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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”) 2021 – 2026. SoCalGas witness Octavio Verduzco sponsors
5 the operational, strategy, and outreach elements of SoCalGas’ CARE program proposals.¹

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

13 In accordance with Decision (“D.”) 16-11-022 and D.19-06-022, SoCalGas hereby
14 submits this testimony in support of its Application requesting approval of SoCalGas’ CARE
15 Program plans and budgets for PY 2021-2026. In this testimony SoCalGas requests the
16 following:

- 17 1. Approval of its PY 2021 –2026 CARE Program plans and forecasted
18 administrative costs;
- 19 2. Authorization to implement CARE Program changes and activities as described in
20 this testimony and summarized in the conclusion; and
- 21 3. Authorization to continue to shift funds in the same manner as in previous years.

¹ Certain policy-related considerations associated with the CARE Program are addressed in the Prepared Direct Testimony of SoCalGas witness Daniel Rendler.

1 **I. CARE PROGRAM PLAN AND BUDGETS APPLICATION FOR PYs 2021-2026**

2 **A. CARE PROGRAM CONTEXT**

3 **1. History**

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

8 The CARE Program was originally established in 1989 through California Senate Bill
9 (“SB”) 739 to provide low-income customers with a discount on their utility bill. To qualify,
10 customers only needed to meet the income guidelines for the program. The CARE Program is
11 funded through a Public Purpose Program (“PPP”) surcharge paid through non-participating
12 customers’ energy bills.² Initially the program was referred to as the Low-Income Rate Payers
13 Assistance (“LIRA”) Program; the program name was later changed to CARE in 1994.³ The
14 program initially offered customers a 15% discount on their utility bill. However, in D.01-06-
15 010, the discount was increased to 20% and income eligibility changed from 150% to 175% of
16 the Federal Poverty Guidelines (“FPG”).⁴ D.05-10-044 approved the revision of the CARE
17 income eligibility guidelines from 175% to 200% of the FPG.⁵

18 In 2019, SoCalGas has 1.6 million CARE customers⁶ through 5.8 million meters in more
19 than 530 communities. SoCalGas’ service territory encompasses approximately 23,000 square
20 miles in diverse terrain throughout Central and Southern California, from Visalia to the Mexican
21 border.

² This Application is not duplicative of funding already recovered through the General Rate Case (“GRC”). CARE Program cost categories and planned budgets for PY 2021 – 2026 are presented in Section B.

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

⁴ D.01-06-010, at 31.

⁵ D.05-10-044, at 2.

⁶ August Low-Income Monthly report, filed September 23, 2019.

1 The following provides a brief summary of several key California Public Utilities
2 Commission (“Commission or CPUC”) decisions that provided foundational direction for
3 SoCalGas’ PY 2021-2026 CARE Program proposal:

- 4 • D.92-04-024 expanded the program to include eligibility for customers residing in
5 non-profit group living facilities, including women’s shelters and homeless
6 shelters.
- 7 • D.92-12-039 expanded the program to include eligibility for qualified non-profit
8 group living facilities.
- 9 • D.95-10-047 authorized residents of agricultural housing facilities managed by
10 the Office of Migrant Services to qualify for CARE.
- 11 • D.01-06-010 increased the discount from 15% to 20% and changed the income
12 eligibility criteria from 150% to 175% of FPG.
- 13 • D.05-10-044 approved various new initiatives for low-income programs during
14 the winter of 2005-2006 (“Winter Initiative”). One of the major changes adopted
15 by the Commission was the revision of the CARE income eligibility guidelines
16 from 175% to 200% of the FPG. The Decision also authorized SoCalGas to
17 temporarily enroll certain prospective CARE-qualified households by telephone
18 for the period of November 1, 2005 – April 30, 2006.⁷
- 19 • D.06-12-038 adopted the utilities’ program plans and budgets for PY 2007-2008
20 and also authorized them to implement the following program changes: 1)
21 categorical eligibility, which permitted customers to qualify for CARE based on
22 their participation in certain state or federal public assistance programs; 2) four-
23 year recertification for low- income customers on a fixed income; 3) a process to
24 enroll certain prospective CARE-qualified households by telephone; 4) a process
25 to allow customers to recertify their CARE eligibility through its Interactive
26 Voice Recognition (“IVR”) system; and, 5) internet-based CARE enrollment and
27 recertification.
- 28 • D. 08-11-031 set a 90% CARE penetration goal for all investor-owned utilities
29 (“IOUs”) and recognized the difficulty of reaching a 100% penetration goal for
30 CARE.

⁷ 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.

- 1 • Resolution CSID-004⁸ approved a pilot program, The Community Help and
2 Awareness with Natural Gas and Electricity Services (“CHANGES”) to provide
3 in-language energy-related (electric and natural gas) outreach, education, and
4 resolution of needs and disputes, to Limited-English Proficient (“LEP”)
5 consumers in their preferred languages through a statewide network of
6 Community-Based Organizations (“CBOs”).
- 7 • D.11-05-020 authorized the sharing of low-income information between energy
8 and water utilities. Additionally, the decision permitted the IOUs to include data
9 sharing costs in their PY 2012-2014 budget applications.
- 10 • D.11-11-010 adopted bridge funding to allow the continuation of the programs in
11 the absence of the application decision by January 1, 2012.
- 12 • D.12-03-054 ordered that the IOUs shall continue to implement the customer
13 service disconnection practice adopted in the Rulemaking (“R.”)10-02-005. The
14 utilities are required to make sure that their Customer Service Representatives
15 (“CSRs”) offer customers the option of enrollment in CARE by telephone
16 discussion with a CSR.
- 17 • D.12-08-044 adopted program plans and budgets for PY 2012-2014 and retained
18 the 90% CARE penetration goal. The IOUs were directed to retain the current list
19 of categorical eligibility programs and file an updated list on January 31 of each
20 year, which would be reviewed by the Commission’s Energy Division staff. The
21 utilities were also directed to develop a long-term Post Enrollment Verification
22 (“PEV”) model using specific factors.
- 23 • D.12-12-011 approved continued funding for the CHANGES pilot program
24 through the end of the 2012-2014 program years. The Commission also directed
25 the Consumer and Service and Information Division (“CSID”) and the Energy
26 Division to work with the CHANGES contractor, Self Help for the Elderly, and
27 the IOUs to develop additional tracking, reporting requirements and success
28 criteria.
- 29 • D.14-08-030 addressed Phase II issues from D.12-08-044. The decision adopted
30 bridge funding for all the IOUs from January 1, 2015 through December 31, 2015,
31 provided additional guidance for categorical eligibility, and directed utilities to
32 submit applications within 90 days of the decision.
- 33 • D.16-11-022 approved a budget for PY 2017 – 2020 and extended the program
34 cycle to 2020. The decision also approved SoCalGas’ request to provide CARE
35 enrollment through CSRs when customers call the Customer Contact Center
36 (“CCC”) to turn-on or back-on service, or to make payment arrangements.

⁸ The Commission approved Resolution CSID-004 on November 19, 2010.

- 1 • D.17-12-009 directed the IOUs to update their My Account/My Energy websites
2 for mobile versioning. Requirements included the ability to increase font size,
3 access CARE information in the utility’s main LEP languages, and allow
4 customers to enroll in CARE as well as complete CARE recertification and PEV.
- 5 • D.19-07-015 in R.18-03-011 directed the IOUs to support low-income residential
6 customers in the event of a qualifying emergency disaster by temporarily freezing
7 up to 12 months CARE eligibility rules, suspending program removals and
8 increasing assistance limits, as well as working closely with community outreach
9 contractors to keep customers informed of these changes.

10 **2. Summary**

11 *Provide a CARE program summary, including descriptions of (i)*
12 *the legal framework of CARE program, and (ii) the eligible*
13 *population.*

14 **a. Legal Framework of CARE**

15 In 1989, SB 739 established the CARE Program to provide low-income customers with a
16 utility bill discount. The legislation was codified in Public Utilities Code (“PUC”) Sections
17 739.1 and 739.2.⁹ In addition, those who are eligible and are approved within 90 days of starting
18 new natural gas service also receive a discount on SoCalGas’ SEC.¹⁰ On January 1, 2014,
19 Assembly Bill (“AB”) 327 became effective. The bill repeals the electric discount rate and
20 increases it to be between 30% and 35%; whereas, the low-income discount rate for natural gas
21 utility customers is still set at 20%.

22 **b. Eligible Population**

23 SoCalGas uses the joint utility methodology adopted by the Commission in D.01-03-028
24 for developing monthly penetration estimates in 2019. This method entails annual estimation of
25 eligibility for CARE, the Energy Savings and Assistance (“ESA”) Program, and other income-
26 by-household size parameters at the small area level (e.g., block group, census tract, and ZIP+2)

⁹ AB 327 revised PUC 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.

¹⁰ The SEC discount only applies to SoCalGas CARE customers.

1 for each IOU territory and for the state. Sources for the estimation include the current U.S.
2 Department of Health & Human Services (“HHS”) guidelines, current year small area vendor
3 marginal distributions on household characteristics, Census 2010 SF3 data, Census American
4 Community Survey 2012-2016 Public Use Microdata Sample (“PUMS”) data, utility meter and
5 master meter household counts, Department of Finance Consumer Price Index series, and various
6 Geographic Information System sources.

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

11 **3. Program Eligibility Guidelines**

12 *Provide a summary of the program eligibility guidelines, including income,*
13 *categorical eligibility qualifications, self-certifications, and the enrollment*
14 *process. Identify any proposed changes from the current framework.*

15 The CARE Program is available to individually metered and sub-metered residential
16 customers who meet the qualification guidelines and wish to participate. CARE is also available
17 to qualifying group living facilities, agricultural employee housing facilities, and migrant farm
18 worker housing centers. Residential CARE applicants are permitted to self-certify that they meet
19 the program’s eligibility requirements, and their application is subject to being selected for Post
20 Enrollment Verification (“PEV”).

21 Residential customers can qualify for the CARE Program in the following two ways:

- 22 • The total income of all the people in the household is at or below 200% of FPG,
23 as illustrated in Table 1 below.

1

Table 1 – CARE Income Eligibility Guidelines Per Household

CARE Program Maximum Household Income* (Effective June 1, 2019 – May 31, 2020)	
Number of persons in the household	Total Yearly Household Income No More Than
1 or 2	\$33,820
3	\$42,660
4	\$51,500
5	\$60,340
6	\$69,180
7	\$78,020
8	\$86,860
For each additional person in the household add \$8,840	
*Total household income is all revenues, from all household members, from whatever sources derived before deductions, 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.	

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- Or, the customer or another person in the household satisfies categorical eligibility by receiving benefits from any of the following public assistance programs: Bureau of Indian Affairs General Assistance, CalFresh/Supplemental Nutrition Assistance Program (“SNAP”), CalWORKs/Temporary Assistance for Needy Families (“TANF”), Head Start Income Eligible (Tribal Only), Low-Income Home Energy Assistance Program (“LIHEAP”), Medicaid/Medi-Cal for Families A & B, National School Lunch Program (“NSLP”), Supplemental Security Income (“SSI”), Tribal TANF, and Women, Infants, and Children Program (“WIC”).

11
12

SoCalGas is not proposing any changes to the CARE eligibility guidelines and requirements.

13
14

B. Current Proposal Summary for Program Years (PYs) 2021-2026:

1. Explain your plans for the CARE program budget for 2021-2026;

15
16
17

For PY 2021-2026, SoCalGas proposes to continue current program elements, service deliveries, and strategies that have proven to be successful in prior years. In addition, SoCalGas plans to introduce new strategies for marketing and outreach, processing changes to better serve,

1 enroll and retain customers, as well as enhancements to the program in response to a challenging
2 socioeconomic landscape.

3 The following are successful strategies that SoCalGas proposes to continue for PY 2021-
4 2026. In 2017, enrollment, recertification through the My Account online portal was
5 implemented. In 2018, CSRs also began enrolling customers when they call the CCC to
6 establish service or make payment arrangements. Both the My Account and CSR enrollment
7 initiatives have proven to be of great impact and success, helping the CARE Program reach its
8 90% penetration goal in 2018 – the first time in six years. Through August 2019, the CARE
9 penetration rate stands at 95%. The above-mentioned initiatives, combined with enhancements
10 made to marketing and outreach to encourage customers to enroll via those channels, have
11 transformed the way customers are enrolling in CARE. From 2016 to 2018, paper applications
12 have decreased 32%, while online applications saw an increase of 210%.

13 These methods of enrollment have reduced paper, postage, printing, and processing time,
14 while addressing barriers to reaching hard-to-reach, limited-literacy customers with enrollment
15 over-the-phone. Customers are provided real-time CARE enrollment and the instant gratification
16 of knowing they will receive the discount, and a 60% reduction in their SEC if approved within
17 90 days of starting new gas service.

18 SoCalGas customers will continue to have the opportunity to enroll and recertify through
19 a variety of channels such as via CARE representatives,¹¹ mail,¹² IVR, fax, Capitation and third-
20 party organizations, online, and through data leveraging with other utilities. SoCalGas' CARE

¹¹CARE representatives are bilingual in English and Spanish.

¹² CIS generated CARE applications are available in customer's preferred language (English, Spanish, Chinese, Korean, or Vietnamese), and in font size 12 or 16 (large font) and available in 13 languages on the website (English, Spanish, Arabic, Armenian, Farsi, Hmong, Khmer, Korean, Russian, Tagalog, Chinese, Thai, and Vietnamese).

1 Program also leverages the following programs for enrollment and recertification: ESA,
2 LIHEAP, SoCalGas' Gas Assistance Fund ("GAF"), and through automatic transfer of the
3 CARE discount from a closed to a newly activated account.

4 SoCalGas will continue to offer multilingual customer service and CARE applications on
5 the website, in 13 languages¹³. SoCalGas also provides bilingual (English/Spanish) CARE
6 brochures to Branch Payment Offices ("BPO") and Authorized Payment Locations ("APL") to
7 reach customers when they pay their natural gas bills in person. Lastly, CARE information is
8 also distributed via community-based organizations ("CBO"), partner or capitation agencies, by
9 third-party door-to-door canvassing, and at community outreach events.

10 SoCalGas plans on continuing the current process in which after a recertification or PEV
11 application is mailed, customers receive reminder calls to complete the process. A second
12 recertification or PEV request is mailed to customers who do not respond within 45 days to the
13 first respective mailing. Customers may submit copies of requested documentation via mail, fax,
14 My Account, or email. My Account and email are two expedient options that provide customers
15 assurance that the materials they submit will be promptly delivered to SoCalGas.

16 SoCalGas CARE processing staff scans incoming documents for efficient approval and
17 archiving of applications, and tracks processing statistics for reporting results to the Commission.
18 In addition, SoCalGas CARE representatives speak to customers and respond to daily inquiries
19 regarding CARE and offer immediate enrollment or recertification over the phone.

20 All CARE customers will continue the ability to confirm their participation by viewing
21 the CARE icon and itemized discount amount on their bills. Their CARE status is also available
22 when viewing their account online in My Account.

¹³ Id.

SoCalGas proposes new strategies for the PY 2021-2026 for CARE, which includes the following: (1) implement system changes to CARE Expansion Program, (2) exempt certain CARE customers from future requests, (3) modify the probability model, and (4) enhance and streamline marketing and outreach strategies. These proposed enhancements to the CARE are discussed in further detail in sections C.1.e and C.1.f.

2. Discuss how elements and strategies in the proposal are specifically designed to reach and maintain the 90% penetration goal that was established in D.08-11-031

SoCalGas’ CARE Program aims to maintain or exceed the 90% penetration goal.¹⁴

SoCalGas proposes leveraging proven marketing and outreach methods as well as utilizing new tactics to maintain and improve on the current penetration rate. The following table provides an overview of SoCalGas’ CARE Program plans for PY 2021-2026 and how they will help maintain or exceed the 90% penetration rate.

Table 2 – CARE Program Plans

Proposed Program Plan	Impact on 90% Goal
System changes to CARE Expansion Program: <ul style="list-style-type: none"> • Change recertification period from 2 years to 4 years • Automate mailing 	<ul style="list-style-type: none"> • Customer retention for existing Expanded CARE customers: <ul style="list-style-type: none"> ○ Non-profit group living facilities ○ Migrant farm worker housing centers
Exempt certain fixed-income customers from future requests	<ul style="list-style-type: none"> • This program modification will maintain enrollment for senior customers on a fixed income and customers with a permanent disability on SSI and avoid attrition for these vulnerable populations

¹⁴ D.12-08-044 maintained the 90% CARE penetration target established in D.08-11-031.

Proposed Program Plan	Impact on 90% Goal
<p>Direct marketing tactics</p> <p>Existing:</p> <ul style="list-style-type: none"> • Email • Direct mail • Bill inserts • Door-to-door canvassing <p>Enhanced and streamlined:</p> <ul style="list-style-type: none"> • Redesign applications and Bill Insert • Text messaging • Focused Messaging to Multi-Generational Households 	<ul style="list-style-type: none"> • Reach customer segments <ul style="list-style-type: none"> ○ New customers ○ Existing customers not on CARE ○ Recertification customers ○ Multi-generational households ○ Seniors ○ Customers with disabilities ○ LEP ○ High poverty areas ○ Disadvantaged communities ○ Rural customers • Educate customers about CARE • Motivate customers to enroll and recertify
<p>Mass marketing and collateral tactics</p> <ul style="list-style-type: none"> • Mass marketing campaigns to general market and multi-ethnic • Collateral in multiple languages • Bus advertising 	<ul style="list-style-type: none"> • Increase program awareness • Educate customers about CARE • Motivate customers to enroll and recertify
<p>Community outreach efforts</p> <p>Existing:</p> <ul style="list-style-type: none"> • Collaboration with means-tested aid programs such as WIC, CalFresh, and TANF offices in underpenetrated CARE areas. • Medical Groups offering benefits to low-income customers. • Collaborating with CBOs and Faith Based Organizations (“FBOs”) and demonstrating presence in local communities that are underpenetrated. <p>Enhanced and streamlined:</p> <ul style="list-style-type: none"> • Tablet enrollment 	<ul style="list-style-type: none"> • Increase program awareness • Educate customers about CARE • Motivate customers to enroll and recertify • Reach specific customer segments <ul style="list-style-type: none"> ○ Seniors ○ Customers with disabilities ○ LEP ○ Veterans ○ Undocumented residents ○ Tribal communities ○ High poverty areas ○ Disadvantaged communities ○ Rural customers

1 **3. Provide an estimate of the number of households projected to be**
2 **enrolled, along with the overall budget requested to meet this goal for**
3 **each program year;**

4 SoCalGas’ enrollment goal for each year for PY 2021-2026 is illustrated in Table 3
5 below. The net enrollment gains in 2021 and beyond are calculated to maintain the current

1 penetration rate of 95%. SoCalGas strives to maintain the current rate and to consistently exceed
 2 the 90% penetration goal by utilizing strategic marketing and outreach efforts, as described in
 3 Sections C.1.e and C.1.f, to enroll all willing and eligible customers.

4 **Table 3 - Summary of SoCalGas’ Proposed CARE Budget for PY 2021-2026**

Program Year	Net Customers to enroll	Total CARE Customers (95% Penetration)	Administrative Costs	Subsidies and Benefits	Total Program Costs and Customer Discount
2021	13,857	1,633,977	\$10,859,663	\$138,389,984	\$149,249,647
2022	14,222	1,648,199	\$11,085,592	\$139,583,569	\$150,669,161
2023	14,431	1,662,630	\$11,181,364	\$140,801,916	\$151,983,280
2024	14,498	1,677,128	\$11,465,069	\$142,032,348	\$153,497,417
2025	14,478	1,691,607	\$11,774,132	\$143,264,981	\$155,039,113
2026	14,446	1,706,052	\$11,915,864	\$144,495,405	\$156,411,269

5 **4. Explain any proposed changes from prior years;**

6 SoCalGas’ proposal is consistent with prior years in that it seeks approval for funding
 7 necessary for serving the existing customer base and maintaining or exceeding the 90% program
 8 participation goal so that all willing and eligible customers are enrolled in the CARE Program.
 9 Details for the proposed program changes are described in Section C.1.f.

10 **5. Based on your review of study findings and/or working group and**
 11 **LIOB recommendations, which new strategies or best practices do**
 12 **you propose for inclusion in this program to increase participation**
 13 **and retain eligible households?**

14 SoCalGas has taken into consideration the recommendations from the Low Income
 15 Oversight Board (“LIOB”) working group and plans to further pursue outreach partnerships with
 16 state agencies that administer existing programs to customers who would also qualify for CARE.
 17 Customers visiting these offices would receive CARE Program literature and applications,
 18 providing them a one-stop-shop of available programs. In August 2019, SoCalGas began a
 19 partnership with 18 WIC offices in the greater Los Angeles area; WIC is a categorical qualifier

1 for the CARE Program. The WIC offices were provided with tabletop displays with CARE
 2 applications and information on program guidelines as well as talking points for staff to aid in
 3 their discussion with clients. This is described in more detail in Section C.1.e.

4 **C. CARE PROGRAM GOALS AND BUDGETS FOR PYS 2021-2026**

5 **In the CARE Program Goals and Budgets section of the application provide**
 6 **a description of the 2021-2026 program requests, including:**

7 **1. Provide proposed programs activities and program participation**
 8 **goals for each year. Include the number of eligible households;**

9 SoCalGas’ CARE Program activities to maintain or exceed a 90% program participation
 10 goal will address both attrition and new enrollments to obtain a net gain of 85,932 customers
 11 during PY 2021-2026. Program activities related to CARE Program Marketing and Outreach are
 12 discussed in Section C.1 and Program Administration in Section E.1. Estimated eligible
 13 households are calculated annually as described above in Section A.1.b, and projected program
 14 participation goals for each year are provided in Table 3 in Section B.3.

15 **a. Provide actual participant data from 2018, including CARE**
 16 **participant counts and percentage rates for program**
 17 **enrollment. Also provide estimated participation data for**
 18 **2019;**

19 **Table 4 - CARE Program Participation for 2018 through December 2019**

2018-2019	Total CARE Participants	Estimated CARE Eligible	Penetration Rate %
January 2018	1,565,982	1,789,906	87.49%
February 2018	1,568,876	1,789,906	87.65%
March 2018	1,579,342	1,789,906	88.24%
April 2018	1,584,655	1,793,233	88.37%
May 2018	1,597,859	1,793,233	89.10%
June 2018	1,606,015	1,793,233	89.56%
July 2018	1,608,407	1,793,870	89.66%
August 2018	1,611,312	1,792,502	89.89%
September 2018	1,614,923	1,792,502	90.09%
October 2018	1,617,107	1,793,870	90.15%

November 2018	1,616,986	1,793,870	90.14%
December 2018	1,615,527	1,793,870	90.06%
January 2019	1,613,195	1,680,463	96.00%
February 2019	1,613,054	1,680,463	95.99%
March 2019	1,614,139	1,680,463	96.05%
April 2019	1,620,797	1,683,842	96.26%
May 2019	1,621,562	1,683,842	96.30%
June 2019	1,617,851	1,683,842	96.08%
July 2019	1,610,242	1,683,537	95.65%
August 2019	1,605,339	1,683,537	95.36%
September 2019*	1,601,822	1,683,537	95%
October 2019*	1,603,877	1,683,537	95%
November 2019*	1,603,146	1,683,537	95%
December 2019*	1,606,754	1,683,537	95%
*Values presented are estimates			

b. Discuss potential reasons for any significant variations in enrollment during the current program cycle;

SoCalGas experienced an increase in its CARE penetration to 95% in 2019 that is primarily attributed to the implementation of both CSR and My Account CARE enrollment initiatives. Since September 2017, approximately 164,000 customers have enrolled in CARE through My Account. CSRs in the CCC began enrolling CARE customers in February 2018 and have accomplished more than 250,000 phone enrollments when customers call to establish service or make payment arrangements. Both avenues have proven to be of major significance in achieving new CARE enrollments and increasing CARE penetration. In addition to these enrollment initiatives, a reduction to the estimated eligible population in January of 2019 also contributed to exceeding the penetration goal.

c. Discuss issues, if any, that present challenges toward reaching and maintaining the enrollment goal established by the Commission;

Maintaining CARE penetration at the current level will continue to be a challenge. Currently, 12% of CARE customers fall off annually due to non-response to recertification and

1 PEV requests. The challenge of retaining these customers in the program is always a major
2 focus for strategic planning. SoCalGas plans to look at additional ways to remind customers,
3 including text and email, as well as educate customers prior to enrollment so they understand the
4 timeframe and steps needed to remain on the program.

5 Another challenge is that of customer apathy. A SoCalGas study conducted in 2018
6 confirmed that 6% of customers who did not complete the CARE application process did so
7 because they did not feel the 20% discount was worth the hassle.¹⁵ SoCalGas will provide an
8 opportunity to attract this group of customers who may not be motivated by the current discount
9 by offering simple hassle-free ways to enroll in the program.

10 **d. Identify how the utility’s CARE program goals for the 2021-**
11 **2026 CARE program align with Commission directives of**
12 **reaching a penetration goal of 90%;**

13 SoCalGas’ proposed activities displayed in Table 3 in Section B.2 for PY 2021-2026
14 support the 90% penetration goal set in D.12-08-004 and seek to maintain or exceed a
15 penetration rate of 90%.

16 **e. Describe existing program elements and strategies that will**
17 **continue;**

18 SoCalGas will continue its current program elements and marketing and outreach
19 strategies that have proven to be successful in exceeding the 90% penetration goal. Successful
20 existing marketing and outreach strategies include direct marketing efforts to customers, mass
21 media campaigns to increase program awareness and help drive online enrollment, and localized
22 community outreach efforts to target hard-to-reach segments. Existing tactics within these
23 strategies are described below.

¹⁵ 2018 SoCalGas CARE Non-Responder Study.

1 **Enrollment Activities**

2 Customers can continue to enroll and recertify through a multitude of channels including
3 CSRs, CARE representatives, mail, online, through data sharing with other utilities and programs
4 such as ESA, LIHEAP, and GAF, and through automatic transfer from a closed customer
5 account to a newly activated one.

6 The SoCalGas CARE processing team electronically images all incoming documents for
7 efficient approval of applications, and tracks processing statistics for reporting results to the
8 Commission. In addition, CARE representatives speak to customers and respond to daily
9 inquiries regarding the program, including offering immediate enrollment or recertification over
10 the phone.

11 **Direct Marketing**

12 SoCalGas will continue existing direct marketing efforts to new customers, existing
13 customers that are not on CARE, and customers who have recently moved. Direct marketing
14 includes email, direct mail, door-to-door canvassing by a third-party contractor, and bill insert
15 applications.

16 SoCalGas leverages email, direct mail and bill inserts to drive new and existing
17 customers to enroll in CARE using the simple online form. In 2018, SoCalGas sent
18 approximately 1.26 million direct mail letters, 878,000 emails and 3.37 million bill inserts.
19 Additionally, since the launch of My Account/CARE enrollment in 2017, online enrollments
20 have increased by 210% and now account for approximately one-third of all enrollments. The
21 online application is simple, connects to the customer's account, and provides immediate
22 enrollment. In PY 2021-2026, SoCalGas will continue to promote the mobile-friendly online
23 application in all marketing communications.

1 A creative approach that SoCalGas implemented in its communications to convey the
2 value of the program, is to quantify and promote the average CARE customer savings over a
3 two-year period. In 2018, SoCalGas began revising direct mail letters and emails to include this
4 valuable message. The headline is “CARE customers save 20% on their monthly natural gas
5 bill, and an average savings of \$145 over two years.” SoCalGas will continue to create
6 communication materials where the accumulated savings message will be included, with the aim
7 of motivating customers to enroll.

8 In previous program years, SoCalGas improved communication with its customers by
9 implementing a second recertification notice to customers who did not respond to the first
10 request. However, in 2018 there were still 144,500 customers who never responded to either of
11 these reminders.¹⁶ Therefore, in addition to contacting customers 45 days after their
12 recertification date, SoCalGas proposes to send customers an automated email reminder after a
13 week past their recertification date. Successfully reminding customers to recertify will help
14 prevent termination of CARE-eligible customers and decrease attrition.

15 Direct canvassing by third party contractors is also an effective enrollment tactic that
16 SoCalGas will continue in the next program cycle. Door-to-door is an effective enrollment
17 strategy that engages some of our hardest to reach customers who do not respond to mail, email,
18 or phone. In 2018, over 21,000 customers were enrolled by door-to-door canvassers.

19 D.17-12-009 directed the IOUs to deliver Home Energy Reports (“HERs”) to targeted
20 CARE customers, setting a minimum participation goal and budget for PYs 2017 and 2018.
21 SoCalGas complied with this directive and will continue this practice in its EE programs, but
22 proposes to no longer fund HERs through the CARE Program. This effort in PYs 2017 and 2018

¹⁶ 2018 SoCalGas CARE Annual Report, filed May 1, 2018.

1 required SoCalGas to work with an outside contractor to produce the reports which proved not
2 only to be costly but provided limited opportunity to recruit new CARE customers. The HERs
3 will continue to be covered by SoCalGas' EE program, targeting all customers, including those
4 currently on CARE as well as eligible non-CARE customers.

5 Per year, SoCalGas is requesting \$1.645M for direct marketing efforts.

6 **Mass Marketing and Collateral**

7 SoCalGas will continue to employ targeted mass media campaigns to increase program
8 awareness, customer retention and drive online enrollments. Even with recent success and
9 achievement of the 90% CARE penetration goal, keeping the program top of mind is essential to
10 maintaining enrollment and improving retention rates. In addition, findings from the preliminary
11 2019 LINA study highlight 62% of CARE-eligible nonparticipants in high poverty areas were
12 unaware of the CARE Program.¹⁷

13 The 2018 CARE mass media campaign focused on promoting the CARE Program on
14 social media and online sites, helping drive online enrollment. The campaign cost \$181,000, ran
15 for five months, and targeted underpenetrated CARE areas, resulting in a 16% year-over year
16 ("YOY") increase in CARE website landing page visits. The campaign also resulted in a 20%
17 YOY decrease in bounce rate and was a factor in helping CARE reach its 90% penetration goal.

18 In 2019, the CARE Program revisited creative elements from the prior year's advertising
19 campaign to focus on the ease of enrolling in the program, and to better leverage the enhanced,
20 mobile-optimized application available online. The ads were titled "Simplified Savings" and
21 highlighted the ability to apply and get approval online in "minutes." While it is too early to
22 determine metrics and overall success of the campaign as it was still in-market during the time

¹⁷ Preliminary Draft 2019 LINA Study.

1 this application was in development, SoCalGas believes this will also help address one of the
2 preliminary 2019 LINA study findings. Specifically, Section 4.2 of the study addresses barriers
3 to CARE enrollments among CARE-eligible nonparticipants, citing 30% of customers having
4 not applied because of inconvenience.¹⁸ SoCalGas believes continuing to highlight the ease of
5 applying online will change customers’ perceptions and remove barriers to enroll. SoCalGas
6 will monitor the results of the campaigns and continue to assess the effectiveness of messaging
7 to adjust future campaigns.

8 For PY 2021-2026, SoCalGas plans to implement a comprehensive multi-channel, multi-
9 language mass media campaign to increase awareness of the CARE Program. SoCalGas is
10 projecting \$600,000 per year for longer-term, mass marketing campaigns with a focus on ethnic
11 media to reach targeted segments in hard-to-reach and high poverty areas. This plan is also in
12 alignment with the preliminary 2019 LINA Executive Summary recommendation as outlined in
13 R0.1b which advises the IOUs to, “Consider increasing ME&O through multiple channels and
14 using multiple languages to reach eligible customers in high poverty areas who are unaware of
15 CARE.”¹⁹

16 CARE marketing and outreach collateral materials are offered in multiple languages as
17 well as large font to reduce language, literacy and disability barriers to participation. As
18 mentioned earlier, the CARE application will continue to be made available in 13 different
19 languages. The CARE webpage and applications will also continue to be compliant with the
20 Web Content Accessibility Guidelines (“WCAG”) 2.0 at Level AA standards. SoCalGas makes
21 sure the forms have embedded text for each form input box that screen reader apps read aloud to
22 visually impaired or limited-vision users. Every form can be navigated and submitted without a

¹⁸ Preliminary Draft 2019 LINA Study.

¹⁹ Preliminary Draft 2019 LINA Study.

1 mouse. The contrast ratio between any text and form page backgrounds is large enough so
2 visually impaired users can distinctly read form labels and any other descriptive text. Reprint of
3 collateral occurs each year after the new income guidelines are updated. SoCalGas is budgeting
4 \$800,000 for collateral each year of the program cycle.

5 **Community Outreach Efforts**

6 *Expand Relationships with CBOs and FBOs*

7 Partnering with CBOs has historically been a significant component of SoCalGas’
8 outreach plans for CARE. Now, more than ever, these partnerships are proving to be extremely
9 vital. Currently, customers are dealing with an increase in fraudulent scams carried out by
10 phone, door-to-door, and online. Recently, the political climate as well as news stories have
11 heightened concerns over immigration and deportation, adding additional fears among the
12 community. In SoCalGas’ experience, the aforementioned examples have been additional
13 barriers to program enrollment. Fortunately, CBO’s are trusted resources within communities
14 and are instrumental in outreach to customers in partnership with SoCalGas.

15 SoCalGas will also continue its tactics for hard-to-reach customers, who are typically
16 more difficult to reach due to a variety of reasons including, but not limited to physical
17 disabilities, visual or hearing impairments, or limited English proficiency. Tactics include
18 attending community events and working with CBOs and FBOs to provide potential customers
19 with program information and distribute CARE applications.

20 In 2018, SoCalGas participated in approximately 330 local community events in its
21 service territory. SoCalGas will continue to participate in local community events that help to
22 build trust and learn from customers via face-to-face dialogue. Customer feedback at events
23 provides the opportunity for SoCalGas to improve messaging, tactics, and strategies in real-time.

1 Past learnings from these events have allowed SoCalGas to custom tailor marketing and outreach
2 that is sensitive to language and cultural differences. It is important to note this can only be
3 possible by having in-language outreach staff in attendance who can communicate effectively
4 with customers and interpret key insights to learn and apply. SoCalGas' works with
5 organizations to utilize the appropriate in-language (Spanish, Chinese, Korean, Vietnamese,
6 Mixteco, etc.) staff based on geography and preference.

7 SoCalGas plans to increase and strengthen existing relationships with key CBOs and
8 FBOs to reach out to defined, targeted hard-to-reach audiences. In 2018, SoCalGas partnered
9 with over 20 organizations spanning the entire service territory, covering over 12 counties
10 throughout Southern California.

11 SoCalGas also works with county agencies such as CalFresh, WIC and 2-1-1 who
12 administer programs or provide information to residents, to help cross-promote CARE. In
13 August 2019, SoCalGas began a partnership with 18 WIC offices in the greater Los Angeles
14 Area. The offices were provided CARE applications in a display with program guidelines as
15 well as talking points for service staff in order to discuss programs with clients who visit these
16 locations. SoCalGas also continues its partnerships with the Los Angeles County Department of
17 Public Social Services' CalFresh programs where SoCalGas holds the annual kick-off event for
18 CalFresh Month and provides updated program guidelines to eligibility supervisors. A
19 partnership with CalFresh Implementors has also been established with Imperial, Orange, and
20 Ventura counties. CalFresh Implementors include organizations such as foodbanks, non-profit
21 organizations that work as CalFresh enrollers. During the CalFresh enrollment process,
22 Implementors provide clients with information on SoCalGas' CARE Program and encourage

1 enrollment as well as offer assistance with completing applications and providing a one-stop-
2 shop for customers to have access to all potential benefits available to them.

3 2-1-1, a free information and referral service operates in all 12 counties SoCalGas covers
4 and connects people to health and human services in their community 24 hours a day, 7 days a
5 week. 2-1-1 serves people of all income levels, languages, and cultural backgrounds and is
6 available to 96% of Californians and to 85% of U.S. households. In fact, California United Way
7 operates and/or provides major funding for 2-1-1 programs throughout the state. 2-1-1 also plays
8 a critical role in providing information and support in times of disaster, such as evacuation,
9 shelter, food, medical and recovery information, and provides public officials with feedback
10 from callers about changing conditions. In 2016, California 2-1-1 programs responded to over
11 2.8 million inquiries from people seeking services such as rent and mortgage assistance, food and
12 shelter, health care, job training, transportation, childcare, and elder care. 2-1-1 is also an
13 important gateway for connecting low and moderate-income families to Covered California
14 (affordable health coverage), CalWorks (temporary assistance for needy families), CalFresh
15 (food assistance), the Children’s Health Insurance Program (“CHIP”), the federal and state
16 Earned Income Tax Credit (“EITC”) and more. In the same year, over one million unique hits
17 were tracked on 2-1-1 websites across the state. Currently, SoCalGas has an existing partnership
18 with 2-1-1 LA County and is working to entire into a partnership with Ventura County 2-1-1,
19 administered through Interface Children & Family Services. Ventura County is currently one of
20 the under-performing areas for CARE.

21 The budget for community outreach is estimated at \$600,000 per program year.

1 **f. Describe new program elements and strategies, if any,**
2 **including budget estimates for new approaches;**

3 In addition to the existing program strategies that have proven to be successful in
4 maintaining and exceeding the 90% penetration goal, SoCalGas proposes new strategies for PY
5 2021-2026, which includes the following: (1) implement system changes to CARE Expansion
6 Program, (2) exempt certain CARE customers from future requests, (3) update the probability
7 model, and (4) enhance and streamline marketing and outreach strategies. These proposed
8 enhancements to the CARE Program are described below.

9 **Implement System Changes to CARE Expansion Program**

10 SoCalGas proposes to automate the recertification mailing and change the recertification
11 frequency for Expanded CARE accounts from two to four years, as described in Section D.1.a.
12 SoCalGas estimates \$130,000 in 2021 for this program enhancement.

13 **Exempt Certain CARE Customers from Future Requests**

14 SoCalGas proposes to retain verified, fixed-income CARE customers with one to two
15 total persons in their household by exempting them from future recertification and PEV requests.
16 *See* Section D.1.a for further details to this proposed plan. SoCalGas has budgeted a one-time
17 estimate of \$75,000 in IT Programming for this new program element.

18 **Update CARE Probability Model to Retain Most Likely-to-be-Eligible Customers**

19 The current probability model was implemented in 2013 and took into consideration nine
20 factors to determine whether a customer was likely CARE-eligible. The purpose of the
21 probability model is two-fold. First, it aids in reducing participation of unqualified customers by
22 identifying customers deemed likely not CARE-eligible, and they receive a PEV application to
23 verify eligibility for the program. Second, the model extends the recertification requirement
24 from two years to four years for customers whom it determines are more than 85% likely CARE-

1 eligible. With continuing advancements in data science technology, SoCalGas proposes that the
2 probability model be rebuilt as a more powerful, and accurate barometer of CARE Program
3 eligibility. This is further explained in Section D.1.b. The CARE Administration budget impact
4 for this update is estimated at \$180,000 in 2021.

5 **Enhance and Streamline Marketing and Outreach Strategies**

6 *Redesign Annual CARE Applications and Bill Insert*

7 As mentioned in Section B.1, SoCalGas proposes to redesign the bill insert to address
8 scanning and processing issues. The new bill insert will include a separate prepaid postage
9 envelope for the customer to return their completed application. Although paper applications
10 submitted have decreased by 32% since 2016, paper is still a trusted form of receiving
11 information especially for our aging and limited-technology population.²⁰ Further, SoCalGas has
12 found that bill inserts are an effective way of reaching customers as 49% of CARE participants
13 recall learning about the program through a bill insert.²¹ The estimated cost for the redesigned
14 bill insert is \$131,000.

15 *Text Messaging*

16 Although smartphone ownership has grown rapidly among lower-income customers,
17 there is still a digital divide that exists compared to higher-income technology users. The figure
18 below from the Pew Research Center shows roughly seven-in-ten adults with household incomes
19 below \$30,000 a year (71%) own a smartphone.²² In comparison, more than four-in-ten do not
20 have home broadband services (44%) or traditional computer (46%).²³

²⁰ 2019 ESA Focus Groups.

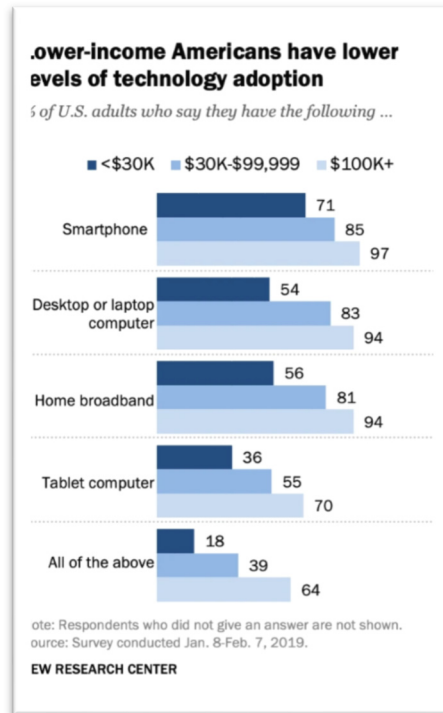
²¹ 2018 CARE Satisfaction Tracking Study.

²² <https://www.pewresearch.org/fact-tank/2019/05/07/digital-divide-persists-even-as-lower-income-americans-make-gains-in-tech-adoption/>

²³ <https://www.pewresearch.org/fact-tank/2019/05/07/digital-divide-persists-even-as-lower-income-americans-make-gains-in-tech-adoption/>

1

Figure 1 - Percentage of U.S. Adults Who Say They Have the Following



2

3

With fewer options for online access, lower-income households are relying mainly on their smartphones and using them for tasks traditionally conducted on larger screens. Further,

4

approximately 75% of CARE customers have a cell phone listed and one-third of CARE

5

participants are receptive to being contacted through text messaging.²⁴ Therefore, SoCalGas

6

proposes to send text messages to eligible customers and customers who are due to recertify with

7

a link to the mobile-friendly online CARE application. Text messages are intended to reach

8

customers via their main source of internet access and allow them to apply immediately.

9

SoCalGas estimates \$0.005 per text message sent and budgeted the cost in the \$100,000

10

innovative outreach budget.

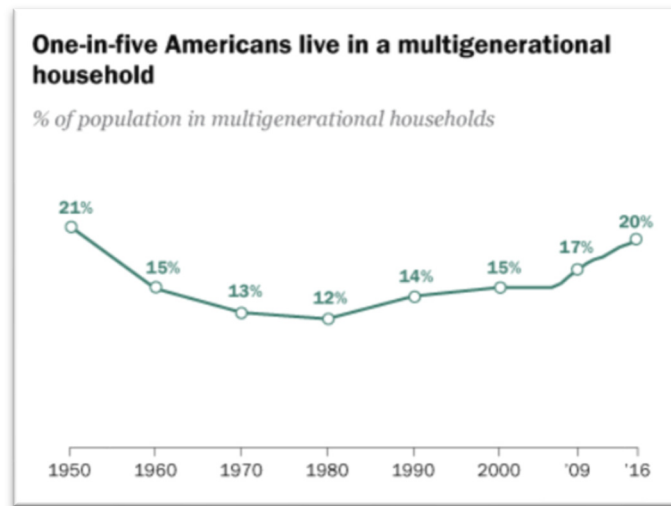
11

²⁴ 2018 CARE Customer Satisfaction Tracking Study.

1 *Focused Messaging to Multi-Generational Households*

2 As of 2018, Millennials (ages 23 to 38) outnumber the Baby Boomers (ages 55 to 73)
3 population.²⁵ As shown in the figure below, one-in-five Americans live in multigenerational
4 households, with young adults being the most likely to live in these households.²⁶

5 **Figure 2 - Percentage of Population in Multigenerational Households**



6
7 Driven by racial and ethnic diversity and immigration, Hispanic and Asian households are
8 the fastest growing multigenerational household populations. SoCalGas plans to develop
9 specific multigenerational messaging to reach this growing segment. By strengthening program
10 awareness among the younger population, there is an opportunity to also reach their parents or
11 grandparents for whom they often help make financial decisions relating to their households. No
12 additional budget will be needed to reach this segment. Costs will be part of the ongoing
13 marketing and outreach budget.

²⁵ <https://www.pewresearch.org/fact-tank/2019/04/11/6-demographic-trends-shaping-the-u-s-and-the-world-in-2019/>

²⁶ <https://www.pewresearch.org/fact-tank/2018/04/05/a-record-64-million-americans-live-in-multigenerational-households/>

1 *Bus Advertising*

2 According to the Pew Research Center, “Americans who are lower-income, black or
3 Hispanic, immigrants or under 50 are more likely to use public transportation on a regular
4 basis.”²⁷ Further, “among urban residents, 34% of blacks and 27% of Hispanics report using
5 public transportation daily or weekly, compared with only 14% of whites.”²⁸ SoCalGas found
6 that approximately 51.2% of Californians that take public transportation speak a language other
7 than English and 62.8% are renters.²⁹ SoCalGas plans to use advertising, in multiple languages,
8 inside of trains and buses to build program awareness among hard-to-reach segments such as
9 limited-English proficiency, undocumented residents, and in high poverty urban areas. Cost to
10 purchase bus advertisements are included in the mass media budget of \$600,000 per program
11 year.

12 *Tablet Enrollment at Outreach Events*

13 At events, interaction with customers helps build program awareness and provides insight
14 on low-income programs. Most customers who visit a SoCalGas booth at a community event do
15 not complete the CARE application on-the-spot. Rather, they take it home and hopefully
16 complete and mail it in. In addition to continuing to provide paper applications, SoCalGas
17 proposes using tablets for enrollments at community events to take advantage of immediate
18 enrollment opportunities. Tablets are commonly used in restaurants, schools, and other every-
19 day functions. Customers are comfortable with this technology. Unlike with smartphones and
20 social media, tablet ownership is now comparable across most generations. In 2019, 55% of Gen
21 Xers, 53% of Millennials and 52% of Boomers said they own tablets.³⁰ A smaller share of Silents

²⁷ <https://www.pewresearch.org/fact-tank/2016/04/07/who-relies-on-public-transit-in-the-u-s/>

²⁸ <https://www.pewresearch.org/fact-tank/2016/04/07/who-relies-on-public-transit-in-the-u-s/>

²⁹ 2017 American Community Survey

³⁰ <https://www.pewresearch.org/fact-tank/2019/09/09/us-generations-technology-use/>

1 (33%) report owning tablets. Providing an option for immediate enrollment in programs
2 encourages customers to enroll and receive the benefits of the CARE Program discount
3 immediately.

4 In 2018, SoCalGas participated in approximately 330 local community events in its
5 service territory. SoCalGas plans to leverage the volume of its outreach events to offer in-person
6 tablet enrollment where CARE Program penetration is low as well as in its own customer facing
7 facilities such as Bill Payments Offices and the Energy Resource Center. SoCalGas has
8 budgeted the cost to purchase tablets and annual maintenance of the technology into the
9 innovative outreach budget of \$100,000 per program year.

10 **g. Describe in detail any proposed pilots and/or studies, including**
11 **detailed budgets and timelines;**

12 SoCalGas is not proposing to conduct any pilots in PY 2021-2026. However, the IOUs
13 recommend and propose to revisit Categorical Eligibility in 2021. The budget will be split by all
14 IOUs between ESA and CARE. Total budget for SoCalGas CARE will be \$18,750.

15 SoCalGas has and will continue to evaluate the needs to conduct market research studies
16 to troubleshoot and determine whether there are any operational issues that can be identified, or
17 where changes or enhancements to the process can be made to the CARE Program. SoCalGas
18 proposes to conduct a study to seek customer feedback on the new tactics to be employed. The
19 \$35,000 cost per study is included in CARE general administration.

20 **h. Specify the total requested budget of the portfolios for each**
21 **year program year, and for the entire budget cycle;**

22 SoCalGas' requested administrative costs and proposed budget for CARE Program
23 subsidies for PY 2021-2026 are shown below in Table 5. The total administrative costs
24 requested for PY 2021-2026 are \$68.3 million and an overall total of \$848.6 million in CARE
25 Program subsidies, which is based on a 20% CARE discount for PY 2021 – 2026.

1 SoCalGas proposes that CARE subsidies remain subject to two-way balancing account
 2 treatment.

3 **Table 5 - CARE Administrative Budget & Subsidy and Benefit Costs for PY 2021-2026**

Program Year	Administrative Costs	Subsidies and Benefits	Total Program Costs and Customer Discount
2021	\$10,859,663	\$138,389,984	\$149,249,647
2022	\$11,085,592	\$139,583,569	\$150,669,161
2023	\$11,181,364	\$140,801,916	\$151,983,280
2024	\$11,465,069	\$142,032,348	\$153,497,417
2025	\$11,774,132	\$143,264,981	\$155,039,113
2026	\$11,915,864	\$144,495,405	\$156,411,269
TOTAL	\$68,281,684	\$848,568,203	\$916,849,887

4 i. **Estimates of the total number of households to be enrolled for**
 5 **each year, and for the entire budget program year cycle.**

6 **Table 6 - Estimated Number of Households Enrolled in CARE**

Year	Goal for Total Number of Households (Customers) Enrolled to maintain 95%
2020	1,620,120
2021	1,633,977
2022	1,648,199
2023	1,662,630
2024	1,677,128
2025	1,691,607
2026	1,706,052
Total enrollments for PY2021-2026	85,932

1 **D. CARE PROGRAM DELIVERY**

2 **1. CARE Enrollment, Recertification and Outreach:**

3 **a. Discuss any warranted changes to enrollment, recertification,**
4 **and /or post-enrollment verification processes.**

5 SoCalGas proposes the following changes to the CARE Program as it pertains to 1)
6 recertification for Expanded CARE accounts and 2) retention of certain verified CARE customers
7 on a fixed income.

8 **Modifications to CARE Expansion Program**

9 SoCalGas mails an application to CARE customers when they are due to recertify. This
10 includes residential, sub-metered, and CARE Expansion accounts. Currently, every two years,
11 SoCalGas manually processes an estimated 1,100 of the same eligible customers who are
12 operating an agricultural employee housing facility, migrant services and nonprofit migrant farm
13 worker housing centers, or a non-profit group living facility (homeless shelter, drug
14 rehabilitation center, halfway house, hospice). SoCalGas proposes to make two needed
15 modifications to the recertification of CARE Expansion accounts: 1) change the recertification
16 frequency from two to four years to reduce the administrative burden on these customers and 2)
17 automate the labor-intensive mailing of the recertification application to these customers.

18 **Exempt Certain CARE Customers from Future Requests**

19 SoCalGas proposes to assist certain fixed-income customers, specifically, with only one
20 or two persons living in the household, by exempting them from future recertification and
21 verification requests after they have been verified through program eligibility documentation.
22 The exemption would be valid until their account is closed or customer-of-record name is
23 altered. Customer groups targeted with this program enhancement are seniors and customers
24 with a permanent disability who are receiving SSI benefits. Research shows decreasing pensions

1 and inadequate retirement benefits are leaving more older Americans with financial insecurity.
2 The typical California senior income is about \$25,000 per year, \$10,000 less than the average
3 working-age Californian, with about 30% not having enough income to cover basic needs³¹. In
4 2018, 3,060 CARE customers would have qualified and benefited from this future proposed
5 program change.

6 **b. Discuss any needed changes or updates to existing probability**
7 **models.**

8 The probability model aids in reducing participation of unqualified customers by
9 identifying those customers deemed likely not CARE-eligible and they will receive a PEV
10 application to verify eligibility for the program. The probability model also extends the
11 recertification requirement from two years to four years for customers whom it determines are
12 more than 85% likely CARE-eligible.

13 SoCalGas proposes to update the 2013 probability model with the goal of making sure
14 that qualified customers receive the CARE benefit and ineligible enrollees are removed from the
15 CARE Program. SoCalGas has utilized technologies to target customers to receive a
16 recertification or PEV request since 2006. The first model used a logistic regression approach
17 with three independent factors: income, single-family indicator, and energy consumption.

18 The probability model was most recently modified in 2013 in logistic regression built by
19 incorporating nine mandated factors set forth by the Energy Division: high energy use, annual
20 bill amounts, total declared household size, PRIZM or zip code, enrollment methods (available in
21 2013), previously indicated customers ineligibility, customers previously de-enrolled from the
22 CARE, length of CARE enrollment, length of the time lapse since previous PEV.

³¹ <https://www.mercurynews.com/2019/05/27/californias-growing-senior-population-by-the-numbers/>

1 The 2013 probability model has been utilized for six years and its set of parameters has
2 remained unchanged even though CARE-eligible customer demographics and behaviors have
3 been rapidly changing. For example, SoCalGas has witnessed a sharp increase in online
4 enrollment in recent years and it is anticipated to increase more in the future. In addition, some
5 factors such as billing amounts and household income may need to be modified due to inflation
6 and population mobility.

7 Data Science technology has advanced rapidly in the last few years. The growing
8 capability of high-performance computing makes it possible to build machine learning models
9 for practical use. In fact, machine learning has been widely applied in various industries such as
10 technology, finance, and healthcare. SoCalGas is equipped with those resources, skills and
11 experience required to build machine learning models, which were not available in 2013.

12 Therefore, SoCalGas proposes to revisit the 2013 probability model and update it with
13 more powerful, accurate, and self-learning tools. Models today can learn nascent and subtle
14 patterns in customer data and update the best-fitting parameters automatically, help automate
15 tracking and monitoring processes, and capture complex relationships between factors.

16 **c. Discuss any warranted changes to the high usage policy and/or**
17 **appeal process.**

18 High Usage Policy and/or appeal process is not applicable to SoCalGas.

19 **d. Discuss any warranted modification to applying the CARE**
20 **discount for Green Tariff Shared Renewables customers.**

21 Solar / Green Tariff Shared Renewables is not applicable to SoCalGas.

22 **e. Discuss the current and suggested Outreach strategies and**
23 **methods to improve CARE enrollment and retention including**
24 **the estimated costs.**

25 As described in section C.1.e, SoCalGas' current marketing and outreach strategies
26 include direct marketing to eligible customers, mass media campaigns to maintain high program

1 awareness and localized community outreach efforts to target eligible non-CARE customers.
2 Examples of existing tactics within these strategies include bill inserts, direct mail, email, local
3 events, partnerships with CBOs and FBOs, door-to-door canvassing, tablet enrollment at local
4 community events, and mass media campaigns. For PY 2021-2026, SoCalGas plans to continue
5 use of these tools to educate, enroll, and recertify customers.

6 Suggested new marketing and outreach methods to educate, enroll and recertify
7 customers, and associated costs are discussed in section C.1.f.

8 **f. Discuss how Outreach efforts will result in meeting program**
9 **participation goals including any specific population sectors or**
10 **segments.**

11 SoCalGas plans to strengthen participation in CARE through targeted marketing and
12 outreach to specific population segments. These customer segments comprise a significant
13 percentage of SoCalGas' customer base and include seniors, LEP, veterans, undocumented
14 residents, the disabled community, and others.

15 *Seniors*

16 Decreasing pensions and inadequate retirement benefits are leaving older Americans in
17 financial insecurity.³² The typical California senior income is about \$25,000 per year, \$10,000
18 less than the average working-age Californian.³³ By 2030, the State's senior population is
19 projected to be 87% larger, accounting for 19% of the entire Californian population.³⁴ SoCalGas
20 will continue distributing the large font CARE applications developed in the last program cycle
21 at local community organizations that serve the senior population to make sure they are aware of
22 the CARE Program and are provided the opportunity to enroll.

³² <https://www.justiceinaging.org/senior-poverty/>

³³ <https://www.mercurynews.com/2019/05/27/californias-growing-senior-population-by-the-numbers/>

³⁴ <https://www.ppic.org/press-release/californias-senior-population-in-2030-much-bigger-more-diverse-more-likely-to-be-single-childless/>

1 *Customers with Disabilities*

2 According to the 2016 LINA Study, 22% of low-income households have one or more
3 disabled persons. SoCalGas works with a variety of CBOs that work within the disability
4 community to help promote and enroll families of children with disabilities as well as veterans.

5 *Limited-English Proficiency*

6 Demographic research has shown on average, 10.1% of households speak limited English
7 across the 12 counties that SoCalGas serves.³⁵ To improve access to low-income programs,
8 CARE information is available in 12 non-English languages. Marketing and outreach will
9 continue to work closely with ethnic media companies to seek opportunities to promote CARE in
10 multiple non-English languages to eligible customers. SoCalGas proposes to increase its use of
11 data analytics and demographic information to identify and target customers.

12 *Veterans*

13 There are an estimated 1,700,000 veterans in the 12 counties that SoCalGas serves.³⁶
14 More than 35% of post 9/11 veterans in Los Angeles County do not have enough employment to
15 provide a sustainable level of income. Most of these veterans are rent-burdened, spending
16 between 30-50% of their monthly income on rent alone, and nearly a third spend more than half
17 of their income on rent. The high cost of living in California prevents tens of thousands of
18 veterans from fully reintegrating with civilian life. In fact, more than 25% of the nation's
19 homeless veteran population live in California³⁷. Because of this, SoCalGas works with over ten

³⁵ U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, Retrieved August 8, 2019.

³⁶ 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

³⁷ <https://www.usvetsinc.org/information-center/in-the-news/veterans-in-poverty/>

1 different organizations servicing the veteran community including two Veterans Affairs
2 Hospitals – Long Beach³⁸ and West Los Angeles by providing information to veterans regarding
3 CARE and other customer assistance programs offered by SoCalGas.

4 *Undocumented Residents*

5 In Los Angeles County, there are approximately 900,000 undocumented residents, more
6 than any other area in the state, followed by Orange County with nearly 300,000.³⁹ That is more
7 than 1.2 million undocumented residents in just two of the 12 counties SoCalGas serves. In
8 total, the estimated population of undocumented residents for all 12 counties is 1.78 million.⁴⁰

9 Through tailored outreach plans, SoCalGas aims to increase response rates to marketing and
10 outreach methods by building a presence in their communities and gaining customer’s trust.

11 Because of this, SoCalGas works with the Mexican Consulate in Los Angeles to provide
12 information in lobby area about SoCalGas programs. Outreach members staff a resource table
13 and work one-on-one with customers waiting in the lobby area. SoCalGas is working on a
14 similar approach in other counties with designated consulate offices. SoCalGas also works with
15 organizations that work with the local consulates to provide similar outreach activities.

16 *Tribal*

17 In mid-2018, SoCalGas became involved with the Inter-Tribal Educational Collaborative
18 (“ITEC”) which is a group of colleges and universities throughout the state that services Native
19 American students and provide opportunities for native communities. Each year the group
20 organizes a “College Exploration Day” that brings over 400 community members of all ages to

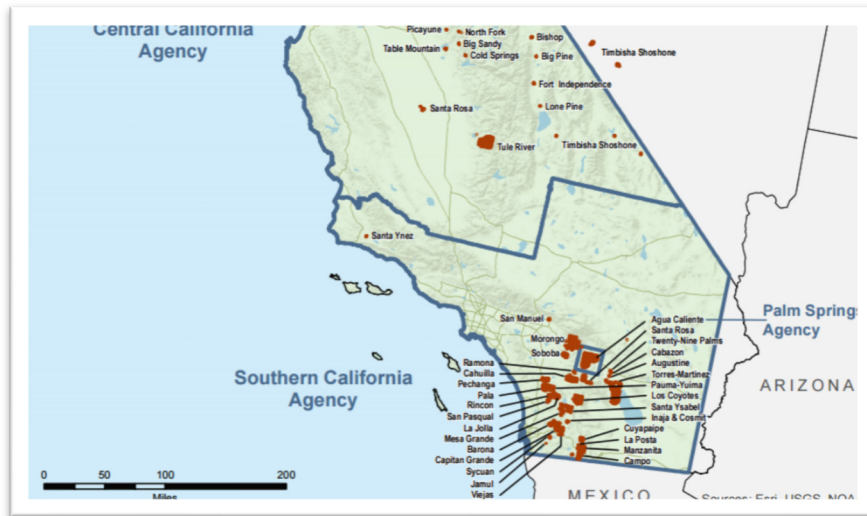
³⁸ Although the City of Long Beach is not part of SoCalGas’ territory, partnering with certain Long Beach organizations is important as they attract participants from many other nearby SoCalGas communities.

³⁹ Hayes, J., & Hill, L. (2013). “Undocumented Immigrants. Just the Facts.” Retrieved from http://www.ppic.org/content/pubs/jtf/JTF_UndocumentedImmigrantsJTF.pdf.

⁴⁰ Hill, L, & Johnson, H. (2011). “Unauthorized Immigrants in California, Estimates for Counties.” Retrieved from <http://www.ppic.org/main/publication.asp?i=986>.

1 learn about the importance of staying in school and the benefits of higher education as well as
2 resources for students and their families. As part of the involvement with this group, SoCalGas
3 has built a positive relationship with the tribal community and has participated in outreach events
4 such as Pow Wows and resource fairs specifically targeting the Tribal/Native American Indian
5 communities. SoCalGas will continue these successful partnerships and look to increase its
6 outreach events by partnering with CBOs that work specifically in the communities such as
7 Southern California Indian Center and United American Indian Involvement (a preliminary
8 meeting was held in 2019). The map below shows the Native American Tribal Entities in
9 SoCalGas' service territory.⁴¹

10 **Figure 3 - Map of Native American Tribal Entities in SoCalGas' Service Territory**



11

⁴¹ Tribal Map from: <http://www.courts.ca.gov/3066.htm>

1 **2. Targeting the Rural Population and Hard-to-Reach for CARE:**

- 2 **a. Identify specific underserved rural areas in your territory and**
3 **discuss what new strategies you will employ to target and**
4 **enroll those households, and the strategies for each area, if**
5 **different.**

6 SoCalGas plans to continue existing, successful marketing and outreach strategies in PY
7 2021-2026 with the current rural penetration rate exceeding 90%⁴². SoCalGas exceeded 90%
8 penetration rates of rural enrollment in Fresno (>100%), Kern (100%), Kings (>100%),
9 Riverside (96%), Orange (>100%), Imperial (96%), and Tulare (>100%) counties.⁴³

10 SoCalGas acknowledges that even in counties with overall high penetration rates, pockets
11 of need still exist. Low program awareness within certain rural communities continues to
12 present a challenge. Table 7 below lists the rural penetration rates by county within SoCalGas’
13 territory.

14 **Table 7 – August 2019 Rural Penetration Rates by County**

County	Rural
Fresno	>100%
Imperial	96%
Kern	100%
Kings	>100%
Los Angeles	46%
Orange	>100%
Riverside	96%
San Bernardino	84%
San Luis Obispo	80%
Santa Barbara	50%
Tulare	>100%
Ventura	72%

⁴² August Low-Income Monthly report, CARE Table 5, filed September 23, 2019. “Rural” includes zip codes classified as such according to the Goldsmith modification that was developed to identify small towns.

⁴³ 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 In the Central Valley (the counties of Fresno, Kern, Kings, and Tulare), SoCalGas has
2 been deploying ongoing in-language radio ads, on-air interviews, and works with CBOs who
3 organize events for farm workers during their lunch breaks known as “Cuadrillas”. These events
4 are broadcasted on Spanish-language radio to maintain awareness within the community. During
5 these events, information is provided to workers regarding the CARE Program, and each
6 attendee is provided with an application. SoCalGas proposes to continue these types of activities
7 as relevant in the other rural service areas, to help build awareness and enroll customers.

8 Deploying smaller, localized campaign efforts by leveraging existing community
9 networks and media is also an effective way to help get the word out about CARE. Leveraged
10 community networks include schools, literacy centers, social service delivery groups, food
11 banks, faith-based and non-profit organizations that aim to target these underserved rural areas.
12 For example, in Ventura County, SoCalGas has been working with The Mixteco/Indígena
13 Community Organizing Project (“MICOP”) which unites indigenous leaders and allies to
14 strengthen the Mixteco and indigenous immigrant community in Ventura County, estimated at
15 20,000 people.⁴⁴ Most are farm workers, primarily speaking their indigenous language.
16 MICOP’s primarily indigenous staff builds community leadership and self-sufficiency through
17 education and training programs, language interpretation, health outreach, humanitarian support,
18 and cultural promotion. The MICOP/CARE partnership includes outreach workers who visit
19 supermarkets, swap meets, laundromats and other local community gathering spots to promote
20 and enroll customers onto CARE, as well as in-language radio ads on their radio station in
21 Oxnard, Radio Indígena , further helping promote the program in their native language.

⁴⁴ <http://mixteco.org/about-us/>

1 In Santa Barbara County, SoCalGas works with Unity Shoppe and Foodbank of Santa
2 Barbara that provide program assessments and services to people of need in the community.
3 Both approaches try to find residents/customers where they are rather than expecting the
4 customer to find SoCalGas. SoCalGas plans to continue the outreach tactics employed in
5 Ventura and Santa Barbara County into other counties in 2021-2026.

6 **b. Identify Hard-to-Reach customers in your territory and**
7 **discuss what new strategies you will employ to target and**
8 **enroll those households, and the strategies for each area, if**
9 **different.⁴⁵**

10 As defined in D.18.05-041, customers are considered hard-to-reach if they do not have
11 easy access to program information or generally do not participate in energy efficiency programs
12 due to a combination of barriers.⁴⁶ Barriers that qualify a customer as hard-to-reach for
13 SoCalGas CARE Program include 2 or more of the following:

- 14 • Language – primary language spoken is other than English
- 15 • Geographic - homes in areas other than the United States Office of Management
16 and Budget Combined Statistical Areas the Greater Los Angeles Area. For
17 SoCalGas, this means customers living outside of the Greater Los Angeles area,
18 which is defined as five counties (Los Angeles County, Ventura County, San
19 Bernardino County, Riverside, and Orange)
- 20 • Disadvantaged Communities – as identified by CalEPA in SB535
- 21 • Income
- 22 • Housing type –mobile-home tenants

23 In Table 8, SoCalGas has identified the following zip codes to be hard-to-reach.⁴⁷

⁴⁵ For the application filing only use the definition of “Hard-to-Reach” found in Decision 18-05-041.

⁴⁶ D.18-05-041, at 63.

⁴⁷ SoCalGas used data from the DAC SB535list, Athens Research data, and internal data to estimate zip codes with less than 90% CARE penetration in the 12 counties SoCalGas serves.

Table 8 - Cities and Zip codes of Hard-to Reach Communities in SoCalGas Service Territory in August 2019

City	Zip Code	CARE Penetration (below 90%)
Los Angeles	90004	88%
Los Angeles	90005	69%
Los Angeles	90007	65%
Los Angeles	90012	64%
Los Angeles	90013	25%
Los Angeles	90015	83%
Los Angeles	90016	85%
Los Angeles	90017	69%
Los Angeles	90019	87%
Los Angeles	90021	38%
Los Angeles	90026	81%
Los Angeles	90027	72%
Los Angeles	90028	64%
Los Angeles	90034	55%
Los Angeles	90038	81%
Los Angeles	90039	69%
Los Angeles	90045	35%
Los Angeles	90046	56%
Los Angeles	90058	85%
Los Angeles	90065	88%
El Segundo	90245	45%
Gardena	90248	69%
Santa Monica	90404	63%
Torrance	90501	82%
Torrance	90502	78%
La Mirada	90638	64%
Harbor City	90710	80%
San Pedro	90731	74%
Glendale	91201	89%
Glendale	91202	71%
Glendale	91203	80%
Glendale	91204	85%
Glendale	91206	77%
Northridge	91324	82%

City	Zip Code	CARE Penetration (below 90%)
Northridge	91325	45%
Reseda	91335	70%
North Hills	91343	59%
Tarzana	91356	80%
Van Nuys	91401	88%
Van Nuys	91411	83%
Burbank	91502	70%
Burbank	91504	76%
Burbank	91505	41%
Burbank	91506	48%
North Hollywood	91601	66%
North Hollywood	91602	45%
Azusa	91702	86%
Baldwin Park	91706	86%
La Puente	91744	88%
Indio	92201	70%
Blythe	92225	76%
Mecca	92254	83%
Westmorland	92281	70%
Adelanto	92301	75%
Barstow	92313	83%
Highland	92354	87%
Riverside	92503	64%
Riverside	92507	77%
Riverside	92509	83%
Riverside	92518	17%
San Jacinto	92618	38%
Irvine	92627	79%
Costa Mesa	92647	70%
Huntington Beach	92683	83%
Santa Ana	92705	59%
Anaheim	92802	87%
Anaheim	92804	85%
Anaheim	92806	77%
Anaheim	92807	51%
Garden Grove	92867	87%
Orange	92870	88%

City	Zip Code	CARE Penetration (below 90%)
Corona	93001	77%
Avenal	93206	80%
Delano	93219	81%
Farmersville	93230	77%
Lamont	93242	84%
Lindsay	93249	74%
McFarland	93251	89%
McKittrick	93256	86%
Shafter	93267	86%
Strathmore	93268	72%
Bakersfield	93313	63%
Cutler	93616	80%
Kerman	93631	80%
Fresno	93706	79%

1 To help outreach and enroll these customers onto the CARE Program, SoCalGas will
2 utilize existing and new marketing and outreach efforts as was described previously in section
3 D.1.f.

4 Mobile home park (“MHP”) sub-metered tenants who are low-income are also
5 considered a hard-to-reach segment. Simply stated, SoCalGas records only the names of MHP
6 sub-metered tenants who are on the CARE Program, and is unaware of whomever occupies the
7 remaining spaces, making CARE outreach to these individual tenants extremely difficult. As a
8 result of the SoCalGas MHP Utility Upgrade Program (“UUP”), 217 MHPs have been converted
9 from sub-metering to direct utility served, allowing for unique outreach opportunities to more
10 than 13,000 individual spaces. The MHP UUP now provides the opportunity for tenants at
11 MHPs, who are now officially SoCalGas customers, to apply for the discount. SoCalGas will
12 continue to outreach to this hard-to-reach segment so that all eligible residents of mobile home
13 parks will be aware of and enrolled onto the CARE Program.

1 **3. Targeting the High Poverty Areas and Disadvantaged Communities**
2 **for CARE:**

- 3 **a. Identify the very high poverty areas (income less than 100% of**
4 **Federal Poverty Guidelines) within your service territory that**
5 **are underserved by county and discuss what new strategies you**
6 **will employ to increase penetration in these areas.**

7 Four of the 12 counties SoCalGas serves have poverty rates above 20% as seen in Table
8 9. These counties are Tulare, Kern, Fresno, and Imperial.⁴⁸ These counties have CARE
9 penetration rates over 95%.⁴⁹ To address and improve retention, SoCalGas will target Tulare,
10 Kern, Fresno and Imperial counties with the recertification reminder messages in its marketing
11 communications and employ local community outreach tactics. Additionally, SoCalGas will
12 consider employing extra door-to-door canvassing efforts in these areas where possible. Mass
13 media campaigns provide an opportunity to increase frequency of messaging, by geo-targeting
14 underpenetrated zip codes and repeating the messaging through multiple channels.

15 Mass media campaigns provide an opportunity to geographically target underpenetrated
16 zip codes and repeat messaging through multiple channels. The increase in frequency of
17 messaging can include online, social media and other traditional channels such as outdoor
18 billboards as well as radio.

⁴⁸ 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 August 7, 2019 from <https://www.census.gov/quickfacts/fact/table/US/IPE120217>

⁴⁹ August Low-Income Monthly report, filed September 23, 2019.

1

Table 9 – Persons Below Poverty Level in SoCalGas Counties⁵⁰

County	Persons Below Poverty Level
Tulare	24.0%
Kern	21.2%
Fresno	21.1%
Imperial	20.7%
Kings	18.4%
San Bernardino	16.0%
Los Angeles	14.9%
Santa Barbara	14.2%
Riverside	12.9%
San Luis Obispo	11.9%
Orange	11.5%
Ventura	9.5%

2
3
4
5

- b. Identify Disadvantages Communities in your territory and discuss what new strategies you will employ to target and enroll those households and the strategies for each area, if different.⁵¹**

6
7

Table 10 below identifies the cities and counties that SoCalGas serves that contain 75-100% of the highest range score from the SB 535 list issued by CalEPA.

8
9

Table 10: Disadvantaged communities in SoCalGas Service Territory That Contain 75-100% Highest Range Score

County	City
Fresno	Cantua Creek, Caruthers, Clovis, Del Rey, Firebaugh, Fowler, Fresno*, Huron, Kerman, Kingsburg, Laton, Mendota*, Orange Cove, Parlier*, Reedley*, Riverdale, Sanger, Selma*
Imperial	Brawley, Calexico, Calipatria, El Centro*, Westmorland
Kern	Arvin, Bakersfield*, Buttonwillow, California City, Delano*, Lamont, Lost Hills, McFarland*, McKittrick, Shafter, Taft, Wasco, Wofford Heights
Kings	Avenal, Corcoran, Hanford*, Kettleman City, Lemoore
Los Angeles	Alhambra, Artesia, Azusa, Baldwin Park*, Bell*, Bellflower, Burbank, Canoga Park, Carson*, Compton*, Covina, Downey, Duarte, El Monte*, El Segundo, Gardena*, Glendale*, Hacienda Heights, Harbor City, Hawaiian Gardens, Hawthorne*,

⁵⁰ 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 August 7, 2019 from <https://www.census.gov/quickfacts/fact/table/US/IPE120217>

⁵¹ As designated by CalEPA using their CalEnviroScreen 3.0 Tool which was last updated June 2018

County	City
	Huntington Park*, Inglewood*, La Mirada, La Puente*, Lakewood, Lancaster, Lawndale, Long Beach*, Los Angeles*, Lynwood*, Maywood, Monrovia, Montebello, Monterey Park, North Hills, North Hollywood*, Northridge, Norwalk*, Pacoima*, Panorama City, Paramount*, Pasadena, Pico Rivera*, Pomona*, Reseda, Rosemead, San Fernando, San Gabriel, San Pedro*, Santa Fe Springs*, Santa Monica, Signal Hill, South El Monte*, South Gate*, Sun Valley*, Sylmar, Tarzana, Torrance*, Universal City, Van Nuys*, West Covina, Whittier*, Wilmington*, Winnetka
Orange	Anaheim*, Buena Park, Costa Mesa, Fullerton, Garden Grove, Huntington Beach, Irvine, La Habra, Orange, Placentia, Santa Ana, Stanton, Westminster
Riverside	Beaumont, Blythe, Coachella, Corona*, Hemet, Indio, Lake Elsinore, March Air Reserve Base*, Mecca, Mira Loma, Moreno Valley*, Nuevo, Perris, Riverside*, San Jacinto
San Bernardino	Adelanto, Baker, Barstow, Bloomington*, Chino, Colton*, Fontana*, Grand Terrace, Hesperia, Highland, Loma Linda, Montclair*, Ontario*, Rancho Cucamonga*, Redlands*, Rialto, San Bernardino*, Upland, Victorville
Tulare	California Hot Springs, Cutler, Dinuba, Earlimart, Farmersville, Kingsburg, Lindsay, Orange Cove, Orosi, Pixley, Porterville*, Strathmore, Tipton, Tulare, Visalia
*Indicates Disadvantaged Communities 95-100% Highest Score	

1 All eligible non-CARE customers in SoCalGas service territory receive targeted direct
2 mail on CARE and other assistance programs including those that reside in disadvantaged
3 communities. Identifying the low-income eligible non-CARE customers in disadvantaged
4 communities will allow SoCalGas to target and employ the appropriate outreach channels.

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

6 **a. Provide a brief description of new strategies that will be**
7 **employed, including a description of activities performed by**
8 **third parties and other stakeholders.**

9 SoCalGas will continue to use third parties to conduct door-to-door canvassing to enroll
10 non-CARE eligible customers in the CARE Program. In 2018, CARE canvassers enrolled over
11 21,000 customers by visiting customers at their doorstep to assist them with completing a CARE

1 application. The direct assistance they provide to the customer is an effective enrollment
2 channel for SoCalGas.

3 **5. Leveraging:**

4 **a. Discuss progress, developments and additional enhancements**
5 **to streamline coordination with California Lifeline**

6 The Commission has previously directed the IOUs to streamline coordination with
7 California Lifeline.⁵² On May 1, 2018, the IOUs met with the LifeLine Program Administrator
8 from the CPUC to discuss the necessary data fields and timelines for sharing CARE data. It was
9 determined that the following CARE Program data points would be shared by the IOUs with the
10 LifeLine Administrator: Customer Name, Customer Address, Household income, Household
11 size, Customer Phone Number (home and cell), Categorical Program identified for enrollment.
12 On July 16, 2018 SoCalGas filed advice letter (“AL”) 5325 detailing the data sharing was
13 approved on December 19, 2018. SoCalGas implemented a biannual CARE customer data
14 exchange of all CARE enrollments with California Lifeline in its service territory via secured
15 FTP as of January 2019.

16 In 2019, SoCalGas also invited the California Lifeline providers within the service
17 territory to join the CARE Capitation Program: Blue Casa Telephone, Connect Communication,
18 Feel Safe Wireless, Life Wireless, SafetyNet Wireless, TC Telephone and Touch Wireless. As
19 of September 2019, SoCalGas has received no response from these California Lifeline providers.

⁵² D.16-11-022 OP 90 and D.17-12-009 OP 90.

1 **b. Discuss progress, developments and additional enhancements**
2 **to streamline coordination with CSD to expedite applications**
3 **and approval for Low-Income Home Energy Assistance**
4 **Program (LIHEAP) crisis grants for CARE accounts at risk of**
5 **disconnection.**

6 SoCalGas has had an automated process in place since 2007, whereby a LIHEAP grant
7 credited to an account will result in CARE enrollment with PEV approved status. During
8 specified hours, LIHEAP agencies phone in pledges via the IVR, which creates a pledge icon on
9 the customer’s gas account. The pledge icon serves to prevent service disconnections for 90
10 days. Issues arise when agencies fail to phone-in their pledges via the IVR. This results in
11 service disconnections and additional costs to customers to regain service. Once SoCalGas
12 receives the monies, they are automatically posted to accounts via a file upload process.
13 Currently, there is a 60-day interval between the agency pledge icon appearing on accounts, and
14 the LIHEAP funding posting to accounts.

15 SoCalGas proposes to change receipt of LIHEAP agency pledges through the IVR to a
16 user-friendly web-based process the agencies can utilize 24/7, rather than during limited times.
17 The web-based process will aid in preventing service disconnections by expediting LIHEAP
18 pledges.

19 **E. CARE PROGRAM ADMINISTRATION**

20 **1. Describe the administration of the program, and any changes or**
21 **improvements.**

22 The components of CARE Program administration include all aspects of new
23 enrollment, recertification, verification reviews, responding to customers’ inquiries, verbal or
24 written follow-up regarding insufficient proof of income, data scanning and electronic archiving
25 of CARE documents, and development and implementation of outreach and marketing
26 activities.

1 **New Enrollment**

2 There are several ways to enroll in CARE, including through a CSR at the CCC during turn-on
3 service or payment arrangements, via online, or by logging into My Account. If a paper
4 application is the customer's preferred method, the CCC will mail one to the customer. The
5 CARE application lists all enrollment options: use the mobile-friendly web application, access
6 My Account, call the IVR system, mail the application in the postage-paid envelope, or fax the
7 application to the number provided. Additionally, for CARE customers who stop service at one
8 address and establish service at another, CARE enrollment is automatically transferred to the
9 new address. Customers who call the CARE department with inquiries pertaining to eligibility
10 or to seek the status of a prior CARE submittal are also given the option to enroll over the phone.
11 SoCalGas also enrolls CARE through data sharing with other IOUs, as well as local utilities such
12 as Los Angeles Department of Water and Power, water companies, and the Imperial Irrigation
13 District's Residential Energy Assistance Program. Customers who receive LIHEAP or GAF bill
14 payment assistance are automatically enrolled and PEV approved since customers must present
15 eligibility documentation when applying. The CARE interface with LIHEAP and GAF has been
16 in effect since 2007. Finally, customers who are enrolled in the ESA Program are also enrolled
17 in CARE. Leveraging internally and with outside organizations such as community based and
18 third-party organizations, has proven to be a cost-effective and efficient means for SoCalGas to
19 identify and enroll eligible customers. SoCalGas will continue to explore more leveraging and
20 enrollment opportunities.

21 **Recertification**

22 A recertification application is mailed to customers every two years when they are due to
23 recertify. There are two exceptions to the two-year recertification period: 1) As authorized by

1 the Commission, customers who are due to recertify are evaluated by SoCalGas' probability
2 model to determine which customers are more than 85% likely to be CARE-eligible. These
3 customers are granted automatic recertification and do not need to recertify until two more years
4 have lapsed, and 2) Customers on a fixed-income do not need to recertify until four years have
5 lapsed. To aid in the recertification response rate, the mailing is followed by an outbound dialing
6 ("OBD") notification message which alerts the customer that it is time to recertify for CARE,
7 and to be aware that an application will arrive within a few days. The message also describes the
8 consequences of not returning the completed application – removal from the CARE Program and
9 termination of the 20% discount. If the customer answers the call, he has the option of hearing
10 the message in either English or Spanish. If the customer does not answer, a voicemail message
11 is delivered in both English and Spanish. The recertification application provides many options
12 for completing the process: on the website, My Account, IVR, mail, or fax. Additionally,
13 customers who call the CARE department can also become recertified over the phone. A second
14 application is mailed to customers who do not respond to the initial request within 45 days.
15 When a response from the customer has not been received within 100 days from the initial
16 recertification request, customers are removed from CARE and no longer receive the 20%
17 discount. The customer may re-enroll in CARE through any enrollment channel offered. As
18 described above in Section D.1.a, SoCalGas proposes two enhancements to recertification: 1)
19 Change the recertification frequency for Expanded CARE accounts and 2) Exempt PEV-
20 approved fixed-income customers with one to two people in the household from future
21 recertification and PEV requests.

1 **PEV**

2 SoCalGas strives to make sure that only qualified customers receive the benefit of the
3 CARE discount. PEV is used to accomplish this objective. Pursuant to D.12-08-044, a
4 probability model determines the customers who most likely do not qualify for CARE. A PEV
5 request is mailed to these customers, requiring proof of eligibility to continue the discount. The
6 mailing is followed by an OBD call which notifies the customer to expect a verification
7 application in the mail. The automated message states which documents are required to prove
8 eligibility, as well as consequences for no response. The PEV request provides multiple ways to
9 complete the process: submitting required documents online in My Account, by mail, fax, or
10 email. When adequate proof of eligibility documentation is received, the customer becomes
11 PEV approved. Additionally, customers who receive LIHEAP or GAF payment assistance, or
12 who are verified through SoCalGas' ESA Program, are automatically PEV approved.

13 Customers who do not respond to the PEV request within 45 days receive a bill message
14 reminding them to mail their application and proof of eligibility. Additionally, a second PEV
15 request is mailed. If the customer fails to complete the PEV process within 100 days from the
16 initial request, he/she will be terminated from CARE and back billed, resulting in the loss of up
17 to three months of CARE credit. Within one year from termination, customers must provide
18 proof of CARE eligibility to become re-enrolled. After a 12-month period has lapsed, customers
19 may re-enroll through any self-certification channel.

20 **CARE Forms**

21 Despite the shift towards online enrollment, many customers still prefer to receive paper
22 notifications. Thus, SoCalGas plans to make improvements to its paper applications. This will
23 be done during future annual income guideline updates to minimize costs. Improvements will

1 include eliminating variances in text and design, adding dynamic pieces that can be
2 programmatically updated, and updating language and program information as needed.

3 During the last few years, SoCalGas has created multiple iterations of applications to
4 increase communication and response rates with different customers, leading to an increase in
5 applications requiring simultaneous updates. Based on the way the applications are designed to
6 be integrated with SoCalGas CIS billing system, any updates to CARE forms are labor-intensive.
7 SoCalGas plans to redesign the applications with more dynamic options for a more simplified IT
8 implementation. The various iterations and languages offered have also resulted in slight
9 verbiage and design variances that will be streamlined to consolidate pages, allowing for quicker
10 updates. Without affecting the customer experience, SoCalGas also plans to strategically add
11 internal document numbers to allow for quicker identification, grouping and processing of
12 applications.

13 SoCalGas also plans to improve Optical Character Recognition (“OCR”) for the scanned
14 portion of applications by updating the gray fillable bubbles and field boxes to a scanner-drop
15 out color. This enhancement will improve data processing, reduce manual validation, and further
16 ensure accuracy with customer information and enrollment in the program.

17 In addition to new form enhancements, SoCalGas plans to continue annual template
18 adjustments and ongoing scanning system upgrades.

1 **2. Changes and improvements should leverage learnings from both**
2 **internal and external audits. Provide background via response to ‘a’**
3 **and ‘b’ below and how audit results have influenced the application in**
4 **response to ‘c’:**

5 **a. Internal Audits: Describe internal audits of the utility’s CARE**
6 **program during the current program cycle and all utility-**
7 **initiated audits of the CARE program by a 3rd party**
8 **consultant. Include your utility’s response and corrective**
9 **measures.**

10 SoCalGas internally monitors and audits its process on a regular basis to make sure
11 documents are properly and timely processed and accounted for in its archival system. No
12 formal utility-initiated or other third-party internal audit was conducted during the current
13 program cycle.

14 **b. External Audit Findings: Include your utility’s response to the**
15 **audits conducted by the State Controller’s Office for PYs 2013-**
16 **2015 along with a summary of all corrective measures**
17 **implemented to ensure compliance. Specify where each**
18 **corrective measure is also properly reflected and/or**
19 **documented e.g. monthly and/or annual report, formal filings,**
20 **etc.**

21 In 2016, the State Controller’s Office (“SCO”) audit found that two of the 15 CARE
22 program PEV customer files tested lacked adequate documentation regarding eligibility through
23 categorical enrollment. The documentation provided did not clearly indicate that the customers
24 were currently participating in a categorical program that granted them eligibility for the CARE
25 Program. To verify compliance with categorical eligibility requirements, the SCO recommended
26 that SoCalGas obtain appropriate and adequate documentation from CARE customers to clearly
27 demonstrate current participation in a CPUC-approved program.

28 SoCalGas was made aware of this finding during the audit exit conference on May 2,
29 2017 and accepted this finding and recommendation. In June 2017, in response to the audit
30 finding, SoCalGas modified its customer communications and internal procedures related to

1 proof of eligibility requirements of Medi-Cal and other CPUC-approved categorical programs
2 for PEV. SoCalGas currently requires that the customer submit a current letter of eligibility with
3 a date clearly shown or a Benefits Identification card with a valid issuance date. Either
4 document must show a date that is within the current 12-month period. By making these
5 modifications, SoCalGas addressed the audit finding and recommendation to make sure that
6 customers participating in the CARE Program have appropriate documentation of their eligibility
7 in Medi-Cal or other categorical eligibility programs for post enrollment verification.

8 **c. Describe how Internal and External Audits' findings**
9 **influenced this proposal for administration of the program.**

10 As stated above in E.2.b, SoCalGas previously modified its customer communications
11 and internal procedures relating to proof of eligibility requirements of Medi-Cal and other
12 CPUC-approved categorical programs for PEV to address the SCO audit. With this
13 modification, CARE representatives no longer had to inform customers that their proof was
14 outdated, since the customer communication clearly stated to submit current documents as proof
15 of program eligibility.

16 **F. Community Help and Awareness with Natural Gas and Electricity Services**
17 **(CHANGES)**

18 **1. Discuss whether you propose to continue the CHANGES program**
19 **funding from the CARE budget. Why or Why not?**

20 D.15-12-047 approved the CHANGES program as an ongoing statewide program. The
21 program provides outreach, education, and bill issue assistance on natural gas and electricity bills
22 and services to LEP consumers in the language or their choice through a Commission- selected
23 Contractor and a statewide network of CBOs. The decision states that CHANGES would be
24 funded as a reimbursement from the CARE Program until a long-term CPUC funding source can
25 be established through budgetary and or legislative channels. SoCalGas would like to impart

1 that although the interim continued funding of CHANGES through the CARE budget is
2 consistent with CPUC Code, Section 739.4, which allows expenditure of CARE funds to protect
3 low-income and senior households from unwarranted disconnection of necessary electric and gas
4 services, CHANGES provides services to all LEP utility customers, regardless of income.

5 In 2018, CHANGES contractors provided 599 services to SoCalGas customers. Of the
6 599 services provided, 558 (93%) of the services were for non-CARE related assistance such as
7 account set up, account changes, reconnections, bill payment assistance, payment plans and
8 extensions. Therefore, SoCalGas proposes that the CHANGES program funding should not
9 continue to be funded from the CARE budget and would more appropriately be funded through
10 the Commission's reimbursable budget or SoCalGas' next General Rate Case.

11 In addition to the recommended funding source change, SoCalGas proposes to transition
12 CHANGES monthly, annual, and LIOB reporting to the Commission-selected contractor. D.15-
13 12-047 states, "Once an ongoing funding source out of the Commission's reimbursable budget is
14 authorized, the IOUs' role will change. They will no longer be required to include CHANGES
15 activities in their CARE monthly reports when the funding no longer comes from the CARE
16 program."⁵³ Therefore, SoCalGas proposes removal of the requirement for the IOUs to report on
17 CHANGES activity; and, instead require the Commission's CHANGES contractor to provide
18 monthly and annual reporting to the Commission, as well as reporting to the LIOB.

19 **2. If CHANGES continues to be funded through CARE, what is the**
20 **appropriate funding from the CARE budget. Why or Why not?**

21 If the CHANGES program is required to continue to be funded through CARE, SoCalGas
22 recommends continuing the same annual funding level at an amount not to exceed \$1.75 million

⁵³ D.15-12-047 at 28.

1 per year, with the same funding breakdown and structure as outlined in D.02-09-021,
2 specifically, PG&E contributes 30%, SDG&E 15%, SCE 30%, and SoCalGas 25%.

3 **G. Cooling Centers**

4 **1. Discuss whether your utility’s cooling center budget is incorporated**
5 **into your most recent General Rate Case (GRC) as directed in D.16-**
6 **11-022, as modified by D.17-12-009.**

7 Cooling Centers are not applicable to SoCalGas.

8 **H. Senate Bill 1135 Family Electric Rate Assistance (FERA)**

9 **Describe how your plan and proposals comply with legislative changes**
10 **addressing FERA enrollment in Senate Bill 1135⁵⁴ and goals outlined in**
11 **Commission decisions D.18-09-013 and D.18-11-027. Include and discuss**
12 **recommendations to address mandates to increase FERA participation and**
13 **all related budget implications.**

14 Family Electric Rate Assistance (“FERA”) is not applicable to SoCalGas.

15 **I. Revenue Requirements and Rate Impacts**

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

19 SoCalGas is not proposing any changes to the revenue allocation or rate design for the
20 CARE Program. SoCalGas’ CARE program costs are currently recovered using an Equal Cent
21 Per Therm (“ECPT”) approach to allocate costs between the customer classes. The CARE
22 Program rates are calculated by multiplying the program cost by the allocation factor and
23 dividing by the applicable billing determinants minus any exempt throughput.

24 SoCalGas recovers its CARE Program costs through the PPP surcharge. The CARE
25 Program cost is calculated from the revenue requirement which is based on the combination of

⁵⁴ Public Utilities Code 739.12 © The Commission shall authorize the state’s three largest electrical corporations to increase or expand marketing and outreach efforts beyond those in effect as of December 31, 2018, to increase eligible customer participation in the FERA program.

both the administration costs and the CARE subsidy⁵⁵. SoCalGas used the CARE Program costs provided in SoCalGas Table B-1.

SoCalGas requests that the Commission authorize recovery of the program plans and budgets proposed in this Application by means of the proposed CARE Program cost for PY 2021 through PY 2026.

Table 11 – CARE Revenue Requirements and PPPS Rates

	2019	2021	2022	2023	2024	2025	2026
SCG							
Increase (Decrease) in PPPS Revenue Requirement \$ Millions:							
CARE Program	\$0	\$5.9	\$1.2	\$1.2	\$1.2	\$1.2	\$1.2
CARE Admin	\$0	\$0.8	\$0.2	\$0.1	\$0.3	\$0.3	\$0.1
	\$0	\$6.6	\$1.4	\$1.3	\$1.5	\$1.5	\$1.4
Total PPPS Revenue*	\$398	\$404	\$406	\$407	\$409	\$410	\$412
Change/year \$millions		\$6.6	\$1.4	\$1.3	\$1.5	\$1.5	\$1.4
Increase (Decrease) in CARE portion PPPS Rate \$/th:							
Residential		\$0.00913	\$0.00037	\$0.00034	\$0.00035	\$0.00035	\$0.00031
Core C&I		\$0.00913	\$0.00037	\$0.00034	\$0.00035	\$0.00035	\$0.00031
NonCore C&I		\$0.00913	\$0.00037	\$0.00034	\$0.00035	\$0.00035	\$0.00031

*2019 Excludes under-collected Balancing Account balances.

CARE Balancing Account

SoCalGas maintains a two-way CAREBA to track the CARE program expenses incurred against gas surcharge funds reimbursed from the BOE. The gas surcharge was established pursuant to AB 1002 and implemented by the utilities pursuant to the Natural Gas Surcharge D.04-08-010.⁵⁶ Pursuant to D.02-07-033, effective July 17, 2002, SoCalGas also authorized to record all costs related to automatic enrollment, which include the CARE rate subsidy, utility administrative costs (including start-up and implementation), and the Commission’s

⁵⁵ 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.

⁵⁶ D.04-08-010, at 67-70

1 clearinghouse costs.⁵⁷ SoCalGas maintains the CAREBA by recording entries for CARE
2 administrative costs, CARE discounts, and gas surcharges billed at the end of each month.
3 SoCalGas also records to the CAREBA remittances of PPP funds collected from ratepayers to
4 the BOE on a quarterly basis, on the last day of the month following the quarter-end month, and
5 subsequently records the reimbursement of those fund one to two months after the funds were
6 remitted.

7 Pursuant to D.04-08-010, SoCalGas files an advice letter⁵⁸ by October 31st of each year
8 requesting to establish the gas PPP rate effective January 1 of the following year consisting of
9 the net amortization component of gas PPP account balances and the Commission's currently
10 authorized program budget revenue requirements for the PPPs. In connection with that rate
11 filing, forecasts of expected CARE subsidy costs based on a reasonable estimate of gas prices
12 (using a credible, published source), projected residential transportation rates, and CARE
13 penetration rates are used.

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

15 **II. CONCLUSION**

16 SoCalGas respectfully requests the Commission to approve the CARE Program plans and
17 budgets for PYs 2021-2026 as described in this testimony and authorize the following:

- 18 1. Approval of its PY 2021 through PY 2026 CARE Program plans and forecasted
19 administrative costs.
- 20 2. Authorization to implement CARE Program changes and enhanced marketing and
21 outreach activities as described in this testimony.
- 22 3. Authorization to no longer fund HERs through the CARE Program.

⁵⁷ D.02-07-033, at 62-63.

⁵⁸ On October 31, 2014, SoCalGas filed AL 4704 requesting approval to update SoCalGas' PPP surcharge rates to be effective January 1, 2015.

4. Authorization to extend the recertification period for CARE Expansion Program from 2 years to 4 years.
5. Authorization to exempt verified, fixed-income CARE customers with one to two total persons in their household from future recertification and PEV requests.
6. Authorization to revisit the 2013 probability model and update it with more powerful, accurate, and self-learning tools.
7. Authorization to change receipt of LIHEAP agency pledges through the IVR to a user-friendly web-based process the agencies can utilize 24/7.
9. Authorization for the CHANGES program funding to be transitioned from the CARE Program to the Commission's reimbursable budget or SoCalGas' next General Rate Case.
10. Authorization for the CHANGES program monthly, annual, and LIOB reporting to be transitioned from the CARE Program to the Commission-selected contractor.
11. Authorization to continue to reallocate funding among cost categories consistent with the directive in OP 135 section C of D.12-08-044.

Budget Recap

As shown in Table 12, SoCalGas proposes the following CARE administrative budget, subsidy and benefit costs:

Table 12 – CARE Budget

Description	2021	2022	2023	2024	2025	2026	Total
Annual CARE Administrative Budget	\$10,859,663	\$11,085,592	\$11,181,364	\$11,465,069	\$11,774,132	\$11,915,864	\$68,281,864
Subsidy and Benefit Costs	\$138,389,984	\$139,583,569	\$140,801,916	\$142,032,348	\$143,264,981	\$144,495,405	\$848,568,203
Estimated CARE Participation Levels	1,633,977	1,648,199	1,662,630	1,677,128	1,691,607	1,706,052	85,932

The costs noted above are supported by testimony in this application. SoCalGas is requesting authorization of administrative budget and subsidy costs for all program years.

This concludes my testimony.

1 **III. EXCEL ATTACHMENTS**

2 The IOUs must file and use the attached Excel templates, Attachment B, and may include
3 further relevant information as appropriate.

4 **A. CARE Program Proposals Tables**

5 B-1. CARE Budget

6 B-2. CARE Rate Impacts - Gas

7 B-3. CARE Rate Impacts- Electric

8 B-4. CARE Penetration

9 B-5. CARE – Usage Levels

10 **B. Studies and Pilots Proposal Tables**

