

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

Application of Pacific Gas and Electric  
Company for Approval of the 2009-2011  
Low Income Energy Efficiency and  
California Alternate Rates for Energy  
Programs and Budget (U 39 M)

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Application 08-05-022  
(Filed May 15, 2008)

Application of San Diego Gas & Electric  
Company (U 902 M) for Approval of Low-  
Income Assistance Programs for Program Years  
2009-2011

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Application 08-05-024  
(Filed May 15, 2008)

Application of Southern California Gas Company  
(U 904 G) for Approval of Low-Income  
Assistance Programs and Budgets for Program  
Years 2009-2011

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Application 08-05-025  
(Filed May 15, 2008)

Application of Southern California Edison  
Company (U 388 E) for Approval of Low-  
Income Assistance Programs and Budgets for  
Program Years 2009, 2010, and 2011

Application 08-05-026  
(Filed May 15, 2008)

**NOTICE OF EX PARTE COMMUNICATION**

Pedro Villegas  
Manager of Regulatory Relations  
San Diego Gas & Electric Company and  
The Southern California Gas Company  
601 Van Ness Avenue, Suite 2060  
San Francisco, CA 94102  
Telephone: (415) 346-3215  
Facsimile: (415) 346-3630  
Email: [PVillegas@semprautilities.com](mailto:PVillegas@semprautilities.com)

August 9, 2010

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

Application of Pacific Gas and Electric Company for Approval of the 2009-2011 Low Income Energy Efficiency and California Alternate Rates for Energy Programs and Budget (U 39 M)

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(Filed May 15, 2008)

**NOTICE OF EX PARTE COMMUNICATION**

In accordance with Rule 8.3 of the Commission's Rules of Practice and Procedure, San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) hereby gives notice of the following *ex parte* communication in the above proceeding.

On Wednesday, August 4, 2010, at approximately 1:30 p.m., Pedro Villegas, Manager of Regulatory Relations for SoCalGas and SDG&E, Rick Hobbs, Director of Customer Assistance for SoCalGas and SDG&E, Yvette Vazquez, Customer Assistance Manager for SoCalGas and SDG&E, and Joy Yamagata, Regulatory Case Manager for SoCalGas and SDG&E, met with Kelly Hymes, Advisor to Commissioner Dian Grueneich. Also in attendance were Megah

Lakhchaura and Sarita Sarvate from the Energy Division, and Risa Hernandez and Rashid Rashid from the Division of Ratepayer Advocates. The meeting lasted approximately an hour, and the attached presentation was used. Mr. Villegas initiated the meeting.

Mr. Hobbs stated that SDG&E is unlikely to meet the California Alternative Rate for Energy (CARE) program penetration goals, as established in D.09-10-012, due to: 1) declining enrollments from traditional outreach methods, 2) a growing number of customers electing to be placed on SDG&E's do-not-call list; and 3) limited opportunities for SDG&E to engage in data-sharing with other entities to identify CARE-qualifying customers. To assist in meeting SDG&E's CARE penetration goals, Mr. Hobbs described a proposal whereby non-participating customers, deemed highly likely to qualify for the program, would be automatically enrolled with two opportunities to opt-out of the program.

Mr. Hobbs stated that without significant effort, SoCalGas is unlikely to meet its 2009-2011 Low Income Energy Efficiency (LIEE) program goals, as established in D. 09-10-012, due to: 1) 3<sup>rd</sup> party contractors being overwhelmed by demands of the competing Low Income Home Energy Assistance Program (LIHEAP) and American Recovery and Reinvestment Act of 2009 (ARRA) weatherization programs, 2) the inability of small- and medium-sized LIEE contractors to gain access to credit market, which prevents them from expanding to help meet the Commission's enrollment goals, and 3) the sizeable number of customers who are unavailable for LIEE appointments.

Mr. Hobbs made various proposals to improve LIEE enrollments:

- As in the 1980s, consider contract payment advances to Direct LIEE contractors that currently cannot access credit, due to current market conditions, in order to purchase capital equipment needed to expand LIEE operations.

- Create LIEE customer incentives (i.e. a grocery gift card) to mitigate customers missing LIEE contractor appointments.
- Utilize the SoCalGas Whole Neighborhood Approach to qualify and enroll automatically customers in low-income neighborhoods identified based on PRIZM codes.

Mr. Hobbs concluded that these measures, and the measures outlined in SoCalGas' and SDG&E's outstanding Petition to Modify D.09-10-012 (i.e., facilitating identification of disabled customers, eliminating measure-specific audits that are unnecessary under the "all feasible measures" approach), will help both utilities improve program outreach.

To request a copy of this notice, please contact:

Cindy Zammit  
601 Van Ness Avenue, Suite 2060  
San Francisco, CA 94102  
Telephone: (415) 202-9986  
Facsimile: (415) 346-3630  
Email: [czammit@semprautilities.com](mailto:czammit@semprautilities.com)

Dated this 9<sup>th</sup> day of August, 2010, at San Francisco, California.

Respectfully submitted,


/s/ KIM F. HASSAN

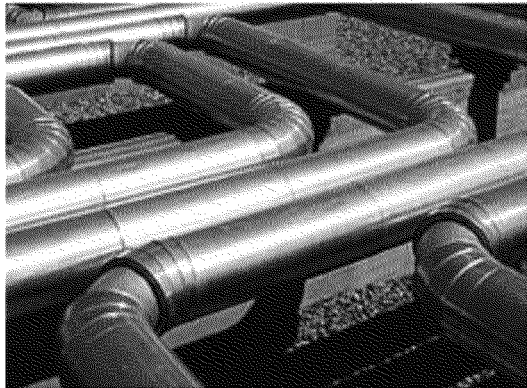
Kim Hassan *for*

Pedro Villegas  
Manager of Regulatory Relations  
San Diego Gas & Electric Company and  
The Southern California Gas Company  
601 Van Ness Avenue, Suite 2060  
San Francisco, CA 94102  
Telephone: (415) 202-9986  
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Email: [PVillegas@semprautilities.com](mailto:PVillegas@semprautilities.com)

# **ATTACHMENT**

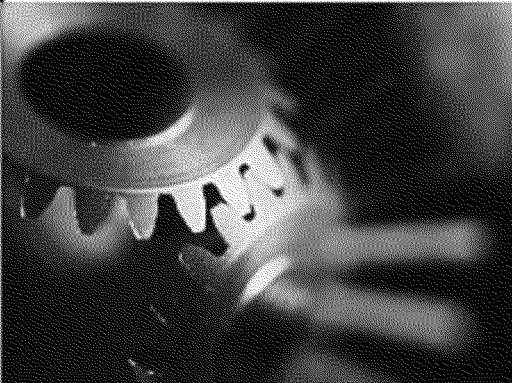
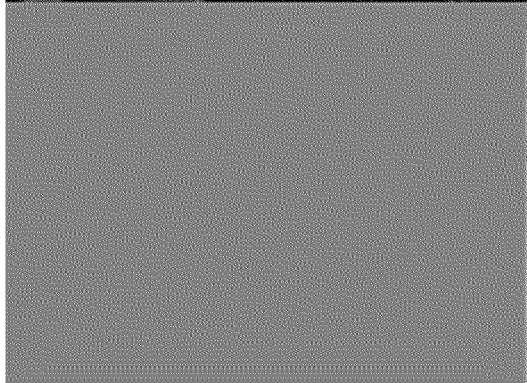
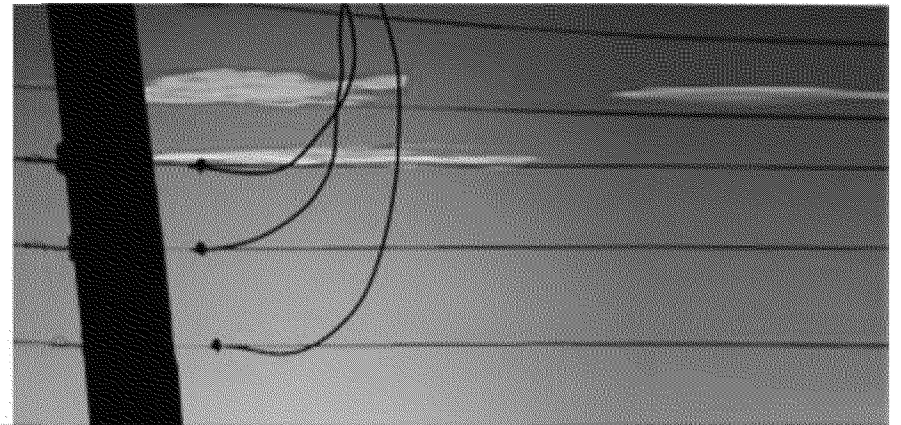


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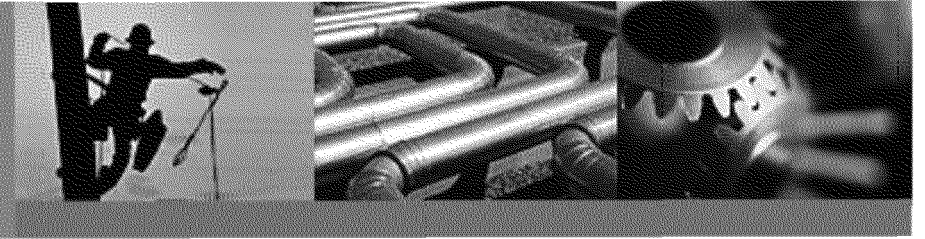


# San Diego Gas & Electric Proposal for CARE Auto Enrollment

July, 2010



# Background

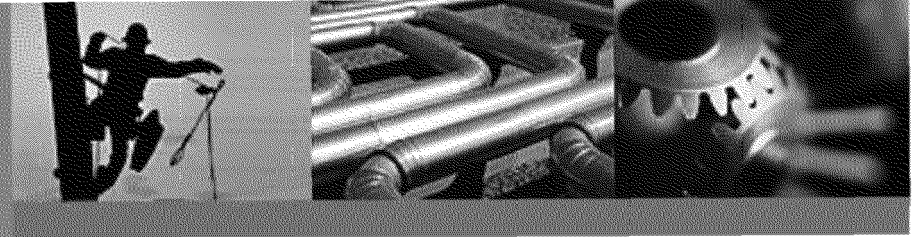


SDG&E is continues to lag behind the other utilities in penetration rate despite aggressive outreach campaigns.

- In 2009, SDG&E increase penetration rate by 7.9%, enrolling over 87,000 customers
- SDG&E continues to lead the utilities in implementing aggressive outreach tactics.
  - First to implement:
    - ✓ Door-to-door
    - ✓ Phone Enrollment
    - ✓ Online Enrollment
    - ✓ Inbound Enrollment IVR
    - ✓ Probability Modeling
  - Despite ending 2009 at 79.9%, SDG&E began 2010 with a penetration rate of 76.4%, due to a 3.4% drop attributed to the annual eligibility update



# Current Outreach Tactics

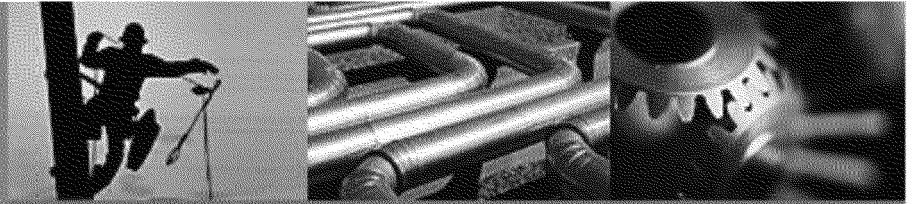


- ✓ Bi-Annual bill inserts
- ✓ Interutility integration with other assistance programs
- ✓ Monthly targeted phone enrollment campaigns
- ✓ Targeted direct mail efforts
- ✓ Multiple door-to-door enrollment contractors
- ✓ CARE Enrollment and Recertification IVR
- ✓ Customer Welcome Packet
- ✓ CARE Online Enrollment
- ✓ Recertification phone calls and follow-up direct mail efforts
- ✓ Contracts with community agencies to enroll qualified customers
- ✓ E-mail campaigns
- ✓ Multi-lingual television, newspaper and radio advertising campaign
- ✓ Monthly data search and enrollment for missed transfer accounts
- ✓ 2-1-1 live phone enrollment
- ✓ LIHEAP automatic Enrollments
- ✓ Quarterly bill messages to all non-CARE customers
- ✓ Utility Call Centers and field personnel enrollment referrals
- ✓ Partnerships with local government agencies and school districts
- ✓ Participation in community events





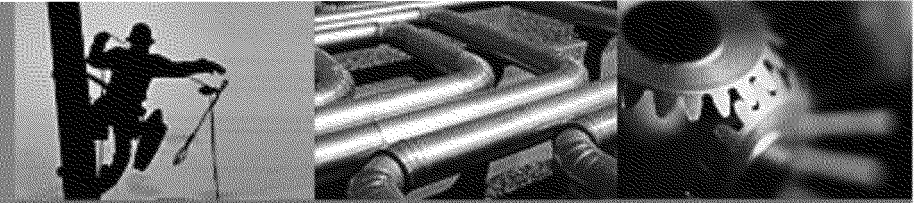
# Challenges



- **Traditional outreach methods have run their course and are producing fewer and fewer enrollments**
  - Phone Enrollment Response rate down from an average 5.2% in 2008 to 3% for 2010
  - Direct mail enrollments rate down from an average 4% in 2008 to 2.7% for 2010
- **A growing number of customers do not want to be contacted by our marketing efforts - 12.8% have requested to be put on SDG&E's Do Not Call List**
- **Unemployment rate slowing, making larger enrollments number more difficult**
  - SD County Average Unemployment rate jumped from 6.0% in 2008 to 9.7% in 2009
  - SD County 2010 Unemployment rates have dropped from 11.1% in January to 10.5% in June
- **The high cost of living in San Diego is driving customers out of the service territory as well as attributing to a higher number of combined households**
  - Greater affordability in nearby Riverside and Imperial counties , out of state or in Mexico
- **SDG&E 's "stand alone" service territory provides limited opportunity to leverage enrollments with other utilities**
  - Percentage of total 2009 enrollments received through inter-utility data sharing efforts reached 27% for SCG and 12% for SCE



# Proposed Pilot



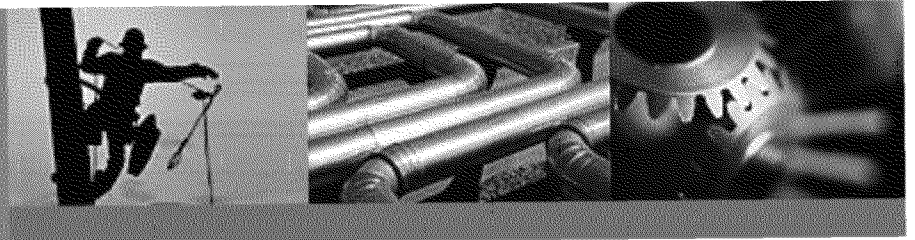
Automatically enroll customers in CARE for specific PRIZM codes based on median income and current saturation rates within the selected PRIZM codes.

- PRIZM codes selected have income levels below current CARE guidelines for a single person household (less than \$31,000)
- CARE Participation within the selected PRIZM codes must be 50% or greater
- Customers selected for the pilot will be provided with an opt out letter and provided 30 days to respond prior to enrollment
- All enrolled customers will be provided with an acceptance letter providing them a second opportunity to opt out
- Similar to targeted self certification used in LIEE

SDG&E does not require any additional funding to implement this proposed pilot



# Enrollment Potential

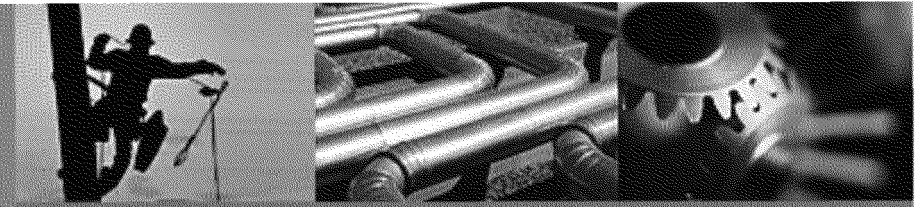


Automatic enrollment efforts using the following PRIZM codes would increase SDG&E's Penetration rate to approximately 89%

PRIZM Code	PRIZM Code Median Household Income	Current CARE Accounts	Non-CARE Accounts	PRIZM Code Penetration Rate
47	\$24,335	8,732	8,020	52%
59	\$25,472	7,933	6,290	56%
60	\$24,958	5,265	5,000	51%
61	\$28,508	5,689	5,693	50%
66	\$25,037	23,450	14,026	63%
TOTAL		51,066	39,029	



# PRIZM Code Detail - 47 City Startups



## Low Income, Younger w/o Kids

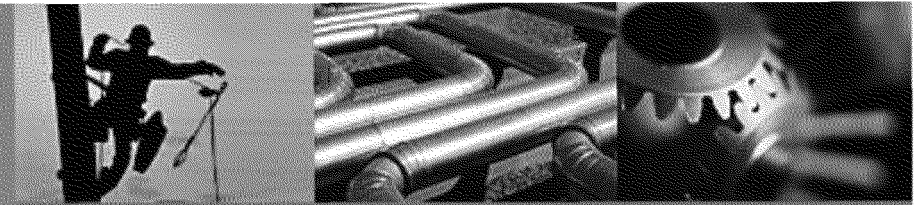
In City Startups, young, multi-ethnic singles have settled in neighborhoods filled with cheap apartments and a commercial base of cafés, bars, laundromats, and clubs that cater to twentysomethings. One of the youngest segments in America--with ten times as many college students as the national average--these neighborhoods feature low incomes and high concentrations of African-Americans.

### Demographics Traits:

Urbanicity:	Second City
Income:	Low Income
Income Producing Assets:	Low
Age Ranges:	<35
Presence of Kids:	HH w/o Kids
Homeownership:	Mix, Renters
Employment Levels:	WC, Service, Mix
Education Levels:	Some College
Ethnic Diversity:	White, Black, Mix



# PRIZM Code Detail - 59 Urban Elders



## Low Income, Older Mostly w/o Kids

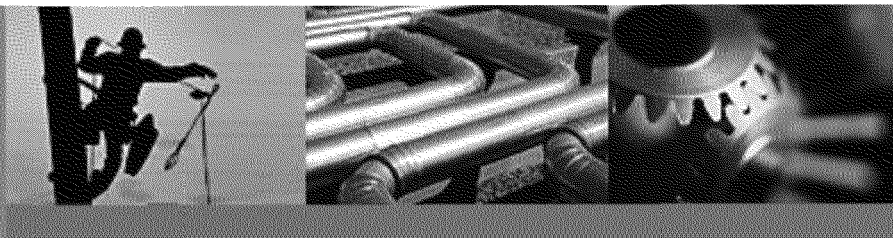
For Urban Elders--a segment located in the downtown neighborhoods of such metros as New York, Chicago, Las Vegas, and Miami--life is often an economic struggle. These communities have high concentrations of Hispanics and African-Americans and tend to be downscale, with singles living in older apartment rentals.

### Demographics Traits:

Urbanicity:	Urban
Income:	Low Income
Income Producing Assets:	Below Avg.
Age Ranges:	55+
Presence of Kids:	Mostly w/o Kids
Homeownership:	Renters
Employment Levels:	Mostly Retired
Education Levels:	Some High School
Ethnic Diversity:	White, Black, Asian, Hispanic



# PRIZM Code Detail - 59 Park Bench Seniors



## Downscale, Older Mostly w/o Kids

Park Bench Seniors are typically retired singles living in the racially diverse neighborhoods of the nation's satellite cities. With modest educations and incomes, these residents maintain low-key, sedentary lifestyles. They are one of the top-ranked segments for TV viewing, especially daytime soaps and game shows.

### Demographics Traits:

Urbanicity:	Second City
Income:	Downscale
Income Producing Assets:	Low
Age Ranges:	55+
Presence of Kids:	Mostly w/o Kids
Homeownership:	Renters
Employment Levels:	Mostly Retired
Education Levels:	High School Grad
Ethnic Diversity:	White, Black, Mix





# PRIZM Code Detail - 61 City Roots



## Downscale, Mature Mostly w/o Kids

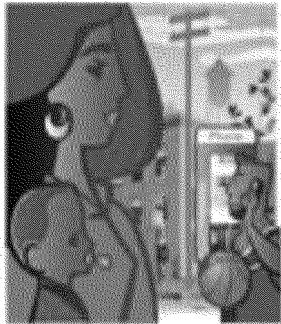
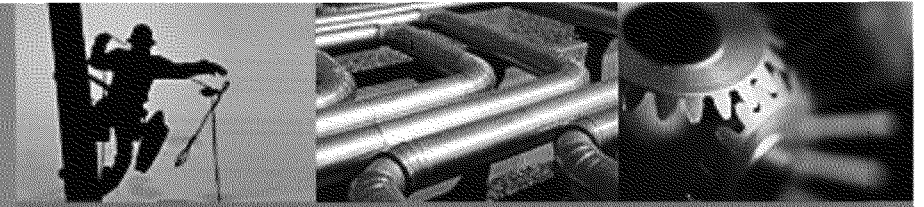
Found in urban neighborhoods, City Roots is a segment of downscale retirees, typically living in older homes and duplexes they've owned for years. In these ethnically diverse neighborhoods--more than a third are African-American or Hispanic--residents are often widows or widowers living on fixed incomes and maintaining low-key lifestyles.

### Demographics Traits:

Urbanicity:	Urban
Income:	Downscale
Income Producing Assets:	Below Avg.
Age Ranges:	65+
Presence of Kids:	Mostly w/o Kids
Homeownership:	Homeowners
Employment Levels:	Mostly Retired
Education Levels:	Some High School
Ethnic Diversity:	White, Black, Hispanic, Mix



# PRIZM Code Detail - 66 Low Rise Living



## Downscale, Middle Age Mostly w/ Kids

The most economically challenged urban segment, Low-Rise Living is known as a transient world for middle age, ethnically diverse singles and single parents. Home values are low--about half the national average--and even then less than a quarter of residents can afford to own real estate. Typically, the commercial base of Mom-and-Pop stores is struggling and in need of a renaissance.

### Demographics Traits:

Urbanicity:	Urban
Income:	Downscale
Income Producing Assets:	Low
Age Ranges:	<55
Presence of Kids:	Mostly w/ Kids
Homeownership:	Renters
Employment Levels:	WC, Service, Mix
Education Levels:	Some High School
Ethnic Diversity:	White, Black, Asian, Hispanic





## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **NOTICE OF EX PARTE COMMUNICATION** on all known interested parties of record in **A.08-05-022**, **A.08-05-024**, **A.08-05-025**, and **A.08-05-026** via email to those whose email address is listed in the official service list and via first class mail to those whose email address is not available.

Executed this 9<sup>th</sup> day of August, 2010, at San Diego, California.

/s/ JOEL DELLOSA

Joel Dellosa