

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

Order Instituting Rulemaking on the Commission's )	
Proposed Policies and Programs Governing Post- )	Rulemaking 04-01-006
2003 Low-Income Assistance Programs )	(Filed January 8, 2004)
)	
And Related Matters )	A.05-06-005, A.05-06-009
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**PROPOSALS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR  
MITIGATING BILL IMPACTS ON LOW-INCOME CUSTOMERS DURING THE 2005-  
2006 HEATING SEASON**

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**I.**

**INTRODUCTION**

Pursuant to Chief Administrative Law Judge Minkin's Notice dated September 13, 2005, regarding October 6, 2005 en banc hearings, Southern California Edison Company (SCE) files these comments and proposals for reducing bill impacts on low- and fixed-income customers during the 2005-2006 winter heating season.

**II.**

**SCE'S PROPOSED COST MITIGATION CONCEPTS FOR 2005-2006 WINTER  
HEATING SEASON**

SCE welcomes the opportunity to offer comments on the impacts of the coming winter heating season on low- and fixed-income customers and how the effects of higher utility rates can be mitigated. In collaboration with regulators, community-based organizations, and other stakeholders, SCE is currently delivering a wide array of programs and services to all customers to help moderate their electric bills. A large effort is currently made through the California

Alternate Rate for Energy (CARE) and other programs to directly assist low-income customers. Today's comments build on this strong base and complement other procurement-related actions SCE is taking to mitigate increases in energy costs to all of its customers. Our proposal targets three areas: The CARE Program, LIEE, and Additional suggestions. Our proposal follows a brief review of current efforts to assist customers.

**A. Gas Procurement Efforts**

**1. SCE is a Major Purchaser of Natural Gas**

SCE no longer owns or operates any fossil-fuel fired generating plants in California, although one, the Mountain View plant, is presently being built. To meet customer demand, SCE procures electricity through a number of contracts to fill the gap between customer need and what can be provided by our coal, nuclear and other generation sources. Under these contracts, approved by the California Public Utilities Commission (Commission) in our Integrated Procurement Plan, SCE purchases the gas used in the power plants generating the power for our customers.

**2. SCE is Taking Steps to Mitigate The Increase in its Gas Costs**

SCE has taken two steps to aggressively pursue lower gas costs. First, in the original contracts we negotiated very favorable terms for the output price we pay and then pass that benefit along to customers. Second, SCE has purchased a series of "hedging" contracts as insurance against unforeseen gas price increases.

**B. SCE's Low-Income Assistance Programs**

The CARE Program offers income-qualified customers a 20% discount off their monthly bills. Enrolled customers are also exempt from other charges such as the California Department of Water Resources (CDWR) Bond Charge. To qualify, customers must meet program income guidelines. The LIEE program provides free installation of energy saving measures. SCE has

identified several program delivery enhancements for CARE and LIEE that can be readily implemented and are expected to have an immediate beneficial impact on low-income customers. For the CARE program, SCE recommends the proposals below:

**1. CARE Reconnect Deposit Waiver**

During the winter heating season, November 30, 2005 – March 31, 2006, SCE will waive reconnect service deposits for all CARE-qualified customers who are disconnected for non-payment. All other standard deposit rules for non-CARE customers still apply.

**2. Targeted CARE Communications Campaign**

SCE currently provides an annual mailing to residential customers not already enrolled in the CARE program and conducts two mailings per year to potentially eligible customers. In addition to this activity, SCE will implement a special CARE enrollment mailing targeted to 500,000 customers residing in communities with substantial low-income households and lower CARE penetration rates to increase penetration in areas where response has been somewhat lower. In addition, SCE will implement a re-enrollment mailing targeted to 200,000 former CARE enrollees who have been dropped from the rate for not responding to SCE's recertification requests. SCE projects it would cost approximately \$175,000 and \$100,000 for the mailing which will be funded out of SCE's proposed 2006 CARE outreach budget (A.05-06-009).

**3. Streamlining Recertification of CARE Customers**

SCE will build upon the communications campaign and streamline the recertification process by allowing customers to complete the process by telephone. SCE will establish a new 800 phone number and provide customers with a paperless option for re-certifying their enrollment onto CARE. In addition, SCE will defer any action on customers who do not respond to SCE's recertification request until after the winter

heating season. Currently, customers who do not respond to SCE's recertification request are removed from the CARE tariff. To maintain current enrollment and avoid removal of potentially eligible customers, SCE will defer any action to remove previously eligible customers from the CARE tariff through March 2006. At the end of the winter heating season non-respondents will be sent a final request to recertify. After 30 days has lapsed, an attempt will be made to contact the customer by telephone so that the recertification process can be completed. Only after all the above measures have been exhausted will action be taken on a customer's CARE status. Even after the customer is removed, two additional letters offering re-enrollment will be mailed within a 12 month period (see above Targeted Communications Campaign).

**4. Senior And Disabled Eligibility Enhancement**

SCE proposes to match CARE and LIEE eligibility guidelines by increasing the CARE income eligibility guidelines for seniors (62 and over) and households with a permanently disabled family member to the 200% federal poverty guideline level currently used in the LIEE program. Current CARE eligibility includes all households at 175% of federal poverty guidelines while LIEE eligibility guidelines are set at 200% for households with seniors or permanently disabled family members and 175% for all other households. Matching the income eligibility between CARE and LIEE will facilitate enrollment into both programs by SCE's community-based organizations (CBO) and contractors, and would increase SCE's CARE-eligible population by an estimated 86,000 customers.

**C. SCE's LIEE Initiatives**

**1. Winter Rapid Deployment Initiative**

**a) Accelerate Refrigerator and CFL Installations**

In addition to SCE's current program and funding proposals for 2006-2007 that are pending before the Commission, SCE proposes to accelerate installation of refrigerators and compact fluorescent lamps (CFL) in low-income households. Refrigerators and CFLs represent the two most universal bill saving measures that can be installed in low-income homes. SCE proposes to streamline the enrollment process to increase and accelerate the installation of these measures during the winter heating season. Bill savings derived from this effort will be immediate and long lasting over both the heating and cooling seasons.

**b) Target CARE Customers in Poorest Communities**

Efforts to address the energy needs of low-income customers during this heating seasons draws striking similarities to the energy crisis of 2001 when the Commission stated, "...we do not believe that 'business as usual' will be adequate to address the needs of low-income customers during this energy crisis."<sup>1</sup> Under a winter rapid deployment initiative, SCE will develop a probability model utilizing demographic information in ZIP+2 areas to identify those areas with the highest level of need and poverty. SCE will then merge the CARE customer listing to identify CARE customers who have not received LIEE services. Based on the targeting of areas where there is a high probability of income-eligibility and given the targeted customer will have previously certified their eligibility

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<sup>1</sup> D.01-05-033 May 3, 2001

under CARE, SCE proposes to use a self-certification process for installation of refrigerators and CFLs.

CARE customers found in the targeted ZIP+2 areas will be sent a letter advising them of the program and eligibility requirements and the name of the CBO or contractor who will be contacting them for installation of measures. CARE customers in these areas would be considered automatically “income eligible” and would not be required to show proof of income but rather would complete and sign a self-declaration form attesting to household size and income.

Approximately 5,500 assessments are expected to be completed which should result in a total of 5,000 refrigerator installations and 18,000 CFL installations, which should reduce kWh usage by 3.7 million kWh annually and help reduce the participants’ monthly electric bills.

## **2. LIEE Funding**

SCE believes it has sufficient funding to implement the 2005 portion of the proposed Winter Rapid Deployment Initiative, and with Commission authorization of its 2006-2007 low-income program application, funding to continue this initiative into the winter months of 2006. However, should Rapid Deployment deplete a significant portion of the 2006 budget during the first quarter of the year, SCE may ask the Commission for a one-time funding augmentation so that the program can continue regular LIEE activities throughout the remainder of 2006 without interruption.

SCE understands that SoCalGas will also propose an initiative to accelerate the installation of weatherization measures in the homes of its low-income customers this winter. Once the details of its plan are finalized, SCE will coordinate our efforts with SoCalGas and the service provider network to avoid duplication of effort and missed opportunities.

**D. Additional Proposals**

**1. Targeted Outreach**

**a) Agriculture and Services Employer Outreach**

California has significant agriculture and services industries. Businesses in these industries often employ lower and minimum wage employees. SCE's Business Solutions group, which provides account and other services to smaller commercial customers and our non-residential multi-lingual customers, will identify employers with large numbers of lower wage employees and will use e-mail, telephone, direct mail, bill insert, and a newsletter to reach 750 to 1,000 small businesses with information about CARE and other programs for their employees.

**b) Segment-Targeted Utility Bill Toolkit**

SCE currently provides a toolkit to new SCE customers that describes all the services SCE offers. This gives the customer a running start in understanding and controlling energy costs. To complement this kit, SCE can produce a "Helping With Your Utility Bill Toolkit" specifically aimed at customers who might be in financial difficulty. SCE will direct mail a toolkit to approximately 1,000,000 customers informing them of CARE and other services, and SCE will reinforce the mailings with in-language multi-media outreach (ads, newspapers, etc.).

**c) Faith-Based Outreach**

SCE actively works with faith-based organizations to promote CARE and other services. To increase these efforts, SCE will specifically target religious organizations in areas that appear to have comparatively lower CARE enrollment



to boost enrollment if possible. We will provide communication materials to the organizations to encourage enrollment in CARE and to take advantage of other ways to save energy and save money.

**2. Energy Assistance Funding**

**a) EAF Limit Increase**

The Energy Assistance Fund (EAF) is an assistance program designed to help SCE customers in need to pay their electric bills. Over the past 23 years, SCE customers, employees, and shareholders have contributed more than \$14 million to EAF, assisting nearly 175,000 customers. Over the years, EAF has assisted customers who are elderly, disabled or income qualified.

Currently, the limit per customer on EAF is \$100. SCE plans to increase the limit to \$150.

**b) Third Party Notification and No Fee Quickcheck**

As a community safety net, SCE currently has in place a program where a third party can ask to be notified if a designated customer will be disconnected for non-payment. This is our Friendly Reminder Notification Program in which a customer can designate someone to be notified if the customer will be disconnected. The third party can voluntarily choose to help by contacting our Call Center at the standard number on their bill, and paying all or part of the bill via Quickcheck. To increase the safety net, SCE will enhance public outreach on the third party notification, and will establish a special 800 number for third parties to call in and offer to help customers if they have a need. Further, for the winter period of November 30, 2005 through March 31, 2006, the \$5 Quickcheck fee would be waived for third parties making payments on CARE accounts. The

Quickcheck waiver will also apply if a CARE customer uses Quickcheck to pay its own bill.

### **III.**

#### **SUMMARY OF SCE'S PROPOSALS**

##### **A. SCE Implemented Initiatives Without Formal Regulatory Approval**

###### **1. Targeted CARE Communications Campaign**

SCE will target customers who failed to respond to a request to recertify and to low-income communities with lower CARE penetration rates

###### **2. Agriculture and Services Employer Outreach**

SCE will initiate direct communications on CARE and other programs for employers who tend to have large numbers of lower wage workers.

###### **3. Segment-Targeted Utility Bill Toolkit**

SCE will direct mail and promote a toolkit with information on SCE's CARE and energy efficiency programs

###### **4. Faith-based Outreach**

SCE will expand on existing efforts working with faith-based community organizations to increase CARE enrollment.

###### **5. Third Party Notification and No Fee Quickcheck**

SCE proposes waiving the \$5 fee for customers calling a new 800 number to make "donation" of full or partial payment on a customer bill.

**6. EAF Limit Increase**

SCE will increase the limit from \$100 to \$150.

**B. SCE Request for Commission Authorizations**

**1. CARE Deposit Waiver**

The Commission should waive the deposit for CARE customers who would be disconnected during the winter period, November 30, 2005 – March 31, 2006.

**2. Streamline recertification of CARE Customers**

The Commission should allow customers to recertify by telephone. This would include in-bound and out-bound calls.

**3. Senior Eligibility Enhancement**

The Commission should adopt the same eligibility guideline for CARE that currently exists for LIEE. Currently for LIEE, the eligibility is 200% of the federal poverty income guideline set for households with person 62 and over or persons with a permanent disability. SCE would revise its CARE applications to reflect the revised income guidelines. In order to begin taking applications from newly eligible customers immediately, SCE proposes that the Commission waive any requirement that SCE first submit the revised CARE applications to the Commission through an Advice filing for approval.

**4. Winter Rapid Deployment Initiative**

SCE will increase targeting of low-income customers for refrigerator replacements and CFLs through CBOs. This program would target CARE customers who would be considered automatically “income eligible” and would not be required to

show proof of income, but would complete and sign a self-declaration form attesting to household size and income.

**IV.**

**CONCLUSION**

Through the programs SCE has proposed, much can be done to increase both the short-term safety net and the longer-term energy efficiency of lower-income customers.

Respectfully submitted,

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September 28, 2005

**CERTIFICATE OF SERVICE**

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of PROPOSALS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR MITIGATING BILL IMPACTS ON LOW-INCOME CUSTOMERS DURING THE 2005-2006 HEATING SEASON on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

- Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.
- Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand or by overnight courier to the offices of the Commission or other addressee(s).
- Placing copies in properly addressed sealed envelopes and depositing such copies in the United States mail with first-class postage prepaid to all parties.
- Directing Prographics to place the copies in properly addressed sealed envelopes and to deposit such envelopes in the United States mail with first-class postage prepaid to all parties.

Executed this **28th day of September, 2005**, at Rosemead, California.

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