



Pacific Gas and Electric Company

Relief for Energy Assistance through Community Help Plus (REACH Plus)

Program Report for 2011/2012

September 8, 2012

Relief for Energy Assistance through Community Help Plus (REACH Plus) Program Summary

In collaboration with many stakeholders including the California Public Utilities Commission (Commission), The Salvation Army (TSA), and the Division of Ratepayer Advocates (DRA), Pacific Gas & Electric Company (PG&E) leveraged remaining unspent and uncommitted funds remaining from the California Alternate Rates for Energy (CARE)/TEAF Program funds with REACH funds to provide over \$7.4M in energy assistance payments to nearly 21,000 households.

Regulatory Background

In February 2010, PG&E filed Advice Letter 3097-G/3622-E requesting approval for a one-time transfer of up to \$5 million from the California Alternate Rates for Energy (CARE) balancing accounts to two new "CARE/TEAF" (Temporary Energy Assistance for Families) balancing accounts. PG&E's proposal requested the ability to leverage federal funds made available through the American Recovery and Reinvestment Act (ARRA) with CARE funds to provide a four to one match that enabled qualifying households to reduce or eradicate past due utility bills thereby avoiding service disconnection.

Due to the constraints imposed within ARRA, matched federal funding contributions expired at the end of September 2010, resulting in the simultaneous expiration of the TEAF program. While several thousand PG&E households were able to access the augmented emergency funding, \$3.9 million in matching CARE dollars went unspent. Unfortunately, the economic situation facing low-income Californians had not notably improved given the limited time to implement the program.

In light of the continuing economic downturn, PG&E filed Advice Letter 3189-G/3803-E to request Commission approval to utilize the unspent CARE/TEAF funds on a one-to-one match with REACH funds. PG&E's current REACH Program provides emergency energy assistance to low-income families in jeopardy of losing their energy services.

REACH is administered by The Salvation Army (TSA) and all administrative costs are covered by a charitable grant from PG&E's shareholders and by operating income from TSA. Through REACH, eligible customers who have experienced an uncontrollable or unforeseen hardship may receive an energy credit on their utility bills. The size and frequency of the energy credit amount is based upon a number of criteria, but its availability depends upon available funding.

On June 9, 2011, the Commission issued Resolution G-3455, granting PG&E's request to use the remaining unspent \$3.9 million in CARE funds to supplement PG&E's REACH Program. The augmented program termed REACH Plus became available to eligible households on July 1, 2011, and closed to the public on May 31, 2012 with the final payments and reconciliation occurring on or before June 11, 2012.

REACH Plus Program Administration, Marketing Materials and Outreach Efforts

Program Administration

Program administration costs included such costs necessary to administer and implement the REACH Plus Program, as well as costs to track and reconcile REACH Plus payments. These costs were reported to the Commission quarterly in PG&E's monthly customer service disconnections report. One key factor which greatly reduced the cost of this program was the change in maximum assistance amount from \$200 to \$500 which increased the available funding support for each customer that was eligible for assistance. Another major factor was the targeted marketing to Pre-qualified customers within a vulnerable population further increasing the volume of customers that obtained REACH Plus assistance.

Income-qualified customers who applied and received REACH Plus assistance and who qualified for the CARE program were automatically enrolled in the CARE Program to provide ongoing energy assistance.

The Commission allowed flexibility on program expenses up to 10% of the CARE funding available which provided an allowance of \$390,000.

Marketing Materials and Outreach Efforts

Marketing Materials

Marketing materials were created with TSA's limited resources. Materials presented to customers allowed a measure of self-screening so that customers could determine if their household qualified.

Community Outreach Contractors

PG&E leveraged a diverse group of community based organizations recognized and trusted by our customers. Approximately 120 organizations that represent a wide array of communities were provided marketing materials to promote the program to potentially eligible PG&E customers.

Partnerships

PG&E leveraged a diverse group of stakeholders including approximately 365 PG&E local offices, TSA local offices, and CARE Community Outreach Contractors to ensure REACH Plus Program promotion throughout PG&E's service territory. Internally the information was promoted through written communications and oral presentations to ensure all employees were equipped with information to assist our customers. PG&E's Employee Resource Groups (ERGs) Leads were also educated on the program and continued the internal awareness within their respective groups.

Direct Mail

PG&E strategically developed a targeted list of CARE customers participating in PG&E's Medical Baseline and Life Support programs and developed a direct mail piece consisting of an introduction letter and a short application to reduce barriers of accessibility to this vulnerable population.

Door-to-Door Canvassing

Door-to-door canvassing was conducted in targeted neighborhoods.

Community Events

TSA held several community events in Senior communities in various locations throughout California. During these events Seniors were assisted in completing their applications for assistance and were advised on the spot of the assistance amounts to be applied to their energy accounts.

Ethnic Media

PG&E leveraged local Spanish radio station KNCL and television station KOFY TV20 in the Bay area to reach a large number of eligible customers and increase program awareness.

REACH Plus Program Expense Summary

A summary of program administration, marketing and outreach costs are presented below in Table 1.

Table 1
REACH Plus Expense Summary

Line Item	Expense Category	Amount
1	Program Administration	\$ 108,273.31
2	Marketing and Outreach	\$ 33,757.76
3	Direct Distributions	\$ 3,748,712.35
4	Total	\$ 3,890,743.42

REACH Administration and Assistance

Concurrent with the REACH Plus Program, in 2011 and 2012, PG&E continued to underwrite administrative costs for TSA in the amount of \$400,000 in support of the REACH Program. This funding augmented other sources of funding to support TSA's program administration efforts such as assisting clients with completing program applications, responding to customer calls for assistance, processing applications, remitting pledges on behalf of customers, and accounting and financial reporting. During the REACH Plus Program 83 customers who are served by a provider other than PG&E received approximately \$15,500 in REACH payment assistance from July 1, 2011 to June 11, 2012.

CARE/REACH Balancing Accounts

Resolution G-3455 approved PG&E's request for a one time transfer of \$3.9 million in unspent ratepayer funds previously authorized by the Commission for PG&E's concluded TEAF Program to augment the funding available for payment assistance to eligible low-income customers through PG&E's REACH Program. Authorized CARE funds were transferred from the already established gas and electric CARE balancing accounts to two newly created "CARE/REACH" balancing accounts known as CRBA-E and CRBA-G, created to allow transparency of distribution of ratepayer funds. The Resolution also approved a 55% electric and 45% gas expense allocation. The CRBA-E and CRBA-G records the electric and gas portion of ratepayer funded payment assistance provided to eligible customers under the REACH Plus Program. At the conclusion of the REACH Plus Program, PG&E transferred \$12,880.30 in unspent funds including interest from the CRBA accounts to the CARE balancing accounts.

Program Results

As directed in Resolution G-3455, Table 2 & 3 provides consolidated program statistics on the number of customers that received REACH Plus assistance, the amount of payment assistance segregated by ratepayer (CARE) funds and donated (REACH) funds, and the number of CARE and Non-Care customers who received assistance.

Table 2
Amount of Payment Assistance Received Under the REACH Plus Program

Line Item	Month	Number of Customers	CARE	REACH	Total
1	August	1,490	\$ 246,278.40	\$ 246,284.55	\$ 492,562.95
2	September	1,958	\$ 372,995.04	\$ 373,001.94	\$ 745,996.98
3	October	2,351	\$ 430,604.97	\$ 430,613.62	\$ 861,218.59
4	November	1,754	\$ 310,294.37	\$ 310,301.39	\$ 620,595.76
5	December	1,225	\$ 210,431.45	\$ 210,436.54	\$ 420,867.99
6	January	1,135	\$ 197,386.51	\$ 197,391.07	\$ 394,777.58
7	February	1,831	\$ 334,543.04	\$ 334,549.84	\$ 669,092.88
8	March	2,487	\$ 471,317.86	\$ 471,326.71	\$ 942,644.57
9	April	2,660	\$ 491,351.23	\$ 491,361.17	\$ 982,712.40
10	May	2,539	\$ 419,875.20	\$ 419,884.46	\$ 839,759.66
11	June	1,478	\$ 263,634.28	\$ 263,640.23	\$ 527,274.51
12	Total	20,908	\$ 3,748,712.35	\$ 3,748,791.52	\$ 7,497,503.87

Table 3
Amount of Payment Assistance Received Under the REACH Plus Program
Payment Distribution by CARE/Non-CARE Participants

Line Item	Customer Type	Number of Customers	CARE	REACH	Total
1	CARE	18,489	\$3,307,477.95	\$3,307,529.05	\$ 6,615,007.00
2	CARE Eligible	2,419	\$ 441,234.40	\$ 441,262.47	\$ 882,496.87
3	Total	20,908	\$3,748,712.35	\$3,748,791.52	\$ 7,497,503.87

Conclusion

REACH Plus was highly successful and assisted many of PG&E's most vulnerable customers by preventing shutoffs for non-payment and restoring utility bills to good standing. As California's economy struggles to recover it is imperative that new and innovative ideas are realized and implemented. PG&E applauds the Commission for approving the use of unspent ratepayer funds in the TEAF program for the purpose of providing bill relief to eligible low-income customers in the REACH Plus program.