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1 **Executive Summary**

2           The purpose of this testimony is to present Southern California Gas Company’s  
3 (“SoCalGas”) proposed California Alternate Rates for Energy (“CARE”) program features and  
4 budgets for Program Years (“PY”) 2015 – 2017. SoCalGas witness Mrs. Carmen Rudshagen  
5 sponsors the operational elements of SoCalGas’ CARE program proposals. Mr. Hugh Yao  
6 sponsors the marketing and outreach elements of SoCalGas’ CARE program proposals. Certain  
7 policy-related considerations associated with the CARE program are addressed in the Prepared  
8 Direct Testimony of SoCalGas witness Mr. Daniel Rendler.

9           CARE is a low-income ratepayer assistance program that provides a 20% monthly  
10 discount on the energy bills of income qualified residential customers and those participating in  
11 certain state and federal assistance programs, tenants of sub-metered residential facilities,  
12 qualifying group living facilities, agricultural employee housing facilities, and migrant farm  
13 worker housing centers. In addition, those who qualify and are approved within 90 days of  
14 starting new gas service also receive a \$15 discount on the Service Establishment Charge  
15 (“SEC”).

16           As of September 2014, SoCalGas has 20.9 million customers through 5.8 million meters  
17 in more than 500 communities. The company’s service territory encompasses approximately  
18 20,000 square miles in diverse terrain throughout Central and Southern California, from Visalia  
19 to the Mexican border.

20           In Table 1 below, SoCalGas presents its proposed CARE administrative budget and  
21 subsidy/benefit cost for PY2015-2017:

**Table 1 - Summary of CARE Administrative Budget and Subsidy/Benefit Costs for PY 2015-2017**

<b>Description</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
<b>Annual CARE Administrative Budget</b>	\$8,523,913	\$9,846,021	\$9,600,835	\$27,970,770
<b>Subsidy and Benefit Costs</b>	\$130,453,111	\$131,338,535	132,351,979	\$394,143,625
<b>Estimated CARE Participation Levels</b>	1,707,088	1,724,159	1,741,401	

In accordance with Decision (“D.”) 12-08-044 and D.14-08-030, SoCalGas hereby submits this testimony in support of its Application requesting approval of SoCalGas’ CARE program plans and budgets for PYs 2015-2017. In this testimony SoCalGas requests the following:

1. Approval of its PY 2015 –2017 CARE program plans and forecasted administrative costs.
2. Authorization to implement CARE program changes and activities as described in the testimony and summarized in the conclusion.
3. Authorization to continue to shift funds in the same manner as the 2006 – 2008 budget years.<sup>1</sup>

<sup>1</sup> Consistent with the directive of D.12-08-044, Ordering Paragraph (“OP”) 135 section C.

1 **I. CARE PROGRAM PLAN AND BUDGETS APPLICATION FOR PYs 2015-2017**

2 **A. CARE PROGRAM BACKGROUND**

3 **1. History**

4 *Provide a brief history of the CARE program and how it helps low-*  
5 *income customers, how it is funded and how the program has changed*  
6 *over the years, including any prior guidance given by the Commission;*

7 The CARE program was originally established in 1989 through California Senate Bill  
8 (“SB”) 739 to provide low-income customers with a discount on their utility bill. To qualify,  
9 customers only needed to meet the income guidelines for the program. The CARE program is  
10 funded through a Public Purpose Program (“PPP”) surcharge paid through non-participating  
11 customers’ energy bills.<sup>2</sup> Initially the program was referred to as the Low Income Rate Payers  
12 Assistance (“LIRA”) Program; the program name was later changed to CARE in 1994<sup>3</sup> The  
13 program originally offered customers a 15% discount on their utility bill. However, in D.01-06-  
14 010 the discount was increased to 20%, and the income eligibility changed from 150% to 175%  
15 of the Federal Poverty Guidelines (“FPG”).

16 The following provides a brief summary of several key Commission decisions  
17 which provided direction for SoCalGas’ PY 2015- 2017 CARE program proposal:

- 18 • D.92-04-024 expanded the program to include eligibility for customers residing in  
19 non-profit group living facilities, including women’s shelters and homeless  
20 shelters.
- 21 • D.92-12-039 expanded the program to include eligibility for qualified non-profit  
22 group living facilities.
- 23 • D.95-10-047 authorized residents of agricultural housing facilities managed by  
24 the Office of Migrant Services to qualify for CARE.

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<sup>2</sup> This Application is not duplicative of funding already recovered through the General Rate Case. CARE program cost categories and planned budgets for PY2015 – 2017 are presented in Section B.

<sup>3</sup> The program name was changed from LIRA to CARE in D.94-12-049.

- 1                   • D.01-06-010 increased the discount from 15% to 20% and changed the income  
2                   eligibility criteria from 150% to 175% of FPG.
- 3                   • D.05-10-044 approved various new initiatives for low-income programs during  
4                   the winter of 2005-2006 (“Winter Initiative”). One of the major changes adopted  
5                   by the Commission was the revision of the CARE income eligibility guidelines  
6                   from 175% to 200% of the FPG. The Decision also authorized SoCalGas to  
7                   temporarily enroll certain prospective CARE-qualified households by telephone  
8                   for the period of November 1, 2005 – April 30, 2006.<sup>4</sup>
- 9                   • D.06-12-038 adopted the utilities’ program plans and budgets for PY2007-2008  
10                  and also authorized them to implement the following program changes: 1)  
11                  categorical eligibility , which permitted customers to qualify for CARE based on  
12                  their participation in certain state or federal public assistance programs; 2) four-  
13                  year recertification for low- income customers on a fixed income; 3) a process to  
14                  enroll certain prospective CARE-qualified households by telephone; 4) a process to  
15                  allow customers to recertify their CARE eligibility through its Interactive  
16                  Voice Recognition (“IVR”) system; and, 5) internet-based CARE enrollment and  
17                  recertification.
- 18                  • D. 08-11-031 set a 90% CARE penetration goal for all IOUs and recognized the  
19                  difficulty of reaching a 100% penetration goal for CARE.
- 20                  • Resolution CSID-004<sup>5</sup> approved a pilot program, The Community Help and  
21                  Awareness with Natural Gas and Electricity Services (“CHANGES”) to provide  
22                  in-language energy-related (electric and natural gas) outreach, education, and  
23                  resolution of needs and disputes, to Limited-English Proficient (“LEP”)   
24                  consumers in their preferred languages through a statewide network of CBOs.
- 25                  • D.11-05-020 authorized the sharing of low-income information between energy  
26                  and water utilities. Additionally, the decision permitted the IOUs to include data  
27                  sharing costs in their PY2012-2014 budget applications.
- 28                  • D.11-11-010 adopted bridge funding to allow the continuation of the programs in  
29                  the absence of the Application decision by January 1, 2012.
- 30                  • D.12-03-054 ordered that the IOUs shall continue to implement the customer  
31                  service disconnection practice adopted in the R. 10-02-005. The utilities ensure  
32                  that their Customer Service Representatives (“CSRs”) offer customers the option  
33                  of enrollment in CARE by telephone discussion with a CSR.

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<sup>4</sup> SoCalGas’ CARE Winter Initiative telephone enrollment process focused on customers who failed to return applications obtained upon request from the call center. The enrollment process also focused on customers who failed to respond SoCalGas’ direct mail campaign that was directed towards households located in geographic locations where a high percentage of income qualified customers reside.

<sup>5</sup> The Commission approved Resolution CSID-004 on November 19, 2010.

- 1 • D.12-08-044 adopted program plans and budgets for PY2012-2014 and retained  
2 the 90% CARE penetration goal. The IOUs were directed to retain the current list  
3 of categorical eligibility programs and file an updated list on January 31<sup>st</sup> of each  
4 year which would be reviewed by the Commission’s Energy Division staff. The  
5 utilities were also directed to develop a long term Post Enrollment Verification  
6 (“PEV”) model using specific factors.
- 7 • D.12-12-011 approved continued funding for the CHANGES pilot program  
8 through the end of the 2012-2014 program years. The Commission also directed  
9 the Consumer and Service and Information Division (“CSID”) and the Energy  
10 Division to work with the CHANGES contractor, Self Help for the Elderly, and  
11 the IOUs to develop additional tracking, reporting requirements and success  
12 criteria.

13 D.14-08-030 addressed the Phase II issues from D.12-08-044. The decision  
14 adopted bridge funding for all the utilities from January 1, 2015 through  
15 December 31, 2015, provided additional guidance for categorical eligibility, and  
16 directed utilities to submit applications within 90 days of the decision.

## 17 **2. Summary**

18 *Provide a summary of the CARE program, including descriptions of (i)*  
19 *the legal framework of CARE program, and (ii) the eligible*  
20 *population.*

### 21 **a. CARE Summary – Legal Framework of CARE**

22 In 1989, SB 739 established the CARE program to provide low-income customers with a  
23 utility bill discount. The legislation was codified in Public Utilities Code (“P.U.”) Sections  
24 739.1 and 739.2.<sup>6</sup> In addition, those who qualify and are approved within 90 days of starting  
25 new natural gas service also receive a discount on SoCalGas’ SEC.<sup>7</sup> Currently, SoCalGas  
26 provides a 20% discount on gas and electric bills, with additional rate exemptions. However,  
27 changes regarding the level of discount and how the discount is provided are expected within the  
28 2015-2017 program cycle due to Assembly Bill AB 327, which became effective on January 1  
29 2014. The bill had several impacts to the CARE program. Most notably, the bill required the

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<sup>6</sup> California Assembly Bill (“AB”) 327 was passed to revise PU Code Section 739.1 (a) and requires that the CARE income-eligibility guideline level for one-person households be based on the two-person household guideline level.

<sup>7</sup> The service establishment discount only applies to SoCalGas CARE customers.

1 Commission to restructure the CARE rates and to set an effective electric rate discount between  
2 30-35%.

### 3 **b. CARE Summary – Eligible Population**

4 SoCalGas used the joint-utility methodology approved and adopted by in D.01-03-028 to  
5 estimate the CARE eligibility rates. This method entails annual estimation of CARE eligibility  
6 at the small area level (block group, census tract, zip code, etc.) for each utility as well as for the  
7 state. Sources for this estimation include the Commission’s current CARE guidelines, current  
8 year small area vendor marginal distributions on household characteristics, Census Public Use  
9 Microdata Sample 2007-2011, American Community Survey, U.S. Census and Integrated Public  
10 Use MicroData Series from the Minnesota Population Center, University of Minnesota, Labor  
11 Market Information Data from the California Employment Development Department, and  
12 additional data sources, including estimated small area unemployment data from Synergos  
13 Technologies, Inc.

14 Each quarter SoCalGas applies the county and utility level eligibility factors to its current  
15 set of residential meter counts. For CARE this includes both individually metered and sub-  
16 metered housing units. Once the factors are applied, an estimate for low income-eligible  
17 customers is generated.

### 18 **3. Program Eligibility Guidelines**

19 *Provide a summary of the program eligibility guidelines, including income,*  
20 *categorical eligibility qualifications, self-certifications, and the process for*  
21 *getting enrolled. Identify any proposed changes from the 2012-2014*  
22 *framework and implications associated with the recent adoption of AB 327*  
23 *(Perea 2013).*

24 The CARE program is available to individually-metered and sub metered residential  
25 customers who meet the qualification guidelines and wish to participate. CARE is also available  
26 to qualifying group living facilities, agricultural employee housing facilities, and migrant farm



1 worker housing centers. Residential CARE applicants are permitted to self-certify that they meet  
 2 the program’s eligibility requirements, and their application is subject to being selected for PEV.

3 There are two ways for residential customers to qualify for the program. The first  
 4 method is if the total income of all the people in the household is at or below 200% of FPG, as  
 5 illustrated in table 2 below.

6 **Table 2 – CARE Income Eligibility Guidelines Per Household**

CARE Program Maximum Household Income <sup>8</sup> (Effective June 1, 2014 – May 31, 2015) <sup>9</sup>					
Number of persons in the household*	1 or 2	3	4	5	6
<b>Total Yearly Household Income No More Than</b>	\$31,460	\$39,580	\$47,700	\$55,820	\$63,940

\* For each additional person in the household add \$8,120.

7 Customers may also qualify for the program through the categorical eligibility process,  
 8 that is if they or another person in their household receive benefits from any of the following  
 9 public assistance programs: Bureau of Indian Affairs General Assistance, CalFresh/Supplemental  
 10 Nutrition Assistance Program (“SNAP”), CalWORKs/Temporary Assistance for Needy Families  
 11 (“TANF”), Head Start Income Eligible (“Tribal Only”), Low-Income Home Energy Assistance  
 12 Program (“LIHEAP”), Medicaid/Medi-Cal for Families A & B, National School Lunch Program  
 13 (“NSLP”), Supplemental Security Income (“SSI”), Tribal TANF, and Women, Infants, and  
 14 Children Program (“WIC”).

15 SoCalGas is not proposing any changes to the 2012-2014 CARE eligibility guidelines  
 16 and requirements.

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<sup>8</sup> Total household income is all revenues, from all household members, from whatever sources derived, including but not limited to: wages, salaries, interest, dividends, spousal and child support payments; public assistance payments, Social Security and pensions, rental income, income from self-employment, and all employment-related non-cash income.

<sup>9</sup> The Commission updates the CARE income eligibility guidelines in June of each year.

1 **4. Current Proposal:**

2 *(a) Explain your proposal and plans for the CARE program during the*  
3 *upcoming 2015-2017 budget cycle;*

4 For PY2015, SoCalGas plans to continue the current program elements, service  
5 deliveries, and strategies that have proven to be successful in prior years. Currently, CARE is  
6 offered to customers in multiple languages to reduce language barriers to participation.  
7 Customers can continue to enroll and recertify through various channels: CARE  
8 representatives<sup>10</sup>, mail<sup>11</sup>, Interactive Voice Recognition (“IVR”), fax, on-line, data leveraging  
9 with other utilities and programs such as the Energy Savings Assistance (“ESA”) Program,  
10 LIHEAP, the SoCalGas Gas Assistance Fund (“GAF”), and through automatic transfer of CARE  
11 benefits from a closed to a newly activated account. CARE processing staff scans incoming  
12 documents for efficient approval of applications, and tracks processing statistics for reporting  
13 results to the Commission. In addition, CARE representatives speak to customers and respond to  
14 daily inquiries regarding CARE, and offer immediate enrollment or recertification over the  
15 phone. The probability model aids in mailing PEV applications to customers deemed less likely  
16 to be eligible to reduce participation of unqualified customers. To the most likely CARE eligible  
17 customers, the model also extends the recertification requirement from two years to four years,  
18 Customers who have been mailed a Recertification or PEV request will continue to receive  
19 reminder calls to complete the process. All CARE customers will continue to be able to confirm  
20 their participation by viewing the CARE brand and itemized discount amount on their bills.

21 Some customers forget to recertify their CARE enrollment which poses a challenge to  
22 meeting the 90% penetration goal. Therefore, SoCalGas will continue to expand direct mail  
23 campaigns to customers who have recently been taken off the CARE rate for failing to respond

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<sup>10</sup> CARE representatives are fluent in English and Spanish.

<sup>11</sup> Upon customer request mailed material will be provided in large font.

1 to the recertification request. In 2014, SoCalGas began studying different methods and messages  
2 (e.g. increasing personalization of customer letters) to nudge customer responses. In the  
3 upcoming program year, SoCalGas will increase this targeted communication to reduce CARE  
4 customer attrition.

5           SoCalGas will continue the practice of issuing bill inserts and direct mail applications,  
6 email campaigns, door-to-door canvassing, participating in community events, mass media, and  
7 web campaigns to extend awareness and participation in the CARE program. SoCalGas will also  
8 expand its tactics for "hard-to-reach" customers, who are typically more difficult to reach due to  
9 physical disabilities, visual or hearing impairments, or are LEP. Specific to LEP outreach,  
10 SoCalGas will continue to use ethnic-owned media sources to disseminate CARE program  
11 information in-language across local communities. SoCalGas plans to continue to leverage  
12 relationships with organizations that serve the special needs and disabled community and work  
13 directly with grassroots organizations.

14           Furthermore, SoCalGas will continue to use field personnel to leave customer assistance  
15 information at customers' homes. The outreach team annually sends out over 300,000 "leave  
16 behind fliers" to the operating bases and field personnel. The leave-behind fliers are available in  
17 English and Spanish. Similar customer program information collateral is available in multiple  
18 languages<sup>12</sup> for distribution to customers by company personnel, such as public affair  
19 representatives, as well as local government partnerships and community based organizations.  
20 At the request of local stakeholders, SoCalGas' CARE outreach has recently translated customer  
21 assistance information into community languages such as Portuguese and Hindi.

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<sup>12</sup> English, Spanish, Chinese, Tagalog, Korean, and Vietnamese.

1 SoCalGas believes the continuation and improvement of the strategies described above  
2 will ultimately help educate special needs and hard-to-reach customers about the benefits of  
3 CARE enrollment and also help SoCalGas reach and maintain the Commission goal of 90%  
4 penetration rate.

5 SoCalGas plans to expand its enrollment process to optimize customer convenience by  
6 providing additional ways to enroll and by enhancing the current methods of enrollment, starting  
7 in 2016. Currently, the SoCalGas Customer Contact Center (“CCC”) plays an indirect role to  
8 enroll customers in the CARE program. Customers are informed by the IVR system about the  
9 CARE program when they call to request new service or make payment  
10 arrangements. SoCalGas CSRs provide CARE application to customers upon request.<sup>13</sup> :

11 SoCalGas proposes to allow live CARE enrollment through CSRs (“CSR CARE  
12 Enrollment”). This method of enrolling customers in CARE through CSRs will reduce paper,  
13 postage, printing, time, and outreach costs. Customers will have the immediate gratification of  
14 knowing they will receive the CARE and SEC discount on their next bill. Furthermore, offering  
15 customers enrollment through the phone, addresses barriers to reaching hard to reach limited  
16 literacy customers. Additional information including the proposed budget for implementation  
17 can be found in Section 4.c.

18 SoCalGas plans to redesign its applications to consolidate the variances in the existing  
19 forms. Through the years, SoCalGas has created multiple iterations of applications directed  
20 towards reaching our diverse customer segments, with the self-cert applications available in 13  
21 languages including English<sup>14</sup> and the recertification and PEV applications available in 5

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<sup>13</sup> PU Code § 739.4(b).

<sup>14</sup> English, Spanish, Vietnamese, Korean, Chinese, Russian, Hmoob, Tagalog, Farsi, Arabic, Armenian, Thai, and Khmer

1 languages.<sup>15</sup> With the inception of scanning all documents for Optical Character Recognition  
2 (“OCR”) and content management, the multiple application types make form identification and  
3 development in the scanning system unnecessarily complex. Some applications served their  
4 purpose for a time and have since become obsolete. As a result, SoCalGas plans to consolidate  
5 many of the various types of applications to improve application sorting and the engineering  
6 portion of the scanning project. Increasing the response rate of customers, who are requested to  
7 provide proof of eligibility documentation, has been challenging.

8           SoCalGas plans to make further improvements to communications related to PEV to  
9 increase the response rate of its customers. This includes improving the layout of the PEV form  
10 to ease the perceived burden of completing the PEV process, and adding detailed PEV  
11 information on the website with a Question and Answer section. Additionally, a second PEV  
12 application will be mailed to customers who have not responded within 45 days to the initial  
13 PEV request. Customers will also be able to submit copies of requested information via  
14 email. This more convenient and expedient option may provide some customers with the  
15 assurance that the materials they submitted will be promptly delivered to SoCalGas.

16           SoCalGas will also enhance communications with customers who do not respond to  
17 recertification applications, and who have recently fallen off the CARE rate. In order to meet the  
18 90% penetration goal, SoCalGas plans to address both attrition and new enrollments to obtain a  
19 net gain of 148,261 customers over years 2015-2017. Additionally, SoCalGas plans to enhance  
20 CARE visibility and enrollment within *My Account*.

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<sup>15</sup> English, Spanish, Chinese, Korean, and Vietnamese.

1                                   ***(b) Discuss how the elements and strategies in the proposed 2015-2017 CARE***  
2                                   ***program are specifically designed to reach a penetration goal of 90%.***

3                   The Commission established that the CARE program participation goal is to maintain a  
4 90% penetration rate among eligible customers. To address the current penetration rate of  
5 82.5%, SoCalGas proposes marketing and outreach efforts to aid the CARE program’s  
6 operations and goals, which will include the proposed new method of performing customer  
7 enrollments through the SoCalGas call center described above, increasing data analytics to  
8 enhance targeted marketing, and continuing to grow grassroots campaigns to meet local  
9 community needs.

10               SoCalGas’ CARE program aims to consistently maintain at least a 90% penetration  
11 rate<sup>16</sup>. Joint CARE and ESA Program, and individual tailored CARE program marketing and  
12 outreach campaigns support these goals by raising awareness and interest in the programs,  
13 responding to customer concerns through communications, and demonstrating presence in local  
14 communities. Successful marketing and outreach in PYs 2015 - 2017 will strike a balance  
15 between maintaining proven methods of reaching low-income customers and utilizing new  
16 approaches to concurrently expand communication opportunities with customers and narrow in  
17 on targeted customer segments.

18               One of the new approaches is to target large concentrated populations of hard to reach  
19 customers with tailored marketing and outreach strategies by segment to increase customer  
20 responsiveness. In response to a 2013 Low Income Needs Assessment (“LINA”) Study’s  
21 recommendation to explore methods to increase CARE program promotion through social  
22 workers, hospitals, low-income law centers and other agencies that interact with individuals who

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<sup>16</sup> D.12-08-044 maintained the 90% CARE penetration target established in D.08-11-031.

1 are going through life changes that might be associated with reductions in household income,<sup>17</sup>  
2 SoCalGas plans to expand its network of community organizations. For example, SoCalGas  
3 plans to work with Veterans and Volunteer Tax Assistance organizations, which may include  
4 one-on-one counseling with low-income customers. Through one-on-one meetings, Veteran  
5 caseworkers and Volunteer Income Tax Assistance (“VITA”) counselors may identify income  
6 changing events that would make customers eligible for CARE.

7 As stated earlier, when developing CARE marketing and outreach activities, SoCalGas  
8 must consider attrition and new enrollments. In the upcoming PY2015-PY2017, SoCalGas will  
9 direct tailored messaging to customers who were recently removed from the CARE rate because  
10 they did not respond to recertification notices.

11 SoCalGas will work with these organizations to raise awareness of the program and  
12 enrollments of eligible customers. The table below illustrates planned new marketing and  
13 outreach strategies, which augment existing marketing and outreach methods that SoCalGas  
14 currently employs and plans to maintain.

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<sup>17</sup> LINA Study, at Section 3, at pp. 3-15.

**Table 3- Marketing and Outreach Strategies**

<b>Targeted Community</b>	<b>Estimated Population</b>	<b>Strategy to Increase Enrollments</b>
Undocumented Residents	Approximately 1,780,000 total population. <sup>18</sup>	SoCalGas plans to work with local immigration advocacy organizations to develop tailored messaging to this community to reassure that SoCalGas and the CARE program do not get involved in immigration issues.
Veterans	Approximately 5,575 VASH recipients within and around SoCalGas Service Territory. 4,585 Veteran Families to be served through Supportive Services for Veteran Families (“SSVF”).	SoCalGas will deliver CARE information to the Veteran Community, leveraging Federal, state, local agencies and community based organizations.
Tax Assistance Clients in Imperial, Los Angeles, and Orange Counties.	Approximately 216,000 CARE eligible and unenrolled in the 3 counties. <sup>19</sup>	There are VITA organizations in and around 3 of the 7 CARE underpenetrated counties discussed in Section 3 of this testimony. One of the counties, Imperial County, is almost 100% rural. SoCalGas will leverage the CBO network in Los Angeles, Orange, and Imperial counties to gain customer referrals to CARE. SoCalGas will offer self-mailer CARE applications and training to staff.
Recently removed customers from the CARE rate who did not respond to recertification	Approximately 158,000 <sup>20</sup>	SoCalGas will enhance and tailor communications directed to customers who recently fall off the CARE rate because they do not respond to recertification. The message will remind them that if they are qualified they should reapply for CARE.

<sup>18</sup> This number may not perfectly reflect the eligible population, as program eligible population is based on households that may have multiple members.

<sup>19</sup> This number was calculated from SoCalGas’ August 2014 monthly report CARE Table 5 (eligible and enrolled customer information for Los Angeles, Oranges, and Imperial counties).

<sup>20</sup> This number is from the SoCalGas 2013 Low Income Annual Report, CARE Table 2, Column P “No Response to Recert.”



1            **New Elements and Strategies**

2            **Evaluate Customer Enrollment Obstacles, Including Trust:** Customer trust can be an  
3 obstacle for the CARE program. SoCalGas believes that some customers may be concerned  
4 about their citizenship status, and that participation in the CARE program could make them  
5 vulnerable to immigration monitoring. For instance, in June 2013, the Los Angeles Daily News  
6 reported that CalFresh, a categorical eligibility program, experienced a similar issue. According  
7 to the CalFresh Management Operations Chief, “Many families continue to fear that they will  
8 lose their immigration status or have to repay the benefits, or be subject to deportation or  
9 ineligibility for U.S. citizenship...This is simply not true.”<sup>21</sup> However, SoCalGas does not take  
10 part in matters relating to immigration.

11            In a 2013 Fact Sheet, the Public Policy Institute of California (“PPIC”) reported that “Los  
12 Angeles County has the highest number of undocumented residents (nearly 900,000) of any area  
13 in the state, followed by Orange County (nearly 300,000).”<sup>22</sup> Additionally, in 2011, it was  
14 reported that, just within two of the twelve counties that SoCalGas serves, there are over 1.2  
15 million undocumented residents, in total the estimated population for all twelve counties is 1.78  
16 million.<sup>23</sup> Furthermore, in a report by the Center for Study of Immigrant Integration, there is a  
17 profile of Californians showing that undocumented workers have median incomes of \$20,760  
18 compared to US born full-time workers who make \$56,736.<sup>24</sup> SoCalGas seeks to improve

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<sup>21</sup> Villacorte, C. (2013, June 15). Nearly half of those eligible for food stamps refuse benefits. Los Angeles Daily News. Retrieved from <http://www.dailynews.com/general-news/20130616/nearly-half-of-those-eligible-for-food-stamps-refuse-benefits>.

<sup>22</sup> Hayes, J., & Hill, L. (2013). “Undocumented Immigrants. Just the Facts.” Retrieved from [http://www.ppic.org/content/pubs/jtf/JTF\\_UndocumentedImmigrantsJTF.pdf](http://www.ppic.org/content/pubs/jtf/JTF_UndocumentedImmigrantsJTF.pdf).

<sup>23</sup> Hill, L, & Johnson, H. (2011). “Unauthorized Immigrants in California, Estimates for Counties.” Retrieved from <http://www.ppic.org/main/publication.asp?i=986>.

<sup>24</sup> Marcelli E., & Pastor, M. (2013). “What’s at Stake for the State: Undocumented Californians, Immigration Reform, and Our Future Together.” Retrieved from [http://dornsife.usc.edu/assets/sites/731/docs/whats\\_at\\_stake\\_for\\_the\\_state.pdf](http://dornsife.usc.edu/assets/sites/731/docs/whats_at_stake_for_the_state.pdf).

1 communications and outreach clarifying that Low-Income Programs are available to all  
2 customers. Given that undocumented immigrants could be difficult to identify directly,  
3 SoCalGas is planning to conduct in depth interviews with advocacy organizations to solicit  
4 feedback on ways to increase enrollment participation among eligible customers within this  
5 community. This study will cost a total of \$40,000 (split between the CARE and ESA Program  
6 Marketing and Outreach budgets) and will be used to improve communication and gain trust of  
7 eligible low-income customers who may otherwise not apply due to their immigration status.

8         The PPIC also stated that “nationwide, eight of every ten undocumented immigrants are  
9 from Latin America—and more than half (58%) are from Mexico alone. Most of the remainder  
10 are from Asia...”<sup>25</sup> For PYs 2015-2017, SoCalGas plans to build on existing outreach that  
11 SoCalGas conducts to raise awareness and gain enrollments in its low-income programs. For  
12 example, SoCalGas currently conducts on-going Spanish-language radio ads, on-air interviews,  
13 and holds lunchtime events during farmworker lunch breaks that are broadcasted on Spanish-  
14 language radio to maintain awareness and credibility with the community. Spanish language,  
15 and other in-language communications and outreach is an important part of reaching  
16 undocumented residents given our customers various countries of origin and language  
17 preferences. SoCalGas will deploy Asian-language outreach to increase awareness of CARE and  
18 the ESA Program. In particular, SoCalGas plans to deploy Vietnamese-language print  
19 advertisements and other media to increase program awareness in Orange County.<sup>26</sup> In addition,  
20 SoCalGas plans to deploy Chinese-language print and other media to increase awareness and  
21 understanding in the San Gabriel Valley.

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<sup>25</sup> Hayes, J., & Hill, L. (2013). “Undocumented Immigrants. Just the Facts.” Retrieved from [http://www.ppic.org/content/pubs/jtf/JTF\\_UndocumentedImmigrantsJTF.pdf](http://www.ppic.org/content/pubs/jtf/JTF_UndocumentedImmigrantsJTF.pdf).

<sup>26</sup> Targeted deployment areas within Orange County are Westminster and Garden Grove communities.

1           **Increase Collaboration and Leveraging with Veterans Service Providers:** SoCalGas

2 plans to increase efforts to develop opportunities to work with Veterans service providers.

3 During PYs 2012-2014, SoCalGas started to make inroads with the Veterans groups by attending

4 meetings to raise awareness of the company's customer assistance programs. Given the many

5 local organizations serving this population,<sup>27</sup> SoCalGas' low-income programs has a great

6 opportunity to grow its relationships with Federal, State, and/or County Veterans Affairs Offices

7 and to leverage Veterans benefits counselors and Veterans Affairs Supportive Housing

8 ("VASH") programs to raise customer awareness of the CARE program. According to the US

9 Department of Housing and Urban Development ("HUD"), "the HUD-Veterans Affairs

10 Supportive Housing ("HUD-VASH") program combines Housing Choice Voucher ("HCV")

11 rental assistance for homeless Veterans with case management and clinical services provided by

12 the Department of Veterans Affairs ("VA"). VA provides these services for participating

13 Veterans at VA Medical Centers ("VAMCs") and community-based outreach clinics."<sup>28</sup>

14 Furthermore, the VA awards SSVF to private non-profit organizations and consumer

15 cooperatives that can provide supportive services to very low-income Veteran families living in

16 or transitioning to permanent housing.<sup>29</sup> There are an estimated 1,700,000 Veterans living in the

17 twelve counties that SoCalGas serves,<sup>30</sup> an estimated 4,585 Veterans and families to be served

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<sup>27</sup> Organizations include but are not limited to the Local Veterans Administrations (West Los Angeles, Loma Linda, Long Beach), County Departments of Military and Veteran Affairs, University of Southern California's LA Veterans Collaborative, City of Los Angeles 10,000 Strong, and local Goodwill Veteran Services.

<sup>28</sup> US Department of Housing and Urban Development, *Overview*, retrieved from [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/hcv/vash](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/vash)

<sup>29</sup> US Department of Veteran Affairs, *Supportive Services for Veteran Families Program* retrieved from <http://www.va.gov/homeless/ssvf.asp>.

<sup>30</sup> National Center for Veterans Analysis and Statistics. (2011). Table 9L: VetPop2011 County-Level Veteran Population by State, 2010-2040. Retrieved from [http://www.va.gov/vetdata/Veteran\\_Population.asp](http://www.va.gov/vetdata/Veteran_Population.asp)

1 through local SSVF programs, and approximately 5,575 VASH vouchers<sup>31</sup> in and around the  
2 SoCalGas Service Territory.

3 Furthermore, engagement with VA center will support the Commission directive to  
4 increase outreach and enrollment to customers with disabilities, as many veterans have health  
5 related disabilities. According to VA statistics, approximately 43% of total VA enrollees receive  
6 disability compensation.<sup>32</sup>

7 This proposed effort will be coordinated with ESA Program’s workforce education and  
8 training proposal to work with Veterans and inform them about job opportunities within the  
9 Program’s contractor network and the job application process. This particular workforce  
10 education and training initiative is detailed under Section F.6 in the direct testimony of the  
11 SoCalGas ESA Program witnesses Messrs. Mark Aguirre and Hugh Yao.

12 **Volunteer Income Tax Assistance:** To expand on existing CBO partnerships, SoCalGas  
13 aims to raise awareness of opportunities to collaborate among The Internal Revenue Services’  
14 (“IRS”) VITA.<sup>33</sup> This program offer free tax preparation services to those who qualify, and  
15 SoCalGas plans to use local CBOs providing VITA as a way to identify income qualified  
16 customers as they prepare their tax returns with income documentation in hand. SoCalGas plans  
17 to target nine VITA centers in Los Angeles, Orange County, and Imperial County to increase  
18 low-income program marketing and outreach to joint customers.

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<sup>31</sup> US Department of Housing and Urban Development. HUD VASH sites 2008 – 2014 [Excel document]. Retrieved from

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/hcv/vash](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/vash)

<sup>32</sup> National Center for Veterans Analysis and Statistics. (2014). Department of Veterans Affairs Statistics at a Glance [PDF document]. Retrieved from

[http://www.va.gov/vetdata/docs/Quickfacts/Homepage\\_slideshow\\_06\\_30\\_14.pdf](http://www.va.gov/vetdata/docs/Quickfacts/Homepage_slideshow_06_30_14.pdf).

<sup>33</sup> The VITA program offers free tax help to people who generally make \$52,000 or less, persons with disabilities, and the elderly and limited English speaking taxpayers who need assistance in preparing their own tax returns. IRS-certified volunteers provide free basic income tax return preparation with electronic filing to qualified individuals.

1 This marketing and outreach proposal is in line with expanded grassroots efforts to raise  
2 low-income program awareness in local communities. The cornerstone of the CARE program is  
3 income qualification, and SoCalGas wants to ensure that income eligible customers are  
4 strategically targeted. SoCalGas already partners with outside organizations serving low-income  
5 customers to reach potential CARE customers, and VITA centers are additional vehicles that  
6 SoCalGas believes can facilitate increasing 2015-2017 qualified enrollments. SoCalGas will  
7 continue to engage CBOs to build trust with customers in the community.

8 **(c) Provide an estimate of the number of households projected to be**  
9 **enrolled in the 2015-2017 program years, along with overall budget**  
10 **requested to meet this goal.**

11 SoCalGas' goal for PY2015-2017 is to add 113,948 new CARE customers in PY2015,  
12 17,071 CARE customers in PY2016, and 17,242 CARE customers in PY2017. The 113,948 net  
13 enrollment gains in 2015 is a Commission goal to reach the 90% penetration rate.  
14 SoCalGas anticipates reaching the 90% penetration goal in 2016. As of September 2014,  
15 SoCalGas is at 82.5% penetration. Even though, it will require 113,948 net enrollments to get  
16 to 90% in 2015, SoCalGas projects a net enrollment of 76,000 in 2015 and will be able to ramp  
17 up in 2016 and 2017 to meet the 90% penetration goal with CSR CARE enrollments.

18 In 2014, SoCalGas initiated a campaign to target customers who failed to respond to  
19 recertification, and was able to re-certify 10% of customers using this method. Based on these  
20 results, SoCalGas believes that it can decrease CARE customer attrition by 20% (approximately  
21 66,000 net new enrollments) in 2015 by expanding this and similar campaigns. Furthermore, in  
22 2015, along with minimizing customer drop-offs, SoCalGas will continue to target customers  
23 who have not previously been enrolled in CARE and projects that it will be able to obtain a net  
24 of 10,000 new self-certification customers in addition to the 66,000 re-enrolled customers

1 Whereas the 90% CARE penetration rate is a continuous goal to meet and maintain,  
 2 SoCalGas may enroll additional customers beyond the 17,071 planned for 2016 through the  
 3 introduction of CSR CARE enrollments. CSR CARE enrollments will increase customer service  
 4 by providing real-time assisted program enrollments, and may generate up to 100,000  
 5 incremental new program enrollments. The goal for the three-year program years is to enroll a  
 6 total of 148,261 new customers into the CARE program.

7 As illustrated in Table 4 below, SoCalGas' proposed administrative budget for PY2015-  
 8 2017 is \$8.52 million for PY2015, \$9.85 million for PY2016, and \$9.60 million for PY2017.  
 9 The total administrative budget for PYs 2015-2017 is \$27.97 million, excluding CARE program  
 10 subsidies. The SoCalGas budget is discussed in detail in Section B, below.

11 **Table 4 – Summary of SoCalGas' Proposed CARE Budget for PYs 2015-2017**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Customer to enroll</b>	1,593,140	1,707,088	1,724,159	1,741,401
<b>Administrative Costs</b>	\$16,364,513	\$8,523,913	\$9,846,021	\$9,600,835
<b>Subsidies and Benefits</b>	\$131,142,177	\$130,453,111	\$131,338,535	\$132,351,979
<b>Total Program Costs and Customer Discount</b>	\$147,506,690	\$138,977,024	\$141,184,556	\$141,952,814

12 **(d) Explain how your current proposal has changed from that in prior**  
 13 **years, if any**

14 The SoCalGas proposal is consistent with prior years in that it seeks approval for funding  
 15 necessary for serving the existing customer base and increasing program participation to the 90%  
 16 goal. The proposal covers some differences and it contains plans to implement new enrollment  
 17 options and enhance current practices and outreach. One proposal is to have CSRs in the CCC  
 18 enroll customers over the phone when they call to turn-on service or make payment

1 arrangements. The CSR costs are discussed further in. Other operational enhancements and  
2 marketing strategies are in Section K.

3 (e) **Based on your review of all of the study findings and working group**  
4 **recommendations and in light of new technologies and opportunities**  
5 **for partnership and collaboration, are there any new strategies or best**  
6 **practices that could be considered for inclusion in this program that**  
7 **could benefit California customers? For example, to promote eligible**  
8 **households to enroll or re-enroll in the CARE program, consider the**  
9 **use of apps, text media including social media and non-English**  
10 **language media, partnerships with California and Federal Lifeline**  
11 **providers, partnerships with water, telephone or energy utilities, CBOs,**  
12 **non-profits, business or trade associations, consultations with tribal**  
13 **governments, and other avenues or means of effectively communicating**  
14 **with eligible customers.**

15 Based on review of the studies from the last program years, SoCalGas was pleased to see  
16 that a number of recommendations stated that SoCalGas should continue past successful  
17 approaches to serving its low-income customers. SoCalGas plans to maintain its operational and  
18 marketing practices that have led to great successes in the CARE program. However, there are a  
19 number of study recommendations and influences from changes in technological landscapes that  
20 have shaped SoCalGas' PY2015-2017 CARE program plans.

21 As noted in the LINA Study, SoCalGas will expand its relationships with community  
22 organizations that provide one-on-one counseling or casework with customers to help them  
23 identify resources they qualify for, such as the CARE program. This expansion includes  
24 Veterans and VITA organizations, and supplements current work with several CBOs that already  
25 work one-on-one with customers to discuss their economic and social situations, which may  
26 include life-changing events. This is described in more detail in Section I.A.4.

27 Pursuant to the LINA Study recommendation that the CARE Program should explore  
28 how to increase the penetration rate in very high poverty areas, SoCalGas has identified counties  
29 with the highest poverty rates in its service territory and will expand grassroots efforts and

1 targeted outreach in these areas for both the CARE program. This is described in the Section  
2 I.C.4 X. The counties identified are Tulare, Imperial, Fresno, Kings, and Kern.<sup>34</sup>

3           Related to changes in the technological environments, SoCalGas plans to make web  
4 based enhancements to the CARE Application, including making it accessible on mobile friendly  
5 platforms. The CARE Application is available on SoCalGas' website in 13 languages including  
6 English<sup>35</sup> and customers can increase the font size on the screen.<sup>36</sup> The first planned step to  
7 increase mobile accessibility of the CARE Application is to make the webpage viewable on  
8 mobile devices. In addition, SoCalGas will enhance the existing SoCalGas smartphone  
9 application with CARE information. SoCalGas would like to see mobile enrollment platforms  
10 leveraged with low-income cellular service providers, so that new phone customers are informed  
11 about CARE and learn that they can apply for CARE on their phones. In 2014 SoCalGas  
12 conducted joint outreach event with Telescape to target eligible customers for both the California  
13 Lifeline Program ("Lifeline") and CARE. This outreach will continue for PY2015-2017.  
14 Additionally, SoCalGas plans to identify Lifeline provider store locations where CARE and ESA  
15 Program materials can be left behind. SoCalGas plans to solicit low-income cellular service  
16 providers to pre-load the SoCalGas smartphone application to customer phones, so that they will  
17 have CARE information immediately at their fingertips. The total cost of these mobile upgrades  
18 is \$405,460 included in the Information Technology ("IT") Programming cost category, and is  
19 split between 2015 and 2016.

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<sup>34</sup> Three of the four counties noted are at or above the 90% penetration goal, and therefore SoCalGas is focusing on Imperial County.

<sup>35</sup> English, Spanish, Vietnamese, Korean, Chinese, Russian, Hmoob, Tagalog, Farsi, Arabic, Armenian, Thai, and Khmer

<sup>36</sup> English, Spanish, Chinese, Korean, and Vietnamese.



1           **B.       CARE PROGRAM GOALS AND BUDGETS FOR PYs 2015-2017**

2                   **1. *A detailed description of all proposed programs activities and***  
3                   ***program participation goals for each year. Include the***  
4                   ***number of eligible households.***

5           The three components of the CARE program governed by specific Commission  
6 directives are new enrollment, recertification, and PEV. Each process is administered by  
7 SoCalGas staff including responding to customer inquiries; necessary follow-up due to receipt of  
8 insufficient proof of income; data scanning and electronic archiving of the CARE forms; and  
9 developing and engaging in quality outreach and marketing activities.

10           **New Enrollments**

11           Customers may qualify for the CARE Program by certifying that they meet the current  
12 income guidelines or through categorical eligibility. As the CARE program has matured and  
13 evolved through the years, so have the options for enrollment. Before, the only choice a  
14 customer had was to mail in a paper application. Now, customers have a plethora of options to  
15 enroll in CARE. SoCalGas continuously reviews technological advances and strives to provide  
16 numerous, convenient, and up-to-date alternatives for customers to become enrolled. Some  
17 customers will continue to prefer the paper application, while others, accustomed to doing  
18 everything on the internet, will undoubtedly choose this option. Still, others prefer to call an  
19 IVR system and accomplish enrollment through the push of buttons on the phone. Due to the  
20 variety of individual preferences, behavior, age, and education of its customers, SoCalGas will  
21 continue to explore options and supply new service deliveries. One example of this is to enhance  
22 the existing CARE web page using responsive design techniques, whereby customers who may  
23 not have access to a computer can enroll or recertify their CARE eligibility on all mobile devices  
24 -- both phone and tablet.

1 Customers can apply for CARE benefits by completing a hard-copy application and  
2 mailing it in the postage paid envelope provided, or choose another option listed on the  
3 instruction side of the application: call the IVR telephone line; apply via the website; or fax it to  
4 the fax number listed on the application. Customers also apply via email or through a telephone  
5 solicitation. Additionally, in an effort to support enrollment, for CARE customers who stop  
6 service at one address and start service at a new address, the CARE discount is automatically  
7 transferred to the new address. These customers also immediately receive benefit of the reduced  
8 SEC. Customers, who call the CARE department with inquiries regarding CARE eligibility, or  
9 to seek the status of their prior CARE submittal, are given the option to become enrolled over the  
10 phone.

11 SoCalGas can also enroll customers in CARE through data sharing with other IOU's, as  
12 well as local utilities such as the Los Angeles Department of Water and Power and the Imperial  
13 Irrigation District's Residential Energy Assistance Program. Additionally, customers who  
14 receive LIHEAP or GAF bill payment assistance are enrolled in the program and automatically  
15 become PEV-approved. SoCalGas cross-references customers who receive benefit from these  
16 programs and conduct a weekly data interface, whereby customers participating in LIHEAP or  
17 GAF, but not on the CARE program, are automatically enrolled in CARE. Also, because  
18 LIHEAP and GAF customers provide proof of income when applying, customers are not subject  
19 to CARE's PEV process. Finally, CARE customers who are scheduled for recertification and  
20 who are approved for LIHEAP and GAF assistance are not asked to recertify their CARE  
21 eligibility again until the next two year recertification cycle has lapsed. This fully automated  
22 process has been in effect since 2007.

1 Customers who are participants of SoCalGas' ESA Program are also enrolled in CARE.  
2 Leveraging internally, and with outside organizations and low-income programs has proven to be  
3 a cost-effective and efficient means for SoCalGas to identify and enroll eligible customers.  
4 SoCalGas will continue to explore more leveraging opportunities and enrollment avenues.

5 Currently, over 1.9 million customers are registered and actively using My Account on-  
6 line services, with an average of 43,000 new users registering each month.<sup>37</sup> The increasing  
7 numbers of My Account customers presents CARE outreach/enrollment opportunities in the  
8 digital environment. Currently within My Account, customers can make payment arrangements  
9 and request other services. In the payment arrangement section, a banner offering the CARE  
10 discount is displayed, including a link that takes the customer to the website to enroll in CARE.  
11 The website requires the customer to enter all information including account number, full name,  
12 and complete address, in addition to the number of residents in the household and income or  
13 eligible assistance program. An enhancement to My Account would provide a more user-  
14 friendly enrollment option, whereby customers who are making payment arrangements, service  
15 connection, or payment extensions can enroll in CARE. All information related to the customer  
16 would be pre-populated for easy enrollment. Additionally, for customers who apply directly on  
17 the website CARE application, SoCalGas plans to make it user-friendly as well, by  
18 implementing pre-population of customer information, once an account number is entered.

19 Lastly, SoCalGas believes that the addition to CSR enrollments will be a valuable tool for  
20 achieving the Commission penetration rate goal of 90%. This method of enrollment meets  
21 SoCalGas' commitment to hard-to-reach customers, because with multi-lingual CSRs, phone  
22 enrollments addresses the needs of LEP customers. This method also addresses the needs of  
23 customers with visual impairment, because such customers will not even need to read or access

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<sup>37</sup> 2014 My Account enrollment numbers will not be available until 2015.

1 the CARE application. Customers who have challenges with limited literacy will also find the  
2 CSR enrollment method to be less of a barrier to enrollment. Because of the gradual shift to this  
3 method, SoCalGas will be able to scale back direct mail SoCalGas will continue with the current  
4 program strategies that have proven to be successful. SoCalGas plans to expand its enrollment  
5 process to optimize customer convenience by providing additional ways to enroll and by  
6 enhancing the current methods of enrollment starting in 2016. This method of enrolling  
7 customers in CARE through CSRs will reduce paper, postage, printing, application inserting, and  
8 outreach costs. Customers will have the immediate gratification of knowing they will receive the  
9 CARE and SEC discount on their first bill. Furthermore, offering customers enrollment through  
10 the phone, addresses barriers to reaching hard to reach limited literacy customers. SoCalGas is  
11 also proposing a one-time CARE enrollment study in 2016, in case the CSR enrollment results  
12 are not as high as anticipated. The study would identify where changes, enhancements or  
13 improvements could be made.

#### 14 **Outreach**

15 Marketing and outreach campaigns and tools are used to support new enrollments in the  
16 CARE program. SoCalGas has found that CARE customers who fail to recertify represent a  
17 significant challenge for meeting the Commission 90% goal. In 2013, 157,658 customers were  
18 unenrolled because they did not respond to recertification request.<sup>38</sup> To address this challenge, in  
19 2014 SoCalGas began tailored outreach with varieties of messages to nudge customers who  
20 failed to recertify to re-enroll in the CARE program. Specifically in 2014, SoCalGas initiated a  
21 campaign to target customers who failed to respond to recertification and was able to acquire  
22 10% of customers to the CARE program. In PY 2015-2017, SoCalGas plans to expand these

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<sup>38</sup> SoCalGas Low-Income Annual Report CARE Table 2.

1 campaigns. Based on initial results SoCalGas believes that it can decrease CARE customer  
2 attrition by 20% (approximately 66,000<sup>39</sup> net new enrollments) through re-enrollment in 2015.

3 SoCalGas will continue existing marketing and outreach activities to support the  
4 Commission's 90% CARE penetration rate goal. These include: direct mail, bill inserts, mass  
5 media advertising (including ethnic and minority-owned media), door-to-door canvassing, grass  
6 roots activities, and work with community-based and faith-based organizations. These activities  
7 are part of SoCalGas' commitment to conduct outreach with hard-to-reach segments of the  
8 population including: rural, high-poverty, customers with LEP, seniors, and customers with  
9 disabilities. Through these activities SoCalGas has achieved a penetration rate of 82.5% as of  
10 September 2014.<sup>40</sup>

11 SoCalGas will expand its relationships with community organizations that provide one-  
12 on-one counseling or casework with customers to help them identify resources they qualify for,  
13 including the CARE and ESA Programs. This expansion includes Veterans and VITA  
14 organizations, and supplements current work with several CBOs that already work one-on-one  
15 with customers to discuss their economic and social situations, which may include income  
16 changing events. This is described in more detail under the section G.

17 Pursuant to the LINA study recommendation that the CARE program should explore how  
18 to increase the penetration rate in very high poverty areas, SoCalGas has identified counties with  
19 the highest poverty rates in its service territory. SoCalGas will expand grassroots efforts and

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<sup>39</sup> This number represents the 20% of 2013 CARE attrition (excluding failed PEV and failed recertifications) as reported in SoCalGas 2013 Low Income Annual Report CARE Table 2.

<sup>40</sup> SoCalGas Low-Income Program September Monthly Report CARE Table 2.

1 targeted outreach in these areas for both the CARE and ESA Program. This is described in  
2 section X. The counties identified are Tulare, Imperial, Fresno, and Kern.<sup>41</sup>

3 Related to changes in the technological environments, SoCalGas plans to make web  
4 based enhancements to the CARE Application, including making it accessible on mobile friendly  
5 platforms. The CARE Application is available on SoCalGas website in 13 languages<sup>42</sup> and  
6 customers can increase the font size on the screen. The first planned step to increase mobile  
7 accessibility of the CARE Application is to make the webpage viewable on mobile devices. In  
8 addition, SoCalGas will enhance the existing SoCalGas smartphone application with CARE  
9 information. SoCalGas will solicit low-income cellular service providers to request to leverage  
10 their mobile enrollment platforms, so that new phone customers are informed about CARE and  
11 learn that they can apply for CARE on their phones. The total cost of these mobile upgrades is  
12 \$405,460 included in the IT Programming cost category, and is split between 2015 and 2016.

13 In 2014 SoCalGas conducted joint outreach events with Telescape a California Lifeline  
14 (Lifeline) provider to target eligible customers for both the Lifeline Program and CARE. This  
15 outreach will continue for PY2015-2017. Additionally, SoCalGas plans to identify Lifeline  
16 provider store locations where CARE and ESA Program materials can be left behind.  
17 In PY2015-2017, SoCalGas also plans to work with local immigration advocacy organizations to  
18 better understand enrollment barriers among undocumented residents. Through in-depth  
19 interviews with immigration advocates, SoCalGas will identify recommendations to overcome  
20 enrollment barriers, and will develop messaging to better reach this community. SoCalGas and

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<sup>41</sup> Three of the four counties noted are at or above the 90% penetration goal, and therefore SoCalGas is focusing on Imperial County.

<sup>42</sup> English, Spanish, Vietnamese, Korean, Chinese, Russian, Hmoob, Tagalog, Farsi, Arabic, Armenian, Thai, and Khmer.

1 the CARE program do not get involved in immigration issues, and SoCalGas seeks to make this  
2 clear to undocumented residents.

### 3 **Recertification**

4 Prior to 2007, the Commission required all CARE customers to renew their eligibility  
5 every two years. To better serve its low-income population, SoCalGas began utilizing a  
6 recertification probability model in 2007 to determine which customers are more than 85% likely  
7 to be CARE-eligible. As authorized by the Commission, these customers are granted a four year  
8 recertification period. SoCalGas also recognized that for customers on a fixed-income, their  
9 annual earnings do not fluctuate significantly from year to year. Since requiring them to  
10 recertify eligibility every two years was an unnecessary burden, in 2008 as authorized by the  
11 Commission, SoCalGas implemented a four year recertification period for “fixed income”  
12 customers, e.g., those receiving Social Security, pension, SSI, SSD, SSP, and/or Medi-Cal  
13 benefits.

14 Customers are mailed a recertification application when they are due to recertify. To aid  
15 in the recertification response rate, an enhancement to the mailing was implemented in 2014  
16 whereby customers also receive an outbound dialing (“OBD”) notification message on their  
17 landline telephones. The message alerts the customer that it is time to recertify for CARE and to  
18 be aware that an application will arrive within a few days. The message also describes the  
19 consequences of not returning the completed application – removal from the CARE program and  
20 termination of the 20% discount. If the customer answers the call, he/she has the option of  
21 hearing the message in either English or Spanish. If the message is left on the customer’s  
22 answering machine, the information is delivered in both English and Spanish.

1 FCC rulings disallow SoCalGas to legally call cellular telephones. Based on statistical  
2 data, only 65% of customers, who were mailed either a recertification or PEV application, have  
3 landline telephones and can be called. Further statistics on the success of the OBD calls shows  
4 that of the 65% called, 20% have been successful calls, whereby the complete message was  
5 either delivered directly to the customer, or to the customer's answering machine. Due to the  
6 existence of caller ID information displayed on landlines, customers can choose to disregard an  
7 incoming call from SoCalGas. Customers may also answer the call and then hang-up after  
8 hearing only a portion of the message. SoCalGas will continue to monitor the response rate of  
9 these two processes.

10 The recertification application provides options for completing the process: via the IVR  
11 telephone system, on-line, by U.S. mail, or fax. Additionally, customers who call the CARE  
12 department with inquiries can also become recertified over the telephone. Customers have 100  
13 days from the first mailing to complete the recertification process. In 2014, SoCalGas  
14 implemented a new process by mailing a second recertification application to customers who  
15 have not responded within 45 days from the date of the initial recertification request. It is  
16 anticipated the second request will aid in the recertification of customers, however, not enough  
17 time has lapsed in order to successfully measure its effectiveness.

18 Non-responsive customers are removed from CARE and no longer billed at the 20%  
19 discount. If after 100 days a qualifying recertification or new self-certification application is  
20 received by SoCalGas, the customer will become re-enrolled on CARE. SoCalGas strives to  
21 simplify the recertification process and does the utmost to retain customers on the discounted  
22 rate.



1           **PEV**

2           SoCalGas prudently and diligently oversees the Program to ensure that qualified  
3 customers receive the benefit of the CARE discount. PEV is one of the methods utilized to  
4 accomplish this objective. Customers who are recently enrolled or recently recertified are run  
5 through a probability model to identify those who may be enrolled, but do not qualify for the  
6 program. Prior to enhancements made to the probability model pursuant to D.12-08-044, PEV  
7 was based on a selection of customers randomly chosen by a computer program. The random  
8 selection was then run through a vintage model, developed in 2007, which took into  
9 consideration three parameters: income, single versus multi-family home, and customers'  
10 energy consumption.

11           Through a calculation of nine variables, the newly reformed model (described in detail  
12 below) determines the customers who most likely do not qualify for CARE. A PEV application  
13 is mailed to these customers requiring them to submit proof of eligibility to maintain the  
14 discount. Customers may utilize U.S. mail, fax, or email to complete the process. Once  
15 sufficient proof of income or participation in a categorical eligibility assistance program is  
16 received, the customer becomes PEV approved. Additionally, customers who receive LIHEAP or  
17 GAF payment assistance will be automatically PEV approved, as will customers who are verified  
18 through SoCalGas' ESA Program.

19           Customers who do not respond to the PEV request within 45 days receive a bill message  
20 reminding them to mail their application and proof of eligibility. Finally, if the customer fails to  
21 respond within one-hundred days from the initial PEV request, he/she will be terminated from  
22 CARE and back-billed, resulting in the loss of up to three months of CARE credit. SoCalGas  
23 plans to make further improvements to the PEV process overall to increase the response rate of

1 its customers. SoCalGas plans to improve the layout of the PEV form to ease the perceived  
2 burden of completing the PEV process. The visual appeal and tone of the application will be  
3 enhanced to assist in prompting the customer to complete the process in a timely manner rather  
4 than set it aside to view later. Detailed information will be available on the website including a  
5 Question and Answer section to answer questions, clear up any misconceptions, and to ease  
6 customers' minds regarding the security of their documentation and their freedom to redact  
7 numbers such as social security or bank accounts. An email address will be included in the PEV  
8 instructions so that customers will also be able to submit copies of requested information via  
9 email. This more convenient and expedient option may provide some customers the assurance  
10 that their documents will be promptly delivered to SoCalGas.

11           SoCalGas plans to redesign its applications to consolidate the variances in the existing  
12 forms. Through the years, SoCalGas has created multiple iterations of applications directed  
13 towards reaching out to the diverse customer segments with the self-cert applications available in  
14 13 languages<sup>43</sup> and the recertification and PEV applications available in 5 languages<sup>44</sup>. With the  
15 inception of scanning all documents for OCR and content management, the multiple application  
16 types make form identification and development in the scanning system unnecessarily complex.  
17 Some applications served their purpose for a time and have since become obsolete. As a result,  
18 SoCalGas plans to consolidate many of the various types of applications to improve application  
19 sorting and the engineering portion of the scanning project. Increasing the response rate of  
20 customers, who are requested to provide proof of eligibility documentation, has been  
21 challenging. SoCalGas plans to make further improvements to communications related to PEV  
22 to increase the response rate of its customers. This includes improving the layout of the PEV

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<sup>43</sup> English, Spanish, Vietnamese, Korean, Chinese, Russian, Hmoob, Tagalog, Farsi, Arabic, Armenian, Thai, and Khmer.

<sup>44</sup> English, Spanish, Chinese, Korean, and Vietnamese.

1 form to ease the perceived burden of completing the PEV process, and adding detailed PEV  
 2 information on the website with a Question and Answer section. A second PEV application will  
 3 be mailed to customers who did not respond within 45 days to the initial PEV request. Customers  
 4 will also be able to submit copies of requested information via email. This more convenient and  
 5 expedient option may provide some customers with the assurance that the materials they  
 6 submitted will be promptly delivered to SoCalGas.

7 SoCalGas recommends continuing the 20% bill discount and \$15 SEC discount for  
 8 qualified new customers.

9 **2. A summary of actual participant data from 2012 and 2013, including**  
 10 **CARE participant counts and percentage rates for program**  
 11 **enrollment. Also provide estimated participation data for 2014 and**  
 12 **provide a comparison to the benchmarks established by the**  
 13 **Commission.**

14 As Table 5 below shows, SoCalGas provides a summary of CARE  
 15 participant data for PYs 2012-2014.

16 **Table 5 - SoCalGas CARE Participant Data (2012-2014)**

	2012*	2013*	2014**
CARE Enrollments	1,649,360	1,604,411	1,593,140
Penetration Rate	90.1%	89.2%	85%
Year-end Goal	90.0%	90.0%	90.0%

17 \* Year End totals from SoCalGas Annual Reports filed on May 1 of each year.

18 \*\* Estimated year end 2014 enrollments.

19 **3. A discussion of any significant variations in enrollment from year to**  
 20 **year and unique issues, if any, of your service area that presents**  
 21 **challenges toward reaching the penetration goals of enrollment**  
 22 **established by the Commission.**

23 SoCalGas has seen a decrease in CARE enrollments since 2012, and reports an 85%  
 24 penetration rate, as noted in the table above. SoCalGas supports the 90% penetration goal set by  
 25 the CPUC in D.12-08-044 and strives to achieve this goal as supported by this testimony and

1 funding requests. SoCalGas recognizes that there are barriers to participation and acknowledges  
 2 that it has reached numerous customers and those remaining to enroll and retain will be the most  
 3 difficult and challenging to reach. Some barriers include, but are not limited to: pride, illiteracy,  
 4 LEP, unwillingness, and customer transiency. SoCalGas plans to obtain new enrollments though  
 5 CSR telephone outreach, enhanced technological efforts, improved and additional  
 6 communication methods for recertification, and enhanced PEV efforts to enroll and retain the  
 7 intended-eligible customers on CARE.

8 California’s unemployment rate is decreasing, a sign of an improving economy. In  
 9 August 2012, California’s unemployment rate was 10.5%, whereas in August 2014, the State  
 10 unemployment rate was 7.5%.<sup>45</sup> Where the state unemployment rate has decreased, SoCalGas  
 11 has seen a 5% increase in its CARE eligible population over the last year. The increase of over  
 12 100,000 CARE eligible customers between 2013 and 2014 has made it more challenging to reach  
 13 the 90% CARE penetration goal. Table 6 below illustrates the decrease in California’s  
 14 unemployment rate and the increase in CARE eligible population for 2012-2014.

15 **Table 6 - California Unemployment Rates and CARE Eligible Population**  
 16 **Estimates 2012-2014<sup>46</sup>**

<b>Year</b>	<b>California Unemployment Rate</b>	<b>CARE Eligible Population</b>
2012	10.5%	1,828,366
2013	8.9%	1,795,429
2014	7.5%	1,896,764

17

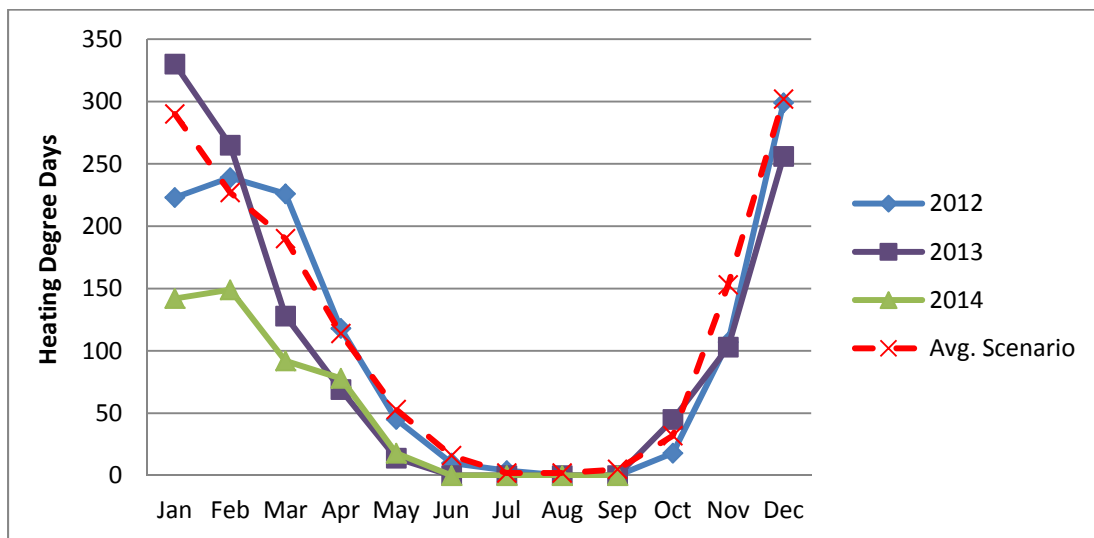
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<sup>45</sup> California Labor Market Information, “Historical Data for Unemployment Rate and Labor Force (Not Seasonally Adjusted) in California.” Retrieved from:  
<http://www.labormarketinfo.edd.ca.gov/cgi/databrowsing/localAreaProfileQSMOREResult.asp?viewAll=&viewAllUS=&currentPage=&currentPageUS=&sortUp=&sortDown=L.PERIODYEAR&criteria=unemployment+rate&categoryType=employment&geogArea=0601000000&timeseries=unemployment+rateTimeSeries&more=&menuChoice=localAreaPro&printerFriendly=&BackHistory=-2&goTOPageText> on October 20, 2014.

<sup>46</sup> These numbers and rates are a moment in time, based off of August recorded numbers.

1            Additionally, data suggests that unusually warmer years may have impacted customer gas  
 2 usage from 2012 through 2014. For example, Graph 1 below illustrates that in 2014, in  
 3 particular, there were far fewer cool days when customers would use natural gas heating. Since  
 4 natural gas is primarily used for water heating and space heating, warmer days often correlate  
 5 with reduced gas usage. For certain customers, a relatively low utility bill (compared to electric)  
 6 made even lower through reduced usage, may make the CARE discount so nominal they choose  
 7 not to seek the related cost savings and forego enrollment. In the future, SoCalGas may continue  
 8 to see warmer weather trends, and will work to enroll customers in the CARE program by  
 9 illustrating the savings benefit to customer in different ways.

10            **Graph 1 - SoCalGas Historic Heating Degree Days (2012-2014)<sup>47</sup>**



11  
 12            As part of its CBO partnerships, SoCalGas will continue to work with non-profit broad  
 13 band providers, as a way to show-case to customers that often the CARE discount savings they  
 14 receive can be used towards low-cost broad band service. Given warmer weather trends, and

<sup>47</sup> DEGREE DAY: A unit, based upon temperature difference and time, used in estimating fuel consumption and specifying nominal periodic heating (or cooling) load of a building. When the mean temperature is less than 65 degrees Fahrenheit the heating degree days are equal to the total number of hours that temperature is less than 65 degrees Fahrenheit for an entire year. The complement is also true of cooling degree days.

1 potentially lower gas bills, SoCalGas will look for ways to show customers the value of the  
2 dollars they save. Furthermore, SoCalGas will continue to address the enrollment barrier related  
3 to the customer perception that the CARE discount is nominal because of low natural gas bills.  
4 Through outreach SoCalGas will inform customers that through a number of partnerships  
5 SoCalGas shares program enrollment information so customers can also be enrolled in IOUs'  
6 and water utilities' low-income bill discount programs.

7 **4. A discussion of how the utility's CARE program goals for the 2015-**  
8 **2017 CARE program align with Commission directives of reaching a**  
9 **penetration goal of 90%.**

10 SoCalGas supports the 90% penetration goal set in D.12-08-044. To achieve this goal,  
11 SoCalGas seeks incremental funding for CSR CARE enrollment of willing and eligible  
12 customers in CARE over the phone. CSR CARE enrollments will increase the immediacy of  
13 program participation, thereby supplementing a longer process where CSRs identify customer  
14 interest and follow-up by sending paper applications. As a result of live enrollment, SoCalGas  
15 anticipates an increase in enrollments of approximately 100,000 incremental customers enrolled  
16 into the CARE program. While live enrollment will simplify the actual enrollment process,  
17 SoCalGas will complement this process by continuing to work with CBOs and Faith-Based  
18 organizations as part of a grassroots communication effort to increase the awareness of the  
19 CARE program. SoCalGas will also continue mass media and communication efforts – such as  
20 targeted direct mail applications and targeted Internet campaigns -- so as to increase awareness  
21 of the CARE program.

22 **5. A description of your utility's existing program elements and**  
23 **strategies to be continued.**

24 SoCalGas will continue its current program strategies that have proven to be successful.  
25 All CARE outreach materials are offered in multiple languages to reduce barriers to

1 participation. Customers can continue to enroll and recertify through various channels: CARE  
2 representatives, mail, IVR, fax, on-line, through data sharing with other utilities and programs  
3 such as ESA, LIHEAP, and GAF, and through automatic transfer of CARE from a closed  
4 account to a newly activated account. CARE processing staff scans incoming documents for  
5 efficient approval of applications, and tracks processing statistics for reporting results to the  
6 CPUC. In addition, CARE representatives speak to customers and respond to daily inquiries  
7 regarding the CARE program, and also offer immediate enrollment or recertification during the  
8 call. The probability model aids in mailing PEV applications to the appropriate customers. All  
9 CARE customers will continue to recognize their participation in CARE by viewing the CARE  
10 icon plus the itemized discount amount on their bills. SoCalGas will continue the practice of  
11 issuing bill inserts and direct mail applications, conducting email campaigns, and also working to  
12 reach and enroll customers through community events, mass media, and web campaigns. As  
13 described above, SoCalGas will also expand its tactics for "hard-to-reach" customers, who are  
14 typically more difficult to reach due to physical disabilities, visual or hearing impairments, or  
15 LEP. To develop these new tactics, SoCalGas will continue to leverage relationships with  
16 organizations that serve the disabled community and work directly with grassroots organizations.  
17 SoCalGas believes continued use of these strategies will ultimately help educate special needs  
18 and hard-to-reach customers about the benefits of CARE enrollment and also help SoCalGas  
19 reach and maintain a 90% penetration rate.

20 **6. A description of any new program elements and strategies to be**  
21 **implemented, including estimates of budgets for these new**  
22 **approaches.**

23 SoCalGas is not proposing any new program elements for PYs 2015-2017. SoCalGas  
24 recommends continuing the 20% bill discount and \$15 SEC discount for qualified new  
25 customers as the core program benefits. There are a number of other benefits associated with the

1 provision of CARE, including but not limited to leveraging with partners that allow customers  
2 enrollment across multiple low-income programs, providing education to customers regarding  
3 gas bills, bill assistance through outreach, and providing in-language assistance to customers  
4 who are LEP. SoCalGas proposes to continue these benefits for the next program cycle.  
5 SoCalGas is proposing to revise and improve the current program elements and strategies and  
6 improve program delivery, which was expanded on earlier in Section 4.b.

7 **7. A detailed description of any proposed pilots and/or studies to be**  
8 **conducted, including detailed proposed budgets.**

9 SoCalGas is not proposing to conduct any pilots or studies in PY 2015-2017. However,  
10 SoCalGas anticipates that when customers call to turn on service or make payment arrangements  
11 the CSR CARE enrollment could result in approximately 100,000 additional CARE customers<sup>48</sup>  
12 and help support the 90% penetration rate goal. If CSR enrollment results are not as anticipated,  
13 SoCalGas plans to conduct a market research study to troubleshoot and determine whether there  
14 are any issues that can be identified and where changes or enhancements to the process can be  
15 made. The \$35,000 cost for this study is included in general administration.

16 **8. Your utility's total requested budget of the portfolios for each year,**  
17 **and for the entire budget cycle.**

18 SoCalGas' requested administrative costs for PY2015-2017 are \$8.52 million for  
19 PY2015, \$9.85 million for PY2016, and \$9.60 million for PY2017. The total requested is \$27.97  
20 million. The proposed budget for CARE program subsidies is \$130.5 million for PY2015,  
21 \$131.3 million for PY2016, and \$132.4 million for PY2017 for an overall total of \$394.1 million  
22 for the 2015 – 2017 program years. SoCalGas proposes that CARE subsidies remain subject to  
23 two-way balancing account treatment.

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<sup>48</sup> SoCalGas anticipates approximately 290K phone enrollments per year from the CCC, which is approximately 100,000 incremental enrollments over the current number of enrollments generated from the CCC through enrollment referrals.



1                   **9. Estimates of the total number of households to be enrolled for each**  
2                   **year, and for the entire budget cycle.**

3  
4                   SoCalGas' enrollment goal for PY2015-2017 is to enroll a total of 113,948 new  
5 customers in PY2015, 17,071 in PY2016 and 17,242 in PY2017. The total enrollments for the  
6 cycle are 148,261.

7                   **10. Request any exceptions, as necessary.**

8                   SoCalGas is not requesting any exceptions for the cycle.

9                   **C. PROGRAM DELIVERY**

10                  **1. Existing Strategies:**

11                                 Discuss the mechanics of the program and provide a brief description of  
12                                 the strategies employed during 2012-2014 that will be continued through  
13                                 2015-2017, including a description of activities performed by third-parties  
14                                 and other stakeholders.

15                   The three components of the CARE program governed by specific Commission  
16 directives are new enrollment, recertification, and PEV. Each process is administered by  
17 SoCalGas staff including responding to customer inquiries; necessary follow-up due to receipt of  
18 insufficient proof of income; data scanning and electronic archiving of the CARE forms; and  
19 developing and engaging in quality outreach and marketing activities.

20                   **New Enrollments**

21                   As noted above, customers may qualify for the CARE program by certifying that they  
22 meet the current income guidelines or through categorical eligibility. As the CARE program has  
23 matured and evolved through the years, so have the options for enrollment. SoCalGas  
24 continuously reviews technological advances and strives to provide numerous, convenient, and  
25 up-to-date alternatives for customers to become enrolled. Some customers will continue to  
26 prefer the paper application, while others, accustomed to doing everything on the internet, will  
27 undoubtedly choose this option. Still, others prefer to call an IVR system and accomplish

1 enrollment through the push of buttons on the phone. Due to the variety of individual  
2 preferences, behavior, age, and education of its customers, SoCalGas will continue to explore  
3 options and supply new service deliveries. One example of this is to enhance the existing CARE  
4 web page using responsive design techniques, whereby customers who may not have access to a  
5 computer can enroll or recertify their CARE eligibility on all mobile devices -- both phone and  
6 tablet.

7 Customers can apply for CARE benefits by completing a hard-copy application and  
8 mailing it in the postage paid envelope provided, or choose another option listed on the  
9 instruction side of the application: call the IVR telephone line; apply via the website; or fax it to  
10 the fax number listed on the application. Customers also apply via email or through a telephone  
11 solicitation. Additionally, in an effort to support enrollment, for CARE customers who stop  
12 service at one address and start service at a new address, the CARE discount is automatically  
13 transferred to the new address. These customers also immediately receive benefit of the reduced  
14 SEC. Customers, who call the CARE department with inquiries regarding CARE eligibility, or  
15 to seek the status of their prior CARE submittal, are given the option to become enrolled over the  
16 phone.

17 SoCalGas' customers can also become enrolled in CARE through data sharing with other  
18 IOU's, as well as water utilities. Additionally, customers who receive LIHEAP or GAF bill  
19 payment assistance are enrolled in the program and automatically become PEV approved.  
20 SoCalGas cross-references customers who receive benefit from these programs and conduct a  
21 weekly data interface, whereby customers participating in LIHEAP or GAF, but not on the  
22 CARE program, are automatically enrolled in CARE. Also, because LIHEAP and GAF  
23 customers provide proof of income when applying, customers are not subject to CARE's PEV

1 process. Finally, CARE customers who are scheduled for recertification and who are approved  
2 for LIHEAP and GAF assistance are not asked to recertify their CARE eligibility again until the  
3 next two year recertification cycle has lapsed. This fully automated process has been in effect  
4 since 2007.

5 Customers who are participants of SoCalGas' ESA Program are also enrolled in CARE.  
6 Leveraging internally, and with outside organizations and low-income programs has proven to be  
7 a cost-effective and efficient means for SoCalGas to identify and enroll eligible customers.  
8 SoCalGas will continue to explore more leveraging opportunities and enrollment avenues.

### 9 **Recertification**

10 SoCalGas utilizes a recertification probability model to determine which customers are  
11 more than 85% likely to be CARE-eligible. SoCalGas implements a four year recertification  
12 period for "fixed income" customers, e.g., those receiving Social Security, pension, SSI, SSD,  
13 SSP, and/or Medi-Cal benefits.

14 SoCalGas mails to customers a recertification application when they are due to recertify.  
15 To aid in the recertification response rate, an enhancement to the mailing was implemented in  
16 2014 whereby customers also receive an OBD notification message on their landline telephones.  
17 The message alerts the customer that it is time to recertify for CARE and to be aware that an  
18 application will arrive within a few days. The message also describes the consequences of not  
19 returning the completed application – removal from the CARE program and termination of the  
20 20% discount. If the customer answers the call, he/she has the option of hearing the message in  
21 either English or Spanish. If the message is left on the customer's answering machine, the  
22 information is delivered in both English and Spanish.

1           Based on statistical data, only 65% of customers who were mailed either a  
2 recertification or PEV application have landline telephones and can be called. Further statistics  
3 on the success of the OBD calls shows that of the 65% called, 20% have been successful calls,  
4 whereby the complete message was either delivered directly to the customer, or to the customer's  
5 answering machine. Due to the existence of caller identification information displayed on  
6 landlines, customers often choose to disregard an incoming call from SoCalGas. Customers may  
7 also answer the call and then hang-up after hearing only a portion of the message. SoCalGas will  
8 continue to monitor the response rate of these two processes.

9           The recertification application provides customers several options for completing the  
10 process: via the IVR telephone system, on-line, by U.S. mail, or fax. As noted below, SoCalGas  
11 proposes to offer customers the option to enroll in SoCalGas' CARE program via MyAccount  
12 when a customer is scheduling a payment arrangement, service connection, or payment  
13 extension. Additionally, customers who call the CARE department with inquiries can also  
14 become recertified over the telephone. Customers have 100 days from the first mailing to  
15 complete the recertification process. In 2014, SoCalGas implemented a new process by mailing  
16 a second recertification application to customers who have not responded within 45 days from  
17 the date of the initial recertification request. It is anticipated the second request will aid in the  
18 recertification of customers, however, not enough time has lapsed in order to successfully  
19 measure its effectiveness.

20           Non-responsive customers are removed from CARE and no longer billed at the 20%  
21 discount. If after 100 days a qualifying recertification or new self-certification application is  
22 received by SoCalGas, the customer will become re-enrolled on CARE. SoCalGas strives to

1 simplify the recertification process and does the utmost to retain customers on the discounted  
2 rate.

### 3 **PEV**

4 PEV is the most common method utilized to verify that qualified customers are receiving  
5 benefit of the CARE discount. Customers who are recently enrolled or recently recertified are  
6 run through a probability model to identify those who may be enrolled, but do not qualify for the  
7 program.

8 Through a calculation of nine variables, the probability model (described in detail below)  
9 determines the customers who most likely do not qualify for CARE. A PEV application is  
10 mailed to these customers, and customers are required to submit proof of eligibility to maintain  
11 the discount. Customers may utilize U.S. mail, fax, or email to return the completed application  
12 and complete the process. Once sufficient proof of income or participation in a CE assistance  
13 program is received, the customer becomes PEV approved. Additionally, customers who receive  
14 LIHEAP or GAF payment assistance are automatically PEV approved, as are customers who are  
15 verified through SoCalGas' ESA Program.

16 Customers who do not respond to the PEV request within 45 days receive a bill message  
17 reminding them to mail their application and proof of eligibility. Finally, if a customer fails to  
18 respond within one-hundred days from the initial PEV request, the customer will be removed  
19 from CARE and back-billed for the discount received.

## 20 **2. Post Enrollment Verification (PEV) Long-Term Probability Model:**

- 21 **a) Discuss the results of both the interim and long term CARE**  
22 **probability models implemented during the 2012-2014**  
23 **program cycle.**

1 The Interim Probability Model (Interim Model) adopted in D.12-08-044 considers the  
2 following nine factors:

- 3 1. High energy use
- 4 2. Annual bill amounts
- 5 3. Household size
- 6 4. PRIZM or ZIP code
- 7 5. Enrollment method
- 8 6. Previously indicated customer's ineligibility
- 9 7. Customers previously de-enrolled from CARE
- 10 8. Length of program enrollment
- 11 9. Length of time lapse since previous PEV

12 Given the goal of targeting ineligible CARE enrollees, it was important for SoCalGas to  
13 include as many relevant and significant factors in its model as possible to statistically mimic  
14 customer behavior and identify which should be selected for PEVs. In addition to the nine  
15 mandated factors of the Interim Model, in SoCalGas proposed a Long-Term Probability Model  
16 (Long-Term Model) tailored to SoCalGas' service territory to include behaviors such as  
17 payments (i.e. payment extensions, overdue notices, paperless billing), other low income  
18 programs (i.e. LIHEAP, WIC, and CalFresh), and other factors (i.e. single-family home, fixed  
19 income, medical-qualified) not only increase model integrity, but also represented a more  
20 comprehensive profile of a CARE customer.<sup>49</sup>

21 Utilizing Long-Term Model framework, customers with CARE probability of less than  
22 30% should be selected for PEV. The approved Long-Term Model is presented below:

---

<sup>49</sup> Advice Letter No. 4537, The Long-Term Model and PEV framework was approved by the Commission's Energy Division on November 20, 2013.

$$\text{Logit}(P) = \alpha_0 + \sum_{i=1}^n \alpha_i (\text{CARE factor})_i$$

1       Where:

- 2           • P = probability of qualifying for CARE enrollment
- 3           • n = number of factors in the model

4           SoCalGas' Long-Term Model not only includes the Commission's nine mandated  
5 factors, but also has a stronger predictability quotient than the interim model. For a list of  
6 factors, definitions and strengths of the Interim Model and Long-Term Model please refer to  
7 Table XX and Table YY in Appendix ZZ.

8           In May and June of 2013, SoCalGas performed a comparison of the customers selected  
9 for PEV by the Interim and Long-Term Models. The average household income from the  
10 Interim model was \$61,735 compared to \$82,389 from the Long-Term Model. The Long-Term  
11 Model proves to be more proficient than the interim model as it identifies customers who most  
12 likely do not qualify for the CARE program due to high income and other customer behaviors,  
13 and assigns them to receive a PEV request. Table 7 below highlights PEV results from May  
14 2013 to September 2014:

1

**Table 7 - Long-Term Model Verification Results (January 2013 - September 2014)**

	Total CARE Population	Participants Requested to Verify	% of Pop. Total	Participants Dropped (Due to no response)	Participants Dropped (Verified as Ineligible)	Total Dropped	% Dropped through Random Verification	% of Total Population Dropped
<b>May, 2013</b>	1,651,119	8,847	0.54%	5,475	383	5,858	66%	0.35%
<b>June</b>	1,643,311	885	0.05%	220	25	245	28%	0.01%
<b>July</b>	1,638,727	5,258	0.32%	3,186	363	3,549	67%	0.22%
<b>August</b>	1,630,075	5,501	0.34%	3,199	368	3,567	65%	0.22%
<b>September</b>	1,618,685	3,900	0.24%	2,174	208	2,382	61%	0.15%
<b>October</b>	1,612,495	1,283	0.08%	507	61	568	44%	0.04%
<b>November</b>	1,611,542	3,958	0.25%	2,180	233	2,413	61%	0.15%
<b>December</b>	1,604,411	6,060	0.38%	3,356	348	3,704	61%	0.23%
<b>January, 2014</b>	1,606,546	3,659	0.23%	1,694	162	1,856	51%	0.12%
<b>February</b>	1,604,487	4,858	0.30%	2,425	234	2,659	55%	0.17%
<b>March</b>	1,600,381	4,323	0.27%	2,238	203	2,441	56%	0.15%
<b>April</b>	1,600,444	3,792	0.24%	2,117	203	2,320	61%	0.14%
<b>May</b>	1,589,127	2,517	0.16%	1,272	103	1,375	55%	0.09%
<b>Average/Total</b>	<b>1,616,258</b>	<b>54,841</b>	<b>3.39%</b>	<b>30,043</b>	<b>2,894</b>	<b>32,937</b>	<b>60%</b>	<b>2.04%</b>

2

**b) Identify the factors used, any identifiable best practices, and explain how the results will be incorporated into the 2015-2017 program cycle.**

3

4

5

As described in the section above, compared to the Interim Model the Long-Term Model better fits the available data. SoCalGas currently plans to continue to use the factors in the approved Long-Term Model into the 2015-2017 program years, and as authorized will continue to acknowledge, monitor, and review results and adjust the Long-Term Model as necessary. Customers who are new to the program or recertified a month prior are subject to the probability test and will be required to verify their eligibility if the probability score is less than 30%.

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**c) The IOUs' long-term probability advice letters and supplemental advice letters (SDG&E 2515-E-A/2224-G-A, SoCalGas 4537-G-A, PG&E 3410-G-A/4279-E-A, SCE 2936-E-**



1 A), noted that CARE customers who fail to respond to requests  
2 for income verification during the PEV process may not be  
3 ineligible for the CARE program. However, much is not  
4 known as to why these CARE customers fail to respond, nor is  
5 much known as to the characteristics of this customer segment  
6 - precisely because they fail to respond to utility requests for  
7 further information. Discuss the efforts and strategies your  
8 IOU will be implementing in the 2015-2017 budget cycle to  
9 learn more about this customer segment and to decrease the  
10 number of CARE customers who fail to respond to income  
11 verification requests during the PEV process.

12 During 2014, SoCalGas conducted a PEV study to attain customer feedback regarding  
13 the PEV process in the hopes that the information obtained would aid in increasing the PEV  
14 response rate. The surveyed customers had been PEV terminated for failing to respond to a PEV  
15 request. The key objectives were 1) Determine reactions to the PEV request, 2) Understand the  
16 barriers to completing the PEV process, 3) Measure awareness of the consequences of non-  
17 compliance, and 4) Establish a brief demographic profile of these customers. Customers were  
18 asked a series of questions through telephone interviews; 613 customers were contacted and 401  
19 customers completed a long phone survey.

### 20 **Key Findings of the PEV Study**

- 21 ➤ Overall satisfaction with the CARE program is high.
- 22 ➤ Few had negative feelings toward the PEV request overall.
- 23 ➤ Three out of four customers were aware of the PEV policy and nearly half  
24 remember receiving the PEV request:
  - 25 ○ A third of those recall receiving but did not respond to the PEV request  
26 (non-compliers),
  - 27 ○ Most read or at least glanced at the material then set it aside to read later,
  - 28 ○ Three out of four found the instructions and application easy to  
29 understand.

- The consequences of losing CARE benefits for failing to comply are clear.
- Reasons customers do respond to the PEV request, shown in Table 8 below.

**Table 8 – Results of SoCalGas’ PEV Study**

<b>Income Verification Process</b>	<b>41%</b>
Documentation	26%
Do not have all the documents	12%
Could/would not be able to get income documentation	7%
Confusion/lack of Information	5%
Personal/privacy concerns	1%
<b>Qualification</b>	<b>20%</b>
Do not think household qualifies	16%
<b>Forgot/Forget to Complete</b>	<b>18%</b>
<b>No Time</b>	<b>17%</b>
<b>DonTimeForget to Com</b>	<b>4%</b>

- Preference and improvement suggestions
  - While most prefer to receive PEV requests and reminders by mail, about one in four customers cite on-line as the acceptable channel.
  - Nearly all see reminders as enhancing the likelihood of completion.
  - Offering PEV materials on the SoCalGas website and follow-up calls from SoCalGas are seen as potential ways of improving the PEV process.
  - Assistance from CBOs and in-person meetings with SoCalGas are least preferred among the improvements presented.
- Most non-compliers prefer future SoCalGas communications to be in English

**Proposed Changes**

Based on the results of the PEV study, SoCalGas plans to make improvements to the PEV process overall to increase the response rate of its customers. However, based on the probability model and the selection process of mailing PEV requests to customers who may not

1 be eligible, it is possible that customers’ non-response may be due to their inability to meet the  
2 qualification criteria. Nevertheless, SoCalGas plans to improve the layout of the PEV form to  
3 ease the perceived burden of completing the PEV process. The visual appeal and tone of the  
4 application will be enhanced to assist in prompting the customer to complete the process in a  
5 timely manner rather than set it aside to view later. Detailed information will be available on the  
6 website including a Question and Answer section to answer questions, clear up any  
7 misconceptions, and to ease customers’ minds regarding the security of their documentation and  
8 their freedom to redact numbers such as social security or bank accounts. An email address will  
9 be included in the PEV instructions so that customers will also be able to submit copies of  
10 requested information via email. This more convenient and expedient option may provide some  
11 customers the assurance that their documents will be promptly delivered to SoCalGas.

12 **d) These long-term probability advice letters and supplemental advice**  
13 **letters include extensive detail in outlining what specific customer**  
14 **factors may indicate eligibility and ineligibility for the CARE**  
15 **program. Describe how these factors relate to the findings in the Low**  
16 **Income Needs Assessment? Discuss whether these factors need to be**  
17 **updated to correspond with the Needs Assessment findings? Discuss**  
18 **the process your utility will employ to conduct this update?**

19 SoCalGas notes that the LINA Study addresses enrollment, whereas the probability  
20 model addresses eligibility. Though there is some overlap, considerations for enrollment and  
21 eligibility are not the same; just because a customer is more likely to enroll does not mean that he  
22 or she is equally more likely to be eligible.

23 The “general form of the regression model” used in the LINA Study is a function of  
24 demographics, economics, and housing.<sup>50</sup> SoCalGas’ Long-Term Model has variables that fairly  
25 reflect customer personal finances and housing situations, but demographics (other than  
26 finances) are not reflected for reasons stated below.

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<sup>50</sup> See LINA Study, Volume 3, at p. 398.

1 Table 9 below lists factors given in LINA Study and their related counterparts in  
 2 SoCalGas' Long-Term Model.

3 **Table 9 – LINA Study Recommendations vs. SoCalGas Long-Term Model**  
 4

LINA Factor	Probability Model Factor
Poverty-level households	Average income within a customer's PRIZM code Income eligibility to CARE program
Households on public assistance	Medi-Cal qualified under 65 years old <sup>51</sup> Customer enrolled in WIC program Customer enrolled in food stamp program Customer qualifies for LIHEAP
Larger households	Average household size within customer's zip code
Single-parent households	Medi-Cal qualified under 65 years old <sup>1</sup>
Households with seniors	Sustaining Seniors (PRIZM Lifestage) <sup>52</sup>

5 Areas of higher CARE participation rates that may not be reflected in the PEV model are:

- 6 • Rural (p.47-48, 55)
- 7 • Spanish-speaking households (p.54)
- 8 • Non-English/non-Spanish-speaking households (p.54)
- 9 • African-American households (p.54)
- 10 • Households in higher population density areas (p.55)
- 11 • Homeowners (p.55)

12 Most of the individual demographics recommended in the LINA study are not  
 13 requirements for customers to apply for CARE or receive gas services, and therefore are not  
 14 available. For example, SoCalGas does not ask for ethnicity, age, or homeownership customer

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<sup>51</sup> Californians can qualify for Medi-Cal one of three ways: income, condition, or program. The income qualification is more stringent than for CARE. Eligibility for Medi-Cal includes the following conditions: pregnant, or a parent under 21 with certain qualifications. If one is enrolled in CalFresh (food stamps), one also qualifies. This variable seems to have overlap with other LTM factors. (Information gathered from <http://www.dhcs.ca.gov/services/medi-cal/Pages/DoYouQualifyForMedi-Cal.aspx>, retrieved on 6/27/2014.)

<sup>52</sup> According to Nielsen, this life stage tends to have people who “are over 65 years old and who have household incomes under \$30,000. (From <http://www.claritas.com/MyBestSegments/Default.jsp?ID=38&id1=1027&webid=&id4=11&social=no>, retrieved on 6/27/2014.)

1 information. Furthermore, there is currently no reflection of ethnicity or language in SoCalGas’  
2 model—likely for political sensitivity issues and to avoid cultural profiling. SoCalGas believes  
3 the 21 factors in the Long-Term Model effectively locate CARE-ineligible customers. As such,  
4 SoCalGas proposed to adopt only one of the LINA Study recommendations, SoCalGas will  
5 adopt the LINA Study recommendations to test the rural/urban factor in the next model update.

6 The LINA Study also recommends that, “The IOUs should continue the use of data and  
7 targeted PEV for the CARE program to reduce incidences of households being on the rate who  
8 are not income-qualified, while not removing customers who truly qualify.”<sup>53</sup> SoCalGas  
9 currently is in compliance with this recommendation, since that is exactly what the SoCalGas  
10 probability model seeks to do. The LINAS Study also notes that the IOUs should conduct  
11 research with those who do not respond to PEV requests,<sup>54</sup> which SoCalGas is currently doing;  
12 these results are discussed under section C.2.c.

13 e) **The utility long-term probability model advice letters**  
14 **illustrated some variation in the application of these tools, and**  
15 **some best practices are identified as well. Discuss how quickly,**  
16 **and at what cost, your utility would be able to implement the**  
17 **following PEV procedures:**

18 (i) **Prior to probability model screening, require random**  
19 **selection of 1% of all CARE customers, annually, for**  
20 **post-enrollment verification?**

21 SoCalGas estimates that it will cost \$65,000 for the IT hours needed to modify the PEV  
22 selection algorithm in SoCalGas’ Customer Information System (“CIS”) and take six months to  
23 implement a random selection of 1% of all CARE customers, annually, for PEV. This amount is  
24 a one-time IT costs to implement the needed changes. SoCalGas believes the new CARE  
25 probability model addressed eligibility as per the Commission’s directive. SoCalGas does not

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<sup>53</sup> LINA Study, Vol 1, at p. 69.

<sup>54</sup> LINA Study, Vol 1, at p. 69.

1 propose to adopt the 1% random selection as such the \$65,000 is not reflected in SoCalGas'  
2 proposed budget.

3 **(ii) Subject all remaining CARE customers (not including**  
4 **those on CARE for 20 days or less, or passing**  
5 **verification in the last 24 months, or users with electric**  
6 **usage above 400% baseline who must undergo PEV**  
7 **separately per D.12-08-044) to your utility's individual**  
8 **probability models.**

9 SoCalGas' PEV practice is to apply the probability model to customers who were newly  
10 approved or recertified one month prior and to remove ineligible customers as early as possible.

11 Customers with a calculated CARE probability of less than 30% are selected for PEV.

12 Combined with this, customers are required to recertify every two years or four years; SoCalGas  
13 believes its' current PEV selection practice to be the same as what is requested here.

14 **(iii) Using past program data, project/estimate the total**  
15 **number of CARE customers that would be selected (by**  
16 **month, and by percentage of total CARE population)**  
17 **that would be required to undergo the PEV process**  
18 **using the above procedures as well as the projected**  
19 **administrative costs to facilitate implementation.**

20 Using the monthly data from May 2013 to April 2014, SoCalGas estimates 68,466  
21 customers would be selected to undergo the PEV process using the procedures in section (E. i)  
22 and (E..ii). The administration cost is projected to be \$366,684 annually in addition to a one-  
23 time IT cost of \$65,000. Table 10 below shows the total number of customers that would be  
24 selected for PEV by month.

**Table 10 – PEV Customers by Month**

<b>Month</b>	<b>Total CARE Population</b>	<b>Participants Requested to Verify - 1% of CARE</b>	<b>Participants Requested to Verify - remaining</b>	<b>Total Request</b>	<b>% of Total Population Selected</b>
<b>May, 2013</b>	1,651,119	1,376	4,444	5,820	0.35%
<b>June</b>	1,643,311	1,369	4,423	5,793	0.35%
<b>July</b>	1,638,727	1,366	4,411	5,777	0.35%
<b>August</b>	1,630,075	1,358	4,388	5,746	0.35%
<b>September</b>	1,618,685	1,349	4,357	5,706	0.35%
<b>October</b>	1,612,495	1,344	4,340	5,684	0.35%
<b>November</b>	1,611,542	1,343	4,338	5,681	0.35%
<b>December</b>	1,604,411	1,337	4,319	5,656	0.35%
<b>January, 2014</b>	1,606,546	1,339	4,324	5,663	0.35%
<b>February</b>	1,604,487	1,337	4,319	5,656	0.35%
<b>March</b>	1,600,381	1,334	4,308	5,642	0.35%
<b>April</b>	1,600,444	1,334	4,308	5,642	0.35%
<b>Average</b>	<b>1,618,519</b>	<b>16,185</b>	<b>52,280</b>	<b>68,466</b>	<b>4.23%</b>

### 3. Targeting the Rural Population:

**Identify specific underserved rural areas (by ZIP code or county, tribal area or appropriate area), as discussed in the latest Needs Assessment or as additional analysis to assess rural population needs, and discuss what new strategies your IOU will employ to better target and enroll those households. Include a discussion on your utility’s strategies to be carried out in each area, if different.**

Although SoCalGas achieved a 90.3% Rural Penetration rate,<sup>55</sup> SoCalGas still plans to use the next program year to improve its efforts. SoCalGas achieves successful penetration rates of rural enrollment in Fresno (>100%), Kern (99.4%), Kings (>100%), Riverside (90.4%) and

<sup>55</sup> Low Income Program 2013 Annual Report, CARE Table 5. “Rural” includes zip codes classified as such according to the Goldsmith modification that was developed to identify small towns.

1 Tulare (96.9%) counties.<sup>56</sup> SoCalGas acknowledges that even within a county with generally  
 2 effective enrollment tactics, pockets of need still exist. Therefore, SoCalGas will build on  
 3 successful efforts and look for improvements. In the Central Valley (the counties of Fresno,  
 4 Kern, Kings, and Tulare), SoCalGas has been deploying on-going ethnic-language radio ads, and  
 5 on-air interviews. In addition, SoCalGas organized events for farmworkers during their lunch  
 6 breaks. These events were broadcasted on Spanish-language radio to maintain awareness and  
 7 credibility with the community. SoCalGas proposes to continue these activities.

8 Nevertheless, program awareness within hard-to-reach communities continues to present  
 9 a challenge. Table 11 below lists counties within SoCalGas’ territory that fall under the 90%  
 10 CARE penetration rate goal.

11 **Table 11 - Enrollment by County**

<b>County</b>	<b>August 2014 Penetration Rate</b>	<b>Rural or Urban</b>
Imperial	68.2%	Rural
Los Angeles	84.5%	Rural & Urban
Orange	73.4 %	Urban
Riverside	79.9%	Rural & Urban
San Luis Obispo	70.1 %	Rural & Urban
Santa Barbara	75.1%	Rural & Urban
Ventura	78.0%	Rural & Urban

12 SoCalGas continues to hone strategies to increase enrollments in these areas. For  
 13 example, in the hard-to-reach area of Ventura County, SoCalGas has been working with food  
 14 bank employees, conducting CalFresh outreach to expand awareness of the CARE  
 15 program. CARE outreach workers visit supermarkets and community gathering spots to conduct

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<sup>56</sup> Exceeding a 100% penetration level in a county is possible since the number of eligible CARE customers in a county is simply an estimate using eligibility factors provided to the IOUs by an outside research company, Athens Research.



1 awareness outreach. Although CARE outreach workers are deployed as part of CalFresh  
2 outreach, SoCalGas has begun to work with CalFresh in a shared-awareness effort.<sup>57</sup> SoCalGas  
3 recently expanded this approach into Santa Barbara County. In July of 2014, SoCalGas began to  
4 work with a Santa Barbara County food bank, similar to its Ventura County effort. In addition,  
5 SoCalGas began working with a CBO in Santa Barbara that provides assessments and services to  
6 people of need in the community. Both of these approaches try to find residents/customers  
7 where they are rather than expecting the customer to find SoCalGas. SoCalGas plans to continue  
8 the tactics of Ventura and Santa Barbara County into San Luis Obispo County during 2015.

9 Imperial County is a high priority target for marketing and outreach efforts as it has the  
10 lowest penetration of customers. The area is hard to reach and almost 100% rural. SoCalGas  
11 plans to conduct grass root canvassing campaigns to raise awareness of the CARE program, and  
12 to assist in enrolling customers in person. It is critical to deploy campaigns with multiple touch  
13 points, for example Automated Voice Messaging (“AVM”), direct mail, and in person events  
14 and/or canvassing.

15 **4. Los Angeles, Riverside, and Orange counties are generally more**  
16 **urban than the other four target areas discussed. SoCalGas’ PY2015-**  
17 **2017 marketing and outreach strategy will utilize grass roots**  
18 **campaigns in these areas because smaller localized campaigns can be**  
19 **tailored and leverage existing community networks and relationships**  
20 **developed with organizations jointly serving our**  
21 **customers. Leveraged networks will include schools, literacy centers,**  
22 **social service delivery organizations, and non-profits that target**  
23 **disadvantaged limited English proficiency, special needs and elderly**  
24 **customers. Targeting the High Poverty Areas (income less than 100%**  
25 **of federal poverty guidelines):**

26 **Identify the very high poverty areas within your service territory that**  
27 **are underserved (by ZIP code or county), and discuss what new**  
28 **strategies your IOU will employ to increase CARE penetration in**  
29 **these areas.**

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<sup>57</sup> CalFresh is a participating program pursuant to the categorical eligibility process.

1 Five of the twelve counties SoCalGas serves have poverty rates above 20%. These  
 2 counties are Tulare, Imperial, Fresno, Kern, and Kings.<sup>58</sup> As noted in the section above, Tulare,  
 3 Fresno, Kern, and Kings counties have penetration rates over 90%. Imperial County’s CARE  
 4 penetration rate is below the 90% CARE penetration goal. SoCalGas will make outreach to  
 5 Imperial County a priority, and employ multiple media campaigns to reinforce enrollment  
 6 messaging to eligible customers.

7 Table 12 below ranks the poverty rates of the 12 counties served by SoCalGas.

8 **Table 12 - Persons Below Poverty Level in SoCalGas Counties**  
 9

County	Persons Below Poverty Level (2008-2012)
Tulare	24.80%
Fresno	24.80%
Imperial	23.00%
Kern	22.50%
Kings	20.70%
San Bernardino	17.60%
Los Angeles	17.10%
Riverside	15.60%
Santa Barbara	15.30%
SLO	13.70%
Orange	11.70%
Ventura	10.30%

10 **5. Other New and Proposed Strategies:**

11 **Discuss the mechanics of the program and provide a brief description**  
 12 **of new strategies that will be employed, including a description of**  
 13 **activities performed by third-parties and other stakeholders.**

14 SoCalGas plans to implement new enrollment options and enhance current practices.

15 One proposal is to have CSRs in the CCC enroll customers over the phone when they call to  
 16 turn-on service or make payment arrangements. Currently, over 1.9 million customers are  
 17 registered and actively using My Account on-line services, with an average of 43,000 new users

<sup>58</sup> QuickFacts from the US Census Bureau on Fresno, Imperial, Kern, Kings, Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, Tulare, and Ventura county, retrieved on November 3, 2014 from <http://quickfacts.census.gov/qfd/index.html>.

1 registering each month.<sup>59</sup> The increasing number of My Account customers presents CARE  
2 outreach/enrollment opportunities in the digital environment. Currently within My Account,  
3 customers can make payment arrangements and request other services. In the payment  
4 arrangement section, a banner offering the CARE discount is displayed, including a link that  
5 takes the customer to the website to enroll in CARE. The website requires the customer to enter  
6 all information including account number, full name, and complete address, in addition to the  
7 number of residents in the household and income or eligible assistance program. SoCalGas  
8 proposes to enhance My Account by providing a more user-friendly enrollment option, whereby  
9 customers who are making payment arrangements, service connection, or payment extensions,  
10 can enroll in CARE. All information related to the customer would be pre-populated for easy  
11 enrollment.

12           Additionally, for customers who apply directly on the SoCalGas website, SoCalGas plans  
13 to make the CARE Application user-friendly as well, by implementing pre-population of  
14 customer information, once an account number is entered.

15           **6. New and Proposed Strategies to Reach the “Hard to Reach”:**

16                   **Discuss how your utility will address the needs of hard to reach low-**  
17                   **income customers.**

18           SoCalGas’ service territory covers approximately 20,000 square miles, from Visalia to  
19 the Mexican border. Given the breadth of the areas SoCalGas serves, there are many diverse  
20 communities within the low-income residential market segment. Therefore, to address this issue  
21 SoCalGas’ marketing and outreach efforts will use local demographics to assist CARE program  
22 Customers.

23           Overall, SoCalGas serves 12 California counties, wherein the highest concentration of  
24 households making less than \$10,000 per year are located in Los Angeles County. Given the

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<sup>59</sup> My Account enrollment numbers for 2014 will not be available until 2015.

1 dilution of low-income customers in more rural counties and sub-areas, for years SoCalGas has  
2 identified Imperial, Ventura, Santa Barbara, and San Luis Obispo counties, as hard-to-reach  
3 areas. For hard-to-reach areas, SoCalGas employees grassroots marketing and outreach  
4 strategies, such as sponsored lunches for farm workers to learn about the CARE program at their  
5 place of employment.

6 Furthermore, demographic research has shown on average, across the twelve counties  
7 that SoCalGas serves, 10.1% of households do not have a household member over the age of 14  
8 who speak English “very well.”<sup>60</sup> To improve access to limited English low-income programs,  
9 CARE information is available in 12 non-English languages. CARE marketers will continue to  
10 work closely with ethnic media companies, to seek opportunities to promote the programs to  
11 their customers. For example, the CARE program has utilized a non-profit that specializes in  
12 local ethnic grassroots organizing to buy media spots, conduct door-to-door awareness  
13 campaigns,<sup>61</sup> and support events with in-language services. SoCalGas is proposing to increase  
14 its use of data analytics and demographic information to target customers. To maintain its high  
15 customer penetration rate, while validating the integrity of enrollees, program administration  
16 faces a challenge of diminishing returns on marketing and outreach efforts. Rather than  
17 increasing non-labor budgets to do more direct mails, bill inserts, AVMs, emails, etc., the CARE  
18 program proposes to add one full time equivalent (“FTE”) to pull reports to direct strategic  
19 marketing efforts. These reports will utilize highly probable eligibility based on household  
20 income data, and large concentrations of under penetrated geographic areas. SoCalGas will also

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<sup>60</sup> U.S. Census Bureau; American Community Survey, 2013 American Community Survey 1-Year Estimates, Table S1602 Limited English Speaking Households; using American FactFinder; <<http://factfinder2.census.gov>>; (13 October 2014).

<sup>61</sup> The door-to-door awareness campaign was a CARE specific effort. If a customer is enrolled in CARE and has not participated in the ESA Program, then ESA Program sends follow-up marketing materials to inform customers about their opportunity to participate.

1 look into targeting marketing based on language preferences and other local demographics data.  
2 This FTE will be responsible for running internal database extractions and leveraging available  
3 external demographics research to define targeted marketing lists tailored to customer  
4 demographics. The requested FTE work will be shaped by these goals:

- 5           ➤     Decrease the returned direct mail by improving customer targeting  
6                     techniques. Enhanced targeting and decreased mail returns should result  
7                     in cost savings in postage and paper, as well as avoided paper waste. In  
8                     total, CARE marketing and outreach non-labor budgets will be reduced by  
9                     \$400,000 by 2017, as related to overall reductions in direct mail and  
10                    postage costs realized by better data analytics and CSR customer  
11                    enrollments.
- 12           ➤     Increase customer response rates to new online marketing tools by better  
13                     targeting “on-line” customers. This will result in faster enrollments (in  
14                     comparison to processed paper enrollments) through web based  
15                     connections to online CARE applications.
- 16           ➤     Identify data to support new marketing and outreach techniques to support  
17                     recommendations in the LINA Study. Specifically how the CARE  
18                     program can increase the penetration rate in very high poverty areas, by  
19                     developing marketing campaign targets and success matrix.

20           **7.     Leveraging with California Department of Community Services and**  
21           **Development (CSD):**

22           SoCalGas cross-references LIHEAP and GAF customers against SoCalGas’ customer  
23 information system and conducts a weekly data interface, whereby customers participating  
24 in LIHEAP or GAF, but not on the CARE program, are automatically enrolled in CARE. Also,

1 because LIHEAP and GAF customers provide proof of income when applying, customers are not  
2 subject to CARE's PEV process. Finally, CARE customers who are scheduled for recertification  
3 and who are approved for LIHEAP assistance are not asked to recertify their CARE eligibility  
4 again until the next two year recertification cycle has lapsed. This practice was implemented in  
5 2007 and will continue into PY2015-2017.

6 Currently customers receiving LIHEAP payments are provided a significant extension of  
7 time to allow for the LIHEAP payment to reach SoCalGas. In addition, SoCalGas is researching  
8 methods to identify accounts where the LIHEAP payment has been delayed, in order to ensure  
9 continuity of service.

10 SoCalGas, alongside other IOUs, has coordinated with the California Department of  
11 Community Services & Development ("CSD") to improve the application of LIHEAP crisis  
12 grants. SoCalGas plans to work with CSD to remain up-to-date on grant posting procedures, and  
13 to make sure that funds are leveraged smoothly and customers receive the greatest  
14 benefit. SoCalGas also coordinated, and will continue to communicate with CSD on technical  
15 process updates. For example in 2014, IOUs and CSD held technical meetings to address  
16 customer data format changes. At this time, SoCalGas is not considering Third-Party software  
17 products, but plans to continue on-going coordination with CSD LIHEAP services

#### 18 **D. PROGRAM ADMINISTRATION**

19 Describe the administration of the program, including outreach, and any change  
20 or improvement being implemented by category. Include cost by category  
21 (should match the budget table).

22 Please refer to section B.1 above for details on the administration of the SoCalGas CARE  
23 program and section J.1 for cost by category.

1           **E.     OTHER CARE PROGRAM ELEMENTS PROGRAM DELIVERY**

2           In this Application, SoCalGas is proposing to continue all existing policies to the 2015-  
3 2017 program cycle. In addition, SoCalGas does not propose to retire, expand or modify any  
4 existing policies.

5           **F.     COORDINATION BETWEEN CARE AND LIFELINE PROGRAM**

6           SoCalGas recognizes that the majority of low-income customers possess cell phones with  
7 mobile web access. SoCalGas plans to continue to conduct joint CARE events with Lifeline  
8 providers. SoCalGas also plans to work with Lifeline providers to identify Lifeline provider stores  
9 where SoCalGas can share CARE and the ESA Program information to their customers.  
10 Additionally, SoCalGas plans to make the online CARE application mobile friendly, and to  
11 include access to CARE information through the SoCalGas mobile application, which was  
12 previously explained in Section 4.d.

13           **G.     COOLING CENTERS**

14           Cooling centers do not apply to SoCalGas as a natural gas utility.

15           **H.     OUTREACH REPORT**

- 16           **1.**     Describe the current and suggested Outreach methods to improve  
17                   enrollment, and include the estimated costs

18           SoCalGas uses many marketing and outreach tools to enroll CARE Customers.  
19 SoCalGas uses bill inserts and direct mail, automated voice messaging, grassroots campaigns  
20 including local partnerships and events, door-to-door canvassing, email campaigns, and mass  
21 media campaigns. For PY2015-2017, SoCalGas intends to use the tools noted above to continue  
22 to educate customers on CARE including eligibility and how to enroll customers.

23           SoCalGas successfully developed the long-term Post Enrollment and Post Re-  
24 certification Income Verification probability model by incorporating the nine mandated factors

1 as well as additional variables to ensure the integrity of the CARE program is preserved and the  
2 discount is received only by those lawfully intended to receive it. In the previous program years,  
3 SoCalGas also made use of the probability model to identify highly-probable eligible customers.  
4 SoCalGas improved communication with its customers by implementing a second  
5 Recertification notice to customers who did not respond to the first request. In addition OBD  
6 calls were established to remind customers to respond to a Recertification of PEV request to  
7 prevent termination from CARE. SoCalGas expanded its leveraging efforts by contracting with  
8 water companies

9 CARE marketing and outreach in the 2012-2014 cycle included a refreshing new mass  
10 marketing campaign, “Right Under Your Nose”, which encouraged qualified customers to take  
11 advantage of CARE’s easily accessible savings. This mass media campaign was exhibited out of  
12 home -at transit stations and on buses, through mobile channels -on app pages and social media.  
13 SoCalGas is gaining online customer data analytics to increase success for future utilization of  
14 mobile and online communications. For PY2015-2017, SoCalGas plans to build off of this last  
15 campaign with a refreshed mass marketing campaign.

16 SoCalGas also began partnering with non-profits that help low-income customer gain  
17 access and literacy with computers and online resources. These partnerships leverage an  
18 overlapping customer base, and increase CARE’s value proposition. For example, SoCalGas  
19 partners with a non-profit that provides no-cost to low-cost broad band service to joint customers  
20 in certain zip codes. SoCalGas increases the CARE value proposition with customers when the  
21 CBO partner cannot provide free broadband connection but can provide low-cost service to  
22 target customers, the subsidized low-cost of the offered broadband can often be covered by  
23 CARE bill savings.



1 SoCalGas plans to address the LINA Study recommendation to work with social workers,  
2 hospitals, low-income law centers and other agencies that interact with individuals who are going  
3 through life changes that might be associated with reductions in household income hospitals by  
4 expanding on grass roots marketing and outreach.<sup>62</sup> For example, SoCalGas plans to work with  
5 Veterans and VITA organizations to expand on existing successful CARE outreach methods.  
6 Current outreach for CARE includes relationships with the Westside Center for Independent  
7 Living, CalFresh, Tribal TANF, and LIFT LA<sup>63</sup>.

- 8 • SoCalGas works with the Westside Center for Independent Living (Westside  
9 Center), which does work directly with hospitals and medical facilities.  
10 SoCalGas has an on-going relationship wherein the Westside Center provides an  
11 assessment for CARE and other appropriate programs.
- 12 • LIFT LA, which operates out of Magnolia Place Community Initiative (a  
13 collaborative of non-profits), takes each of its visitor through individual  
14 assessments. They specifically look for CARE eligibility, and on a periodic basis  
15 SoCalGas meets directly with the caseworkers to reiterate information on  
16 programs, clarify changes, and seek input from the caseworkers.
- 17 • SoCalGas has a relationship with Unity Shoppe in Santa Barbara County, which  
18 involves connection to an organization that “assesses” 17,000 members of the  
19 community annually. Many of these visitors are newly unemployed, so the  
20 visitors are not familiar with opportunities for assistance. Unity Shoppe discusses  
21 CARE eligibility with its visitors supported with SoCalGas marketing brochures.

22 SoCalGas intends to build on the learning and success of the previous program years, and  
23 to continue to increase engagement with customers on new and changing platforms.

24 Furthermore, SoCalGas seeks to grow grassroots marketing and outreach. This is noted above  
25 in the discussion on increased partnerships with local Veterans and VITA organizations.

26 Furthermore, SoCalGas plans to continue and grow rural outreach, such as its work in the central  
27 valley with on-going Spanish-language radio ads, on-air interviews, organized events, including

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<sup>62</sup> LINA Study recommendation, Section 3.2.4.2 ESA and CARE program Outreach and Marketing Strategies, page 3-15.

<sup>63</sup> LIFT is a CBO located in Pico Union area of Los Angeles and provides one-on-one counseling to low-income families in the neighborhood.

1 farmworker lunch breaks that are broadcasted on Spanish-language radio to maintain awareness  
2 and credibility with the community.

3 Overall, SoCalGas' outreach plans will be funded at levels close to 2013 expenditures,  
4 due to marketing efficiencies gained through proposed CSR CARE enrollments. As discussed  
5 earlier, SoCalGas plans to use CSRs to streamline CARE customer enrollments over the  
6 phone. In 2016, SoCalGas plans to realize approximately \$200,000 in avoided CARE marketing  
7 and outreach costs as compared to 2013 CARE marketing and outreach expenditures, with  
8 another \$200,000 in savings added in 2017. Given that SoCalGas anticipates higher enrollment  
9 conversions by phone, and a reduced need for paper applications and direct mails sent from the  
10 call center to customers, marketing and outreach costs should be reduced by \$400,000 by  
11 2017. SoCalGas anticipates a reduction in its direct mail budget and postage costs, also  
12 facilitated by improved customer targeting.

13 **2. Discuss how Outreach efforts will result in meeting program**  
14 **participation goals including any specific population sectors or**  
15 **segments;**

16 SoCalGas is planning to increase participation in CARE through targeted outreach to  
17 specific population segments. These customer segments include Veterans, undocumented  
18 residents, and customers in notably hard to reach rural communities. There is an estimated  
19 1,700,000 veterans in the twelve counties that SoCalGas serves. Additionally, there are over  
20 1,780,000 million estimated undocumented residents living within SoCalGas' territory. Through  
21 tailoring outreach plans to unique communities, SoCalGas aims to increase response rates to  
22 marketing and outreach by gaining customers' trust by building trust in their communities.

23 Lastly, SoCalGas plans to continue grassroots campaigns to reach the hard to reach,  
24 working closely with local CBOs. In 2015-2017, SoCalGas proposes to expand its CBO network

1 to include VITA providers in Los Angeles, Orange, and Imperial counties, where there are  
2 approximately 216,000 CARE eligible and unenrolled customers.<sup>64</sup>

- 3 **3. As appropriate, for each of the years from 2012 to 2013 provide a**  
4 **comparison of the budgeted, recorded or estimated average Outreach**  
5 **cost per household.**

6 **Table 13 – PYs 2012-2013 Costs of Outreach per Household**

	<b>2012</b>	<b>2013</b>
<b>Budgeted Outreach Cost Per Household</b>	\$22.62	\$17.28
<b>Actual Outreach Cost Per Household</b>	\$17.08	\$17.62

7 Table 13 above shows the costs of CARE outreach per household were derived using  
8 actual CARE enrollments from 2012 and 2013, less the enrollments from leveraging and data  
9 sharing. Only new self-certification enrollments are included in the above numbers since they  
10 obtained through marketing and outreach efforts.

11 **I. PILOTS**

- 12 **1. Include a detailed description of any new pilots being proposed, if**  
13 **any;**

14 SoCalGas is not proposing to conduct any pilots in PY2015-2017. However, in the event  
15 the Commission proposes to extend the CHANGES pilot through 2017. The pilot will be  
16 conducted for one-year and the Commission's CSID will evaluate the effectiveness of the pilot  
17 and recommend to the Commission if the program should become an on-going program. The  
18 Commission determined that the cost of the pilot should be charged to the utilities CARE  
19 account as part of their outreach funding. In D.12-12-011 the Commission ordered continued  
20 funding of the CHANGES program through the 2012-2014 program years and also ordered  
21 improved tracking, monitoring and oversight of the pilot's efforts. In D-14-08-030, the

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<sup>64</sup> This number was calculated from SoCalGas' August 2014 monthly report CARE Table 5 (eligible and enrolled customer information for Los Angeles, Orange, and Imperial Counties).

1 Commission ordered continued bridge funding through the 2015 pending review of the  
2 CHANGES pilot. Approved funding for the pilot was \$61,200 per month for all four IOUs,  
3 which included a 2% cost of living increase from the 2014 funding level. SoCalGas' pro-rata  
4 share is \$15,300 per month or \$183,600 per year for 2015.

5 **2. Discuss how each pilot contributes specifically to meeting the**  
6 **programmatic initiative; and**

7 NA, as SoCalGas is not proposing to conduct any pilots in PY 2015-2017.

8 **3. Provide detail budgets for any pilots proposed.**

9 SoCalGas is not proposing to conduct any pilots in PY 2015-2017.

10 **J. STUDIES**

11 **1. Include a summary of any studies being proposed.**

12 SoCalGas is proposing a stand-alone Undocumented Resident Study of customer trust  
13 barriers for undocumented residents. The study has a limited scope and will utilize in depth  
14 interviews to inform SoCalGas' marketing and outreach to this customer segment. The \$40,000  
15 total cost of the study and early testing and implementation of findings will be shared between  
16 the CARE and ESA Program marketing and outreach budgets.

17 SoCalGas is proposing a one-time CARE CSR Enrollment Study in 2016, in case the  
18 CSR enrollment results are not as high as anticipated. The study would identify where changes,  
19 enhancements or improvements could be made. The \$35,000 total cost of the study is included  
20 in the 2016 General Administration cost.

21 **2. Discuss how each study contributes to meeting the programmatic**  
22 **initiative; and**

1 The Undocumented Resident study noted above may contribute to achievement of the  
2 90% CARE penetration goal, by addressing trust barriers with a large population of  
3 undocumented residents. The estimated total population is 1.7 million.<sup>65</sup>

4 **3. Provide detail budgets for any studies proposed.**

5 As noted above the total cost of the proposed Undocumented Resident study is \$40,000,  
6 which will be split between the CARE and ESA Program Marketing and Outreach budgets.

7 **K. CARE PROGRAM BUDGET**

8 **1. Strategies:**

9 Present a detailed budget discussion that clearly identifies specific strategies  
10 and programs for the budget years 2015-2017.

11 In D.14-08-030, the Commission authorized budget funding for the utilities to continue  
12 the existing CARE program during PY 2015.<sup>66</sup> This was granted largely to allow utilities  
13 adequate time to prepare their PY 2015 – 2017 Applications based on the Phase II Decision, and  
14 to allow the Commission the necessary time to meaningfully review, deliberate and render its  
15 decision. However, D.14-08-030 also states that the next budget cycle applications should cover  
16 the utility's proposed budgets and programs, including any proposed changes, for 2015-2017  
17 program years.

18 For PY2015-2017, SoCalGas is proposing an annual administrative budget of \$8.52  
19 million for PY2015, \$9.85 million for PY2016 and \$9.60 million for PY2017. SoCalGas  
20 estimates CARE subsidy costs of \$130.5 million for PY2015, \$131.3 million for PY2016, and  
21 \$132.4 million for PY2017 based on its estimated CARE participation levels of 1,707,088 in  
22 PY2015, 1,724,159 in PY2016, and 1,741,401 in PY2017.

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<sup>65</sup> Note that the number of eligible households may be a smaller number depending on the number of residents per household, and the number of customers already enrolled in the CARE.

<sup>66</sup> D.14-08-030 Conclusion of Law 56 and OP 2(b).

1 SoCalGas' focus for the CARE program continues to be to enroll all eligible and willing  
 2 customers into the CARE program. In order to accomplish this goal, SoCalGas' focus for  
 3 PY2015-2017 is geared towards increasing enrollments in targeted hard-to-reach communities,  
 4 simplifying and streamlining the enrollment processes for customers, and ensuring that the  
 5 intended eligible customers are enrolled on the program.

6 The following describes the administration of the program and budgetary changes  
 7 proposed to be implemented during the 2015-2017 program years. CARE program  
 8 Administrative Budget categories and costs are being submitted in accordance with the budget  
 9 categories established in the D.14-08-030.<sup>67</sup>

10 **Outreach**

11 **Table 14 – Proposed Marketing and Outreach Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 3,909,220	\$ 3,845,745	\$ 3,750,223	\$ 11,505,188	\$ 4,328,432	\$ 4,218,840	\$ 4,039,041	\$ 12,586,313
<b>Actual<sup>1</sup></b>	\$ 2,952,758	\$ 3,921,870	\$ 4,450,000	\$ 11,324,628				

12 <sup>1</sup> Year 2014 represents forecasted estimate.

13 SoCalGas has developed its budget to enhance marketing and outreach in 2015 to meet a  
 14 CARE 90% penetration of an eligible population that has grown over the previous program  
 15 years. SoCalGas proposes outreach expenditures of \$12,586,313 for the PY2015-2017 program  
 16 years, which reflects approximately a 10% increase over the PY2012-2014 program years, as  
 17 shown in Table 14 above. These estimates include the costs for labor, bill inserts, direct mail,  
 18 automated voice messaging, recertification, and e-mail campaigns, as well as mass media,  
 19 general outreach, special markets outreach (disabled and LEP); postage, print and paper costs;  
 20 capitation fees, and third party outreach contracts.

<sup>67</sup> See Attachment B-1 to Attachment Q of D.14-08-030.

1 SoCalGas developed the proposed budget as follows:

2 For marketing and outreach budget forecasts, SoCalGas used 2013 costs as a base year,  
3 with an approximately 2%<sup>68</sup> inflation rate applied to years 2015, 2016, and 2017.

4 In 2015, SoCalGas marketing and outreach costs are anticipated to increase by  
5 approximately 10% over the 2013 base year, and by 2017 SoCalGas plans to realize efficiencies  
6 to a level that reflects a budget 3.5% over 2013 actual expenditures. The 10% increase includes  
7 labor and non-labor costs, as well as inflation, and incremental costs are outlined below.

8 SoCalGas has minimal non-labor incremental costs planned for CARE marketing and  
9 outreach. Specifically, SoCalGas requests \$20,000<sup>69</sup> for a onetime survey in 2016 of  
10 undocumented residents and the enrollment barriers associated with this customer segment. This  
11 cost was arrived at through cost estimates, identifying the approximate cost for in depth  
12 interviews as \$20/minute. SoCalGas is reserving funding to conduct approximately 24 in depth  
13 interviews that would each last 60 minutes.

14 The proposed strategies to increase grassroots marketing and outreach -especially in hard  
15 to reach communities, as well as plans to increase collaborative opportunities for assisted  
16 enrollments through Veterans and VITA organizations, and plans to reduce attrition of qualified  
17 customers, are included in the overall budget. The total non-labor budget was derived using  
18 historic costs from the 2012-2014 program years for marketing and outreach campaigns and  
19 applying them to the 2015-2017 marketing plan. The 2015-2017 marketing plan includes proven  
20 past enrollment methods such as direct mail and canvassing, and new initiatives such as further  
21 grassroots awareness and targeting of customers who have failed to recertify to re-enroll.

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<sup>68</sup> Inflation rate was not applied to contract costs and postage, as these costs are set and not impacted by inflation. 2% is a rounded number, actual inflation rates applied are 2.12% for 2015, 2.23% for 2016, and 2.24% for 2017.

<sup>69</sup> CARE marketing and outreach contribution is \$20,000. ESA Program marketing and outreach contribution is \$20,000.

1           The incremental labor cost budgeted for the CARE has two drivers. The first driver is the  
2 incremental labor addition for a data analyst position, which is funded at approximately \$85,000.  
3 The second driver is the cost of filling vacancies that were not fully staffed in 2013. The total  
4 cost to fill 2013 vacancies is \$136,000 or 1.5 FTEs. The total incremental labor costs between  
5 the base year and 2015 is approximately \$244,000 and includes inflation, salaries, and vacation  
6 and sick leave.

7           While the 2015 budget shows an increase due to the labor costs described above, the  
8 2016 budget shows approximately \$200,000 in combined savings from 2015 due to a reduction  
9 in direct mail costs and postage costs. These savings will be possible due to the initial  
10 implementation of CSR enrollments. In 2017, with full implementation of CSR CARE  
11 enrollments an additional \$200,000 in budget reductions under marketing and outreach are  
12 proposed to reflect direct mail and postage savings from the phone enrollment process. CSR  
13 CARE enrollments are anticipated to generate up to 290,000 CARE enrollments per year, or  
14 100,000 more enrollments over the current level of customer contact center generated application  
15 that are processed and approved. Currently, CARE applications with prepaid postage are mailed  
16 to interested customers from the customer contact center. With CSR CARE enrollments, these  
17 costs will be avoided.

18           In summary, SoCalGas seeks approval for the following incremental costs to CARE  
19 marketing and outreach:

20           SoCalGas' planned Outreach budget increases include:

- 21           • Approximately \$244,000<sup>70</sup> in incremental labor costs in 2015-2017; and
- 22           • Approximately \$20,000 in 2016 for a onetime study of undocumented  
23           residents.

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<sup>70</sup> This number includes inflation.



SoCalGas' planned Outreach budget reduction includes:

- Approximately \$200,000 reduction in 2016, from 2015, due to realized efficiency from the initial implementation of CSRs CARE enrollments; and
- An additional approximately \$200,000 reduction in 2017, from 2016, due to full implementation of CSR CARE enrollments.

**Processing, Certification & Recertification**

**Table 15 - Proposed Processing, Certification and Recertification Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 4,479,171	\$ 4,456,213	\$ 4,488,248	\$ 13,423,632	\$ 1,319,947	\$ 2,792,978	\$ 2,835,541	\$ 6,948,465
<b>Actual <sup>1</sup></b>	\$ 1,216,834	\$ 983,603	\$ 1,019,628	\$ 3,220,065				

<sup>1</sup> Year 2014 represents forecasted estimate.

As shown in Table 15 above, for Processing, Certification and Recertification costs, SoCalGas proposes expenditures of \$6,948,465 for the PY2015-2017 program years, which reflects \$3,728,400 over the actual expenditures in PY2012-2014 program years – as shown in the table above. SoCalGas has developed this budget based on the 2014 activities/costs plus proposed new incremental activities for PY2015-2017. SoCalGas plans to continue all current practices and procedures in processing for new enrollments and recertification and therefore anticipates similar costs as in 2014 for the current activities. The budgets for the continuation of the current practices include CARE Processing Staff labor of \$1,164,295 for: 1) opening and sorting CARE application forms; 2) processing all CARE applications; 3) initiating and responding to customer inquiries regarding CARE applications/program; 4) tracking CARE enrollment and operating statistics in support of operations, management, regulatory reporting; and, 5) CARE forms scanning system contract costs of \$265,000. The \$3.9 million three year increase is primarily due to new activities for the CSR CARE enrollments, vacancies during PY 2012-2014, and inflation costs.

SoCalGas is estimating 17 FTEs based on a 10-week pilot and time study to offer CARE enrollments to 1.3 million customers during new service establishment requests and payment extensions annually starting 2016. As a result, SoCalGas estimates the phone enrollments by a live person will be approximately 290,000 annually. Consequently, less mailing of paper applications from the CCC and less processing by 2 current processing personnel will be required. The net labor needed will be 15 FTEs for CARE phone enrollments. This offer will avoid postage costs and will result in savings of outreach activities of \$400,000 reflected in the Outreach costs category. Lastly, SoCalGas believes that this enrollment method will help enroll customers with limited literacy. System modifications are also required to support this new service offering; the costs of \$250,000 are included in Billing/Programming cost category.

SoCalGas has also requested concurrent funding for this effort as part of its Test Year 2016 General Rate Case (“GRC”) Application to be filed in November 2014. Should funding be approved as part of this Low-Income Application proceeding, SoCalGas will remove its funding request for this effort in the GRC.<sup>71</sup>

**Post Enrollment Verification**

**Table 16 - Proposed PEV Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 3,744,000	\$ 3,744,000	\$ 3,744,000	\$ 11,232,000	\$ 334,645	\$ 342,970	\$ 351,765	\$ 1,029,381
<b>Actual<sup>1</sup></b>		\$ 318,737	\$ 328,446	\$ 647,183				

<sup>1</sup> Year 2014 represents forecasted estimate.

SoCalGas anticipates similar level of PEV for the PY 2015-2017. As shown above in Table 16, SoCalGas proposes expenditures of \$1,029,381 for the 2015-2017 program years, which is based on the 2014 forecast (year to date expenditures plus projection to year end) plus

<sup>71</sup> Cost of \$1,259,000 are included in the GRC Prepared Direct Testimony of Evan Goldman to cover the cost of CSRs, see exhibit SCG-11.

1 the standard inflation increase. The funding is for the labor needed for the following activities: 1)  
 2 opening, reviewing and processing CARE verification correspondence; 2) initiating and  
 3 responding to customer inquiries by mail, fax or phone regarding CARE PEV; 3) resolving  
 4 billing issues related to CARE PEV; 4) tracking CARE operating statistics in support of  
 5 operations, management, regulatory reporting, and; 5) PEV training. SoCalGas does not propose  
 6 any new activates in this cost category.

7 **Information Technology Programming**

8  
 9 **Table 17 - Proposed IT Programming Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 3,204,520	\$ 2,669,534	\$ 2,937,450	\$ 8,811,504	\$ 912,906	\$ 791,085	\$ 670,020	\$ 2,374,010
<b>Actual</b> <sup>1</sup>	\$ 685,394	\$ 437,298	\$ 865,583	\$ 1,988,275				

<sup>1</sup> Year 2014 represents forecasted estimate.

10  
 11 Table 17 above shows that SoCalGas proposes expenditures of \$2,374,010 for the  
 12 PY2015-2017 program year to maintain CARE functions in SoCalGas' billing system, telephone  
 13 system, CARE web pages, CARE on-line application, CARE database, system reports, data  
 14 exchanges with other assistance programs, implement system changes to comply with regulatory  
 15 mandates, and improve program participation and operational efficiencies discussed in the New  
 16 Proposals section.

17 The projected IT/Programming costs by year are \$ 912,906 for PY2015, \$791,085 for  
 18 PY2016, and \$670,020 for PY2017. It is estimated that 4.5 FTEs or \$458,109 beginning in 2015  
 19 are needed to preserve the complexities of the recertification and PEV rules in the system and  
 20 integrity of CARE database, maintain the existing communication methods, both to and from  
 21 customers, execute the assistance data exchanging and leveraging, provide supports to form  
 22 enhancements and portion of CSR enrollments mentioned in new proposals section. In addition  
 23 to the SoCalGas FTEs, SoCalGas is also proposing supplemental labor resource of \$466,667,

\$333,333, and \$200,000, in PY2015, PY2016, and PY2017, respectively.<sup>72</sup> In 2015, IT enhancements are necessary to support implementation of the CSRs phone enrollment of customers and for the formation and design of the CARE application on mobile devices. The CARE application on mobile devices accounts for approximately one-third of the IT costs. Both enhancements are slated for implementation in 2016. The implementation schedule of these two IT projects is the primary reason for the cost decrease in 2016 and 2017.

**Cool Centers**

SoCalGas as a natural gas-only utility does not sponsor cool centers, and thus does not propose funding for PY2015- 2017 for this activity.

**Pilots**

**Table 18 - Proposed Pilots Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 180,000	\$ 180,000	\$ 180,000	\$ 540,000	\$ 183,600	\$ 187,272	\$ 191,017	\$ 561,889
<b>Actual<sup>1</sup></b>	\$ 167,868	\$ 150,000	\$ 60,000	\$ 377,868				

<sup>1</sup> Year 2014 represents forecasted estimate.

The CHANGES pilot program provides services to LEP customers in their preferred language. To provide the services noted, the CHANGES pilot program utilizes a statewide network of CBOs.<sup>73</sup> Table 18 above outlines historical costs and proposed budgets to support the CHANGES pilot program.

Pursuant to D.14-08-030, SoCalGas will fund the CHANGES pilot program pending further pilot review and during the authorized bridge period.<sup>74</sup> SoCalGas’ share of the total cost to fund the pilot program is 25% which is \$15,300/month or \$183,600 per year for 2015 with a

<sup>72</sup> These charges are classified as non-labor costs because SoCalGas anticipates using contractor resources.

<sup>73</sup> CSID CHANGES 2013 Annual Report, Executive Summary, at p. 1.

<sup>74</sup> D.14-08-030, Section 6.3.3, at p. 81.

2% inflation factor for 2016 and 2017. SoCalGas is not certain the outcomes of the planned review of CHANGES; for the purposes of this application SoCalGas has included funding to cover CHANGES costs for PYs 2016 through 2017 plus 2% inflation each year in the event the Commission continues that program.

**Measurement and Evaluation**

**Table 19 - Proposed Measurement and Evaluation Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 37,639	\$ 18,150	\$ 18,659	\$ 74,448	\$ 65,938	\$ 65,938	\$ 65,938	\$ 197,814
<b>Actual <sup>1</sup></b>			\$ 63,254	\$ 63,254				

<sup>1</sup> Year 2014 represents forecasted estimate.

To fund the annual joint-utility CARE eligibility rate study, SoCalGas proposes funding for PY2015-2017 of \$65,938 per year for a total of \$197,814. This cost estimate was provided by the contract holder, PG&E, and is based on expected costs associated with the contract. Table 19 above shows the historical costs for PY2012-2014 and the proposed costs for PY2015-2017.

**Regulatory Compliance**

**Table 20 - Proposed Regulatory Compliance Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 227,412	\$ 234,962	\$ 242,507	\$ 704,881	\$ 443,039	\$ 454,378	\$ 466,438	\$ 1,363,854
<b>Actual <sup>1</sup></b>	\$ 293,074	\$ 304,368	\$ 368,536	\$ 965,978				

<sup>1</sup> Year 2014 represents forecasted estimate.

To fund Regulatory Compliance activities for the PY 2015-2017, SoCalGas proposes expenditures of \$1,363,854 , which is based on the 2014 forecast (year to date expenditures plus projection to year end) plus incremental labor needs and the standard inflation increase. Table 20 reflects the historical for PY2012-2014 and proposed costs for PY2015-2017. The activities for this cost category include facilitating SoCalGas’ compliance with Commission program rules

1 and reporting requirements, the development of CARE regulatory filings, monitoring and  
 2 evaluation of financials in compliance with established budgets, and responding to data requests  
 3 from the Commission and other outside agencies and organizations, among other duties.

4 This increase reflects the Sempra Energy Utilities’ reorganization that occurred in 2012  
 5 in the Regulatory Policy and Reporting Department. The reorganization was previously  
 6 described to the Commission in connection with the 2012 GRC and was performed to enable  
 7 SoCalGas management to focus on the specific challenges facing our business. As a result, a  
 8 separate SoCalGas regulatory compliance team was established to support low-income  
 9 programs. This is reflected in the cost difference between authorized historical expenses shown  
 10 above. SoCalGas proposes to add the incremental labor of approximately \$130,000 in 2015  
 11 dollars reflecting the filling of vacancies and new positions.

12 **General Administration**

13 **Table 21 - Proposed General Administration Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 887,541	\$ 915,488	\$ 943,426	\$ 2,746,455	\$ 875,407	\$ 932,560	\$ 921,075	\$ 2,729,043
<b>Actual<sup>1</sup></b>	\$ 652,060	\$ 698,640	\$ 819,249	\$ 2,169,949				

14 <sup>1</sup> Year 2014 represents forecasted estimate.

15 SoCalGas proposes expenditures of \$2,729,043 for the PY2015-2017 program years,  
 16 which reflects a 2% inflation over the 2014 program year, as illustrated in Table 21 above. This  
 17 includes one new position to manage the expansion of the digital outreach and enrollment which  
 18 includes messaging, cell phones, the website and mobile devices. There is no significant change  
 19 in the type of expenditures from previous years. The budget proposed herein includes costs for  
 20 CARE program management personnel, non-labor costs associated with the day-to-day  
 21 operations, expense monitoring, internal and external CARE data requests of management staff,  
 22 and additional expenses such as market research, and training and development expenses. The

1 day-to-day non-labor costs include office supplies, equipment and maintenance, and business  
 2 reimbursements.

3 SoCalGas' planned CARE General Administration labor and non-labor costs for  
 4 PY2015-2017 are very similar to the 2014 costs. In the non-labor costs, SoCalGas requests a  
 5 one-time amount of \$35,000 - based on estimated costs for surveying customers and CSRs. The  
 6 study will be completed in 2016 to identify where any changes, enhancements or improvements  
 7 can be made.

8 **The Commission's Energy Division Staff**

9 **Table 22 - Proposed Energy Division Staff Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 60,000	\$ 60,000	\$ 60,000	\$ 180,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 180,000
<b>Actual<sup>1</sup></b>	\$ 29,165	\$ 17,230	\$ 13,992	\$ 60,387				

10 <sup>1</sup> Year 2014 represents forecasted estimate.

11 SoCalGas proposes expenditures of \$180,000 for the PY2015-2017 program years,  
 12 similar to what was authorized in the previous cycle. This amount is being used for this cycle  
 13 since the IOUs have not yet received guidance to change the authorized levels. Therefore, these  
 14 estimates are placeholders carried over from the previous cycle until further direction is received.

15 **Subsidies and Benefits**

16 **Table 23 - Proposed Subsidies and Benefits Budget for PYs 2015-2017**

	2012-2014 Historical				2015 - 2017 Proposed			
	2012	2013	2014	Total	2015	2016	2017	Total
<b>Authorized</b>	\$ 128,773,189	\$ 129,892,840	\$ 131,142,177	\$ 389,808,206	\$ 130,453,111	\$ 131,338,535	\$ 132,351,979	\$ 394,143,625
<b>Actual<sup>1</sup></b>	\$ 105,857,401	\$ 118,556,705	\$ 125,153,009	\$ 349,567,115				

17 <sup>1</sup> Year 2014 represents forecasted estimate.

18 SoCalGas proposes CARE costs for Subsidies and Benefits of \$130,453,111 for PY2015,  
 19 \$131,338,535 for PY2016, and \$132,351,979 for PY2017 for an overall total of \$394,143,625 for

1 the program years. The CARE program rates are calculated by multiplying the program cost by  
2 the allocation factor and dividing by the applicable billing determinants minus any exempt  
3 throughput. SoCalGas recovers its CARE program costs through the PPP surcharge. The CARE  
4 program cost is calculated from the revenue requirement which is based on the combination of  
5 both the administration costs and the CARE subsidy. SoCalGas maintains a two-way CARE  
6 balancing account (“CAREA”) to track the CARE program expenses incurred against gas  
7 surcharge funds reimbursed from the State Board of Equalization (“BOE”).

8 **2. 2012-2014 Actual Expenditure:**  
9

10 *Provide detailed summary of your utility’s actual expenditures, along with*  
11 *approved budgets, from 2012 and 2013 by line item, consistent with*  
12 *Accounting and Reporting Requirements previously distributed. Costs should*  
13 *be shown on an annual basis. The 2014 approved budget should also be*  
14 *included;*

15 In Table 24 below, SoCalGas provides a list SoCalGas’ actual expenditures and  
16 authorized budget for program years 2012 and 2013. In addition, SoCalGas also provides the  
17 authorized CARE budget for PY 2014.



1

**Table 24 – PYs 2012-2014 CARE Expenditures (Actual v. Authorized)**

<b>CARE Budget Categories</b>	<b>2012 Authorized</b>	<b>2012 Actual</b>	<b>2013 Authorized</b>	<b>2013 Actual</b>	<b>2014 Authorized</b>
<b>Outreach</b>	\$ 3,909,220	\$ 2,952,758	\$ 3,845,745	\$3,989,295	\$3,750,223
<b>Processing, Certification, Recertification</b>	\$ 8,223,171	\$ 1,216,834	\$ 4,456,213	\$983,603	\$4,488,248
<b>Post Enrollment Verification</b>	\$0	\$0	\$ 3,744,000	\$318,737	\$3,744,000
<b>IT Programming</b>	\$3,204,520	\$ 685,394	\$2,669,534	\$437,298	\$2,937,450
<b>Cool Centers</b>	\$0	\$0	\$0	\$0	\$0
<b>Pilots</b>	\$180,000	\$ 167,868	\$180,000	\$150,000	\$180,000
<b>Measurement and Evaluation</b>	\$ 50,972	\$ 0	\$51,484	\$0	\$18,659
<b>Regulatory Compliance</b>	\$227,412	\$ 293,074	\$234,962	\$304,368	\$242,507
<b>General Administration</b>	\$887,541	\$ 652,060	\$915,488	\$698,640	\$943,426
<b>CPUC Energy Division Staff</b>	\$ 60,000	\$ 29,165	\$60,000	\$17,230	\$60,000
<b>SUBTOTAL MANAGEMENT COSTS</b>	\$16,742,836	\$ 5,997,153	\$16,157,426	\$6,899,172	\$16,364,513
<b>Subsidies and Benefits</b>	\$128,773,189	\$ 108,857,401	\$129,892,840	\$118,556,705	\$131,142,177
<b>TOTAL PROGRAM COSTS &amp; CUSTOMER DISCOUNTS</b>	\$145,516,025	\$111,854,554	\$146,050,266	\$125,455,877	\$147,506,690

2

**3. 2012-2013 Actual Average Cost Per Household:**

3

**Provide actual or estimated average cost per enrolled household (from 2012-2013) for all major categories of expenses such as processing, certification, verification; outreach; and general administration.**

4

5

1

**Table 25 –Actual Average Cost Per Household**

CARE Budget Categories	2012 Actual	2012 Cost Per Household	2013 Actual	2013 Cost Per Household
<b>Outreach</b>	\$ 2,952,758	\$1.79	\$3,921,870	\$2.44
<b>Processing, Certification, Recertification</b>	\$ 1,216,834	\$0.74	\$983,603	\$0.61
<b>Post Enrollment Verification</b>			\$318,737	\$0.20
<b>IT Programming</b>	\$ 685,394	\$0.42	\$437,298	\$0.27
<b>Cool Centers</b>				
<b>Pilots</b>	\$ 167,868	\$0.10	\$150,000	\$0.09
<b>Measurement and Evaluation</b>				
<b>Regulatory Compliance</b>	\$ 293,074	\$0.18	\$304,368	\$0.19
<b>General Administration</b>	\$ 652,060	\$0.40	\$698,640	\$0.44
<b>CPUC Energy Division Staff</b>	\$ 29,165	\$0.02	\$17,230	\$0.01
<b>SUBTOTAL MANAGEMENT COSTS</b>	\$ 5,997,153	\$3.64	\$6,831,747	\$4.26

2

**4. Tracking Program Costs:**

3

**Propose all methods for reporting costs and demonstrate how the proposed methods are consistent across the utilities.**

4

5

SoCalGas proposes to track and report program costs, consistent with the program

6

categories reflected in D.14-08-031, Attachment B-1. The program budget categories will be

7

used for monthly and annual CARE reporting.

8

**L. REVENUE REQUIREMENTS AND RATE IMPACTS**

9

**Discuss the revenue requirements necessary to achieve the program plans and objectives proposed for the three year application period as well as the projected rate impacts that would arise due to the increased revenue requirements.**

10

11

12

13

SoCalGas is not proposing any changes to the revenue allocation or rate design for the

14

CARE program. SoCalGas' CARE program costs are currently recovered using an Equal Cent

15

Per Therm ("ECPT") approach to allocate costs between the customer classes. The CARE

16

program rates are calculated by multiplying the program cost by the allocation factor and

17

dividing by the applicable billing determinants minus any exempt throughput.

1 SoCalGas recovers its CARE program costs through the PPP surcharge. The CARE  
 2 program cost is calculated from the revenue requirement which is based on the combination of  
 3 both the administration costs and the CARE subsidy<sup>75</sup>. SoCalGas used the CARE program costs  
 4 provided in SoCalGas Table B-1.

5 SoCalGas requests that the Commission authorize recovery of the program plans and  
 6 budgets proposed in this Application by means of the proposed CARE program cost for PY2015,  
 7 PY2016, and PY2017.

8 **Table 26 – CARE Revenue Requirements and PPPS Rates**

	2014	2015	2016	2017
<b>SCG</b>				
<b>Increase (Decrease) in PPPS Revenue Requirement in Millions:</b>				
CARE Program	\$0	\$5.3	\$0.9	\$1.0
CARE Admin	\$0	(\$7.7)	\$1.3	(\$0.2)
	\$0	(\$2.4)	\$2.2	\$0.8
<b>Total PPPS Revenue</b>	<b>\$288</b>	<b>\$286</b>	<b>\$288</b>	<b>\$288</b>
<b>Change/year \$millions</b>		<b>(\$2.4)</b>	<b>\$2.2</b>	<b>\$0.8</b>
<b>Increase (Decrease) in PPPS Rate \$/th:</b>				
Residential		(\$0.00041)	\$0.00055	\$0.00021
Core C&I		(\$0.00041)	\$0.00055	\$0.00021
NonCore C&I		(\$0.00041)	\$0.00055	\$0.00021

9 CARE Balancing Account

10 SoCalGas maintains a two-way CAREBA to track the CARE program expenses incurred  
 11 against gas surcharge funds reimbursed from the BOE. The gas surcharge was established  
 12 pursuant to AB 1002 and implemented by the utilities pursuant to the Natural Gas Surcharge

<sup>75</sup> The CARE subsidy is a direct pass-through of the CARE discount and is calculated by taking the class average bundled rate (transportation costs + procurement costs) and multiplying it by the 20 percent CARE discount and multiplying that number by the forecasted CARE volume.

1 D.04-08-010. Pursuant to D.02-07-033, effective July 17, 2002, SoCalGas also authorized to  
2 record all costs related to automatic enrollment, which include the CARE rate subsidy, utility  
3 administrative costs (including start-up and implementation), and the Commission's  
4 clearinghouse costs. SoCalGas maintains the CAREBA by recording entries for CARE  
5 administrative costs, CARE discounts, and gas surcharges billed at the end of each month.  
6 SoCalGas also records to the CAREBA remittances of PPP funds collected from ratepayers to  
7 the BOE on a quarterly basis, on the last day of the month following the quarter-end month, and  
8 subsequently records the reimbursement of those fund one to two months after the funds were  
9 remitted.

10 Pursuant to D.04-08-010, SCG files an advice letter<sup>76</sup> by October 31st of each year  
11 requesting to establish the gas PPP rate effective January 1st of the following year consisting of  
12 the net amortization component of gas PPP account balances and the Commission's currently  
13 authorized program budget revenue requirements for the PPPs. In connection with that rate  
14 filing, forecasts of expected CARE subsidy costs based on a reasonable estimate of gas prices  
15 (using a credible, published source), projected residential transportation rates, and CARE  
16 penetration rates are used.

17 SoCalGas does not propose any changes to the CARE balancing account.

18 **M. AB 327 Marketing, Education and Outreach:**

19 **What is your utility's plan for communicating/messaging to the customers of**  
20 **the potential CARE rate changes per AB 327? What are the projected costs**  
21 **of this expanded marketing and outreach effort? Will this marketing be a**  
22 **statewide effort, regional, and/or local effort? And if so, how will it integrate**  
23 **with the California Center for Sustainable Energy (CCSE) Statewide**  
24 **Marketing effort?**

---

<sup>76</sup> On October 31, 2014, SoCalGas filed AL 4704 requesting approval to update SoCalGas' PPP surcharge rates to be effective January 1, 2015.

1 In October 2013 the California Legislature approved AB 327, which revised PU Code  
2 Section 739.1 (a) to require that the CARE income-eligibility guideline level for one-person  
3 households be based on the two-person household guideline level. SoCalGas updated its CIS,  
4 the website (in five primary languages), and all CARE applications (approximately 40 forms),  
5 and multi-language collateral to the new guidelines.<sup>77</sup> SoCalGas' collateral is current and reflects  
6 income-eligibility guideline level for one-person households based on the two-person household  
7 guideline level, with ESA guidelines matching.

## 8 N. General Report

### 9 1. Discuss program accomplishments and challenges;

10 SoCalGas successfully developed the long-term Post Enrollment and Post Re-  
11 certification Income Verification probability model by incorporating the nine mandated factors  
12 as well as additional variables to ensure the integrity of the CARE program is preserved and the  
13 discount is received only by those lawfully intended to receive it. In the previous program years,  
14 SoCalGas also made use of the probability model to identify highly probable eligible customers.  
15 SoCalGas improved communication with its customers by implementing a second  
16 Recertification notice to customers who did not respond to the first request. In addition OBD  
17 calls were established to remind customers to respond to a Recertification or PEV request to  
18 prevent termination from CARE.

19 SoCalGas expanded its leveraging efforts by contracting with water companies for ESA  
20 Program rebates, including certain water companies that also conduct data exchanges with

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<sup>77</sup> On November 27, 2013 SoCalGas filed AL 4572 to comply with AB 327. AL 4572 was approved effective January 1, 2014.

CARE.<sup>78</sup> SoCalGas continuously seeks opportunities for the CARE program to work with outside organizations to reduce costs and increase program enrollments.

SoCalGas has seen a decline in its CARE penetration rate, and has been challenged to increase enrollments. SoCalGas anticipates that its plans to include CSR customer enrollments, enhance informational accessibility via mobile web platforms, increase customer targeting through analytics, and expand grassroots marketing and outreach including strong community partnerships will bring CARE penetration to the 90% goal.

**2. Describe any customer complaints or concerns.**

Table 27 provides a list of customer complaints or concerns received by SoCalGas.

**Table 27 - CARE Recertification**

<b>Date</b>	<b>Complaints Received</b>	<b>Nature of Complaint</b>	<b>Cases Resolved</b>
January 2012	1	Customer contacted SoCalGas to state that he did not receive his recertification application, causing his discount to be terminated. SoCalGas recertified the customer and reinstated his CARE discount from the date it was terminated.	Yes
January 2013	2	Customer was unable to recertify through the automated system. SoCalGas recertified the customer over the phone.  Customer claimed she mailed application and again recertified through website but was terminated. CARE department did not receive either submission. SoCalGas approved customer over the phone.	Yes  Yes

<sup>78</sup> D.11-05-020 authorized the sharing of low-income information between energy and water utilities. Additionally, the decision permitted energy utilities to include data sharing costs in their PY2012-2014 budget applications.

1 **II. CONCLUSION**

2 SoCalGas respectfully requests the Commission to approve the CARE program plans and  
3 budgets for PY2015, PY2016, and PY2017 as described in this testimony and authorize the  
4 following:

- 5 1. Approval of its PY2015, PY2016 and PY2017 CARE program plans and  
6 forecasted administrative costs.
- 7 2. Authorization to implement CARE program changes and activities as described in  
8 this testimony.
- 9 3. Authorization to continue to reallocate funding among cost categories consistent  
10 with the directive in OP 135 section C of D.12-08-044.

11 Provide your utility's potential bridge funding estimates for your utility's CARE  
12 program, in the event that a decision on the applications for 2015-2017 ESA and CARE  
13 programs is not adopted before January 1, 2015. Provide your utility's bridge funding  
14 estimate for delay of 3 months, 6 months, 9 months and 12 months for both CARE and  
15 ESA Programs to continue without disruption.

16 SoCalGas does not anticipate that bridge funding will be required due to the issuance of  
17 D. 14-08-030 OP 2 section b, where the Commission authorized a 12 month bridge funding,  
18 from January 1, 2015 to December 31, 2015. If bridge funding were required to sustain further  
19 funding, SoCalGas requests continued funding at 2014 levels to continue program  
20 administration. This is discussed further in Prepared Direct Testimony of SoCalGas Policy  
21 witness Daniel Rendler.

22 **Budget Recap**

23 As shown in table 28, SoCalGas proposes the following annual CARE administrative  
24 budget and subsidy / benefit costs:

1

**Table 28 -**

<b>Description</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
Annual CARE Administrative Budget	\$8,523,913	\$9,846,021	\$9,600,835	\$27,970,770
Subsidy and Benefit Costs	\$130,453,111	\$131,338,535	\$132,351,979	\$394,143,625
Estimated CARE Participation Levels	1,707,088	1,724,159	1,741,401	

2

The costs noted above are supported by testimony in this application. SoCalGas is

3

requesting authorization of administrative budget and subsidy costs for all of the program years.

4

This concludes my testimony.

5

**III. EXCEL ATTACHMENTS**

6

*The IOUs must use the attached excel templates to be filed with their 2015-2017 application and*

7

*testimony.*

8

**A. CARE**

9

1. CARE BUDGET PROPOSAL TEMPLATE

10

2. CARE RATE IMPACTS

11

3. CARE RATE IMPACTS- GAS

12

4. CARE RATE IMPACTS- ELECTRIC

13

5. CARE PENETRATION

14

6. CARE PROGRAM DETAIL- USAGE AND SAVINGS

15

7. CARE STUDIES AND PILOTS PROPOSAL

16

8. SUMMARY: ALL Proposed Changes to CARE Program

17

**B. STUDIES AND PILOTS PROPOSAL TEMPLATE**

18

**C. UTILITY TESTIMONY**





