalGas' customer assistance programs and included:

- Commerce Home Improvement Fair
- Temecula Home & Living Expo
- Southgate Azalea Festival
- Irvine MS Walk
- Riverside Magnolia Hospital Emergency & Safety Expo
- Los Angeles Zoo K-Earth Expo
- East Los Angeles Civic Center Dedication
- Griffith Park Arbor Day LA Expo
- United Negro College Fund Exposition Park History Museum Event
- City of Monrovia Partnership
- Placita Olivia Park Ecuadorian Independence Event
- Whittier Health and Safety Fair
- San Pedro Fermin Park Arts and Culture Festival
- San Bernardino Route 66 Community Event
- Panorama City Latino Consumer Expo
- South Gate Family Day at the Park
- LA County Fair in Pomona

- Los Angeles Tax Day
- Menlo Senior Center Information Fair
- West End Community Health and Wellness Fair

Approximately 400,000 low-income customers received information on SoCalGas' programs and services while attending events and some took the opportunity to enroll in the CARE program on-site.

2. Third Party Outreach Activity

SoCalGas strives to build and strengthen relationships with external agencies, contractors and governmental entities to promote CARE program awareness and enrollment. This is accomplished through alliances with non-profit and for profit organizations to achieve mutually beneficial objectives which help low-income assistance programs like CARE. In addition, SoCalGas selects key agencies within these alliances to conduct strategic outreach and promotional events to further increase the customer reach of the CARE program message. For 2008, third party outreach activity resulted in 49,731 CARE enrollments.

The customer information obtained from SoCalGas' LIEE and GAF programs, along with LIHEAP is used for CARE enrollment, recertification, and verification purposes. SoCalGas, SDG&E, SCE and PG&E CARE program information is used for automatic enrollment purposes in each utility's CARE program, through the inter-utility agreement known as the "data exchange" program. These activities and organizations are described below in more detail.

Community-Based Organizations Association: In 2008, SoCalGas had 29 CBOs and outreach agencies working under contract to enroll eligible non-participating customers in the CARE program. These "CARE Capitation Contractors" employ various types of outreach strategies, such as limited door-to-door solicitation, local community event participation, walk-in enrollment and program material distribution to enroll customers. Total gross customer CARE program enrollment from these contractors was 1,614 during 2008.

Leveraging with Local Government Programs: SoCalGas uses the expertise and alliances of its Regional Public Affairs Managers to help promote the CARE program. By working with local, city and county officials and assistance agencies throughout the service area, these Company spokespersons enable SoCalGas to extend its program message

to many hard-to-reach customers. In 2008, SoCalGas' Public Affairs Managers communicated the CARE program message at local government meetings, community events, public access televised sessions, in public service announcements, and in government and organizational newsletters.

Leveraging with GAF⁸: SoCalGas' GAF program provides a one-time bill assistance amount of up to \$100 on a qualified customer's winter natural gas bill.

The one-time bill payment assistance is available to eligible customers on a first-come, first-served basis. The program typically begins in February and continues through the end of March, or until funds are depleted.

GAF is a program that, for more than two decades, has helped thousands of SoCalGas customers, including the elderly, disabled, or newly unemployed who are struggling to pay their gas bills. This program is funded by voluntary contributions from SoCalGas customers and shareholders. United Way administers the program on behalf of SoCalGas, through its network of more than 90 community based agencies. SoCalGas solicits customer contributions for GAF in October and November bill inserts, and SoCalGas shareholders match those contributions, generally on a dollar-for-dollar basis, up to \$250,000. In 2008, shareholder matching funds totaled \$204,000 and SoCalGas shareholders contributed an additional \$50,000 to increase assistance to income qualified customers.

In 2008, GAF disbursed over \$450,000 and helped more than 5,000 customers pay their gas bill. Since its inception in 1982, the GAF program has provided more than \$13 million in financial assistance to families in need.

Because the eligibility guidelines for GAF are the same as those for the CARE program, customers approved for GAF are not subject to SoCalGas' CARE post-enrollment random verification process. CARE customers who are scheduled for recertification and who are approved for GAF assistance are not asked to recertify their CARE eligibility again until the next two year recertification cycle has lapsed. This process helps reduce barriers to participation and assists in retaining qualified customers in the program.

⁸ GAF is a shareholder-customer funded program that provides bill payment assistance (grants) to income-qualified customers.

Leveraging with LIHEAP:

SoCalGas and DCSD have an informal agreement that provides for the automatic enrollment of LIHEAP customers into the CARE program. SoCalGas customers who receive LIHEAP payments are automatically approved for the CARE program.

B. Discuss each of the following:

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

Web-Based Outreach: This fast growing, low-cost and extremely versatile outreach method resulted in significant enrollment growth during 2008. Web-based outreach consists of program promotion through e-newsletters, web links, e-mail blast campaigns and direct internet access. For 2008, SoCalGas received over 33,000 customers submitted CARE applications through its web-site resulting in over 16,500 new enrollments.

Bill Inserts: For 2008, SoCalGas sent out over 8.4 million CARE (self-mailer type) bill inserts. As a result, SoCalGas received 60,965 applications, leading to 34,835 CARE enrollments. Bill inserts continue to be a low-cost, non-intrusive, high distribution (all CARE eligible non-enrolled SoCalGas customers) outreach method for contacting potential CARE customers.

Direct Mail: SoCalGas' efforts to target and reach relatively large numbers of potentially eligible customers not currently enrolled in the CARE program are often accomplished through the direct mailing of CARE applications. These customers are selected based on an eligibility profile that shows them to live in high gap (high eligibility potential and low penetration) areas. With a return rate of 13%⁹ and an enrollment rate of nearly 8% (approximately 20,000 enrollments) this outreach method continues to be a very effective component of the SoCalGas outreach strategy.

Third Party Door-to-Door Outreach: Developed to outreach to SoCalGas' hardest-to-reach low-income customers, this proactive door-to-door enrollment strategy has become a key component of SoCalGas'

⁹ Industry average for customer response to direct mail is typically 2% - 3% of the total direct mailers sent out.

outreach strategy. These outreach contractors are professionally trained and managed by their companies, resulting in high volume enrollments from a hands-on customer approach. For 2008, SoCalGas CARE enrollments from third party contractors exceeded 49,800.

Automated Outbound Dialing: For 2008, SoCalGas' continued use of the CARE automated outbound telephone enrollment system proved to be extremely successful. Automated outbound dialing is a low cost, efficient outreach method using an automated telephone script to contact eligible SoCalGas customers. The system allows them to check their program eligibility and enroll in CARE right over the telephone via the IVR system. Over 46,000 CARE enrollments were received using this method. Cost per-enrollment was under \$3.

Outreach "CARE Capitation": SoCalGas contracted with 29 local capitation agencies in the 2008 CARE Capitation Program. Capitation contractors were very successful at contacting hard-to-reach customers at community events and through walk-in traffic. Throughout the year, CARE capitation contractors also received timely program and information updates, such as information on rising gas prices and other collateral materials from SoCalGas that they could pass on to their clients. In addition to outreach through the capitation agencies, SoCalGas continues to communicate CARE information to its customers through bill inserts and messages, newsletters, community events and IVR messages. Outreach efforts are conducted in English and Spanish. However, depending on the event, media information is available in English, Spanish, Chinese (Mandarin), Vietnamese and Korean.

2. How CARE customer data and other relevant program information is shared by the utility with other utilities sharing its service territory.

CARE Customer Data Exchange: SoCalGas shares its CARE customer data with SCE, SDG&E, and PG&E in their overlapping service territories. Customers who are enrolled in another utility's CARE program and not in SoCalGas' program are automatically eligible for the SoCalGas CARE program. Customers are mailed a letter notifying them of the enrollment and providing them the opportunity to opt-out of the program if they choose.

SoCalGas continued to electronically exchange new CARE customer enrollment data on a weekly basis with SCE, a process established in 2001. In 2008, SoCalGas received over 574,012 customer records from

SCE and enrolled 17% of the records or 95,479 SCE CARE customers in SoCalGas' CARE program. Customers who were not enrolled were either already in SoCalGas' CARE program or were not SoCalGas customers.

SoCalGas had two CARE data exchanges with PG&E in 2008. These data exchanges resulted in 4,327 PG&E CARE customers being added to the SoCalGas CARE program.

For 2008, SoCalGas had one data exchanges with SDG&E. This resulted in 281 SDG&E customers being added to the SoCalGas CARE program.

In December 2008, SoCalGas signed a very important agreement with LADWP to share low-income customer information. SoCalGas believes that there are thousands of customers who will benefit from this agreement.

In addition to the CARE data exchange, the utilities also forward any incorrectly addressed CARE applications to the appropriate utility.

Joint-Utility Program Managers Meeting: SoCalGas, SCE, PG&E, and SDG&E continued to meet on a quarterly basis in 2008 to discuss outreach efforts and program issues. Agenda items in the 2008 meetings included sharing experiences in effective outreach efforts, categorical eligibility, fixed income four-year recertification, internet enrollment, successful outreach efforts, SB580¹⁰, utility usage of common area in non-profit group living facilities and agricultural housing, post enrollment verification practices and quarterly CARE public meeting agenda information.

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.

The customer information obtained from SoCalGas' LIEE and GAF programs, along with LIHEAP is used for SoCalGas CARE enrollment, recertification, and verification purposes. SoCalGas believes that leveraging with other assistance programs is one of the most cost effective ways to increase CARE participation. This practice allows the SoCalGas

¹⁰ SB580 requires the Secretary of the California Health and Human Services Agency to evaluate, on or before April 1, 2006, how the use of programs and databases, as specified, may be optimized to facilitate the automatic enrollment of eligible customers into the CARE program.

CARE program to better utilize its resources to verify eligible CARE customers.

LIEE and CARE data sharing:

SoCalGas' LIEE application includes a signature block for CARE that enables applicants to apply for both programs at the same time. For 2008, SoCalGas continued cross-referencing customers receiving LIEE benefits. Customers who are found in the LIEE system are automatically enrolled for the CARE discount and exempt from PEV if they have been verified by the LIEE program. In 2008, SoCalGas automatically enrolled over 2,000 SoCalGas LIEE customers in CARE.

LIEE third party outreach workers provide customers with energy education material and CARE enrollment information. The outreach workers also explain the CARE program's eligibility requirements to the customer. The outreach workers also provide energy education packages to customers participating in the LIEE program. During 2008, 52,351 energy education packages were provided to SoCalGas customers.

4. Attach a copy of the utility's agreement with DCSD. Describe the process for cross-referral of low-income customers between the utility and DCSD. Describe how the utility's CARE customer discount information is provided to DCSD for inclusion in its federal funds leveraging application.

In May 2000, DCSD and SoCalGas entered into an agreement that solidified the coordination of resources and program benefits between DCSD's LIHEAP and SoCalGas' CARE and GAF programs. In June 2000, SoCalGas added the toll-free telephone numbers for LIHEAP (and LIEE) on the CARE applications. At the same time, SoCalGas began providing DCSD's toll free number to customers who call SoCalGas to request information on low-income assistance programs.

In October 2008, SoCalGas received information from DCSD that they no longer needed SoCalGas to provide CARE customer information for inclusion in the DCSD federal funds leveraging application. For this reason, no information was provided to DCSD in 2008.

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

For 2008, SoCalGas encountered many of the same barriers for CARE that have been encountered in previous years. Some customers continue to

have a fear of releasing personal information. Other customers have an unwillingness to accept any subsidy because of pride. Some customers prefer not to be contacted. For those customers, SoCalGas created a "Do Not Call" list. Customers who are added to this list are excluded from future calls. SoCalGas estimates that approximately 1,950 of the households in its service territory, believed to have a high probability of qualifying for CARE, have asked to be placed on its "Do Not Contact" list which could be another indication that those on the list may not wish to participate in the program. Other customers, despite SoCalGas' best efforts, are still unaware or unwilling to participate in the program.

In 2008, SoCalGas continued to work to overcome program participation barriers by 1) providing CARE collateral and website information such as applications and general customer assistance program information in five languages, 2) using culturally targeted print, radio and television mass media, 3) creating alliances with CBOs and agencies to increase awareness and participation, 4) using multi-type overlapping mass media campaigns and 5) participating in grass-root community events. SoCalGas customers can receive CARE applications in their bill, on the internet, from direct mail, referenced in a print advertisement, hand delivered to their house, picked-up at an outreach event, payment office or social agency or mailed to their house upon request. Customers can also use the SoCalGas TDD and Language Line (150 languages) services to receive information on the CARE program 24 hours a day, 7 days a week.

In an effort to respond to the changing customer population, SoCalGas now offers customer information in a total of 13 different languages. A new, "More Languages" section for SoCalGas.com was developed and implemented in October, 2008. The revised SoCalGas website now includes CARE information in Arabic, Armenian, Chinese, Farsi, Hmong, Khmer, Korean, Russian, Tagalog, Thai, Spanish, English and Vietnamese.

SoCalGas' eligibility rate transfer program enables previously participating CARE customers to receive the program discounts without re-applying when they move. SoCalGas continues to leverage other assistance programs such as LIHEAP, LIEE, GAF, and also SCE's, SDG&E's, and PG&E's CARE participants within the shared service territories, to increase CARE participation through the automatic enrollment process.

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.

There were many changes implemented for the SoCalGas CARE program in 2008 to improve the cost-effectiveness of the program, processing of applications, and program delivery. SoCalGas utilized technological advances to improve processing of applications and offered enrollment and recertification options such as phone and web enrollment to encourage CARE enrollment and increase program participation in 2008.

CARE Eligibility: In SoCalGas' PY2007 and PY2008 CARE Program Application¹¹, SoCalGas requested authorization to adopt a categorical eligibility process for the CARE program. SoCalGas proposed to qualify customers for the CARE program if they participated in one or more of the following programs: Medi-Cal, Food Stamps, Temporary Assistance for Needy Families (TANF), Healthy Family, and WIC. SoCalGas worked on the system changes and form changes with the categorical eligibility option and implemented the new enrollment process in February 2008. By year-end, approximately 41% of new enrollments were from categorical eligibility.

Recertification by Telephone: To ease the recertification process for CARE customers, SoCalGas worked on allowing CARE customers the option to recertify their CARE eligibility by telephone, 24 hours a day¹². In February 2008, residential CARE customers with accounts in Recertification/Mailed status could recertify for the CARE program using the IVR. An IVR script informed callers about CARE requirements and other necessary customer information and then provided immediate approval or denial. On average, 600 customers per month recertified their CARE eligibility in 2008.

Sub-metered customers still need to mail in the Recertification application. SoCalGas is working on the recertification by telephone for the sub-metered customer and script enhancement to improve the recertification completion rate. Both enhancements are expected to be completed in September 2009.

Online Applications: In 2008, SoCalGas continued to promote the use of the internet and the company website to educate customers about available

¹¹ A.06-06-033, CAR-12 -13.

¹² D.06-12-038, issued on December 14, 2006, authorized the utilities to make telephonic recertification available. See D.06-12-038 at pg. 59.

customer assistance programs and services. All new CARE applications were made available to customers online and accessible through the SoCalGas website in large print format and translated in thirteen different languages. The recertification notices were redesigned to inform customers of a second option to recertify via the web. In 2008, customers were able to submit a completed application on the SoCalGas website, or apply or recertify for CARE. The CARE applications from the SoCalGas website were processed in the same manner as the mail-in applications, with development of a batch upload process by year-end. Web-based CARE applications improve cost-effectiveness by saving postage, paper, and printing costs. This process successfully enrolled and recertified 33,082 customers, compared to 3,683 in 2007. SoCalGas is planning a real-time enrollment in the future to further automate the online application process.

Post Enrollment Verification and Recertification Process

Improvement: In 2008, SoCalGas continued to utilize its probability model to automatically recertify or verify CARE customers. Customers deemed most likely to be eligible for CARE are excluded from the PEV request, and are asked to recertify every four years instead of every two years. For 2008, 229,980 customers passed the CARE probability test and their CARE eligibility was extended to four years. Of those customers selected for post enrollment verification, 31,632 customers or 40% passed the CARE probability test and were de-selected from the PEV process.

Enrollment Processing Improvement –Data Scanning: SoCalGas successfully renovated the in-house data scanning operation to facilitate processing CARE applications. This streamlined process allows: 1) electronic imaging of CARE documents which contributes to a paperless environment and 2) automatic capturing of application data for upload to SoCalGas' customer information database to determine CARE eligibility. This new operation contributed to the processing of approximately 613,714 potential CARE program enrollments. This was a 5.2% increase over the 2007 operation.

New Languages for the CARE program information: Awareness of the program is a major factor for CARE participation. SoCalGas originally provided the CARE application and program information in the five most common languages in SoCalGas' service territory – English, Spanish, Chinese, Korean, and Vietnamese. In order to reach the extremely diversified communities currently residing in southern California, SoCalGas now provides CARE program information in: Arabic, Armenian, Farsi, Hmong, Khmer, Russian, Tagalog, and Thai.

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.

See Table 7.

TABLE 7					
CARE Capitation Program					
January 1, 2008 through December 31, 2008					
CARE Applications Submitted					
	Received	Approved	Denied¹	Pending/Never Complete²	Duplicates
Total	71,105	51,907	2,170	2,539	14,489
Percent	n/a	73.00%	3.05%	3.57%	20.38%

1. Denied includes applications which did not meet the income requirements, applications with invalid account, name, or under ineligible rate schedule.
2. Pending/Never Completed includes the application with missing information or inactive accounts.

2. 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.

See Table 8.

TABLE 8						
CARE Self-Certification and Self-Recertification Applications						
	Provided¹	Received	Approved²	Denied	Pending/ Never Completed³	Duplicates
Total	9,511,517	648,016	520,338	19,068	62,840	1,651
Percent	n/a	6.81%	80.30%	2.94%	9.70%	0.25%

1. SoCalGas is not able to provide actual counts of self-certification applications provided since applications are distributed through a variety of ways. Self-certification and self-recertification applications provided only included the annual CARE notification to all CARE non-participating customers, direct mailing of CARE applications to the targeted areas and recertification requests.
2. The total approved applications included the duplicated self-cert applications approved as self-certification applications.
3. Pending/Never completed includes the application with missing information or inactive accounts.

3. Provide a table showing the number of customers removed from CARE by month due to the recertification process. (Note: Customers may be removed due to a variety of reasons including non-response to a request to recertify, failure to complete the application process, ineligibility, or by customer request due to changed eligibility status.)

See Table 9.

TABLE 9			
Residential CARE Program Customers Removed by Month through Recertification and Post-Enrollment Verification			
PY2008	Recertification	Post- Enrollment Verification	Total
January	7,892	1,230	9,122
February	11,064	1,165	12,229
March	9,566	1,157	10,723
April	6,109	1,003	7,112
May	10,782	1,482	12,264
June	10,812	3,722	14,534
July	13,255	1,612	14,867
August	5,678	2,311	7,989
September	10,803	2,243	13,046
October	9,692	2,778	12,470
November	5,890	2,185	8,075
December	7,557	2,855	10,412
Total	109,100	23,743	132,843

Note: The number of customers removed from CARE is a result of customers' telephone requests for termination, self-denial on applications, disqualifying documents provided, or no-response to the recertification or PEV requests.

4. Describe the utility's process for recertifying sub-metered tenants of master-meter customers.

In June of each year, SoCalGas mails recertification applications directly to all CARE tenants' addresses. SoCalGas pre-populates each application with the name of the facility, the account number, the tenant's name, address and space number; this was designed for ease of recertifying one's eligibility, thereby reducing attrition.

As a courtesy, SoCalGas notifies owners and or managers of the recertification period; however owner and or manager intervention is not necessary.

The tenant simply provides the number of household occupants, annual income, signature, and date and mails the application back to SoCalGas in the postage paid envelope provided.

Tenants are allowed 90 days to respond to the recertification request. Those who respond, and are qualified, continue on the CARE program for another two years. At the end of the recertification period, each sub-metered facility is mailed a complete listing of its CARE tenants.

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.

See Table 10.

TABLE 10						
CARE Random Post-Enrollment Verification Applications						
	Mailed	Received			Pending/ Never Completed²	Duplicates
		Total	Approved	Denied¹		
Total	46,842	85,649	79,687	5,962	17,781	n/a
Percent³	n/a	82.8%	77.0%	5.8%	17.2%	n/a
1. Denied includes the applications that did not meet the program requirements and customers requesting termination. 2. Pending/Never Completed defined as no-response to PEV requests. 3. The percentages were calculated based on the PEV application processed in 2008.						

2. Provide a table showing the number of customers removed from CARE by month due to the verification process. (Note: Customers may be removed due to a variety of reasons including non-response to a request to verify income, failure to complete the verification process, ineligibility, or by customer request due to changed eligibility status.)

See Table 9.

- 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.

SoCalGas has no contract with third parties to conduct certification, recertification and/or verification on the utility's behalf. SoCalGas processed and approved all CARE enrollment, recertification, and verification internally. Nonetheless, SoCalGas utilizes LIHEAP, LIEE, and GAF participant information to enroll, recertify, and verify CARE eligibility as described in Section B3. SoCalGas also utilizes PG&E, SDG&E, and SCE CARE participant information to enroll customers in SoCalGas' CARE program.

In 2008, SoCalGas contracted with 28 CBOs and two outreach agencies to sign up eligible non-participating customers in the CARE program. These "CARE Capitation Contractors" employ various types of outreach tactics, such as door-to-door solicitation, local community event participation, walk-in enrollment and program material distribution to enroll customers. Total gross customer CARE program enrollment from these contractors was 2,000. The two outreach agencies focused on door-to-door sales. Results from this program exceeded expectations, with 50,000 new enrollments.

VI. Program Management

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

SoCalGas encountered no issues or events in 2008 that significantly affected program management. However, SoCalGas is constantly looking for ways to improve the program and used feedback from our outreach agencies, customers, and processing staff to develop the following improvements.

SoCalGas Customer Assistance worked in conjunction with Supply Management and Risk Management to develop new insurance standards for Capitation agreements. In the past, most CBOs could not comply with Automobile, Worker's Compensation, Pollution and Professional Liability requirements due to the nature of their business. Starting in 2009, agreements will require General Liability insurance. This will help ensure that CBOs stay in compliance and continue in their efforts to enroll qualified customers in the program.

SoCalGas tracks numerous types of self-certification applications. This includes tracking the method in which they were received. To do this,

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SoCalGas uses a two-digit source code, unique to each customer. For 2008, SoCalGas implemented an enhancement which expanded the ability to more accurately capture source codes while processing applications directly into its Customer Information System (CIS). Prior to this change, source codes were reflected in CIS and associated reports solely when applications were processed through a batch upload. In order to maintain the integrity of source code reporting, all applications needed to be processed by scanning and validating each, or by data entering each into an Excel spreadsheet. The new process has expedited not only the processing of certain applications, but has heightened the accuracy of tracking new enrollments for our third party and Capitation agency applications received.

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 employees¹³.

I. Participant Information

A. Provide the total number of residential and/or commercial facilities by month, by energy source for the reporting period.

See Table 11.

TABLE 11			
CARE Expansion Program Participating Facilities by Month			
PY2008	Residential Facilities – Gas	Commercial Facilities – Gas	Total Gas Facilities
January	13	976	989
February	14	1,011	1,025
March	14	1,027	1,041
April	14	1,023	1,037
May	14	1,028	1,042
June	14	1,028	1,042
July	14	1,014	1,028
August	14	1,011	1,025
September	14	1,012	1,026
October	14	1,017	1,031
November	14	1,037	1,051
December	14	1,083	1,097

1. State the total number of residents (excluding caregivers) for residential facilities, and for commercial facilities, by energy source, at year-end.

As of December 31, 2008, there were 17,688 residents in the non-residential CARE Expansion Program facilities. There were 786 primary

¹³ AB 868, section 50710.1 (e) requires that an entity operating a migrant farm labor center shall be deemed eligible for CARE program and any savings from a reduction in energy rates shall be passed on to the occupants of the center.

facilities with 468 associated satellites participating in the CARE Expansion Program at year-end 2008.

II. Usage Information

A. Provide the average monthly usage by energy source per residential facility and per commercial facility.

See Table 12.

TABLE 12	
CARE Expansion Program Average Monthly Gas Usage	
Type of Facility	Gas Therms
Residential Facilities	30.37
Commercial Facilities	231.25

III. Program Costs

A. Administrative Cost

1. Show the CARE Expansion Program's administrative cost by category.

For 2008, SoCalGas incurred \$7,500 in Outreach expenses. This was for the CARE Expansion Program bill insert and postage for the annual recertification mailing. Processing, Certification, and Verification costs totaled approximately \$15,000.

B. Discount Information

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

The annual discount received per participating CARE residential facility in 2008 was \$69.65.

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

The annual discount received per participating CARE Expansion Program facility in 2008 was \$468.96.

IV. Outreach

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

1. Utility Outreach

SoCalGas continued to utilize bill inserts and brochure distribution as effective means to communicate CARE program information to CARE expansion customers. A recently re-designed market specific CARE bill insert was sent out in December to potentially eligible CARE expansion customers such as: non-profit group living facilities, migrant farm worker housing centers and agricultural employee housing facilities. The CCC also provided CARE program information to non-residential group living facilities at the time of service establishment and upon request throughout the year. The CARE expansion customer enrollment application is also available on the SoCalGas website.

2. Third Party Outreach

For 2008, SoCalGas sent out over 370,000 targeted bill inserts promoting the CARE program to the following facilities: non-profit group living facilities, migrant farm worker housing centers and agricultural employee housing facilities.

B. Discuss each of the following:

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

For 2008, the CCC continues to be the most effective outreach method for the SoCalGas CARE Expansion Program's non-residential facilities. Customers that call in to have their service established, make payment arrangements or request service activation talk with CSRs who are able to present the CARE program to them and respond to any questions customers may have. Social service networks continue to be another valuable communication medium to promote CARE program information to CARE expansion customers. The use of one-on-one or in-person dialogue sessions continues to make these two outreach methods very effective.

2. How the CARE facility data and relevant program information is shared by the utility with other utilities sharing its service territory.

There was no CARE facility data sharing in PY2008.

3. Barriers to participation encountered in the prior year and steps taken to mitigate these, if feasible, or not, if infeasible.

SoCalGas does not believe there were any barriers to participation. In a few instances, customers failed to submit their non-profit status 501C3, which required follow-up phone calls. Customers required to recertify sometimes failed to submit their statement regarding how the savings were utilized to benefit the residents of the facility. Some customers had difficulty writing about how the savings were passed on. In the majority of instances, customers were still eligible for the program. Even so, for the reasons detailed above, and as authorized by the Commission¹⁴, SoCalGas will recertify every two years versus annual recertification, beginning in 2009.

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.

In prior years, CARE Expansion Program customers were required to recertify their CARE eligibility annually. Through ongoing evaluation, SoCalGas believes yearly recertification of these facilities is too frequent, based on the fact that most of the facilities continue to maintain their eligibility for the CARE program. The facilities that are no longer eligible are due to closed gas accounts caused by name changes of these facilities. To retain CARE customers and eliminate unnecessary program requirements, SoCalGas and other utilities will conduct a two-year recertification period versus annual recertification, beginning in 2009. SoCalGas believes the processing of CARE expansion applications is cost-effective, provided that all necessary documentation is received and no additional follow-up with customers is required. However, with the newly adopted two-year recertification process, less frequent processing of existing CARE accounts occur and this is expected to reduce processing costs and improve the cost-effectiveness of the program.

¹⁴ D.08-11-031 authorized the utilities to change the recertification period for CARE expansion customers from annually to every two years beginning in 2009.

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.**

SoCalGas did not contract with any third-parties to conduct certification, recertification, or verification for the CARE Expansion program in 2008.

- 2. Provide the total number of utility CARE Expansion program applications received, approved, denied, pending/never completed, or duplicates for the reporting period.**

See Table 13.

TABLE 13					
CARE Expansion Program Self Certification and Self Recertification					
Entity	Received	Approved	Denied	Pending/Never Complete	Duplicates
Total	1,307	1,254	1	6	19
Percent	N/A	95.9%	0.1%	0.5%	1.5%

- 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.**

SoCalGas does not contract with third parties to conduct certification, recertification and/or verification 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.**

There were no issues and/or events that significantly affected SoCalGas CARE program management during PY2008.

ATTACHMENT A

PY2008 SoCalGas

CARE Outreach & Leveraging Initiatives

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CARE Initiative	Summary	Timeline
Southeast Community Development	Sent 500 CE CARE application forms	December 12, 2008
Community Action Partnership San Bernardino	Sent 500 CE CARE application forms	December 5, 2008
Campeños Unidos Incorporated	Sent 100 CE CARE application forms	November 18, 2008
Asian Pacific American Community	Sent 500 CE CARE application forms	October 8, 2008
ELA Communications Energy	Sent 500 CE CARE application forms	September 22, 2008
Public Affairs	Sent 3,600 (4 boxes) CE CARE application forms	September 16, 2008
Lenders Marketing Group	Picked up 18,000 (20 boxes) CE CARE application forms	September 9, 2008
Southeast Community Development Corporation	Sent 900 (1 box) CE CARE application forms	August 13, 2008
Diane Mann – Automated Payment Locations Administration	Picked up 3,600 (2 boxes) APL CE application forms	July 15, 2008
Watts Branch Payment Office	Sent 1,000 CE application forms	July 10, 2008
Southeast Community Development Corporation	Picked up 1,800 (2 boxes) CE CARE application forms	June 25, 2008
Lupe Chacon, EIS	Sent 900 (1 box) to SD1225 CE CARE application forms	June 20, 2008
Lenders Marketing Group	Picked up 16,200 (18 boxes) CE CARE application forms	June 17, 2008
Starbright Management Services	Sent 200 CE CARE application forms	May 12, 2008
Lenders Marketing Group	Picked up 12,000 copies CE CARE application forms	May 7, 2008

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CARE Initiative	Summary	Timeline
Southeast Community Development Corporation	Sent 200 CE CARE application forms	May 7, 2008
Lenders Marketing Group	Picked up 9,900 (9 boxes) CE CARE application forms	April 24, 2008
Children's Hospital of Orange County	Sent 30 CE CARE application forms	April 15, 2008
Lenders Marketing Group	Picked up 12,100 (11 boxes) CE CARE application forms	April 3, 2008
Van Nuys, San Francisco, Santa Barbara, Covina, Glendale, Pomona, Monrovia Branch Payment Offices	3,500 (500 ea.) BPO CE application forms	April 2, 2008
Branch Payment Offices (47)	4,700 (100 ea) BPO CE application forms	March 31, 2008
Veterans in Community Service	Sent 1,100 (1 box) CE CARE application forms	March 24, 2008
Lenders Marketing Group	Picked up 2,200 (2 boxes) CE CARE application forms	March 18, 2008
Selena Ramos – Inglewood Payment Office	Sent 100 to SC9501 CE CARE application forms	March 17, 2008
Lupe Chacon, EIS	Sent 1,100 (1 box) to SD1225 CE CARE application forms	March 13, 2008
Lenders Marketing Group	Picked up 4,400 (4 boxes) CE CARE application forms	March 11, 2008
Lenders Marketing Group	Picked up 2,200 (2 boxes) CE CARE application forms	March 4, 2008
Green Light Shipping	Sent 1,100 (1 box) CE CARE application forms	February 20, 2008
Lenders Marketing Group	Picked up 5,500 (5 boxes) CE CARE application forms	February 13, 2008

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CARE Initiative	Summary	Timeline
Lenders Marketing Group	Picked up 5,500 (5 boxes) English/Spanish CE CARE application forms	February 7, 2008
Energy Conservation Consultants	Sent 5,500 (5 boxes) English/Spanish CE CARE application forms	February 7, 2008
BroadSpectrum	Sent 1,100 (1box) English/Spanish CE CARE application forms	January 31, 2008
Lenders Marketing Group	Picked up 5,500 (5 boxes) English Spanish CE CARE application forms	January 31, 2008
Green Light Shipping	Sent 500 English/Spanish CARE application forms	January 17, 2008
Lenders Marketing Group	Sent 8,200 English/Spanish CARE application forms	January 17, 2008
Energy Conservation Consultants	Sent 5,400 English/Spanish CARE application forms	January 17, 2008

ATTACHMENT B

PY2008 SoCalGas CARE Media Outreach

Media and Outreach	Summary	Timeline
Commerce Home Improvement Fair	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 750 from various ethnic groups and seniors.	January 2008
City of Monrovia Are Partnership	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 500 from mixed ethnic groups and seniors.	February 2008
Los Angeles Tax Day	Local and adjoining city residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 500 from mixed ethnic groups and seniors.	February 2008
Maria Shriver's WEconnect Tax Fair at the Los Angeles Trade Technology College	Local and adjoining city residents and college students present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 750 from mixed ethnic groups and seniors.	February 2008
City of Redlands Consumer Update	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 500 from mixed ethnic groups and seniors.	February 2008

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Media and Outreach	Summary	Timeline
Menlo Senior Center Senior Information Fair	Local residents and Center attendees present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 500 primarily seniors.	February 2008
South Gate Azalea Festival	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 2,500 which consisted of primarily Hispanics and seniors.	3/15 - 3/16/08
Temecula Home and Living Exposition	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 2,500 consisting of mixed ethnic groups and seniors.	3/28 - 3/30/08
Irvine Multiple Sclerosis Walk	Local and adjoining city residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 750 people from various ethnic groups.	4/12/08

Media and Outreach	Summary	Timeline
Riverside Emergency and Safety Event	Nearby residents and hospital employees present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 100 mixed ethnic groups and seniors.	4/17/08
Los Angeles Zoo - Earth Day Expo	Los Angeles Zoo attendees and nearby residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 2,000 primarily Hispanic.	4/19 - 4/20/08
East Los Angeles Civic Center Dedication	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 500 primarily Hispanic.	5/10/08
Griffith Park Arbor Day in Los Angeles	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 500 primarily Hispanic.	5/17/08

Media and Outreach	Summary	Timeline
United Negro College Fund Event at Exposition Park	Nearby residents and history museum attendees were present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 1,000 primarily African Americans and seniors.	5/17/08
Scleroderma Walk	Local residents present at this event were provided with information on SoCalGas' programs and services with a focus on Medical Baseline. They were also encouraged to sign up for Customer Assistance programs. Estimated attendance was 2,000 primarily individuals, or families with members with Scleroderma.	6/8/08
Placita Olivera Park Ecuadorian Independence Event	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 2,500 primarily Central American and Hispanic.	8/10/08
Whittier Health and Safety Fair	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 1,000 mixed ethnic groups and seniors.	8/16/08

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Media and Outreach	Summary	Timeline
San Pedro Point Fermin Park Arts and Culture Festival	Local and adjoining city residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 7,500 mixed ethnic groups and seniors.	9/6 - 9/7/08
Pomona Los Angeles County Fair	Attendees from LA County and beyond present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 350,000 mixed ethnic groups and seniors.	9/18 - 9/21/08
San Bernardino Route 66 Event	Local and adjoining city residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 5,000 mixed ethnic groups and seniors.	9/5 - 9/28/08
Panorama City Latino Consumer Exposition	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 1,000 primarily Hispanic and seniors.	9/20/08
6 th Annual Health Aging Senior Fair	Local residents present at this event were provided with information on SoCalGas' programs and services and were encouraged to sign up for Customer Assistance programs. Estimated attendance was 2,000 primarily seniors.	9/24/08