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Application No. A.11-05-24  
Exhibit No: \_\_\_\_\_  
Witness: Williams, Sandra

**PREPARED REPLY TESTIMONY OF SANDRA WILLIAMS  
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY'S  
CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM PLANS  
AND BUDGETS FOR PROGRAM YEARS 2012, 2013 AND 2014**

Before the Public Utilities Commission  
Of the State of California

December 9, 2011

1 **I. INTRODUCTION**

2  
3 Pursuant to the September 26, 2011 Assigned Commissioner and Administrative  
4 Law Judge’s Joint Scoping Memo and Ruling, San Diego Gas & Electric (“SDG&E”)  
5 hereby submits reply testimony to the opening testimonies of parties submitted on  
6 November 18, 2011.  
7

8 **II. SUMMARY OF SDG&E’S OPENING TESTIMONY**

9  
10 **A. CARE PROGRAM SUMMARY**

11  
12 The following summarizes the Opening Testimony of Sandra Williams on behalf of  
13 SDG&E’s proposed program year (“PY”) 2012-2014 California Alternate Rates for Energy  
14 (“CARE”) program plans and budgets, submitted on May 16, 2011.

15 SDG&E requested approval of its PY2012-2014 program plans and forecasted  
16 administrative cost; approval to continue program funding into PY2012 at the requested  
17 PY2012 funding levels should the Commission be delayed in issuing a decision;  
18 authorization to implement CARE program changes and activities as described in the direct  
19 CARE testimony, and; authorization to continue to reallocate funding among cost  
20 categories consisted with the directive in OP85 of D.08-11-031.

21 **III. DISCUSSION**

22  
23 **B. SDG&E ADEQUATELY JUSTIFIES AN INCREASE IN ITS**  
24 **PROPOSED CARE OUTREACH BUDGET**  
25

1 SDG&E's proposed Outreach budget for the 2012-2014 program cycle was \$6.65  
2 million, The Outreach budget breakdown for each year was as follows:

3  
4

2012	2013	2014	Total
\$2,069,410	\$2,283,171	\$2,300,352	\$6,652,933

5

6 SDG&E disagrees with the assertion made by the Division of Ratepayer Advocates  
7 (DRA) that SDG&E does not justify its increased CARE outreach budget and its  
8 recommendation that the outreach budget should instead be reduced to a 15% increase or at  
9 a cost of \$24.00 per enrollment.<sup>1</sup> DRA provides no foundation for its recommended  
10 reduction and it should, therefore, be rejected by the Commission.

11 SDG&E's outreach budget was developed by reviewing enrollment trends and the  
12 need to include outreach initiatives that were outside the current outreach practices utilized  
13 by the utilities in the PY2009-2011. In 2009, SDG&E's gross enrollment to net enrollment  
14 ratio was approximately 3 to 1; in 2010 it increased to 4 to 1; and currently it stands at  
15 approximately 4.5 to 1.<sup>2</sup> For PY 2012-2014, SDG&E anticipated that approximately  
16 221,000 gross enrollments would be needed in order to net approximately 26,500  
17 enrollments. This represents a gross to net enrollment ratio of approximately 8 to 1.  
18 SDG&E anticipated that the ratio would significantly increase as the remaining participants  
19 become more challenging to reach, and therefore included initiatives in the application that  
20 would support a more targeted outreach approach.

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<sup>1</sup> Testimony of K. Camille Watts-Zagha at page 1-5.

<sup>2</sup> SDG&E calculated these numbers using CARE Table 2 (column J divided by column O) of the December 2009, 2010 and October 2011 Monthly Reports filed with the CPUC.

1 In SDG&E's Application, *Multi Lingual Multi Cultural Outreach*, *Outreach to*  
2 *Disabled Communities*, and *CARE Outreach Application and Community Outreach*  
3 *Collateral Material* represents efforts to support of more aggressive, targeted approaches to  
4 reaching the most hard-to-reach customers. Costs associated with targeted, in-language  
5 outreach initiatives are significantly higher than traditional outreach, such as, automated  
6 phone campaigns, direct mail, or email campaigns. The 41% increase requested in  
7 SDG&E's Outreach budget is the direct result of its expanded outreach initiatives.  
8 SDG&E asks the Commission to find the proposed increases in its Outreach budget  
9 reasonable given the need for more aggressive, targeted outreach initiatives, and requests it  
10 be approved.

11 **C. SDG&E HAS PRESENTED ADEQUATE FOUNDATION FOR THE**  
12 **COMMISSION TO REVISIT CATEGORICAL ELIGIBILITY**

13 This section addresses the following issues:

14 **1. SDG&E's CATEGORICAL ELIGIBILITY PROPOSALS ARE**  
15 **REASONABLE**

16 Contrary to parties' assertions, SDG&E does not propose the wholesale elimination  
17 of Categorical Eligibility as part of the PY2012-2014 program applications, as asserted by  
18 DRA, Greenlining, and CAT.<sup>3</sup> Specifically, SDG&E requests that the Commission  
19 conduct workshops to determine if the list of the categorically eligible public assistance  
20 programs should be modified to exclude those programs with eligibility guidelines that do  
21  
22

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<sup>3</sup> Testimony of K. Camille Watts-Zagha on Behalf of DRA at p. 1-1; Testimony of Eduardo Gallardo on Behalf of The Greenlining Institute at 6, Testimony of Dmitri Belser on Behalf of the Center for Accessible Technology at p. 7.

1 not align with the guidelines established for CARE as set in Public Utilities (“P.U.”) Code  
2 739.1 4 (b), which states: “the Commission should establish a program of assistance to  
3 low-income electric and gas customers with an annual household incomes **that are no**  
4 **greater than 200 percent of the federal poverty guidelines**.” (*Emphasis added*) and the  
5 definition of income adopted by the Commission for the CARE program. SDG&E believes  
6 that Attachment A-13 in its Application clearly demonstrates that many of the Public  
7 Assistance programs adopted by the Commission for categorical eligibility, have income  
8 guidelines that do not align with CARE, either in terms of total household income (200%  
9 of the Federal Poverty Guidelines) or the types of income counts toward determining  
10 CARE eligibility<sup>4</sup> and should be used as a reference document during the workshops.

11 Currently, when determining eligibility for CARE, SDG&E’s current practice is that  
12 a customers’ participation in one of the categorical eligibility assistance program takes  
13 precedence over income during the enrollment process, when a customer also provides  
14 their total household income information on the CARE application form. Such that, even  
15 when a categorically enrolled customer voluntarily submits income data on the application  
16 which is over the guidelines the customer qualifies for enrollment into CARE or ESA  
17 program, they are currently enrolled in the programs. This is not only contrary to P.U.  
18 Code 739. 1 4 (b) but may also create inequities within the program for those customers  
19 qualifying via income only, because customers who exceed the program income  
20 requirements are automatically rejected if their income exceeds even \$1 above of the  
21 established income guidelines.

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<sup>4</sup> As defined in the Commission’s General Order 153.

1           SDG&E has collected some preliminary data but acknowledges that the magnitude of  
2 the issue identified is unknown. This is why SDG&E also requested the ability to modify  
3 program forms to require categorically enrolled customers to also provide household  
4 income in order to better track the extent of which categorically enrolled CARE and ESAP  
5 customers have household income exceeding the program guidelines. Lastly, SDG&E  
6 requests Commission authority to modify the post enrollment verification forms to require  
7 proof of income eligibility when a customer is selected for post-enrollment verification.  
8 This again supports the effort to ensure income-eligible households are enrolled in the  
9 programs. SDG&E believe the proposals submitted within its Application will help identify  
10 and clarify issues with the current categorical program and should therefore be approved as  
11 requested.

12                   **2. SDG&E DISAGREES THAT THE OPOWER PILOT SHOULD BE**  
13                   **FUNDED USING CARE DOLLARS**

14           SDG&E's CARE program marketing efforts have continued to steadily improve  
15 CARE program participation. Since 2009, SDG&E has increased program participation by  
16 nearly 70,000 customers, and based on current eligibility estimate only has 52,000  
17 potentially eligible customers to enroll. SDG&E's believes the customers yet to be  
18 enrolled will be the hardest to reach due to geographic, cultural and language barriers and  
19 SDG&E has offered more targeted, in-language approaches for enrollment within the 2012  
20 – 2014 Program Application.

21           While SDG&E continues to explore new opportunities to improve CARE program  
22 participation, the enrollment efforts offered within the OPower proposal are not  
23 significantly different than those currently utilized by the IOUs, therefore would not  
24

1 provide a significant impact to CARE program participation. Notwithstanding, if the  
2 Commission approves the OPower pilot, SDG&E believes a competitive bid process  
3 should be implemented before the contracts are awarded.

4 **3. SDG&E DOES NOT AGREE WITH THE JOINT PARTIES**  
5 **RECOMMENDATIONS**

6 **(a) THE JOINT PARTIES CAPITATION BUILDING GRANT**  
7 **RECOMMENDATION IS NOT AN APPROPRIATE USE OF CARE**  
8 **PROGRAM FUNDS**  
9

10 In D. 01-05-033, the Commission determined that utilities would be permitted to  
11 pay agencies a “capitation fee” for enrolling eligible CARE participants, and that the  
12 utilities should be given the latitude to contract with different entities at varying levels of  
13 compensation, up to a maximum of \$12.00 per enrollment.<sup>1</sup> This latitude permits utilities to  
14 assess the cost of adding the CARE enrollment activity to an agency’s ongoing delivery of  
15 services in addition to normal activity used to assist their clients, which may vary  
16 depending on specific circumstances. The fee is designed to cover the incremental cost an  
17 agency expends to enroll their clients in the CARE program. Some agencies are able to  
18 provide door-to-door enrollment service and receive the full \$15 compensation, while  
19 others are only able to provide minimum enrollment assistance and receive a lesser fee.

20 The Joint Parties’ suggestion that community-based organizations (“CBOs”) be  
21 compensated “at a minimum, a combination of large capacity-building grants and hourly  
22 wages that amount to \$20 per hour plus administrative costs” (Joint Parties, page 10). Joint  
23 Parties provide no documented basis for its proposal. SDG&E strongly opposes this  
24 proposal as it is not would not be an appropriate use of ratepayer funds, especially funds  
25 intended to assist low income customers and especially if it is not tied to specific program

1 metrics. SDG&E currently contracts with over 50 organizations (e.g., CBOs, contractors,  
2 local agencies) through the capitation program and enrolls an average of 350 customers per  
3 month through these efforts. Many of these agencies see repeat customers on a monthly  
4 basis and have a limited ability to significantly improve their enrollment effort; however,  
5 SDG&E intends to continue partnering with “capitation” agencies in the next program  
6 cycle. SDG&E has additionally requested funding for targeted, in-language outreach  
7 activity, which would be funded outside the current capitation program and would provide  
8 organizations the opportunity to negotiate reasonable contracts through a Request for  
9 Proposal process. These contracts would have specific performance metrics tied to CARE  
10 outreach and enrollments. Therefore SDG&E requests the Commission reject the Joint  
11 Parties proposal to use CARE funds to provide a combination of large capacity-building  
12 grants and hourly wages that amount to \$20 per hour plus administrative costs.

13 **(b) SDG&E DOES NOT AGREE WITH THE JOINT PARTIES THAT IT**  
14 **IS NECESSARY TO CREATE A SPECIFIC OUTREACH PLAN TO**  
15 **TARGET TAGALOG SPEAKING CUSTOMERS**  
16

17 In the 2012-2014 Program Application, SDG&E planned outreach efforts included  
18 a proposal to “...continue to conduct creative mass media campaigns in multiple languages  
19 during the 2012-2014 program cycle, and will employ communication media shown to be  
20 effective at reaching the CARE eligible customers in low income areas.”<sup>5</sup> SDG&E also  
21 proposes efforts to partner with organizations that have experience in working with clients  
22 who have language, cultural or literacy barriers to participating.

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<sup>5</sup> SDG&E direct testimony of Sandra Williams, page -21, lines 4-6

1 In 2011, SDG&E's outreach efforts to Tagalog speaking customers included in-  
2 language transit shelter ads, Tagalog applications accessible online, and partnerships with  
3 organizations that serve the Filipino-American communities, such as the Union of Pan  
4 Asian Communities (UPAC), Operation Samahan, and previously with Mabuhay Alliance.  
5 During program year 2010, Mabuhay Alliance, a former local CBO serving the Asian-  
6 population, conducted an exploratory marketing and outreach effort in Chinese,  
7 Vietnamese and Tagalog. The agency provided feedback on their efforts and concluded  
8 that most Tagalog-speaking customers not only speak English but prefer to conduct  
9 business in English. For the small population speaking Chinese or Vietnamese,<sup>6</sup> Mabuhay  
10 found although customers use the in-language application as a guide, they prefer to  
11 complete the English-language form. Due to this feedback, SDG&E does not believe it is  
12 necessary to create a specific outreach plan for Tagalog; however, the intention for the  
13 2012 – 2014 program cycle is to continue outreach efforts through the SDG&E's proposed  
14 multi-lingual mass media efforts and through proposed partnerships with community  
15 agencies.

#### 16 **IV. CONCLUSION**

17 For the reasons cited in this Reply Testimony, SDG&E requests that the Commission:

- 19 • Find SDG&E adequately justifies the 2012-2014 outreach budgets and approve funding  
20 as requested
- 21 • Approve SDG&E's proposals on Categorical Eligibility as filed

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<sup>6</sup> Linguistic demographics for San Diego County, based on 2000 Census, show 0.9% Chinese and 1.2% Vietnamese, over the age of five, speak these languages at home.

- 1 • Disallow the use of CARE funds should the OPower pilot be approved
- 2 • Reject the Joint Parties recommendation to use CARE funds to provide a combination of
- 3 large capacity-building grants and hourly wages that amount to \$20 per hour plus
- 4 administrative costs
- 5 • Allow SDG&E to reach Tagalog speaking customers through multi-lingual mass media
- 6 efforts and through partnerships with community agencies as proposed in the 2012-2014
- 7 Application

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SMW-10

1 **STATEMENT OF QUALIFICATIONS**

2 **SANDRA WILLIAMS**

3  
4 My name is Sandra Williams. My business address is 8326 Century Park Court, San  
5 Diego, California, 92123. I am employed at SDG&E as the Customer Assistance Programs  
6 Manager. My principal responsibilities are to manage SDG&E's Energy Savings  
7 Assistance Program, CARE, and Medical Baseline programs.

8 I joined SDG&E in 1994 and have held numerous positions of increasing  
9 responsibility in the following areas over the last 17 years: Customer Service, Energy  
10 Efficiency (Residential, Commercial/Industrial and New Construction), Demand Response  
11 (Residential and Commercial/Industrial) and Customer Assistance. I was responsible for  
12 all aspects of program management including program planning, design, implementation  
13 and marketing

14 From 2002 through 2004, I was responsible for managing the Residential  
15 Segment for both SDG&E and SoCalGas.

16 I have been continuously involved with the Customer Assistance programs since  
17 September, 2010 and have managed other customer assistance programs for SDG&E,  
18 including the Neighbor to Neighbor fund and the Low Income Home Energy Assistance  
19 Program which is federally-funded bill assistance program administered by the Department  
20 of Community Services.

21 I have not previously testified before the Commission.  
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SMW-11