



**FAMILY ELECTRIC RATE  
ASSISTANCE (FERA)  
PROGRAM ANNUAL REPORT**

Program Year 2009 Results

**May 3, 2010**

**INTRODUCTION:**

The purpose of this annual report is to provide information on San Diego Gas & Electric Company's (SDG&E) Family Electric Rate Assistance (FERA) program<sup>1</sup> and to report on the administration and subsidy costs incurred by the program in its fifth year of operation. The California Public Utilities Commission (Commission or CPUC) in Decision (D.) 04-02-057, dated February 26, 2004, adopted the FERA program, whereby, qualifying lower-middle income large household participants are charged Tier 2 (101% - 130% of baseline) electric rates for their Tier 3 (131% - 200% of baseline) usage. The FERA program is available to households of three or more persons with annual gross income levels between 200% and 250% of the Federal Poverty Guidelines (FPG) in accordance with D.05-10-044.<sup>2</sup> These income levels are subject to revision pursuant to the Commission's communication of new levels which shall occur no later than May 1 of each year.

SDG&E's FERA program implementation plan utilizes the existing protocols and procedures already developed and adopted by the Commission for the California Alternate Rates for Energy (CARE) Program. These existing protocols and procedures relate to outreach practices, enrollment, verification, and recertification activities. SDG&E uses a dual application form for the CARE and FERA program.

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<sup>1</sup> FERA was originally referred to in D.04-02-057 as the Middle Income Large Household Program.

<sup>2</sup> See D.05-10-044, Ordering Paragraph 3.

**SAN DIEGO GAS & ELECTRIC COMPANY'S  
FAMILY ELECTRIC RATE ASSISTANCE (FERA) PROGRAM**

**January 1, 2009 through December 31, 2009**

**I. Participant Information**

**A. Provide the total number of FERA customers by month, for the reporting period.**

See Table 1.

<b>Table 1</b>		
<b>2009</b>	<b>FERA Enrolled<sup>1</sup></b>	<b>FERA Receiving Tier 3 Benefit</b>
<b>January</b>	<b>4,025</b>	<b>1,984</b>
<b>February</b>	<b>4,147</b>	<b>1,768</b>
<b>March</b>	<b>4,376</b>	<b>1,706</b>
<b>April</b>	<b>4,385</b>	<b>1,624</b>
<b>May</b>	<b>4,607</b>	<b>1,825</b>
<b>June</b>	<b>4,776</b>	<b>2,043</b>
<b>July</b>	<b>4,842</b>	<b>2,447</b>
<b>August</b>	<b>4,951</b>	<b>2,777</b>
<b>September</b>	<b>5,038</b>	<b>3,093</b>
<b>October</b>	<b>5,087</b>	<b>2,753</b>
<b>November</b>	<b>5,043</b>	<b>2,267</b>
<b>December</b>	<b>5,050</b>	<b>2,442</b>

**B. Provide the total number of FERA-eligible households, FERA-participating households, and FERA household penetration rates by quarter.**

<b>Table 2</b>			
<b>FERA Penetration Rate</b>			
<b>2009 Quarter Ending</b>	<b>(Estimated) FERA-Eligible Households<sup>1</sup></b>	<b>FERA-Participating Households<sup>1</sup></b>	<b>FERA Household Penetration Rate<sup>2</sup></b>
March 31	48,137	4,376	9.0%
June 30	48,233	4,776	9.9%
September 30	48,324	5,038	10.4%
December 31	48,438	5,050	10.4%

Notes:

<sup>1</sup>This category does not include sub-metered tenants.

<sup>2</sup>FERA Household Penetration Rate is calculated by dividing FERA Participating Households by FERA-Eligible Households.

**C. Discuss how the estimates of current FERA-eligible households were developed.**

SDG&E used a customer information system count of residential customers within its territory as the basis for estimating FERA-eligible households.

**Residential Customers  
 Per Quarter 2009**

**March:** 1,213,080

**June:** 1,215,475

**September:** 1,217,788

**December:** 1,220,679

The estimate of FERA-eligible households was developed as follows: Multiply the residential customers by the factor in the Annual Eligibility Update for CARE/FERA<sup>3</sup>, which is .039682 for program year (PY) 2009. See Table 2 above for results.

<sup>3</sup> This report was provided by SDG&E consultant John Petersen of Athens Research.

**D. Provide the current FERA sub-metered tenant counts at year-end.**

Year-end FERA participation for tenants residing in sub-metered facilities totaled 76.

**E. Discuss any problems encountered during the reporting period administering the FERA program for sub-metered tenants and/or master-meter customers.**

SDG&E did not experience any problems administering the FERA program for sub-metered tenants or master-metered customers in PY2009.

**II. Program Costs**

**A. Discount Cost**

**1. State the average monthly FERA discount received, in dollars per FERA customer.**

In PY2009, the average monthly FERA discount was \$26.04 per program participant.\*

\* Note: This amount does not include average monthly FERA discount for sub-metered tenants; however, it does include all enrolled customers who have received a discount in any month.

**2. State the cumulative annual discount for all FERA customers.**

During PY2009, the cumulative annual discount for individually metered FERA participants totaled \$705,190.\*

\* Notes: This discount amount does not include sub-metered tenants; however, it does include all enrolled customers who have received a discount in any month.

**B. Administrative Cost**

1. Show the FERA Program's administrative cost by category.

See Table 4.

<b>Table 4</b>	
<b>FERA Program Administrative Costs by Category and Benefits</b>	
<b>Category</b>	<b>Cost</b>
<b>Outreach</b>	<b>\$5,884</b>
<b>Processing, Certification, and Verification</b>	<b>\$17,735</b>
<b>General Administration</b>	<b>\$12,544</b>
<b>TOTAL PROGRAM COSTS</b>	<b>\$36,163</b>
<b>CUSTOMER BENEFITS</b>	<b>\$705,190</b>
<b>TOTAL PROGRAM COSTS &amp; CUSTOMER BENEFITS</b>	<b>\$741,353</b>

2. Explain what is included in each administrative cost category.

<b>Category</b>	<b>Description</b>
<b>Outreach</b>	Includes: Capitation Fee Project
<b>Processing, Certification, and Verification</b>	Includes: Processing staff labor
<b>General Administration</b>	Includes: General program management
<b>Benefits</b>	Includes: Rate discounts.

3. Explain how costs of joint CARE/FERA activities are charged to each program.

The costs of distinct CARE and FERA activities are charged separately to each program. To the extent possible, the costs of joint CARE/FERA activities are allocated in proportion to the work that should be attributable separately to CARE and FERA.

**C. Provide the year-end December 31 balances for the FERA balancing account for both the current and prior reporting periods.**

As of December 31, 2009, the balance recorded in SDG&E's Baseline Balancing Account (BBA) FERA sub-account year-to-date totaled \$365,988, which records all costs associated with the FERA program from its inception in 2004. The balance recorded in the FERA sub-account as of December 31, 2008 totaled \$329,824.

**III. Outreach**

**A. Discuss utility outreach activities and those undertaken by third parties on the utility's behalf.**

**Annual Notification** – The annual notification took place from mid- July to mid-August and consisted of a bilingual application in more than one million customer bills. In addition, a single language insert was issued in February, 2009. Approximately 116 FERA enrollments resulted from both inserts.

**Customer Contact Employees** – The FERA program is promoted by Customer Service Representatives (CSRs) through customer interaction in SDG&E's customer contact center. In addition, bill payment offices and field service employees promote the program as part of their specific interaction with customers. CSRs direct the customer to the on-line application or mail an application per the customer's request. CARE/FERA applications are on display in select branch office locations where space permits. Field service employees advise customers of the availability of the CARE/FERA programs during their field service visits.

**Interactive Voice Response (IVR) Information on Hold** – While a customer is on hold waiting for assistance from a CSR, automated company messages (with an option to hear in English or Spanish) are rotated through the hold process. A message about the CARE/FERA

**SDG&E's FERA Report**  
**January 1 – December 31, 2009**

program, including an option to request an application, is part of the rotating messages. In PY2009, 2,260 English applications and 426 Spanish applications were requested through the IVR.

**Direct Mail** – In PY2009, direct mail piece, promoting both the CARE and FERA programs was mailed to over 200,000 SDG&E customers utilizing census data information for potentially eligible customers in low-income areas. Approximately 171 enrollments were added to the FERA program through direct mailings.

**Collection Call** – SDG&E provides an additional outbound telephone call with a follow-up letter to low-income customers faced with collection activity on their account. Information about the availability of payment arrangements and customer assistance programs is given, and customers are urged to call SDG&E for more information.

**Website** – SDG&E's website contains information about the FERA program, and the CARE/FERA application form may be downloaded or submitted electronically. Of the applications submitted on-line, 766 qualified for the FERA program.

**Capitation Contractors** – In PY2009, 72 agencies at 127 different site locations provided outreach and enrollment services for both CARE and FERA programs. Community based organizations (CBO) that are contracted to offer CARE through the fee per application or Capitation Program with SDG&E also offer FERA using the dual CARE/FERA applications.

**Door-to-Door Outreach** - SDG&E continued to partner with a third-party contractor, Burgers, Inc/Energy Save, in PY2009. Representatives cover the service territory, guided by a contact list of non-CARE customers in areas with high potential for eligibility. They speak to customers about



**SDG&E's FERA Report**  
**January 1 – December 31, 2009**

CARE and FERA and are able to assist them in completing the application form. Application data is then submitted electronically on a weekly basis and uploaded directly into the data management system, reducing processing and postage costs as applications are not mailed individually and the upload process is much more efficient than opening, sorting, and handling individual applications that are received via U.S. mail. Also, customers are able to begin receiving the CARE and FERA benefits sooner, as the time between applying and enrolling may be as short as a day or two. SDG&E enrolled 1,768 FERA customers through door-to-door outreach.

**Community Outreach Events** – Throughout PY2009, SDG&E participated in over 95 local community outreach events throughout San Diego County to provide information on FERA and other assistance programs. Types of events included presentations to community groups, health and safety fairs, community resource fairs, along with several FERA enrollment days at faith based organizations. Many of the events were integrated with SDG&E's general energy efficiency Lighting Turn-In program targeted to seniors and other hard-to-reach residential customers.

**Sub-metered Apartments and Mobile Home Parks** – FERA program informational packets were mailed to all managers/owners of sub-metered facilities during the CARE/FERA annual recertification in September 2009. Packets included bulletin board posters and CARE/FERA applications for tenants.

**B. Discuss each of the following:**

- 1. How FERA customer data and other relevant program information is shared within the utility, for example, between its LIEE and other appropriate low-income programs.**

**CARE** –FERA information is distributed in conjunction with the CARE program. Both CARE and FERA are promoted through a joint application. All outreach efforts for FERA are combined with the CARE program. Additionally, customer data received from the LIEE program regarding potentially eligible customers is shared with the CARE/FERA program.

- 2. Discuss barriers to participation encountered during the reporting period and steps taken to mitigate them.**

Attempting to reach FERA customers specifically has proven to be a challenge for SDG&E. While SDG&E targets low income areas in an effort to enroll both CARE and FERA customers, customers who would normally qualify for FERA often do not apply because they see themselves as not needing low-income assistance. Also, the annual increase of the income guidelines for both programs has a tendency to increase CARE enrollments with customers who were qualified for the FERA program resulting in a drop in FERA participation.

**IV. Processing FERA Applications**

**A. Processing Self-Certification and Self-Recertification Applications  
(individual and sub-metered customers)**

1. Provide the number of utility and third-party FERA self-certification and self-recertification applications provided, received, approved, denied, pending/never completed, or duplicates for the reporting period.

See Table 5 below.

<b>Table 5</b>						
<b>FERA Self-Certification and Self-Recertification Applications*</b>						
	<b>Provided</b>	<b>Received</b>	<b>Approved**</b>	<b>Denied</b>	<b>Pending/Never Completed</b>	<b>Duplicates</b>
<b>Utility</b>	<b>4,516</b>	<b>2,258</b>	<b>2,157</b>	<b>18</b>	<b>83</b>	<b>0</b>
<b>Capitation</b>	<b>125</b>	<b>63</b>	<b>61</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>Other Third-Party</b>	<b>479</b>	<b>239</b>	<b>234</b>	<b>3</b>	<b>2</b>	<b>0</b>
<b>Total</b>	<b>5,120</b>	<b>2,560</b>	<b>2,452</b>	<b>21</b>	<b>87</b>	<b>0</b>

\* Notes: This includes sub-metered tenants. Self-Certification applications are distributed/mailed through a wide variety of fulfillment and outreach methods, such that it is not possible to determine an actual count. Recertification applications are tracked.

\*\*Approved includes CARE ineligible applications that are eligible for FERA.

**B. Processing Random Post-Enrollment Verification Requests**

1. Provide the total number of verifications requested, received, approved, denied, pending/never completed, or duplicates, for the reporting period.

<b>TABLE 6</b>						
<b>FERA Random Post-Enrollment Verification Requests</b>						
	<b>Requested</b>	<b>Received</b>	<b>Approved*</b>	<b>Denied**</b>	<b>Pending/Never Completed</b>	<b>Duplicates</b>
<b>Total</b>	<b>2</b>	<b>52</b>	<b>52</b>	<b>2</b>	<b>0</b>	<b>0</b>

\*Notes: Approved includes CARE ineligible Post Enrollment Verification Requests that are eligible for FERA.

\*\* Denied includes customers who were dropped due to non-response.

**V. Program Management**

**A. Discuss issues and/or events that significantly affected program management in the reporting period and how these were addressed.**

There were no issues or events that significantly affected FERA program management in PY2009.