

Application No. A. 11-05-____
Exhibit No: _____
Witness: Wright, Gillian

**PREPARED DIRECT TESTIMONY OF GILLIAN WRIGHT
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY'S
ENERGY SAVINGS ASSISTANCE PROGRAM AND
CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM PLANS
AND BUDGETS FOR PROGRAM YEARS 2012, 2013 AND 2014**

Before the Public Utilities Commission
Of the State of California

May 16, 2011

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1 **I. OVERVIEW**

2 The purpose of my Testimony is to present policy support for Southern California Gas
3 Company's ("SoCalGas") Low-Income Program Applications and Budgets for program years
4 ("PY") 2012-2014. Specifically, I address how SoCalGas' Energy Savings Assistance Program
5 plans support the California Public Utility Commission's ("Commission") programmatic
6 initiative and the California Energy Efficiency Strategic Plan ("CEESP"). In support of the
7 PY2012-2014 CARE requests, I offer testimony that demonstrates SoCalGas' commitment to
8 achieving the Commission's goal to reach 90% of the low income customers who are eligible for
9 and desire to participate in, the CARE program. In addition, I present recommendations to revise
10 certain Commission-adopted policies and processes for the Energy Savings Assistance Program
11 and the CARE program, beginning in PY2012. Finally, I request that the Commission approve
12 SoCalGas' funding request to create potential employment opportunities for displaced meter
13 readers.

14 **II. SUMMARY OF SOCALGAS' PY2012-2014 APPLICATION REQUESTS**

15 **A. Energy Savings Assistance Program Summary and Requests**

16 In its Application, SoCalGas presents proposed modifications to its Energy Savings
17 Assistance Program, which are designed to meet the Commission's key policy objective of
18 making the program a reliable energy resource and accomplishing the programmatic initiative of
19 reaching 25% of all willing and eligible households in PY2012-2014.¹ When developing its
20 Energy Savings Assistance Program Application, SoCalGas designed a comprehensive strategy
21 to promote the program as a reliable energy resource, make the program available to more
22 customers, offer more cost-efficient program measures, increase leveraging opportunities,
23 maximize integration opportunities, and improves the cost effectiveness of the program.
24
25

¹ See D.07-12-051, at pp. 74-75.

1 SoCalGas proposes to implement new, and modify existing strategies, plans, activities,
2 measures, policies, and budgets to increase the programs' enrollment and overall program
3 delivery. These proposals are also designed to help customers reduce their energy bills, promote
4 energy conservation, and assist customers avoid disconnections. Moreover, SoCalGas remains
5 committed to making certain that its proposed plans and measures for the PY2012-2014 Energy
6 Savings Assistance Program are cost effective and add to its customers' quality of life by
7 improving their health, safety and comfort.

8 Since 2002, SoCalGas' Energy Savings Assistance Program has treated approximately
9 548,110 homes, through the end of 2010. During the past 9 years, SoCalGas has saved
10 customers millions of dollars on their energy bills, and significantly reduced their gas use by
11 approximately 11,056 mtherms. For PY2012-2014, SoCalGas intends to treat approximately
12 329,604 (one quarter of the Commission's target total for 2020) eligible homes. To further this
13 goal, SoCalGas will increase its outreach and marketing efforts to promote the new program
14 name and logo and communicate the benefits of the program to hard to reach customers, e.g.,
15 disabled customers, customers with limited English proficiency, and customers who live in
16 remote areas.

17 To achieve its goals for the PY2012-2014 Energy Savings Assistance Program, SoCalGas
18 proposes a budget of \$266.21 million, which represents an increase above the current authorized
19 budget amount of \$204.70 million.²

20 **B. CARE Program Summary and Requests**

21 SoCalGas' CARE program provides a significant rate discount to all eligible customers
22 who wish to participate. As of March 2011, there were 1,721,214 customers enrolled in the
23 CARE program. SoCalGas' goal for the 3-year program cycle is to enroll a total of 61,402 new

² See D.08-11-031, at Attachment A.

1 customers into the CARE program. SoCalGas has established these goals for CARE in an effort
2 to work towards the Commission’s target of enrolling 90% of all CARE-qualified customers who
3 wish to participate in the program. For PY2012-2014, SoCalGas plans to improve upon its
4 effective outreach program and continue to further increase its CARE penetration rate, which, as
5 of March 2011, is 93.4%.

6 To achieve its goals for the PY2012-2014 CARE program, SoCalGas requests a total
7 administrative budget of \$23.6 million for PY2012-2014, which does not include the CARE
8 program subsidies.

9 **III. PROPOSED POLICY MODIFICATIONS TO THE CATEGORICAL**
10 **ELIGIBILITY ENROLLMENT PROCESS**

11
12 **A. Categorical Eligibility Background**

13 In 2006, the IOUs³ requested authority to implement a categorical eligibility process to
14 permit customers, who participate in certain local, state, or federal income-based assistance
15 programs (public assistance programs), to qualify for enrollment in the CARE program.⁴

16 Pursuant to the categorical eligibility process, customers can self-certify that they or someone in
17 their household participates in one of the income-based assistance programs. The purpose of the
18 categorical eligibility process is to allow eligible customers to enroll faster and easier in the
19 IOUs’ low income assistance programs, based on their participation in assistance programs with
20 income requirements comparable to those of the CARE program.

21 In D.06-12-038, the Commission granted the IOUs’ request and directed that the IOUs
22 work together to assess the various public assistance programs to determine which programs’
23 income requirements are consistent with the income requirements of the CARE program. The

³ The IOUs consist of SoCalGas, San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southern California Edison Company.

⁴ The Energy Savings Assistance Program adopted use of categorical eligibility in 2007.

IOUs based their selection of the categorically eligible public assistance programs on two criteria: 1) the income requirements must be consistent with the CARE guidelines, which were, and still are, set at 200% of the Federal Poverty Guidelines (“FPG”);⁵ and, 2) the programs must be included in the list of programs under which a customer can be enrolled through the Commission’s automatic enrollment process, as adopted in D.02-07-033.⁶ SoCalGas included the adopted list of automatic enrollment programs in an effort to mitigate Federal privacy restrictions which made the automatic enrollment process envisioned by the Commission unworkable. Based on these criteria, the following income-based assistance programs were selected:

Table 1

Program⁷	Income Requirements
Women, Infants and Children (“WIC”)	185% of the Federal Poverty Guidelines
Healthy Families Categories A	Incomes exceeding 205% of the Federal Poverty Guidelines
Healthy Families Categories B	Incomes exceeding 205% of the Federal Poverty Guidelines
Medi-Cal	Incomes range from 100% - 200% of the Federal Poverty Guidelines
Low Income Home Energy Assistance Program (“LIHEAP”)	60% of the State Median Income
Food Stamps	130% of the Federal Poverty Guidelines or 165% of the Federal Poverty Guidelines if the household has an elderly or disabled person who qualifies as a separate household
Temporary Assistance for Needy Families (“TANF”)	Gross Income Must Be Below \$784 Per Month

⁵ See D.05-10-044, at Ordering Paragraph (“OP”) 1.

⁶ See OP 6. Automatic enrollment is a process where a customer is enrolled in CARE through a data exchange with another utility or government agencies with similar rate discount programs within a IOUs’ service territory. In D. 02-07-033, at OP 2, the Commission determined that participants enrolled in the following programs would qualify to be automatically enrolled in CARE through its proposed data-exchange process: Medi-Cal, WIC, Healthy Families, the Energy Assistance Programs managed by California Department of Community Services and Development (“CSD”). The automatic enrollment process adopted in D.02-07-033 was unsuccessful due to the partner agencies inability to share customer information due to Federal confidentiality restrictions. Categorical Eligibility is a process under which a customer can qualify for CARE or the Energy Savings Assistance Program through their participation in specific public assistance programs and self-certify their eligibility when they submit their CARE Application form.

⁷ Since the implementation of categorical eligibility, the names of the Food Stamps program and TANF programs have changed. Currently the Food Stamps program is now known as “Cal-Fresh” and the TANF program is now known as “CalWORKs.”

1 The Commission expanded this list of categorically eligible public assistance programs in
2 D.08-11-031 to include Supplemental Security Income (“SSI”), Tribal TANF, Bureau of Indian
3 Affairs General Assistance, Head Start Income Eligible (Tribal Only), National School Lunch
4 Free Program, and Federal Public Housing Assistance/Section 8.⁸ In that decision, the
5 Commission also directed the IOUs to immediately make all categorical eligibility requirements
6 that apply to the Commission’s Telecommunication Division’s California Lifeline (“Lifeline”)
7 program⁹ the same as those for CARE and to allow customers receiving federal means-tested SSI
8 to categorically qualify for CARE and the Energy Savings Assistance Program.¹⁰ D.08-11-031
9 also directed the IOUs to investigate the eligibility requirements of each of the public assistance
10 programs that qualify customers for Lifeline to determine if any of the qualifying Lifeline
11 programs have eligibility requirements that differ from the requirements applicable to the Energy
12 Savings Assistance Program and CARE program. If the IOUs determined that certain Lifeline
13 program’s income requirements differed from the income requirements of the CARE program
14 and Energy Savings Assistance Program, then the IOUs were instructed to file with the Energy
15 Division a workshop request, listing the programs that present problems, the problems at issue,
16 and their proposed response.

17 **B. Identified Issues with the Categorical Eligibility Process**

18 SoCalGas conducted a review of the authorized Categorical Eligibility programs during
19 PY2009-2011 which revealed that the income requirements for many of the categorically eligible
20 income-based assistance programs do not align with the CARE income-eligibility requirements

⁸ D.08-11-31 determined that: “[e]ach IOU should make a reasonable effort to differentiate between eligible and ineligible public housing residents for CARE and LIEE enrollment. Given the diverse county by county discrepancy, we will leave it to the IOUs' discretion how to do this in each of their service areas, but they shall not enroll ineligible customers in the programs, at p. 135.

⁹ The California Lifeline Program offers a discounted rate for qualifying telephone customers.

¹⁰ See D.08-11-031, at OPs 7 and 8.

1 because these public assistance programs either: 1) do not take into consideration the total
2 household income for all persons living within the household, or 2) exempt certain forms of
3 income from counting towards the total household income. There are two explanations for this
4 inconsistency. First, pursuant to the Commission’s requirements in D.08-11-031, the IOUs made
5 all categorical eligibility requirements that apply to the Lifeline program the same as those for
6 CARE. As a result, Lifeline programs with income requirements that differed from the income
7 requirements of the CARE program and Energy Savings Assistance Program were considered
8 categorically eligible.

9 Second, when selecting the public assistance programs for categorical eligibility, the
10 IOUs considered the programs’ income requirements, e.g., if the programs’ income levels were
11 set at or below 200% of the FPG. However, the IOUs did not consider the fact that these
12 programs did not use and apply the term “income” the same as did the IOUs when determining
13 CARE income eligibility. For example, the CARE program assesses the total household income
14 and defines total household income as: “[a]ll revenues, from all household members, from
15 whatever source derived, whether taxable or non-taxable, including, but not limited to: wages,
16 salaries, interest, dividends, spousal support and child support, grants, gifts, allowances, stipends,
17 public assistance payments, social security and pensions, rental income, income from self-
18 employment and cash payments from other sources, and all employment-related, non-cash
19 income.”¹¹ By contrast, the following social assistance programs apply and define the term
20 “income” differently.¹²

¹¹ In D.89-07-062, the Commission determined that the eligibility for the LIRA (now CARE) program should be consistent with the eligibility criteria established for its telecommunication’s Universal Lifeline Telephone Service (now California Lifeline Program). The definition of “income” for ULTS is set out in Commission General Order 153.

¹² See Attachment A-13 for a detailed summary of eligibility requirements for the Categorical Eligibility public assistance programs.

- 1 • **SSI** – This program does not count “total income” of all members of the household, and
2 exempts certain types of income, which is inconsistent with CARE and Energy Savings
3 Assistance Program income guidelines.
4
- 5 • **LIHEAP** – This program is based on 60% of state’s median income, which exceeds
6 CARE and Energy Savings Assistance Program income guidelines.
7
- 8 • **TANF/CalWORKs** – This program does not count the “total income” from all
9 household members. The program eligibility requirements exempt some forms of income
10 for certain working family members, i.e., Non-countable income allowance of \$90 per
11 month per employed household member.
12
- 13 • **Tribal TANF** - This program does not count the “total income” from all household
14 members. The program eligibility requirements permit income exemptions for some
15 working family members.
16
- 17 • **Native American Tribal Head Start** – This program does not count the “total income”
18 from all household members. The program eligibility requirements exempt some forms
19 of income for some working family members, i.e., Non-countable income allowance of
20 \$90 per month per employed household member.
21
- 22 • **Bureau of Indian Affairs General Assistance** – This program does not count the “total
23 income” from all household members.
24
- 25 • **WIC** - Because there can be multiple households within the dwelling unit¹³, this program
26 does not count the “total income” from all household members, and the total income
27 could potentially exceed CARE and the Energy Savings Assistance Program income
28 guidelines.
29
- 30 • **CalFresh (formerly known as Supplemental Nutrition Assistance Program or**
31 **SNAP)** – This program does not count the “total income” from all household members.
32
- 33 • **Medi-Cal** – This program does not count the “total income” from all household
34 members.
35
- 36 • **Healthy Families (A&B)** – This program does not count the “total income” from all
37 household members.
38

39 To conduct its research, SoCalGas focused on customers applying through categorical
40 eligibility that voluntarily included their household income on their CARE applications. Since
41 customers enrolling through categorical eligibility are not required to include their household

¹³ Unrelated persons living within one residence are considered separate households.

1 income, the sampling of applications meeting the necessary research criteria was small and not
2 exact. SoCalGas reviewed over 162,000 customer applications approved through categorical
3 eligibility during the period of June 2010 through December 2010. Of these applications
4 approximately 23,000 of the applications, or 28%, provided income information in addition to
5 marking the categorical eligible program(s) they participated in. Out of the 28%, 541 customers,
6 or 2.3%, reported having incomes that exceed the CARE income guidelines.

7 Further, SoCalGas' Customer Support Center receives numerous calls from customers
8 who participate in a categorically eligible program, but whose income requirements exceed the
9 income requirements of the CARE program and/or Energy Savings Assistance Program. For
10 example, in a recent telephone call to SoCalGas' Customer Support Center, a customer wanted to
11 make certain that they understood the program requirements correctly. She stated that she did
12 not qualify for the CARE program based on her income, because her husband's annual income is
13 \$80,000, yet her child from a prior relationship was receiving benefit of WIC and Medi-Cal, and
14 therefore qualified the household for CARE. SoCalGas thanked the customer for informing
15 SoCalGas about their situation and for her honesty. The customer was then informed that due to
16 the categorical eligibility requirements, her daughter's participation in the WIC and Medi-Cal
17 programs qualified the household to receive the CARE discount.

18 **C. Utility Requests**

19 Seemingly, the Commission did not intend for utility ratepayers to subsidize those
20 households with incomes that exceed the CARE income eligibility guidelines. For that reason
21 and consistent with D. 08-11-031,¹⁴ on May 9, 2011 SoCalGas requested that the Energy
22 Division conduct workshops to determine if the list of the categorical eligibility public assistance

¹⁴ D.08-11-031, at OP 9.

1 programs should be modified to exclude those programs that do not consider the total income of
2 all residents in the household.¹⁵

3 In addition, SoCalGas requests authorization to decline applications of customers who
4 apply for CARE through categorical eligibility and provide total household income information
5 that exceeds the current CARE program guidelines. Further, SoCalGas plans to require
6 categorically enrolled customers to provide income documentation during the post-enrollment
7 verification process and to remove customers from the program if their total household income
8 exceeds the CARE program guidelines. These CARE program revisions will help SoCalGas to
9 ensure that its ratepayers are only subsidizing those customers who are intended to benefit from
10 the CARE program.

11 **IV. REQUEST FOR MINOR MODIFICATIONS TO THE COMMISSION'S**
12 **ADOPTED METHODOLOGY FOR CALCULATING THE ENERGY SAVINGS**
13 **ASSISTANCE PROGRAMS' PROJECTED NUMBER OF HOMES TO BE**
14 **TREATED**

15 **A. Methodology to Calculate the Projected Number of Homes to Be Treated**

16
17 In D.08-11-031, the Commission adopted a methodology for the IOUs to utilize to
18 calculate the estimated number of Energy Savings Assistance Program homes to be treated in
19 order to meet the Commission's programmatic initiative of serving all eligible and willing
20 households by 2020. The Commission's adopted methodology is as follows:

- 21 1. Use the estimated number of income eligible households utilizing the estimates
22 submitted in the IOUs annual Estimated Eligibility Updates.
23
24 2. Add a 1% annual growth factor accounting for population growth and economic
25 conditions.

¹⁵ In addition, in Joint Opening Comments of San Diego Gas & Electric Company and Southern California Gas Company on the Proposed Decision on Large Investor-Owned IOUs' 2009-11 Low Income Energy Efficiency and California Alternate Rates for Energy Applications (A.05-08-022, *et. al.*), dated October 6, 2008, SDG&E and SoCalGas asked the Commission for the opportunity to review the eligibility requirements for the means-tested programs that qualify for the Lifeline program's program-based enrollment to ensure the eligibility requirements for these programs comport with the eligibility requirements for CARE and the Energy Savings Assistance Program's categorical enrollment processes.

1

Table 2

Unwilling or Ineligible	2009	2010
Customer Refused	12,182	9,193
Home does not meet minimum measure requirement	2,664	3,291
Customer moving	1,019	937
Customer over 200% FPL	2,646	3,411
Owner Refused- Renter occupied for single family ²	3,718	2,096
Customer unable to provide proof of home ownership documentation	1,656	1,586
Customer unable to provide proof of income documentation	640	839
Home weatherized under another program ²	397	1,236
Total	24,922	22,589
Treated	85,147	121,274
Treated + Unwilling	110,069	143,863
Percentage of Unwilling/Ineligible	23%	16%

2

3 Based on the collected data from PY2009 customers, 22,589 customers (23%) were
4 estimated as unwilling or ineligible to participate. The top three reasons why customers were
5 either unwilling or ineligible include: 1) Customer Refused (6%), 2) Customer Exceeded
6 Income Requirements (2%) and, 3) Customer Did Not Meet the Minimum Measures (2%). In
7 addition, data collected on the ineligible and unwilling population from PY2010 indicated that
8 22,589 customers (16%) were ineligible or unwilling to participate in the program. SoCalGas
9 took the weighted average from the responses obtained from PY2009-PY2010 to identify an
10 unwilling and ineligible population of 19% for PY2012-2014. Because it now has more precise
11 information based on the actual data tracked during 2009 and 2010, SoCalGas proposes to revise
12 the “unwilling” percentage from the 5% figure adopted in D. 08-11-031 to 19%. SoCalGas’
13 proposal is consistent with language in D. 08-11-031, in which the Commission stated that future

1 estimates of unwillingness may be more precise and may be considered for the 2012-2014
2 budget cycle.¹⁷

3 SoCalGas also proposes to modify the “unwillingness” category to include the number of
4 “unwilling *and ineligible*” because SoCalGas now has more precise information on which to
5 base its “willingness” calculations and to determine how many of the projected number of
6 qualified customers actually do not qualify for the Energy Savings Assistance Program.

7 **V. PROPOSAL TO REVISE THE NUMBER OF HOMES TREATED BY LIHEAP**

8 **A. Calculation of the Number of Homes to Be Treated by LIHEAP**

9 In projecting the number of homes to be served during PY2009-2011, the Commission-
10 adopted methodology considered the number of homes treated by the LIHEAP program between
11 2002 and 2007,¹⁸ but did not project the number of homes to be treated by LIHEAP during 2008
12 because the final figures were not available at the time D.08-11-031 was adopted. The IOUs
13 were instead directed to subtract the actual 2008 figures from the estimate of households treated
14 during the 2012-2014 budget cycle.

15 In preparation of their PY2012-2014 Applications, the IOUs contacted CSD to request
16 updated figures on the number of homes treated by LIHEAP from 2008 to 2010. CSD provided
17 updated figures for 2009 and 2010, but did not provide the figures for the number of homes
18 treated by LIHEAP for 2008. Therefore, SoCalGas was forced to estimate the number of homes
19 treated by LIHEAP during 2008 based on a historical average. This estimate was used in the
20 calculation for projecting the remaining number of homes to be treated by the Energy Savings
21 Assistance Program through 2020.

¹⁷ D.08-11-031, at p. 110.

¹⁸ The number of homes treated by LIHEAP during 2002-2007 was based on data provided directly to the Commission by CSD who administers the LIHEAP program.

1 **VI. REQUEST THAT THE ANNUAL INCOME UPDATES FOR CARE AND THE**
2 **ENERGY SAVINGS ASSISTANCE PROGRAM BE MADE AVAILABLE BY NO**
3 **LATER THAN APRIL 1ST OF EACH YEAR**
4

5 Each year, the Energy Division issues a notice to the IOUs to update the CARE and
6 Energy Savings Assistance Program's Income Guidelines. The notice is issued no later than
7 May 1st of each year. The IOUs are required to file Advice Letters to revise their tariffs and to
8 update their CARE forms with the new income guidelines, and any other forms requiring
9 revision, by no later than June 1st of each year.²⁰

10 In recent years, SoCalGas has developed a number of computer-generated and web-based
11 CARE forms in an effort to facilitate customer enrollments into the CARE program and to
12 streamline the processing of CARE forms to keep program costs down. In addition, SoCalGas
13 offers the CARE web-based application forms in 13 languages and has large font print versions
14 available for visually impaired customers. SoCalGas estimates that it makes updates to 38
15 CARE application forms each year. The lead time necessary to program the computer generated
16 and web-based forms has increased and it has become an increasing challenge for SoCalGas to
17 meet the June 1st deadline each year.

18 In order to allow SoCalGas adequate time to continue to meet the Commission's deadline
19 for updating its CARE forms annually, SoCalGas requests that the Commission change the date
20 for the Energy Division to issue the annual CARE and Energy Savings Assistance Program
21 income guideline update notification, from May 1st of each year to April 1st of each year.

22 **VII. PROPOSAL FOR MAKING MID-PROGRAM CYCLE ADJUSTMENTS**

23 To allow the IOUs more flexibility to modify their programs during the mid-program
24 cycle, SoCalGas seeks Commission authorization for the IOUs to make program revisions during
25 the current three year program cycle using the Tier 2 Advice Letter process. Currently, to make

²⁰ Commission Resolution E-3524, dated February 19, 1998.

1 mid-program cycle adjustments, the IOUs must file a Petition for Modification (“PFM”) of the
2 decision which approved the IOUs’ low income assistance program plan budgets and
3 applications.²¹ The PFM process is more time consuming and consequently does not facilitate
4 the IOUs’ abilities to make timely and needed adjustments to their CARE and Energy Savings
5 Assistance Programs. Use of the Tier 2 Advice Letter process will not only alleviate these
6 issues, but also allow the Commission a reasonable opportunity to assess and address the IOUs’
7 proposals, and allow interested parties an opportunity to provide input. For these reasons,
8 SoCalGas asks the Commission to allow the IOUs to file an Advice Letter when requesting to
9 adjust CARE and Energy Savings Assistance Program in mid-cycle. If the proposed program
10 change requires an increase in the authorized budget, SoCalGas will incorporate the budget
11 increases in its Annual Update to the Public Purpose Surcharge filed in October of each year.

12 **VIII. REVISION OF THE DUE DATE FOR THE 2015-2017 CARE AND ENERGY**
13 **SAVINGS ASSISTANCE PROGRAM PLANS AND BUDGETS UNTIL JULY**
14 **2014**

15
16 On March 30, 2011, an Assigned Commissioner’s Ruling was issued which: 1) provided
17 guidance to the IOUs on the requirements for filing CARE and Energy Savings Assistance
18 Program plans and budgets for 2012-2014; 2) directed the IOUs to file their upcoming 2012-
19 2014 CARE and Energy Savings Assistance Program budget applications by May 15, 2011; and,
20 3) directed the IOUs to immediately roll out the new Energy Savings Assistance Program title
21 and logo.²²

²¹ D.10-12-002, approved in part, the Petition for Modification of San Diego Gas & Electric and Southern California Gas Company. The Commission noted that the Petition came in the late stage of this budget cycle and urged the IOUs to bring new errors to the Commission’s attention in the beginning of the budget cycle upon issuance of a decision and not at this late juncture. D.10-12-002, at p. 7.

²² *Assigned Commissioner’s Ruling Providing Guidance Concerning The California Alternative (sic) Rates for Energy (CARE) Program And Energy Savings Assistance Program (Formerly And Generally Referred To As Low Income Energy Efficiency (LIEE) Program) and Related 2012-2014 Budget Applications.*

1 In addition to the preparation and submittal of its Applications, the same SoCalGas staff
2 also had to devote extensive resources to complete the Annual Reports for CARE, and Energy
3 Savings Assistance Program for PY2010, due to the Commission on May 1, 2011; the CARE
4 and Energy Savings Assistance Program Monthly Report, due on April 21, 2011; and the CARE
5 and Energy Savings Assistance Program Monthly Report due on May 21, 2011. The overlapping
6 deadlines for the Application and the Reports has put an overwhelming strain on SoCalGas
7 resources, especially on the program staff who are required to work long hours to complete all
8 of these submittals simultaneously, in addition to managing the day-to-day program operations.²³

9 In order to prevent a similar strain on its resources in the next program planning cycle
10 and provide the IOUs with adequate time to prepare and organize these data-intensive filings,
11 SoCalGas respectfully requests that the Commission change the due date for the 2015-2017
12 CARE and Energy Savings Assistance Program application from May 2014 until July 2014. In
13 addition, SoCalGas requests that the PY2015-2017 Guidance Document be issued by the
14 Commission by no later than December 31, 2013.

15 In addition, to give IOUs adequate time to incorporate results into their program plans
16 and budgets for the next program cycle, SoCalGas requests that the Commission require that
17 final reports for any pilot or study conducted during the previous program cycle be issued a
18 minimum of 3 months prior to the due date of the low income assistance program applications.
19 If results of these pilots and studies are not be available within the 3 month time frame, the
20 Commission should permit the IOUs to file Advice Letters to revise their programs, if applicable,
21 as outlined in SoCalGas' proposal for making mid-cycle revisions described above.

²³ The late issuance of the 2012-2014 Guidance Document and the incomplete Statewide Studies have exacerbated the strain on the program staff, who prepare the Application and Reports.

1 **IX. QUARTERLY PUBLIC LOW INCOME PROGRAM MEETINGS**

2
3 OP 7 of D.06-12-038 required the IOUs to sponsor quarterly public meetings at which
4 parties could share ideas and information to facilitate improvements to program elements,
5 processes and practices. The IOUs held the first public quarterly meeting on February 22, 2007
6 to solicit opinions about the Statewide LIEE Policy and Procedures Manual and Installation
7 Standards Manual.²⁴ Since then, other topics discussed included the Statewide LIEE Policy and
8 Procedures and Installation Manuals, 2009-2011 LIEE program application plans, and the
9 California Energy Efficiency Strategic Plan.

10 While the IOUs support the concept of these meetings as a means of soliciting public
11 input, this venue has not proven to be viable or effective. The public may attend in person, or via
12 teleconference or video-conference in various locations throughout the IOUs' service areas.
13 Nevertheless, these meetings have been poorly attended.

14 The IOUs propose that a Low Income Program forum be held once a year, following the
15 utility Low Income Annual Report filings. This forum would include focused presentations and
16 discussions about the programs, including program results and responses of our low income
17 customers, findings and lessons learned. In-depth discussions about what worked, what did not,
18 and ideas for making it better could lead to more interest and participation from the public, as
19 well as other low income service providers.

20 **X. REQUEST FOR LABOR OVERHEADS RELATED TO INTEGRATION OF**
21 **WORKERS DISPLACED BY AMI IMPLEMENTATION**

22
23 SoCalGas proposes to implement a new initiative for Customer Enrollment that
24 complements the existing Energy Savings Assistance Program Contractor Network, which will
25 facilitate SoCalGas efforts to meet the aggressive goal of enrolling 100% of the willing and

²⁴ Formerly the Statewide Weatherization Installation Standards Manual and the Installation Standards Manual included installation standards for all services and measures provided under the LIEE program.

1 eligible customer population by 2020. With the intention of helping mitigate the number of
2 meter reading positions lost due to the implementation of the Advance Metering Infrastructure
3 (“AMI”), SoCalGas proposes to create Customer Assistance Representative (“CAR”) positions,
4 in addition to administrative support positions to organize appointments, coordinate customer
5 contacts, and process invoices. These positions will perform customer enrollment work for the
6 Energy Savings Assistance Program with the objective of reducing customer trust issues through
7 the identification of a SoCalGas employee and specifically targeting hard-to-reach and rural
8 customers.

9 Similar to performance standards established in current contractual obligations with the
10 Contractor Network, employees in CAR positions will also be obligated to meet the following
11 performance standards: 1) Safety; 2) Quality; 3) Productivity; 4) Customer Satisfaction, and 5)
12 Attendance. To continue expanding its grassroots outreach effort in low income communities,
13 SoCalGas will implement this hybrid workforce for the use of company employees and
14 contractors (CBO and private). Just as with SoCalGas’ Contractor Network, SoCalGas CARs
15 have multi-lingual capabilities and diverse backgrounds which will further assist to increase
16 customer enrollment and to overcome common customer enrollment obstacles experienced by all
17 four IOUs. This new customer enrollment strategy will not increase the proposed Customer
18 Enrollment budget sub-category as it is based on a cost per enrollment. However, SoCalGas is
19 proposing to transfer the costs of additional labor overheads (such as Pension & Benefits,
20 Workmans Comp, and Public Liability & Property Damage) to the Energy Assistance Savings
21 Program that have previously not been included. The estimated cost of these additional labor
22 overheads is approximately \$7.4 million.

1 In order to create these potential employment opportunities, SoCalGas requires
2 authorization to recover these costs using Energy Savings Assistance Program funds because, in
3 its General Rate Case (“GRC”) Application 10-12-006, SoCalGas anticipated that these meter
4 reading positions would be eliminated due to AMI implementation, and thus did not include
5 funding for these positions and overhead costs in its GRC budget. Therefore, SoCalGas seeks
6 Commission authorization to allocate all costs associated with the transfer of these meter reading
7 positions to the Energy Savings Assistance Program.²⁵

8 **XI. CONCLUSION**

9 Accordingly, the Commission should: 1) approve SoCalGas’ proposed PY2012-2014
10 Energy Savings Assistance Program and CARE program plans and budgets; 2) find that the
11 programs comply with the Commission’s stated objectives for the Energy Savings Assistance
12 Program and CARE program; 3) adopt the proposed policy recommendations for the Energy
13 Savings Assistance Program and the CARE program; and 4) approve SoCalGas’ funding request
14 to create potential employment opportunities for displaced meter readers.

15 This concludes my prepared written testimony.
16

²⁵ Assuming the Commission approves SoCalGas’ request, SoCalGas anticipates that these new positions will begin to be created in PY2014, as part-time meter readers are displaced as a result of the implementation of AMI. However, positions may be created sooner and will be created at the SoCalGas’ discretion based on program goals, needs and results.

