

Final Report

Evaluation of California Alternate Rates for Energy (CARE) Program's Outreach and Administrative Practices

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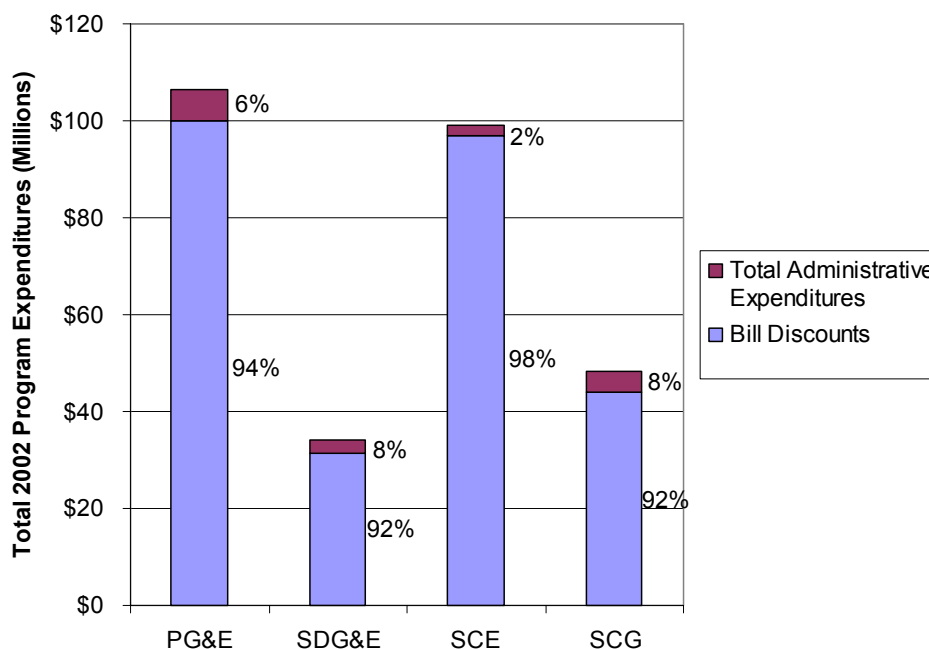
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Executive Summary

This report presents the results of a process evaluation of the California Alternate Rates for Energy Program (CARE), a rate discount program available to all income-qualified energy utility customers. The Program offers a 20% discount on energy bills and exemptions from rate increases to customers whose income is less than 175% of the federal poverty guidelines.¹ Outreach for, enrollment in, recertification and verification of customers are handled by each of the individual utilities.

As demonstrated in Figure ES.1, the CARE bill discounts for 2002 were substantial: PG&E provided over \$100 million in discounts, SCE over \$96 million, SCG over \$44 million, and SDG&E \$31.3 million. All of the utilities, however, have limited the administrative expenses to 8% or less of the total program expenditures.

Figure ES.1
Summary of PY2002 Total CARE Costs by Utility



¹ SCG also provides CARE customers who establish new accounts a reduction in their Service Establishment Charge (SEC).

The findings in this report address the:

- Best practices among the utilities for the current recruitment of new participants into the CARE program
- Current administrative practices of each of the four utilities

In assembling this report, Quantec was cognizant of the fact that each utility has its own unique set of challenges in promoting and administering the CARE program. For example, some utilities reported confronting high percentages of low-income immigrants who may face language barriers and be distrustful of the utility, while other utilities reported having inadequate internal resources to automate database processes. So, an outreach or administrative practice that is highly successful for one utility may not achieve the same results, or even be feasible, for another utility.

Methodology and Organization

Quantec used an approach, termed triangulation, in which multiple methods, both quantitative and qualitative are used to increase reliability and present a more accurate picture of outcomes or impacts. Our qualitative approach included:

- Guided interviews with 46 utility staff, representing all supervisory staff, some IT staff, and other staff supporting the program within the utilities studied
- Guided interviews with additional market actors (e.g., PR firms, advertising agencies, and other discount programs)
- Review of over 125 program documents including outreach materials, application and recertification materials, capitation agreements and materials, annual reports, leveraging tables, Rapid Deployment reports, and CPUC/ORR decisions and reports

Our quantitative approach included:

- Telephone surveys with 60 outreach contractors

As the majority of the data collected was primarily qualitative in nature, the findings are not meant to be statistically representative. Rather, data analysis consisted of reviewing data for emerging themes, divergent views, and in some cases, identification of what was not reported.

We believe that the study could have benefited greatly from speaking with additional market actors, including additional staff at each of the utilities, more inactive outreach contractors, and especially program participants and eligible nonparticipants. Our findings, therefore, summarize the opinions of those market actors that participated in the study; these opinions may differ from market actors that were not interviewed as part of our research.

The report includes an introduction, descriptive narratives about the outreach and administrative processes at the four utilities we examined (Chapters II – V), findings from the outreach contractor surveys (Chapter VI), cross-utility findings (Chapter VII), and our conclusions and recommendations (Chapter VIII).

Findings

Quantec discusses the following findings in this report.

General Outreach

- The utilities evaluated have developed different multi-faceted methods of outreach.
- It is challenging for all utilities to track applications (and thus enrollments) to specific outreach methods, particularly those that result from mass media efforts. However, most of the utilities are now developing systems to track various sources of enrollment.

Mass Outreach Efforts

- Based on our interviews with staff at each of the utilities, the largest source of CARE applications and enrollments is the notification and/or application inserted into customer bills, supported by the utility call centers.

Targeted Outreach Efforts

- The utilities employed various methods of reaching specific demographic groups, including attendance at community events and in-language media and print advertising.

Outreach Contractors

- An important method for targeted outreach for hard-to-reach customers is relying on outreach contractors. While all of the utilities utilize the outreach contractors to enroll participants, overall these agencies have not been as effective as expected, with outreach contractors (OCs) only representing 3% to 17% of new enrollments.
- OCs are generally satisfied with their participation in the CARE Program; at least 91% of the respondents reported they were “somewhat satisfied” to “very satisfied” with their participation.
- OCs feel that they would benefit most from improvements in the payment process of capitation fees. In particular, they cited increasing the speed of capitation payments.

- The top producing OCs said that door-to-door canvassing is the most effective approach to enrolling clients in the CARE Program, but one that is difficult to support with the current capitation payment.
- Having the utilities provide more and better Program collateral, such as material in additional languages and supplying posters and banners, would be helpful to the OCs in promoting the CARE Program.
- Fear of disclosing information by some OC clients is a high hurdle to participation in the CARE Program. Winning the trust of these clients, while time consuming, will be key to enrolling these hard-to-reach customers.

Administrative Practices

- Although there are some similarities, each utility has different verification, recertification, and general administrative practices.

Verification

- The percentage and type of CARE customers who are asked to verify their income varies considerably by utility: in 2002 PG&E randomly selected 2% of new applicants, SCE randomly selected 1% of all participants, SDG&E selected 6% of all participants using a probability model, and SCG randomly selected 18% of all participants.
- Another policy decision is whether or not to back bill customers who fail income verification. PG&E and SDG&E have chosen not to back bill, SCG will bill for up to three months worth of discounts, and SCE back bills up to 12 months for customers with discounts totaling over \$100.

Recertification

- Recertification policies also differ between the utilities. These different policies can strongly influence the recertification rate.

Additional Administrative Practices that Influence Retention

- There are a number of other administrative practices that differ by utility yet can influence the retention of qualified CARE customers. For example, one of the utilities drops customers who move within the service territory to a new service address, requiring them to reapply for CARE.

Conclusions and Recommendations

Commitment of every member of the utility to the CARE Program increases its ability to reach and keep eligible customers:

- Educate all employees regarding CARE
- Develop cross-functional communication practices
- Support and reward employee functions in implementing the program

Bill inserts (applications) are the most effective outreach method in terms of both enrolling large numbers of customers and cost:

- Target only nonparticipants for bill inserts
- Use applications that are filled out as much as possible

Layering multiple outreach strategies and timing them to maximize one another's effect:

- Coordinate efforts and maximize timing to increase effectiveness of individual outreach efforts

A variety of innovative approaches are needed to enroll those hardest to reach – low-income customers:

- Continue to develop program materials and utility support in the languages needed
- Continue to use outreach contractors to enroll customers
- Use multiple methods to reach target populations
- Frequently remind landlords of submetered facilities of their legal obligations to inform their tenants about the CARE rate

Beyond a few key areas, the utilities have not tracked the most effective and cost-efficient methods for enrollment:

- Expand the use of source codes and develop necessary methods to identify the most effective and cost-efficient methods for enrollment

Inter-Utility Automatic Enrollment (AE) is a cost-effective method of expanding CARE participation, particularly at lower points along the penetration curve:

- Expand the use of inter-utility AE, as well as with other low-income energy programs with similar eligibility requirements

Cost accounting varies by utility, is difficult to conduct at the level of detail desired, and provides challenges both for utilities and regulators:

- Utilities and the CPUC need to work together to determine if more consistent cost accounting and/or reporting is practical and feasible

A number of policies can minimize verification and recertification attrition:

- Instill a sense of personalization and ownership for the verification process
- Use bill messages and reminder letters as much as possible
- Track language of customer and provide follow-up information for verification in their preferred language
- Consider allowing CARE customers who move within the particular utility service territory to stay on the CARE rate
- Allow duplicate applications to count as recertification applications

Internal processes can support the larger outreach and administrative processes:

- Use a bill design that lets customers know they are on the CARE rate, and attempt to show the discount and recertification date

Public Workshop

The CARE Evaluation Steering Committee and Quantec held a Public Workshop on August 18, 2003, in San Francisco to present the draft report of the evaluation. The Workshop notice, presentation, and report are included in Appendix F along with written comments received pertaining to the Workshop and/or the Draft Evaluation Report.

Role of Energy Division

The CPUC Energy Division monitored the process of this evaluation but did not direct nor design this study. Furthermore, the Energy Division was not included in all communications between the Steering Committee, the utilities, and the consultants concerning the study and report. The conclusions and recommendations contained in this report do not necessarily reflect the views of the Energy Division.

I. Introduction

Program Background

California Alternate Rates for Energy (CARE) is a rate discount program available to all income-qualified energy investor-owned utility customers in the state of California. The Program offers a 20% discount on energy bills and exemptions from rate increases to customers whose income is less than 175% of the federal poverty guidelines.^{2,3} Outreach for, enrollment in, recertification, and verification of customers are handled by each of the individual utilities.

During the 2001 California energy crisis, the California Public Utility Commission (CPUC) instituted rapid deployment of the CARE program, with the goal of reaching as many eligible customers as possible as quickly as possible.⁴ The CPUC stated that this decision was a “major ‘call to arms’ to protect the interests of low-income customers.” As part of rapid deployment, the CPUC allocated \$100 million in supplemental legislature funding, \$15 million of which was to be used to increase outreach through:⁵

- A capitation program, where community organizations (outreach contractors, OCs) would be paid up to \$12 per successful enrollee they sign up for the CARE program.⁶
- Expand targeted outreach efforts (including increased non-English radio and print advertising)

Following the implementation of rapid deployment, the CPUC explicitly stated that the goal of the CARE program should be to “reach 100% of low-income customers who are eligible for, and desire to participate in, the CARE

² The current eligibility and discounts were established in 2001. Previously, the program had offered a 15% discount to customers whose income was less than 150% of the federal poverty guidelines. Note also that the Program is also referred to as the California *Alternative Rates for Energy*.

³ SCG also provides CARE customers who establish new accounts a reduction in their Service Establishment Charge (SEC)

⁴ CPUC Decision D.01-05-033, May 3, 2001. The decision also discussed changes to the Low Income Energy-Efficiency (LIEE) program; this report, however, only examines the CARE program.

⁵ The remaining \$85 million was to be used for covering increased costs of CARE rate subsidies. However, \$84 million of the \$100 million CARE program augmentation was rescinded by the Governor in his November 2001 Budget Revisions.

⁶ It was assumed that the OCs would assist clients in filling out CARE applications as an adjunct to the organization’s other activities, and most parties involved with the CARE program (e.g., utilities and community service organizations) agreed that a range of \$5 to \$12 was a reasonable amount of compensation.

program.”⁷ In this effort to reach 100% penetration, the CPUC ordered that the CARE program incorporate Automatic Enrollment (AE) based on participation in four other low-income healthcare and energy programs.

The AE implementation, however, has been delayed due to concerns over the transfer of confidential customer data. In the meantime, a number of utilities have implemented, or expanded, an inter-utility automatic enrollment program for CARE, sharing participant lists and automatically signing up customers who already participate in CARE for another utility. In addition, some utilities have begun automatically enrolling customers who receive payments through the Gas Assistance Fund (GAF), Energy Assistance Fund (EAF), and other low-income energy assistance programs with similar income requirements.

The goals of this process evaluation are to:

- Determine the best practices among the utilities for the current recruitment of new participants into the CARE program
- Evaluate the current administrative practices of each of the four utilities

Twelve months after the implementation of AE, the Quantec team will conduct an additional evaluation to:

- Evaluate the processes and costs for both individual utilities and the statewide clearinghouse to implement the automatic enrollment program
- Assess the enrollment results and subsidy costs to implement the automatic enrollment program

Methodology

Quantec used an approach, termed triangulation, as the basis for our research approach. Triangulation is a powerful solution to relying too much on any single data source or method and thereby undermining the validity and credibility of findings due to the weakness of any single method. Thus multiple methods are used to look at a program, leading to a more accurate picture of outcomes or impacts. Four types of triangulation are needed:

- Collecting different kinds of data on the same question
- Using different fieldworkers and interviewers to avoid the biases of any one person working alone
- Using multiple methods to study a program
- Using different perspectives to interpret a set of data

⁷ CPUC Decision D-02-07-033, July 17, 2002.

We utilized this four-pointed approach to reach the findings reported here.

Qualitative Approach

- ***Guided Interviews with 46 Utility Staff.*** We spent one full day on-site at each utility, interviewing staff who were knowledgeable about the CARE administrative and outreach practices, including program managers, assistant managers, supervisors, processing clerks, marketing/outreach coordinators, IT liaisons, media relations, and call center liaisons. The total interviewed represented 100% of CARE supervisory staff. Before conducting the interviews a letter was sent to each participant, providing background on the goals of the project. Those that could not participate in person were interviewed by telephone. The final utility interview discussion guide is included in Appendix A.
- ***Additional Market Actors.*** These included interviews with other knowledgeable market actors, such as public relations firms, advertising agencies, and nonprofit organizations that administer other energy programs.
- We also spoke with an administrator of the *Lite-Up Texas Program* to gain perspective on how another state evaluates administrative and outreach practices, as well as to better understand the integration of automatic enrollment.
- ***Document Review.*** The Quantec team also reviewed a tremendous number of Program materials and reports (over 125 documents), including:
 - Outreach materials (brochures, print advertisements, radio advertisements, posters, etc.)
 - Application and recertification materials
 - Capitation agreements and materials
 - Training materials
 - Organizational charts (information on staffing/management)
 - Annual Reports from 2000 through 2002
 - 2002 Leveraging Tables (Outreach and Media)
 - 2003 Rapid Deployment reports
 - Protocols for change of address, income level change, and complaints
 - CPUC decisions
 - Joint Utilities' Final Report on the CARE Outreach Pilot Program (“hard to reach”)
 - ORA data requests and utility responses on recertification
 - Utility side-by-side comparison of recertification and verification procedures

Quantitative Approach

- **Telephone Surveys with Outreach Contractors.** The Quantec team also conducted surveys with 60 OCs, including a mix of both active/inactive contractors, as well as organizations that represent various religious and ethnic groups. The sample represented 78% of the CARE participants enrolled by outreach contractors.

The population of participating OCs included both active and inactive OCs and a range of types of agencies. To ensure that the areas of interest for the evaluation were addressed, as well as those of special interest to the utilities and other members of the Steering Committee, we modified our initial random sampling approach to one of a more purposive design, to accomplish the following:

- Maintain a 3:1 split between active and inactive OCs
- Include the top-producing OCs for each utility
- Include OCs of special interest to each utility (e.g., hard-to-reach customers, such as those who serve non-English-speaking clients or seniors)
- Reflect a mix of all the other active OCs

While limiting generalizability, this non-random approach allowed us to include a representative mix of all agency types while still attaining a large coverage of participant customers. (For further discussion of OC sample, see Chapter VI). The final outreach contractors' survey instrument is included in Appendix B.

Data Analysis

Data analysis was conducted using ATLAS.ti and Zoomerang. ATLAS.ti is a qualitative analytic software package that allows for a detailed view of a large amount of qualitative (either transcript or documents) data. Using this tool, several of our staff analyzed interview responses, by utility, across utilities, and by type of respondents, looking at common themes and differences in administrative and outreach practices. Zoomerang is a survey design and analysis tool that also manages computer assisted telephone interviews (CATI); this tool was used to implement and analyze data from surveys with OCs.

The majority of data analysis conducted by Quantec was based on Program year (PY) 2002 data, the first full year of rapid deployment. Where applicable, however, we do provide comparisons to previous years and to the first quarter of 2003. In addition, we note important administrative or outreach changes that the utilities are implementing for 2003.

Limitations of Our Approach

As the majority of the data collected was primarily qualitative in nature, or collected using a non-random sampling approach the findings, the findings are not meant to be statistically representative. Rather, in more qualitative studies of this type, the goals are to explore, interpret, and build findings based on the multiple methods used. It is emergent and evolving – an inductive approach - as the researcher gathers many different views of the object of study. These goals differ from a quantitative study – a deductive approach - where the researcher selects a statistically representative sample to test, confirm, and validate a hypothesis.

There are, however, limitations in qualitative studies. These may include:⁸

- Fewer study participants
- Limited ability to generalize results to the population
- Difficult to aggregate data and make systematic comparisons
- Dependent upon researcher’s personal attributes and skills (also true with quantitative research, but not as easy to evaluate skills in conducting research with qualitative)

To address these limitations, we interviewed a large number of program actors, acknowledged the limitations on generalizability resulting from the more qualitative approaches, used qualitative analytic software to make comparisons across respondents, and assembled a team experienced in all aspects of quantitative and qualitative research.

Even with triangulation approaches, our findings reflect themes and trends identified only from opinions of those market actors included in the study; these opinions may differ from market actors that were not interviewed as part of our research. The study, therefore, could have benefited greatly from speaking with additional market actors, including the following:

Additional staff at each of the utilities. Budget limitations only allowed one day per utility. If more time was available the study could have interviewed more CARE administrative staff.

Inactive outreach contractors. Inactive outreach contractors (those that had not enrolled any CARE participants in 2002) were more difficult to identify and reach than active outreach contractors, and the study fell short of our original survey targets.

⁸ Patton, Michael Quinn. *Qualitative Evaluation and Research Methods*. Beverly Hills California: Sage, 1980.

Program participants and eligible nonparticipants. Interviews with customers were not requested by the Steering Committee and were considered beyond the scope of work for this study. However, interviews with low-income customers would be helpful for determining outreach effectiveness, satisfaction with the program, and possibly identifying and mitigating remaining market barriers to participation.

Within these limitations, however, our approach has allowed us to successfully review the program from a variety of perspectives. In addition, this study is one study in a larger effort to understand the needs of the low-income population and the CARE program; two studies that are currently being conducted – a low-income needs assessment and a CARE financial and managerial audit – will gather additional data that may potentially provide answers to outstanding issues from this current study.

“Best Practice” Identification

Each utility has its own unique set of challenges in promoting and administering the CARE program. For example, some utilities reported that they confront high percentages of low-income immigrants that may face language barriers and be distrustful of the utility, while other utilities reported that they have inadequate internal resources to automate database processes. So, an outreach or administrative practice that is highly successful for one utility may not achieve the same results, or even be feasible, for another utility. The recommendations from this report, however, span all utilities, and are not limited to what may or may not work for one specific utility.

Organization of Report

Descriptions of Outreach and Administrative Practices

Chapters II through V present descriptive narratives about the outreach and administrative processes at the four utilities we examined: Pacific Gas and Electric (Chapter II), San Diego Gas and Electric (Chapter III), Southern California Edison (Chapter IV), and Southern California Gas (Chapter V).

Each of these chapters discusses the myriad of outreach methods for each utility, the implementation of each method, and the “lessons learned” by the utilities in the process. We divide outreach into mass efforts (general outreach) and targeted outreach for “hard-to-reach” customer segments, which includes targeted media efforts. In addition, there are certain outreach methods that are mandated by the CPUC that are included in the discussions.⁹

⁹ Each utility must have four bill messages per year (in English and Spanish) promoting the program, an annual bill insert promoting the program, and brochures in English and Spanish.

The chapters also examine the administrative practices of each utility, examining the enrollment, verification, and recertification processes. Although enrollment, verification and recertification policies are mandated by the CPUC, the majority of administrative decisions are left up to the utilities to determine.¹⁰ We also provide process maps (graphical displays) for each utility for these processes, and report on “self-reported best practices.” In addition, we take a general look at staffing levels, capturing the organizational structure for the core management and support staff who implement the CARE program at each utility.¹¹

These descriptive chapters focus on CARE for residential customers, which represent the vast majority of both Program costs and participants. We do, however, also examine the outreach and administrative efforts for the CARE expansion program, which offers the discounted rate for non-profit homeless shelters and group living facilities, migrant and farm worker housing centers, qualified privately-owned employee housing, and qualified non-profit housing for agricultural workers. Although sub-metered customers (e.g., mobile home parks and other master-metered customers) are technically part of the residential CARE program, many utilities use the same staff and outreach methods for both the expansion program and sub-metered tenants; where appropriate, therefore, we combine our discussion of these two groups.

Surveys with Outreach Contractors

Chapter VI examines the findings from the surveys with outreach contractors. Although customers enrolled in CARE through outreach contractors represent a small percentage of the overall enrollees who were a major focus of the rapid deployment efforts, OCs are extremely knowledgeable about the target population and play a key role in signing up hard-to-reach segments of the eligible population.

Findings, Conclusions, and Recommendations

Chapter VII compares the findings across all the utilities, and also introduces the use of quantifiable Program data such as enrollment levels, penetration rates, and costs. This chapter is more analytical in nature than the earlier descriptive chapters for each utility and introduces the perspective and insights of the consultants.

¹⁰ Residential customers are required to recertify their eligibility every two years, while sub-metered and expansion program participants must recertify their eligibility every year.

¹¹ Note that in addition to “core staff” all the utilities receive additional support from a number of other departments within their companies, including the call center, information technology, and marketing departments; specific details about the allocation of staff time and cost allocation for these other departments was not always available.

Finally, Chapter VIII presents the conclusions and recommendations, culling the findings from the qualitative and quantitative data analysis.

Public Workshop

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Role of Energy Division

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Appendices

The following appendices are included with this report:

- Appendix A: Utility Staff Discussion Guide
- Appendix B: Outreach Contractor Survey Instrument
- Appendix C: Summary of Interviews Conducted
- Appendix D: Using ATLAS.ti in Qualitative Analysis
- Appendix E: Glossary
- Appendix F. Workshop Materials (Notification, Presentation, Workshop Report, and Public Responses)
- Appendix G. Utility Responses to Recommendations

II. Pacific Gas & Electric

Outreach Practices

Pacific Gas & Electric (PG&E) has taken a unique approach to outreach, using the public relations firm Hill & Knowlton (H&K) to craft an integrated plan to reach both a broad base of customers and those hardest to reach. This plan is based on the utility's belief that no single medium is the best. Rather, a combination of media, collateral, and community support is needed to inform low-income customers of the CARE program. By using this approach in combination with their traditional mass outreach efforts, PG&E substantially increased penetration of the eligible, low-income market in 2002.

The utility's and consulting firm's efforts were guided by specific visions of how to inform customers of the CARE program. H&K described their effort as: "We want to reach customers where they *live, shop, work, play and pray*" and "maximize whatever channels are used." For PG&E staff, there was a commitment "to reach customers *in language, in culture, and in person.*" The components of each of these visions are reflected in the outreach efforts undertaken by PG&E.

Mass Efforts

Bill Inserts. Since 2001, PG&E has used a bill insert/application form, mailed to all residential customers three times per year.

PG&E has also established a dedicated toll-free line (outsourced through its Smarter Energy Line) for CARE. This line is menu driven and provides information in English, Spanish, Mandarin, Cantonese, and Vietnamese. The line answers frequently asked questions, allows customers to obtain information on where they can go to get assistance with filling out an application according to their zip code, and the opportunity to request applications or leave questions. Prompts are also available for information on enrollment events and re-certification.

Web Site. The PG&E Web site includes an application designed in multiple languages for easy download. Keeping the site current requires updates to the application form. Other changes are made based on feedback from both customers and outreach partners who visit the site. The site also includes frequently asked questions and links to other assistance programs.

Payment Centers. Bins will soon be available at all payment centers to allow customers to drop in their applications while waiting in line.

Targeted Efforts

Targeted Populations. As a result of demographic research and focus groups completed in 2001 and the first quarter of 2002, H&K developed outreach approaches specific to the African-American, Hispanic, Asian, Native American, senior, and other targeted populations. Multi-faceted efforts have involved using community newspapers and radio stations, including important community leaders in media and events, distributing in-language and in-culture collateral, having events that are family focused and child friendly, and extending outreach through the community through community based-organizations, retailers, workplace, places of worship, and public locations.

Outreach to African-Americans, seniors, and working mothers have included attending Kwanzaa events, sponsoring events at churches and community centers, media campaigns through community newspapers and radio stations, and outreach through trusted community-based organizations. Events and media were also used to target the Asian and Hispanic communities. In addition, contacts with Tribal leaders and Native American Studies departments at universities were made and Native American artists designed brochures that focused on enrolling a greater number of Native Americans.

PG&E staff attends most events; H&K employees have been present at some events as well.

CARE Expansion. PG&E held energy-briefing events in designated areas, inviting non-profits to learn about cost savings available through a variety of programs, including CARE. Staff also began a dialog with the California Association of Nonprofits.

Sub-Metered Tenants. PG&E has three to four dedicated staff responsible for both the expansion program and sub-metered tenants (e.g., mobile home parks). These staff have developed relationships with the landlords and rely on them to provide notify changes in tenant status.

Workplace Initiative. This initiative targets hourly wage employees, many in service industries. In doing so, the initiative also reaches target immigrant groups who often make up the bulk of this workforce. Participating employers receive free bilingual English and Spanish paycheck stuffers, posters for display in lunchrooms or other common areas, and a template for use in a company newsletter or other internal communication channels. Some employers have also requested a presentation or held an event to facilitate sharing of CARE information.

Leveraging Community Contacts

Capitation Contractors. PG&E continues to contract with Community Outreach Contractors as a means of reaching customers.¹² Although they receive a \$12 per-enrollment incentive, these contractors have not produced as many participants as anticipated: only 9% of new enrollments in 2002 came from the COCs. Staff believe that, in part, this is due to the fact that some of the organizations' clients are not eligible for the service. Staff believed that the incentive level was sufficient to cover an organization's costs of incorporating the paperwork for CARE into their existing services. If, however, the organization attends events and does other, more proactive, outreach to recruit potential CARE customers from among their clients, then a number of PG&E staff believed the incentive "will not cover their costs."

Other Community Alliances. PG&E has also worked to increase coordination with the Low Income Energy Efficiency program (LIEE) through once-per-quarter sharing of the CARE database. The information is uploaded and shared with all LIEE providers to use for outreach. In addition, information on the Low Income Heating Assistance Program (LIHEAP) is included on the CARE application that is mailed to customers who request information and in the information that customer service representatives provide to customers who call about payment assistance. PG&E has also distributed information on CARE through the Spanish Consulate offices, churches, and other community organizations. PG&E staff reported:

"PG&E took pains to educate community, civic and other opinion leaders in Sacramento and throughout PG&E service territory on the CARE program and to gain their endorsement for the 2001-'02 education and outreach campaign. They were provided with CARE materials, invited to local CARE enrollment events, encouraged to declare "CARE Days" in their districts and kept informed on campaign progress via the newsletter, Community Focus. The support of these third parties contributed to the overall success of the campaign."

Most Effective Outreach Methods

Effectiveness of methods, for all of the utilities, is gauged on more than one level. There is a sense that one method may be most effective for increasing overall numbers of CARE participants, while other methods are most effective for reaching specific, targeted, or hard-to-reach customers.

Bill Inserts. Two key Program staff unequivocally stated that bill inserts were the most effective method for enrolling the greatest number of customers:

¹² PG&E refers to the outreach contractors as community outreach contractors, or COCs.

“In June 2003, [we] did mini-insert and put lots of weight behind this effort. For numbers of applications, the insert with support of PR, paid media, and CBOs is what works best. It’s the total, the combination of efforts, that is effective.”

Integrated, Multiple Methods. Staff and H&K respondents emphatically stated, however, that no one method is the most effective channel. All are needed, in an integrated plan, to reach eligible customers.

Source Tracking

Tracking the source of a given enrollment is a challenge, making it difficult to fully assess effectiveness of individual outreach efforts. At present, PG&E has source codes only for enrollments from outreach contractors (currently entered manually into a spreadsheet) due to the need to track these for reimbursement. Additionally, for tracking the Chinese-English bill mini-inserts, staff note that it is not difficult to identify their source as the customer bill and that these data are tracked by entering a specially worded note in the database comments field. For applications customers receive as a result of a call or from a community site, tracking would be more difficult. Staff continue to explore options for better identification of enrollment source.

Changes in 2003

In response to lessons learned and CPUC requirements, PG&E is planning a variety of changes to their outreach efforts in 2003. These include:

- Bill inserts in the Asian languages
- Working with the utility’s retiree association to identify volunteers to assist with outreach
- Door-to-door canvassing in very difficult to reach areas
- Working with county Human Services Departments to design an insert that will go into general assistance packages
- Re-initiation and recognition events for capitation contractors
- Development of “CARE in a Box,” a collection of Program information, including posters, brochures, and applications that can be sent to contractors, government agencies, and other interested organizations
- A CARE kiosk at PG&E payment centers to allow customers to drop in their applications while waiting in line.
- Inter-utility automatic enrollment with Modesto and Turlock Irrigation Districts
- Increased coordination between CARE and LIEE: CARE databases will be shared monthly with LIEE providers to give them more current information.

Outreach Insights Gained/Current Issues

Bill Inserts

- In 2002, PG&E revised their in-the-bill applications to include postage-paid return mailing. This new form continues to be used and is seen by staff as an effective means of improving enrollment through direct-mail bill insert approaches. H&K also revised the mailing envelope to bring attention to the mini-insert application.
- While the overall number of people enrolled through bill inserts is higher than through other methods, it is costly and cumbersome. Since the mailing is sent to all customers, without screening for current CARE recipients, there is duplication when customers on CARE reapply. Of about 46,000 returns with each mailing, only approximately 23,000 (50%) are new enrollees.

Call Center & Toll-Free Line

- Information on CARE is provided through the main toll-free numbers' interactive voice response service (IVR). CARE is integrated into the main voice response system as a menu option. Customers can speak to someone to get more information, request an application, and hear about other assistance options. The CSRs (Customer Service Representatives) are also trained to inform any customer calling for new service or for a payment problem of the range of services available, including CARE.

Targeted Populations

- The Asian market is itself very diverse. As a result, H&K separated these into primary (Chinese and Vietnamese) and secondary markets (Korean, Cambodian, Lao, Hmong, Mien, Filipino) based on population size, income levels, and in-language preference. Outreach approaches, such as adding primary target languages to the CARE toll-free line, were focused on the primary markets in 2002.
- The use of events, give-aways, and other collateral has been successful in reaching some target markets. Getting information to very hard to reach target populations often requires extraordinarily personal approaches. H&K, for example, had workers stand at public transportation stations in locations with high concentrations of target populations and give away culturally appropriate gifts (e.g., candy popular with Hispanic consumers) to reward signing up for the Program. Other give-aways used at community and special enrollment events have included \$5 coupons to McDonalds, hand fans and bible bookmarks, in-language and in-culture bags and calendars, t-shirts, plastic bags, door hangers, food, and prizes.
- Community newspapers have not been as effective as anticipated.

- Working with large retailers, such as Sears and K-Mart, in areas targeted for increased enrollment, has also been successful. Retailers have sometimes provided prizes for drawings during enrollment events and generally been supportive of serving their customers in this way.
- It is important at events, either sponsored by PG&E or where PG&E has a booth or display, to have a local organization or contractor involved. The contractors enhance their visibility in the community, increase their incentives, and assist customers with filling out applications.

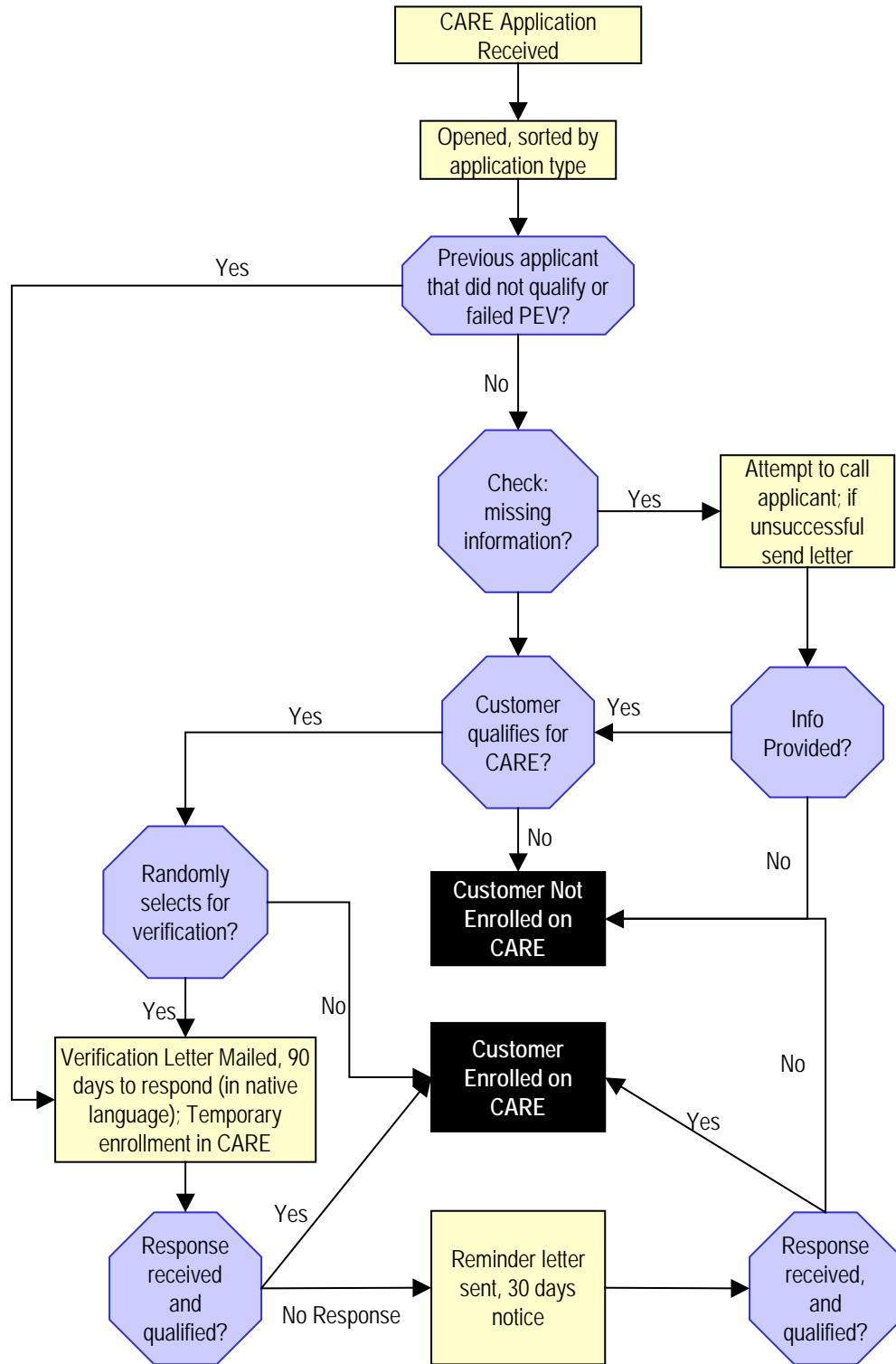
Other Community Alliances

- It is critical to gain the endorsement of local opinion leaders, including political, school and church officials, to reduce mistrust in targeted communities.

Administrative Practices

PG&E migrated to a new billing system called CorDaptix in December 2002, and doing so presented many challenges to CARE processing and reporting procedures. Most importantly, many of the processes that had previously been automated now must be performed manually. The CARE team is working closely with the IT department to rectify many of these changes, but there are other departments in PG&E that also need changes made to the new system, so many of the requested changes remain in the work queue behind competing priorities. In the meantime, the PG&E CARE team has been forced to develop “work arounds,” many of which are discussed below. The enrollment, verification, and recertification processes are also displayed graphically in Figures II.1 and II.2.

**Figure II.1
PG&E Enrollment and Verification Process**



Enrollment

The mail support clerks open and sort the forms by new applications (divided into outreach contractor, bill insert, standard application, etc.) and recertification. They are combined into bundles of 100, dated, and set for data entry the next day by the administration clerks.¹³ The administration clerks go into CorDaptix to enter in the customer information; they are expected to enter at least 200 a day, but will enter 300 to 350 per day during busy periods. In the old database system, however, they regularly entered 300 per day, and could enter as many as 500 to 600 on a very busy day (the record was 1,000 applications entered).¹⁴

The first step in data entry is to make sure that there are no missing pieces of information (e.g., income, number of members in the household, and signature) and that the customer qualifies. Administrative clerks attempt to call customers with missing information so they can complete the application over the phone.

If they cannot reach the applicant, or if the application is missing a signature, a letter (with postage-paid envelope) is sent out that highlights the missing information and asks them to provide it. The letters are generated in MS Word from a shared drive, using templates, but name and address have to be manually entered. Those that do not qualify are also sent a letter notifying them why they do not qualify for the Program (e.g., income too high, not a qualifying rate, etc.). PG&E staff produce these letters, using the templates, in the same language as the application (English, Spanish, Chinese, or Vietnamese).

In addition, the administration clerks enter a note in the memo field of the CorDaptix system for those that are missing information or do not qualify so that other clerks or CSRs can answer questions on the account.

Applications with missing information are then set aside, and the customer has 90 days to respond. In the interim they are not placed on the CARE rate. The processing clerks enter applications with valid information onto the CARE

¹³ Until December 2002, the CARE clerks sorted all the applicants by account number and processed them in monthly batches. When the new CorDaptix database was installed, they went to a daily, real-time data-entry process.

¹⁴ Applications from outreach contractors are also entered into a separate database that tracks enrollment from the capitation contractors. This additional database tracks the number of applications and the number successfully enrolled in CARE (excluding duplicates) for each Outreach Contractor.

rate. A batch processing job each evening automatically populates the enrollment and the recertification dates.¹⁵

After successful enrollment, participants receive a postcard notifying them that they will receive the CARE discount. The postcard, in English, Spanish, Chinese, and Vietnamese, also has the CARE toll-free number prominently displayed. The goal of the postcard, which was introduced at the end of 2002, was to minimize the number of duplicate applications. Duplicates received, however, are still counted as new applications (i.e., the recertification date is updated to reflect the most recent application approved).

To generate the postcard, a project management analyst pulls the CARE Program data into MicroSoft™ Access, extracts those customers that enrolled in the previous month, and sends an e-mail with information on these customers to the mailroom, where the cards are printed and mailed.

Customers on the CARE rate see a notice that they are on CARE on the first page of the bill. They see the amount of the discount with a message that reads, “Your CARE discount of [amount] has been subtracted from your bill.”

Customers that move within the PG&E service territory continue to receive the CARE discount at their new address, with the same recertification date.¹⁶

Customers that have questions or issues are handled by the “Help Ticket” group, which carefully researches issues and calls customers to resolve problems.

Verification

The Post Enrollment Verification (PEV) process at PG&E is conducted by the CARE Mail Support group. Before 2001, the responsibility for conducting PEV rotated weekly to a different employee. In September 2001, however, PG&E decided to place responsibility for PEV with one employee, with the hope that this would improve the success rate of the process.

An operations processing clerk randomly selects approximately 2% of each day’s applications for PEV, manually pulling out the hard copy applications and providing them to the mail support clerk in charge of PEV. After enrolling

¹⁵ The batch processing feature for migrating to CorDaptix did not exist for the first few months after CorDaptix was implemented, requiring processing clerks to manually enter in all the CARE information. This feature was created after the initial roll-out and is functioning now.

¹⁶ This process had been automated until the CorDaptix billing system was installed in late 2002. The new system requires a supervisor and temporary staff of five people to manually make these adjustments in the database each month. The processing of customers that move was expected to be automated (via batch processing) in summer of 2003.

them in the CARE program, the mail clerk then sends a letter to the applicant, in the language of the application, requesting income documentation. The letter also explains that the customer has 90 days to respond and that, while they are currently on the CARE rate, they will be dropped if they fail to respond. The letters are signed by the mail clerk and include his phone number as well as a postage paid envelope to return to him. He also enters a note for PEV customers in the memo field of the customer database so that all calls that come in regarding PEV issues are forwarded to him.

If the customer does not respond after 60 days, PG&E sends a follow-up letter reminding the customer that they need to provide income documentation and have only 30 days left on the CARE rate.¹⁷ This letter has been customized to clearly describe to customers what is needed to remain on the CARE rate.

All letters are sent from a template that exists on the server and are customized by manually typing in the PEV customer names and addresses from an Excel spreadsheet, where they are tracked.

When income information does arrive, the clerk inspects it to make sure that proof of income is provided for the adults in the household. He will follow up with phone calls to any cases that look suspicious, including those from higher income neighborhoods.

PEV customers with incomes that exceed the guidelines and those that fail to respond to the PEV request after 90 days are placed in the “dead file” and removed from CARE. Any customer that failed the PEV process and attempts to reapply is automatically placed on the PEV process again, but the second time around will not receive the CARE discount until their income is verified (processing clerks automatically “pull” these customers and provide them to the PEV clerk).

Recertification

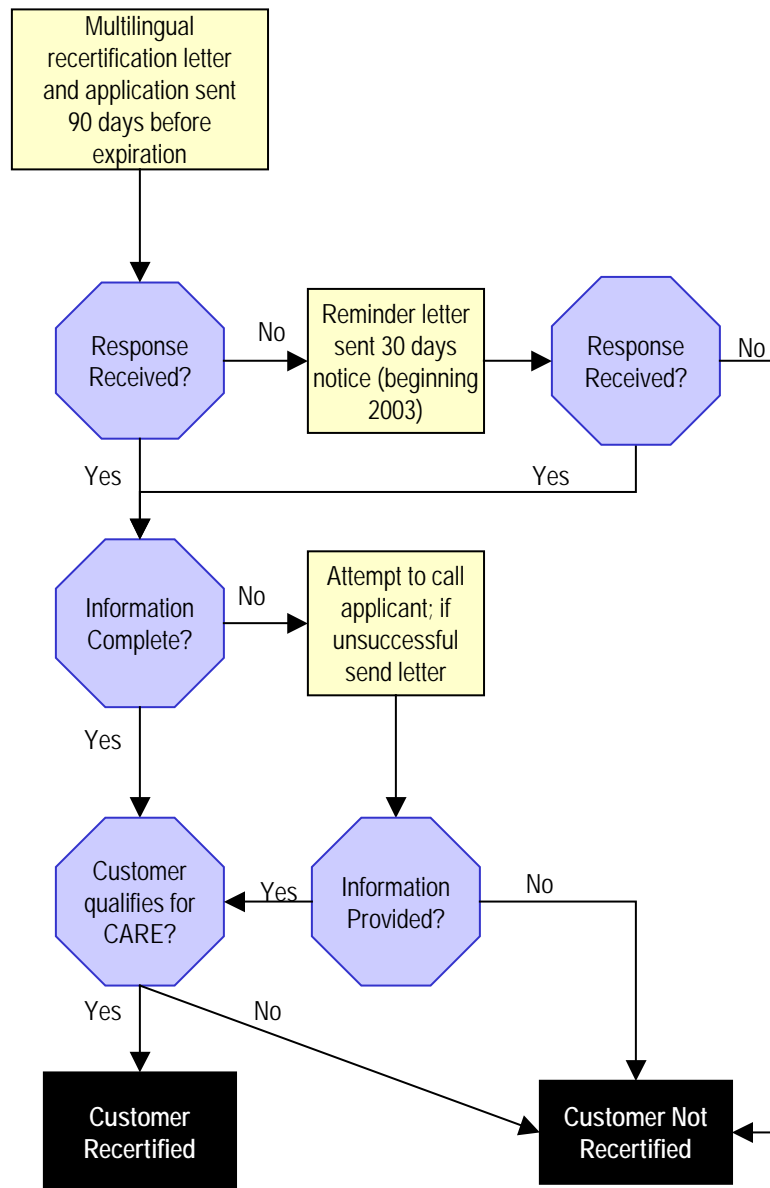
After two years on the CARE rate customers are sent a letter with 90 days notice to recertify. The application and recertification letters are generated and mailed out from PG&E’s Bill Payment Center in Sacramento.

As of June 2002 PG&E developed new forms that require that customers only sign to recertify that they still qualified for CARE; the other fields were pre-completed for the customer. The recertification letters and applications also contain information in English, Spanish, Chinese, and Vietnamese.

Customers that do not respond to the recertification are dropped from the CARE rate after 90 days. In May 2003 PG&E initiated a second reminder letter with 30 days notice.

¹⁷ The PEV follow up letter was initiated in February of 2002.

**Figure II.2
PG&E Recertification Process**



Staffing

PG&E has more than 20 full time staff dedicated to the CARE program, as well as six to 12 contractors who also assist. The administrative staff are divided into teams based on various tasks, such as mail support (opening and sorting forms that arrive), specialized programs (handling the CARE extension and sub-metered accounts), capitation/budget (handling the outreach contractors), operations/processing (data entry), and “help tickets” (cleaning up participant complaints/issues. Many of the contractors were added at the

end of 2002 and beginning of 2003 to handle the move over to the CorDaptix billing system.

There is also one employee who runs the monthly statistics for certifications and recertifications. This is done by pulling the CARE customer database into MS Access and running a number of queries to generate counts.

Sub-Metered and CARE Extension Program Participants

A special CARE expansion program team handles the non-residential expansion program applications. Once applications are processed, a certification report is sent to the CARE recipient, confirming the eligible accounts.

Nonprofit group facilities, sub-metered tenants, and agricultural facilities are recorded and tracked in different MS Access databases. A special processing clerk, with a staff of two to three, is assigned to review and approve the applications. Even before receiving the applications, however, the clerk goes through a process of pre-qualifying facilities to verify information about them (e.g., billing cycles, facility information, nonprofit status, etc.).

Recertifications are conducted annually with sub-metered and Extension program participants. Letters are generated and mailed directly by the CARE department using the MS Access databases. Applicants must complete a new application and attach updated documentation. Notification that tenants are on the CARE rate – and the proper allocation of discounts – remains the responsibility of facility managers. The CARE Extension program also offers its own direct number, facilitating communication between the facility managers and CARE staff.

Self-Reported Administrative Best Practices

The CARE staff at PG&E were not only enthusiastically committed to the Program, but also spoke about the “personal touch” they place on every aspect of administering it. They spoke about the importance of the process and helping the customer – through phone calls or personalized letters – whenever necessary:

“What I like to tell my team is that, even though sorting and filing and doing all the manual work may not look glamorous, it’s important. I always tell them it’s kind of like the foundation of CARE . . . you’ve got to take pride in everything you do, no matter what it is. So I tell them that the life of the application kind of starts and ends with us, so just for that fact we’re important.”

“It’s not until you talk to them on the phones that you hear their stories, the saddest stories, So you want to help them out.”

“When the customer is calling in concerned, saying ‘I have a problem on my account, I’m not receiving CARE’ and a Help Ticket is created, if they are or aren’t receiving CARE, we want to make sure every little aspect is taken care of.”

“We’re doing cross training as far as the processors, and we’re actually making sure everybody understands what’s going on so each person can relate with the customer.”

“We’ve had the customer actually say, ‘Oh, I just called up 15 minutes ago - wow, already somebody’s calling me back!’ And they’re happy to see that.

“If anything, we maintain our customer satisfaction Communication is key. We work hand in hand, directly with the business manager of the nonprofit or agricultural facility.”

III. San Diego Gas & Electric

Outreach Practices

San Diego Gas & Electric (SDG&E) also used a multi-faceted approach in outreaching to customers for enrollment in the CARE program. Methods have included mass and targeted mailings, radio advertising, community events, community partnerships, and the utility's internal efforts using field personnel, call centers (including a dedicated line), branch offices, Web site, and cross-program promotion.

In 2002, San Diego Gas & Electric (SDG&E) piloted using an outside contractor to do door-to-door canvassing. At the same time, they also continued previous efforts to increase penetration through mass mailings to customers, instituted a media campaign, and increased their outreach efforts at community events.

Mass Efforts

Bill Messages/Inserts. SDG&E conducted two bill inserts in 2002 to all non-CARE residential customers. The insert was an application in both English and Spanish. The Energy Notes newsletter, featuring an article describing the Program and new income guidelines in both Spanish and English, accompanied the bill insert in January/February and the annual notification in June/July. SDG&E also includes quarterly bill messages in English and Spanish to non-CARE customers. Additional bill messages may occur randomly throughout the year if space allows.

Call Center. SDG&E offers information about CARE through the customer call center. CSRs (Call Service Representatives) advise all customers requesting new service about the Program. Callers inquiring about a past-due account or high bill are also informed of the Program. Through the IVR service, customers put on hold receive information about CARE in both Spanish and English. The call center has bilingual CSRs (both English/Spanish and English/Vietnamese); for other languages, the center uses AT&T's Language Line.

Payment Centers and Field Services. CARE applications and posters are available at all bill payment offices, and field collections staff provide an application and customer assistance brochure to customers facing disconnection during the first collection call. SDG&E also places calls through a MOSAIX system (automated outbound dialing system), which offers CARE and other customer assistance programs to customers who have delinquent payments and have not made payment arrangement. Follow-up

letters offering these same services are also mailed to customers faced with collection activity and possible disconnect.

Web Site. The SDG&E site contains information on all of the available assistance programs, including CARE. Customers can download applications in Spanish, English and Vietnamese.

Media. SDG&E aired television and radio spots highlighting the CARE program in English and Spanish, and participated in a monthly Vietnamese radio program. Print media program advertising included targeted campaigns for the Vietnamese, Korean, Chinese, Filipino, Hispanic, Senior, and African American markets.

Targeted Efforts

Targeted Populations. SDG&E has used door-to-door canvassing in low-income areas in Central San Diego and community events throughout San Diego County, including many associated with senior citizens. SDG&E also targeted the African refugees, Native Americans, Hispanics and Asians. (Targeted media efforts are included above.)

CARE Expansion. As part of their outreach to homeless shelters and group living facilities, migrant and farmworker housing centers, qualified privately-owned employee housing, and qualified non-profit housing for agricultural workers', SDG&E sent a mailing to more than 800 facilities, which increased participation for non-profit organizations by 24 facilities or 3.5%. Response was lowest (no new enrollees) from the agricultural sector.

Sub-Metered Tenants. SDG&E has made presentations to complex managers and tenants in apartments and mobile home parks to inform them of SDG&E's low-income assistance programs. In fall 2002, SDG&E noticed a higher than normal attrition rate during the annual recertification process for sub-metered facilities. As a result, they sent a personalized follow-up letter to the managers of sub-metered sites explaining how many tenants were lost through failure to recertify, and encouraging them to educate their residents about CARE (and reminding them it is required by law for them to inform their tenants about the Program). With the letters, they included additional applications and posters.

Leveraging Community Contacts. Some CARE positions at SDG&E (e.g., those in customer assistance) were newly created in 2002. The new positions have allowed SDG&E to focus on building stronger relationships with businesses and community and government agencies and to form new partnerships throughout the community.

Capitation Contractors. SDG&E, like the other utilities, has used outreach contractors to enhance CARE enrollment. Capitation contractors, however, only represented 9% of new enrollments in 2002. Staff reports that increasing enrollment through these contractors has been a challenge, believing that

integrating CARE into the agencies' business and high staff turnover contribute to the issue. In addition, staff felt that the \$12 incentive is not enough to motivate workers to do more. Generally, however, the SDG&E staff believed the capitation contractors filled an important niche:

"I think [capitation contractors] are a good idea. I don't know that they're an important component, but it's nice to have them. If an agency has a contract and they're working with low-income people and are able to sign them up for CARE, kind of that one-stop-shop mentality, I think it's good. I think the numbers [enrolled] aren't that great, but it's access. As long they have access to provide that service, we're going to get a few customers that we might miss otherwise."

In an effort to reach the CPUC goal of 100% penetration, SDG&E doubled the number of contractors in 2002 over 2001. SDG&E also publishes a quarterly newsletter called "Outreach around the Region" that it sends to Community Based Organizations (CBOs) and government agencies to highlight its programs and services.

Other Community Alliances. SDG&E mails applications to individuals on the LIHEAP payment lists who are not participating in CARE. Staff have begun to develop partnerships with organizations of senior citizens (reflecting the service territory's demographics) and a credit counseling service. SDG&E has also provided posters and application stands to more than 200 businesses and community and government agencies, including the armed forces.

Leveraging Internal Programs

SDG&E leverages CARE with other utility outreach efforts by providing information, applications, and sometimes staffing for these efforts (e.g., Downstream Lighting Program, which targets seniors; Lighting Turn-In, Multi-Family Rebate Program; Del Mar Fair exhibit). SDG&E's Direct Assistance Program (DAP) provides enrollment services to all CARE-eligible customers during in-home weatherization visits. In addition, the Energy Education for Low Income (EELI) program provides CARE enrollment service stations to all customers attending the energy education classes. CARE applications also include Low Income Home Energy Assistance Program (LIHEAP) and DAP toll-free phone numbers for customer use. Additionally, SDG&E provides information on CARE customers who have not received weatherization services to the weatherization contractor.

SDG&E has also followed up its Mail-In Energy Audit with a mailing of applications to those who returned audits and are not already enrolled in CARE.

In addition, employee education about CARE and other customer assistance programs was conducted throughout SDG&E's territories for collectors, energy technicians and branch payment employees. This education was

provided so that employees who speak with customers regularly would be informed on the Program and could refer customers to it as appropriate.

SDG&E's Public Affairs and Community Relations departments have assisted CARE outreach by sending out CARE brochures and providing agency partnership and/or community event opportunities.

Most Effective Outreach Methods

For SDG&E staff, there was no clear consensus on one most effective method, rather staff had a range of views of what works best.

Bill Inserts. The company sees the largest amount of returned applications from bill inserts.

Community Alliances. One of the members of SDG&E's outreach team identified a strong relationship with the community as the most effective method of outreach:

"I think what works the best is . . . because it's a small community, the history of this department . . . is they have a lot of connection with the community, either through the agencies or through the community based organizations."

Call Center. Two staff members felt that the call center was one of the most important methods of outreach; another perceived the inserts and the call center as most effective. Gaining knowledge of its effectiveness is easier because call center applications can be tracked, unlike some of the other methods, such as those resulting from media campaigns.

Door-to-Door. Door-to door canvassing by community organizations was seen as effective, particularly in reaching targeted hard-to-reach populations.

Capitation Contractors. Using contractors was seen as very effective in getting CARE information to the hard-to-reach population:

"I think that the community-based organizations are a benefit to us because they are in areas that are hard to reach and they have a better relationship with our customers in those areas. The customers are more comfortable talking with those organizations. So I think that is a good outreach tool for us."

Source Tracking

Tracking the source of a given enrollment method is difficult. As a result, determining the effectiveness of individual outreach efforts has proved challenging. Staff felt that Rapid Deployment forced them to "just start doing things" without a means of determining what was most effective. A number of sources, however, were tracked by codes, including capitation contractors

(tracked by agency for reimbursement requirements), newspaper applications, outreach events, and direct mail pieces. In addition, different application forms are color coded – applications from bill payment offices are purple, bill inserts are dark blue, other company outreach applications are green – allowing for tracking the gross number received. These are recorded in an Excel spreadsheet; however, the net number (those successfully enrolled) is not tracked by source in the spreadsheet.

Changes in 2003

- Refresher courses for Customer Contact Representatives (CCRs) at branch offices
- Holding enrollment events during peak hours at Authorized Payment Locations and updated posters highlighting CARE for these locations
- More targeted media approaches, including using bus benches in key areas
- Door-to-door canvassing in hard-to-reach low-income areas
- Implementing strategies to assist capitation contractors in reaching goals set for annual enrollments
- Quarterly meetings to help to motivate contractors, share lessons learned and to discuss most effective outreach methods
- Redesign DAP form to include a line that notes customer, in signing the form, also authorizes enrollment in CARE (to allow the automatic enrollment into the CARE program)
- Continue inter-utility CISCO enrollment with Southern California Gas
- Evaluate and enhance new displays and videos for community organizations
- Greater outreach to Native American population
- Expanding and automating the use of source codes
- Designing a direct mail campaign in August 2003 to 40,000 customers in targeted low-income areas
- Change sub-metered recertification process by informing tenants that they must recertify. Complex owners/managers will be notified of the changes and will be given CARE applications for any new tenants that may qualify for the Program.

Outreach Insights Gained/Current Issues

Capitation Contractors

- Given the difficulties of increasing enrollments from the contractors, another approach is needed. In the past, SDG&E staff made presentations at each agency. The goal in 2003 is to bring agency representatives together by hosting an open house to discuss questions and issues, introduce the SDG&E application processors, and move toward developing a closer working relationship.
- While not a large part of the outreach effort, the capitation contractors are one of many mechanisms useful in contacting hard-to-reach CARE-eligible customers.

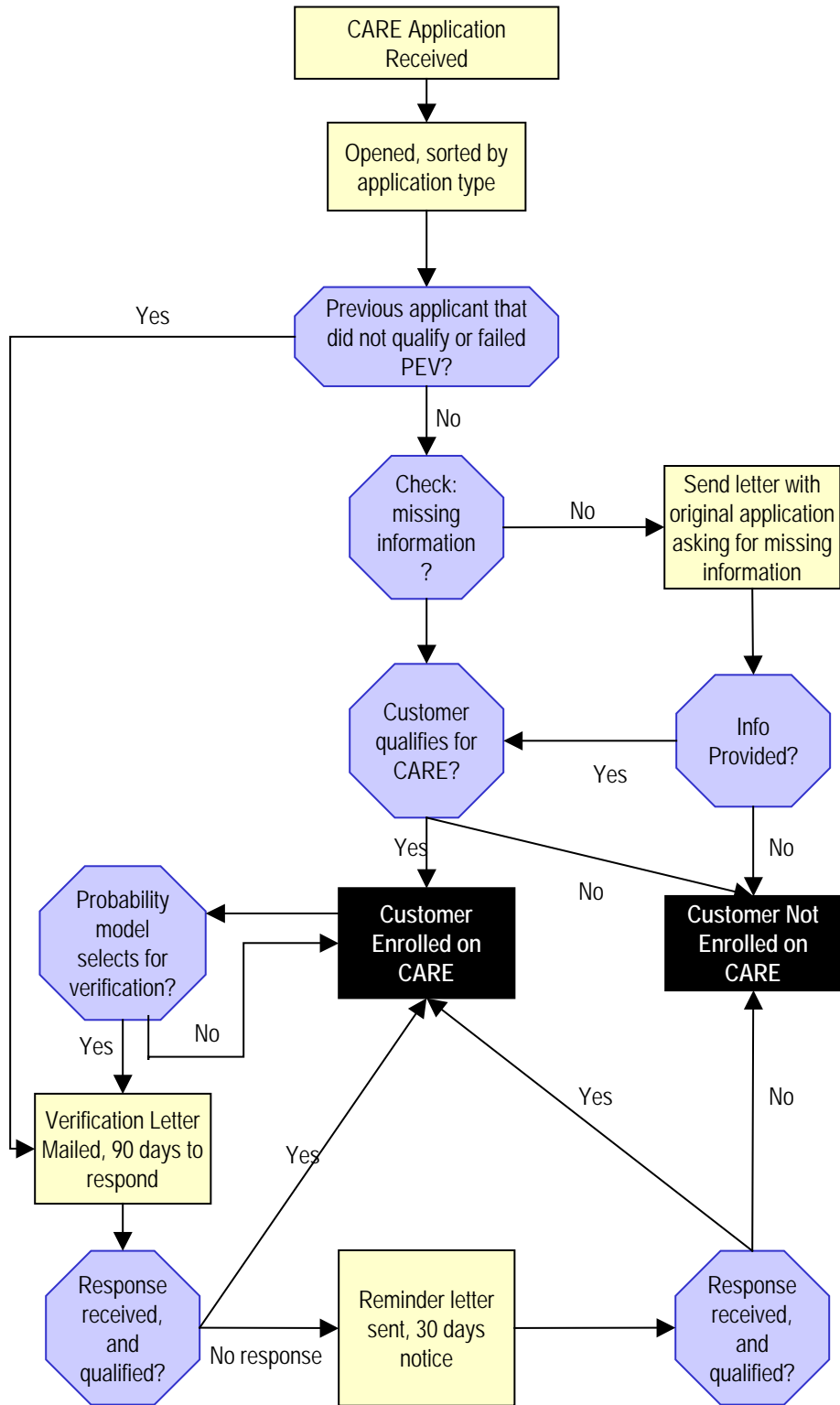
Source Tracking

- At one point in the past, the call center staff tried asking each customer who called for CARE information how they heard about the Program. Few customers could remember. Staff, however, want to try again immediately after a media campaign to see if they can track some percentage of inquiries directly to a specific effort.
- The current newspaper application form is too small so, while tracked if sent in as is, many customers are seeing it but calling in for a regular application form (which are harder to track to enrollment). Thus, redesign is needed for the newspaper form.

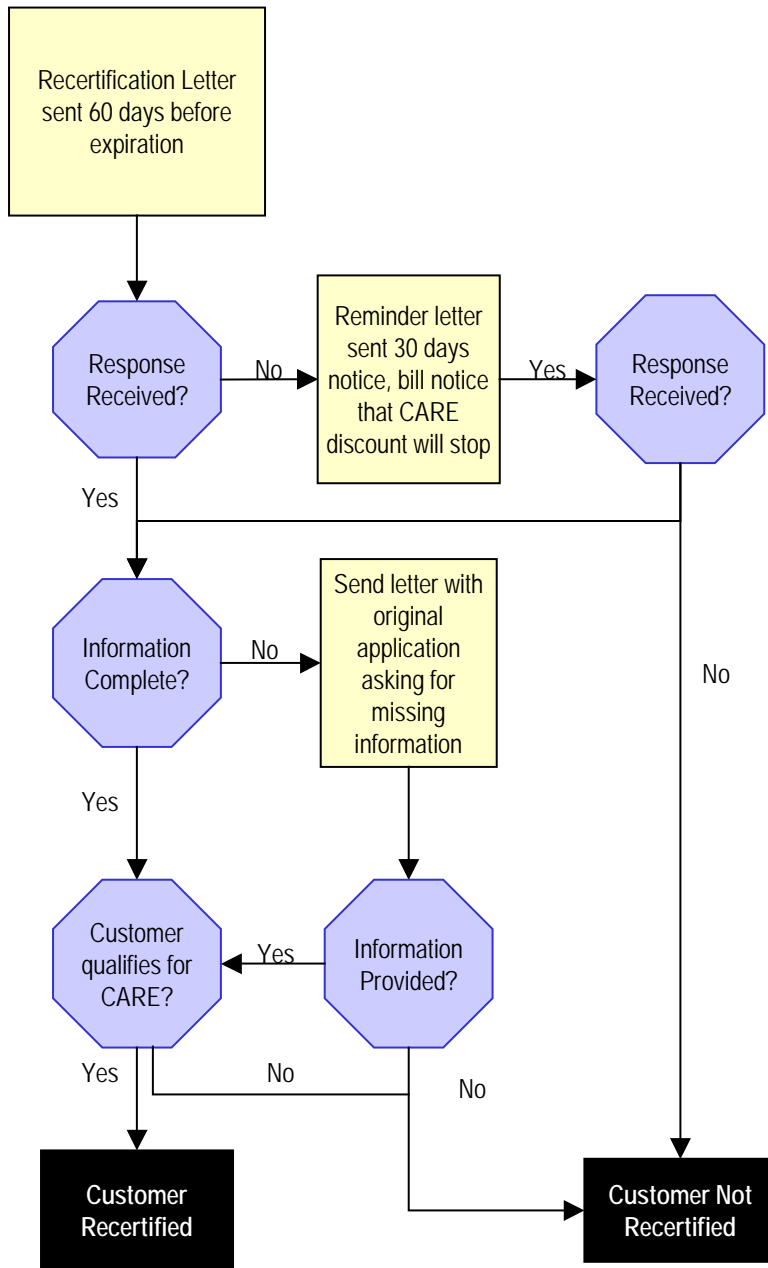
Administrative Practices

The enrollment, verification, and recertification processes are displayed graphically in Figures III.1 and III.2 and are described below.

**Figure III.1
SDG&E Enrollment & Verification Process**



**Figure III.2
SDG&E Recertification Process**



Enrollment

Customers requesting an application from the call center receive a letter and a standard CARE application.¹⁸ Currently, applications are mailed through a fulfillment house located in San Diego County. In 2003, SDG&E hopes to lower costs by adding all applications on line and having them printed and mailed from the Monterey Park facility, which is where the bills and payments are processed.

Returned forms are opened by and sorted by type (application, recertification, verification), a tally of the number that come in each day is made and recorded in a spreadsheet. As discussed above, applications are also color coded and tallied by those that come in from different sources (e.g., outreach contractors, bill inserts, company outreach,).

Applications or recertifications with missing information are pulled aside, tallied, and entered in the customer billing system (CISCO), recording what information is missing in a memo field. A letter, highlighting the missing information is then printed. The letter, which is printed downtown, is delivered the next day to the CARE office, where it is included with the original application and mailed to the applicant.

Those that are complete are entered manually into the CISCO database. The processing clerk verifies that the account is active, the rate is eligible, and that the customer qualifies.

Under perfect conditions, processing staff indicated that it takes approximately 30 seconds to one minute to enter each application into the system, or about 50 to 60 per hour.

SDG&E also received CARE participant lists from SCG in spring and fall 2002, successfully auto enrolling 703 of these through the inter-utility enrollment program. These customers – who were manually entered into the SDG&E database – were sent a notice that they were enrolled on the CARE rate. Approximately 13 of these chose not to participate.

Customers on the CARE rate see the 20% discount as a negative number on their electric bill (i.e., a reduction of their actual bill). For gas, however, the CARE rate is a separate tariff, so the discount is displayed with the text “Reflects a CARE Discount of . . .” with the actual amount shown (as a positive number).

¹⁸ For 2003 SDG&E plans to customize the requested applications to have customer name and billing information pre-completed.

CARE customers who move within the SDG&E utility service territory remain on the CARE rate and are not required to reapply. In addition, moving does not impact the recertification date.

Verification

SDG&E has programmed the billing system to randomly select a percentage of CARE customers for the PEV process. The selected participants are then run through a probability model that attempts to identify those customers most likely to not qualify for CARE based on a number of variables, including Claritis MicroVision codes (48 socio-demographic segments assigned to zip + four codes), monthly kWh usage, home ownership, and years in residence. The model has a cutoff point of 85%, meaning that if the customer's probability of being qualified for CARE is determined to be 85% or greater, then the customer is not asked to verify income.

In 2002, 6% of all applicants were asked to verify their income. These customers received letters in English asking for income documentation. The phone number on the verification letter has been for the call center, but in 2003 will be changed to go directly to CARE since staff estimate that 80% of the calls are escalated to the CARE department anyway. System enhancements are planned for 2003 that will mail all verification applications in English and Spanish.

SDG&E conducted a follow-up telephone study with PEV participants from November 2001 through December 2002. The study was conducted informally with approximately 50 customers per month who did not respond to the PEV request. The study found that over two-thirds of the customers thought they still qualified for CARE but either had not remembered receiving the PEV request or had simply been delinquent in returning it. Approximately 25% of the respondents said they no longer qualified and therefore did not return the form. For customers who stated that they still qualified, SDG&E reinstated the CARE discount and provided the opportunity for them to submit income documentation. For the first eight months, SDG&E tracked the progress of those customers: Of 238 customers tracked, 31 were income qualified, 29 were removed ineligible and 178, (75%) were still removed for no response.

SDG&E also conducted three focus groups in November 2002 with the following:

- CARE participants who completed the PEV process
- CARE participants dropped by not completing the PEV process
- Spanish speaking CARE participants dropped by not completing the PEV

The study found that most of the English-speaking customers were dropped because they no longer qualified for the Program. Spanish-speaking customers were less likely to recall receiving the verification letter. Many of those customers who recalled receiving the letter stated having difficulty understanding what information to send and were consequently dropped from the Program.

The SDG&E processing clerk requires proof of income from all adults in the household, and, if this is not provided, will call the customer and request this information. If one adult member of the household is not working (e.g., a student or housewife), the clerk normally accepts a signed letter from them stating their status.

Recertification

The CISCO system automatically generates the recertification letters in English (with a Spanish footnote) after two years on the rate. The customer receives the letter plus a recertification application, which looks similar to the original application but is titled Recertification and is a different color.

Customers that do not respond to this letter receive an additional reminder 30 days before the scheduled recertification date. Both of these letters have a notice on the outside of the bill that says “Important information about your bill.” Changes are being made in 2003 that attempt to convey the importance of recertifying by stating an average amount that CARE participants save. The letters will be mailed in both English and Spanish.

In addition, SDG&E includes a bill notice on the last bill before the CARE rate expires that says, “Your CARE discount will stop effective your next billing period.”

Staffing

The SDG&E CARE Program is directed by a Manager who splits her time between two Sempra Utilities (SDG&E and SCG). There is also a Program Manager and two Associate Program Managers who are full-time on the Program. One of the Associate Program Managers supervises the staff of five processing staff. One staff member serves as an Energy Program Advisor, or the liaison to the PUC. Finally, there is a Manager of Strategy and Outreach that splits her time between CARE and other customer assistance programs across SDG&E and SCG. Other personnel are charged to the Program as support is provided.

Sub-Metered and Expansion Program Participants

For sub-metered applicants who meet the guidelines, an approval letter is sent out to both the applicant and the manager/owner of the property. If denied, a denial letter is sent to the applicant/tenant.

Recertification applications are mailed annually to the property manager/owners. Tenants then have 90 days to recertify their eligibility. Managers/owners are sent confirmation of recertification or termination from the Program. In 2003, SDG&E has implemented changes that will notify tenants of the recertification process. The tenants will be sent reminder notices and will be given 60 days to recertify.

Non-profits and homeless shelters that wish to participate as part of the CARE expansion program are asked to complete an application, attach proof of 501(c)(3) status, and include copies of a current business license or a signed letter stating the purpose of the organization. Once approved, the applicant is enrolled for the next billing cycle.

Agricultural facilities are required to provide either a contract with the Office of Migrant Services stating that the facility is authorized to provide housing or a current employee-housing permit issued by the State Department Housing and Community Development. If the facility is Housing for Agricultural Employees, the applicant must send the federal 501(c)(3) form and a current copy of local property tax exemption form.

Expanded CARE customers must recertify their eligibility annually, plus state how the CARE discount was used to benefit the residents of the facility.

Self-Reported Administrative Best Practices

A number of SDG&E employees discussed their dedication to minimizing attrition as their most notable strength. They highlighted the use of two reminder letters, a notice on the envelope, and the use of bill messaging used to minimize the loss through recertification. One respondent stated:

“We try to recertify the customer and keep them on the rate, versus having them then drop six months later because they don’t understand what’s being asked. Or maybe they didn’t get the recertification letter. Whatever the case may be, we really try to keep them on the rate whenever possible.”

A number of SDG&E employees also cited the use of the probability model to identify PEV requests as a real strength. They pointed out that, while they want to eliminate fraud, they also do not want to discourage qualified customers from participating because of a burdensome income documentation step. They see the probability model as a way to limit the PEV step to those that are most at risk of not truly qualifying for the Program:

“It’s actually a fantastic way of trying to eliminate unnecessary verifications for people who have a good likelihood of qualifying anyway based on the information that we have. And eliminate them not responding because they don’t understand. Most of them are in the language barrier area.”

IV. Southern California Edison

Outreach Practices

Southern California Edison (SCE), like the other utilities, uses a variety of methods to get the CARE message out to their low-income customers. Methods have included mass and targeted mailings, radio advertising, community events, community partnerships, and the utility's internal efforts using a call line and dedicated line, branch offices, Web site, and cross-program promotion.

Mass Efforts

Bill Messaging/Inserts. A CARE message, in both English and Spanish, is included on non-CARE customers' bills four times per year. In June of each year, a postage-paid CARE application is inserted in all non-CARE residential bills. An article on CARE is also included in the company's newsletter, Customer Connection, which goes to all customers.

Call Line and Dedicated Line. SCE provides information on CARE through menu options on the company-wide IVR system. At other times, specifically tied to promotions, an automatic message can be added to the system to remind every caller of CARE and how to get more information (menu option). Once the customer is into the CARE Line, the menu information is available in both English and Spanish. SCE has also added a dedicated line for the CARE program. By doing so, customers are relieved of having to move through the menu options regarding all programs and get information directly about CARE. On the CARE application itself, customers are also provided specific phone numbers to reach an SCE representative who can speak with them in Cambodian, Chinese, Korean, Spanish, or Vietnamese.

All CSRs at the Customer Communications Organization (call center) are knowledgeable about CARE and able to answer questions about the discounted rate. When a customer calls in to request service, transfer service, or discuss payment arrangements, the CSR informs that customer about the CARE rate. The LIEE call center, however, determines if the customer is a likely candidate (based on geographic location, job title, other) and, if applicable, inform them about CARE.

There is also a quality control group that monitors calls and makes sure that CARE is being properly presented and offered. Customers who call to request information on any of SCE's low-income energy assistance programs are also screened for CARE and, if not currently enrolled, offered information.

Web Site. CARE information is available throughout the company Web site. Customers can download applications in English and Spanish.

Media. SCE conducted both English and Spanish radio campaigns to increase awareness about the CARE program. At least one of the English/Spanish ads provided cross-program information, with details about CARE, energy efficiency rebates, and the Medical Baseline program.

Payment Centers. Informational posters describing how to request an application are at all authorized payment agencies.

Targeted Efforts

Targeted Populations. SCE has targeted CARE outreach to low-income seniors, CBOs, and hard-to-reach ethnic and rural populations.

Direct Mail. SCE has conducted both a direct mail solicitation and a shared mail effort (where the information goes out with other mail, such as ad bill advertising) in 2002. The direct and shared mail campaigns utilized the SCE geo-demographic database and appended it to third-party databases (e.g., Claritas or Axiom) to estimate household income. Using these sources, SCE staff has screened customer households for income and targeted mailings to under-penetrated zip codes.

Media. Media efforts have focused largely on targeting underserved populations. For example, to reach Hispanic customers, SCE aired multiple CARE spots on a popular Hispanic sports radio station during the World Series.

CARE Expansion. SCE is continuing to identify ways to reach group living facilities and agricultural employee housing.

Sub-Metered Tenants. SCE staff feels that there may be reluctance on the part of mobile home park owners and/or managers to administer CARE. To address this, SCE developed an improved package of written materials for mobile home park owners/managers and provided this package when the annual required CARE reapplication of tenants was requested by SCE. The package included information on specific legal obligations the owners/managers need to comply with in providing CARE benefits to tenants, as well as a question and answer list to further clarify Program procedures. Managers/owners of mobile home parks may also phone in to SCE for assistance.

Leveraging Community Contacts

Capitation Contractors. Community-based contractors assist customers in completing a CARE application at the time they receive other services from that agency for which they are eligible. SCE also reaches out to potential

contractors by telling them about the options to become a capitation fee contractor when they contact the utility for information about CARE. Capitation fee contractors, however, only resulted in 3% of the SCE new enrollees for 2002.

Other Community Alliances. SCE has also worked with faith-based organizations, county health and human services departments, cities, schools, trade associations, and others (“Strategic Alliance Outreach”). For example, SCE worked with the Catholic Charities and Dioceses to distribute CARE applications.

SCE staff has worked with regional centers that support persons who are permanently disabled, with the American Red Cross’s Companion Corps and Meals on Wheels, hospitals (staff present quarterly at Hospital Association meetings), the Department of Aging, the Braille Institute, and others. At a minimum, each receives a mailing on SCE programs once per year.

Leveraging Internal Programs

SCE administers CARE, along with Low Income Energy Efficiency programs, through its Energy Efficiency Division. This division is part of a bigger business unit called the Customer Service Business Unit (CSBU). CSBU serves as the lead organization in the implementation of CARE through a cross-functional approach. Administering the Program and getting the information out to customers, however, has been built into the overall corporate business strategy. The goal is to provide support to each organization to allow them to implement CARE wherever possible. Thus, many organizational units share some part of the effort to get the CARE message to eligible customers.

SCE’s Consumer Affairs administers the Energy Assistance Fund (EAF), a program providing assistance with paying winter energy bills. Enrollment in EAF includes enrollment in CARE. Other areas of the company provide support for various aspects of CARE. These include:

- CSBU’s Market Research assists in targeting customers by providing demographic profiles
- CSBU’s Customer Communications and Market Management develops the marketing strategy and implementation plan
- Corporate Communications works to ensure frequent, timely and multi-faceted media contacts
- Public Affairs assists with targeted outreach to city and county governments
- The Small Business group assists by developing relationships with employers that results in efforts such as check inserts and distributing applications at employee meetings

- CSBU's Process Service Improvement organization provides support with Information Technology changes and enhancements.
- Credit and Collections identifies seniors and disabled and refers these customer names to Consumer Affairs, which then informs them of payment options, including CARE
- Equal Opportunity/Supplier Diversity was the driving force behind the development of working relationships with faith-based organizations
- SCE's affinity groups – volunteer employee groups that go into the community – donate weekends to attend events or promote CARE as part of their volunteer activities.
- The SCE sponsored Cool Center Project provides places for low-income seniors and disabled persons to go during extreme weather in lieu of using their own air conditioning. At these sites, customers can learn about energy efficiency and other low-income programs. Site contractors promoted CARE at each of the centers, and most subsequently became CARE capitation contractors.
- Through the utility's Partners for Hope program, staff train social service workers or case managers in area hospitals about the available programs and encourage them to sign up eligible customers.

Inter-Utility Auto-Enrollment. SCE has collaborated with SCG, electronically sharing CARE participant data to enroll customers in each utility's program. In 2002, 10% of the SCE new CARE enrollments came from data sharing with SCG. SCE also began discussions with Southwest Gas Company to do the same sort of sharing, and expects to implement this project in 2003.

Most Effective Outreach Methods

As with some of the other utilities, there was no clear consensus among those interviewed that there was one most effective method for outreach: some are effective at increasing the total number of participants and others for achieving other goals (such as getting to the hard-to-reach populations).

Bill Inserts. For absolute numbers of enrollments that the utility could track, the bill inserts have been the most effective.

Direct Mail. Several staff believe that the direct mail efforts have been the most effective method after bill inserts.

Face-to-Face Contact. One staff person noted that staff doing "face-to-face talking about CARE" is the most successful way to enroll people, especially ethnic populations and other hard-to-reach customers.

Developing Partnerships. For one staff person, establishing partnerships that promote one-to-one relationships works best. This was seen not as specific to CARE, but with all Program outreach. In partnering with agencies in the communities, agency staff become comfortable coming to SCE whenever they have an energy-related issue, such as a customer without power, or a customer that needs to be put on the CARE rate, or other issues.

Source Tracking

SCE has made substantial progress in terms of source coding new enrollees. They have developed an eight-digit source code, where the first two digits indicate the general source (e.g., capitation contractor, direct mail, data sharing, etc.), and the remaining digits can be used to code specific agencies or campaigns. Many of the applications now have source codes, and in 2002 the utility was able to track about 40% of enrollees using source codes. This percentage is expected to rise in 2003 as they develop new source codes. In addition, the tracking system is automated so that they not only determine the gross number of applications, but also the percentage that were successfully enrolled.

Changes in 2003

- Test use of self-enclosed envelopes with applications (for privacy) versus tear-off-mailer and assess differences in response rates
- Cooperative effort with other utilities to implement CARE message on grocery bags from food assistance programs, inserts in government assistance checks, and similar methods
- Translate all support materials into five languages
- Standardize templates that all departments will use to maintain a consistent CARE message throughout the organization
- Create an Event Tool Kit so that, at events, customers will be supplied with an enrollment form (which is actually a brochure with a tear-off, postage returned application), and Questions & Answers flyer; these will be supplemented by table-top poster displays with “take-one” function
- Create a CARE Showcase Presentation to use as an educational tool for CBOs. The presentation will include: cover letter, CARE Overview Guide, explanation of Event Tool Kit, and Capitation Program flyers.
- Expand Targeted Efforts -
 - Test placing door hangers with applications in under-penetrated zip codes.
 - Print ads for the Asian markets, including Chinese (Mandarin, Cantonese), Korean, Vietnamese and Cambodian.

- Radio and print ads for the African American market
- To maximize the CARE budget, SCE has concentrated their efforts in 2003 into two “drive” (promotional) periods. Layered strategies are used, including bill insert and targeted media – ethnic radio and advertising – so that “customers will be touched with the CARE message multiple times with a variety of means during this time.”

Outreach Insights Gained/Current Issues

Web Site

- Staff note that, while the target populations probably underutilize the Web site, it is a useful tool for reaching friends and families of eligible customers.

Targeted Populations

- SCE has yet to define the most effective means of multilingual communications.
- Additional target groups remain, such as low-income customers in all-electric homes, and SCE is continuing to define these populations and develop methods, such as direct mail, to reach them.

Direct Mail

- The response rate for the direct mail campaign was 5.3%, higher than expected, and the CARE approval rate (of those who responded) was 73%.
- Cost per response (\$12.07/response) of direct mail was very close to the capitation incentive paid to contractors (\$12.00/response).
- The shared-mail approach was much less effective (and more costly) than direct mail. Many of the households in targeted areas received both, and a larger percentage of shared mail target households were not eligible or were already on the CARE rate.

Capitation Contractors

- A few of the contractors appear to be successful while others seldom enroll customers. SCE is working to define the characteristics of these agencies and their clients enrolled in CARE, to identify the reason some agencies (type, location, populations served) are more effective. Determining this information will allow SCE to better target agencies to solicit as contractors.
- SCE is interested in fostering communication with and between outreach contractors. SCE would like to promote more sharing of “best practice” approaches.

Administrative Practices

As with their outreach practices, SCE has mobilized multiple members of the utility to administer the CARE program: they have “tapped the expertise” from within the company, leveraging the skill sets of other departments to lower the CARE administrative costs. For example, the billing department is responsible for opening and sorting applications. The CARE enrollment, verification, and recertification processes are displayed graphically in Figures IV.1 through IV.3 and are described below.

**Figure IV.1
SCE Enrollment & Verification Process**

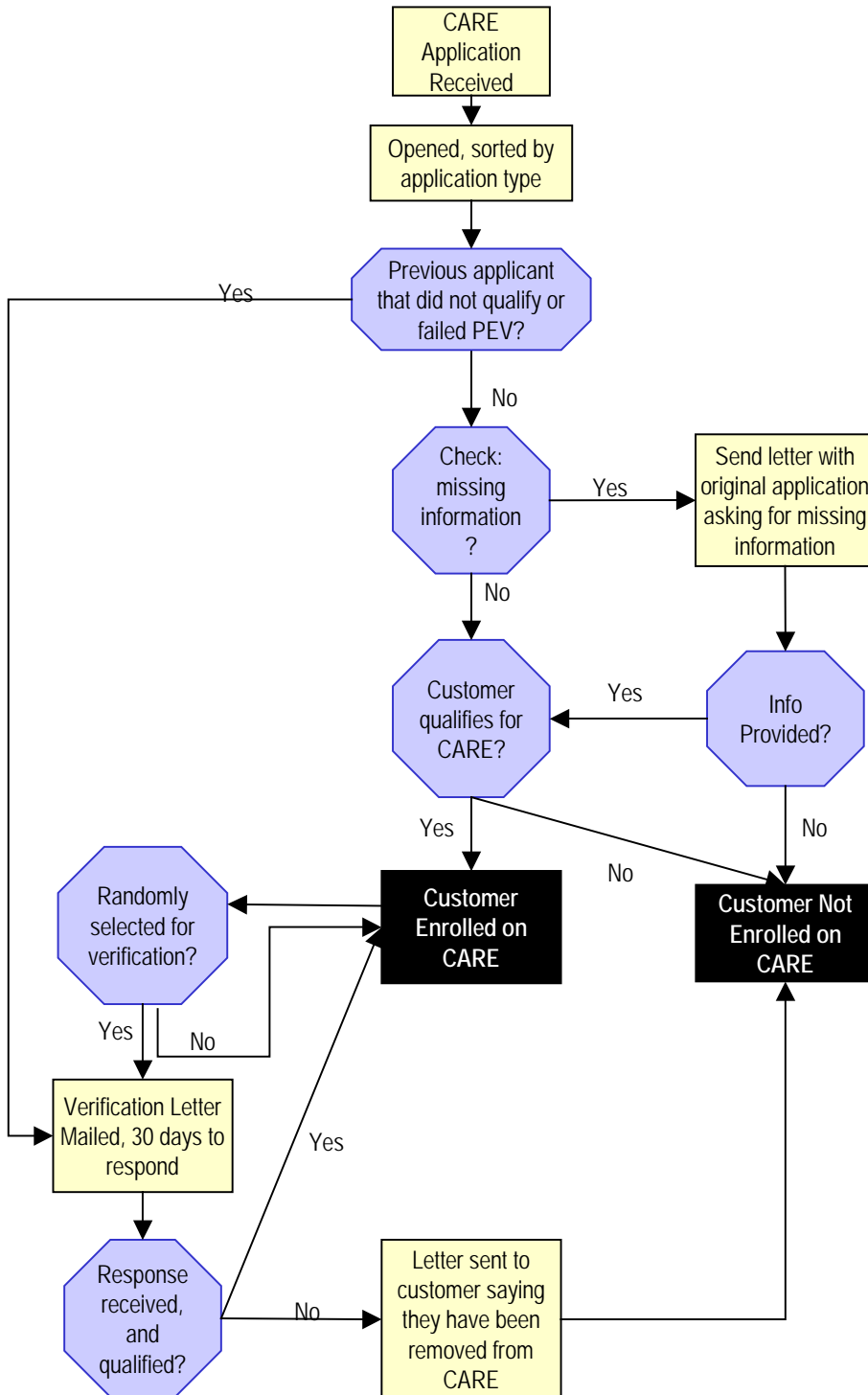
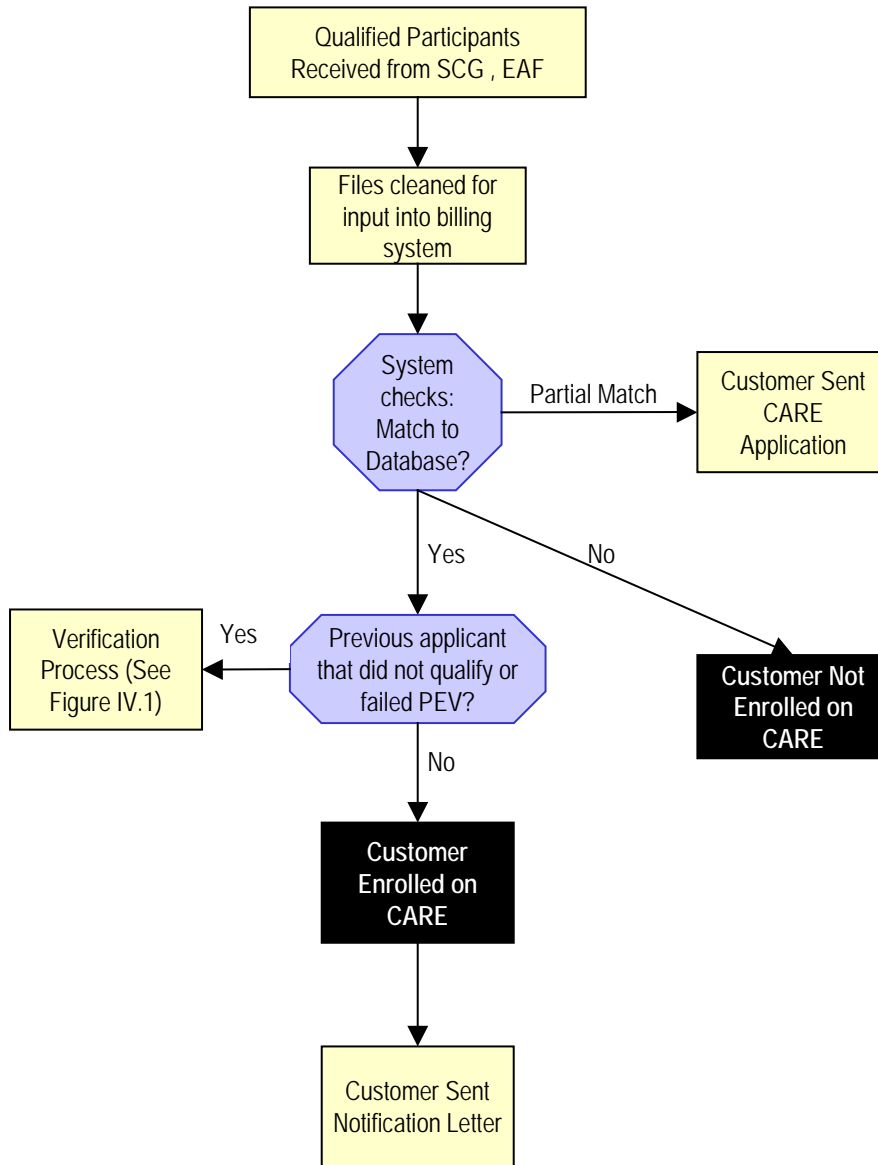


Figure IV.2
SCE Inter-Utility Automatic Enrollment Process



Enrollment

The person handling the call generates requests for applications that come into the call center. The CSR generates a request that is sent to an administrative group that then mails the application. This is normally conducted through a Customer Work Order (CWO), but there is an intranet system to process these requests as a backup.

The clerks at the Billing Processing Organization (BPO) are responsible for opening and sorting the mail as it arrives. All mail is sorted by form

(application, recertification, verification), bundled in stacks of 100, and dated (so that they can be processed in the order that they arrived).

The forms are visually checked for missing information. Any customer with missing information receives a letter, their original application, and a request to supply the missing information. This is a standardized letter with check boxes where the processing clerk can simply select the information needed. The form letters are generated one at a time (automatically filling in the customer name, address, and account number) and manually folded and placed in the envelopes. The processing clerk notes the account with the reason why the application was being returned and also updates the source code (if given) to select the reason for the return/denial.

The processing clerks first check to see if new applications are from previous applicants that did not qualify or failed income verification in the last 12 months. Those that were previously denied are automatically entered into the PEV process.¹⁹ Duplicates are also rejected from the application process unless they fall within one month of the recertification date.

Those applicants with complete information who meet the income qualifications are then entered onto the CARE rate through a “CARE Function” screen of SCE’s Customer Service System (CSS). The processing clerk enters in the type of income and number of people in the household, and the system automatically enters the last bill date and puts the customer on the CARE rate.

The processing clerk also enters the source code for the application. There is a drop-down menu containing the source codes for each direct mail campaign, outreach contractor, bill insert, etc., and these are organized by general category (direct mail, outreach contractor) to save time. Clerks can also enter in the number manually and the system will check to make sure the code is valid. The processing clerk enters the customers phone number (if not in system), date application was signed, and selects “approved” bullet to place customer on CARE rate.

The processing clerks estimate that they can complete approximately 50 applications per hour.

Customers are also enrolled through inter-utility automatic enrollment with SCG. SCG sends participant files electronically (via FTP) to SCE, where the IT department screens the data for active, residential accounts. Those customers with clean “matches” are manually enrolled on the CARE program and sent letters of notification. For those customers without a match of name and address, SCE sends out a letter and an application. For those customers

¹⁹ The billing system also automatically checks for those that were denied enrollment in the past 12 months.

with high level, but not perfect matches (e.g., missing apartment number), and poorer matches (e.g., same address but different name of customer) are sent a letter and an application to enroll in the CARE program.

Customers that are on the CARE rate do not actually see the discount on their bill, but see their rate listed as “D-CARE” where it appears under the energy charge as “CARE Baseline” and “CARE Non-Baseline.”

CARE customers that move within the SCE service area can remain on the CARE rate when they move, as long as SCE is informed of the turn-on order for the new address at the same time they request the turn-off order at the old address. If there is a “break” in this timeframe, the customer is removed from CARE and must reapply. A system enhancement is planned in 2003 that will transfer CARE to a new address if the turn-on order is requested within 30 days of the turn-off order. With this enhancement, moving will not impact the recertification date.

Verification

The billing system automatically generates verification requests each day. Annually, this accounts for approximately 1% of all SCE CARE customers. The system automatically prints form letters and sends them to a local printer in the customer-billing department. The billing staff manually fold and stuff the letters in envelopes and mail them to the selected customers.²⁰

When the information is received, the processing clerks go through it to verify that income information is received from all adults in the household. Those missing information from some adults are sent another letter asking for the missing income information (and the deadline is extended). The processing clerk notes the account with information as to why a customer qualifies, is denied, or why additional information is needed and what was actually received from customer. The SCE staff indicated that this is a strict, rigorous process whereby any adult reporting “no income” needs to prove this with an EDD (California withholding) form or a tax return from the previous year.

Those customers that do not reply to the PEV request within 35 days are sent a letter notifying them that they have been removed from the CARE rate. The generation of the letter – and the removal from CARE – are conducted automatically through a customer information system. Customers that fail PEV are also removed from the rate and sent a letter, although this process is done manually. In addition, customers with CARE discounts over \$100 that

²⁰ In 2003 the automated mailing operation run by Information Technology that handles billings will begin sending these forms.

fail PEV are back-billed for the total discounts over the last 12 month period; customers with discounts under \$100 that fail PEV are not back-billed.²¹

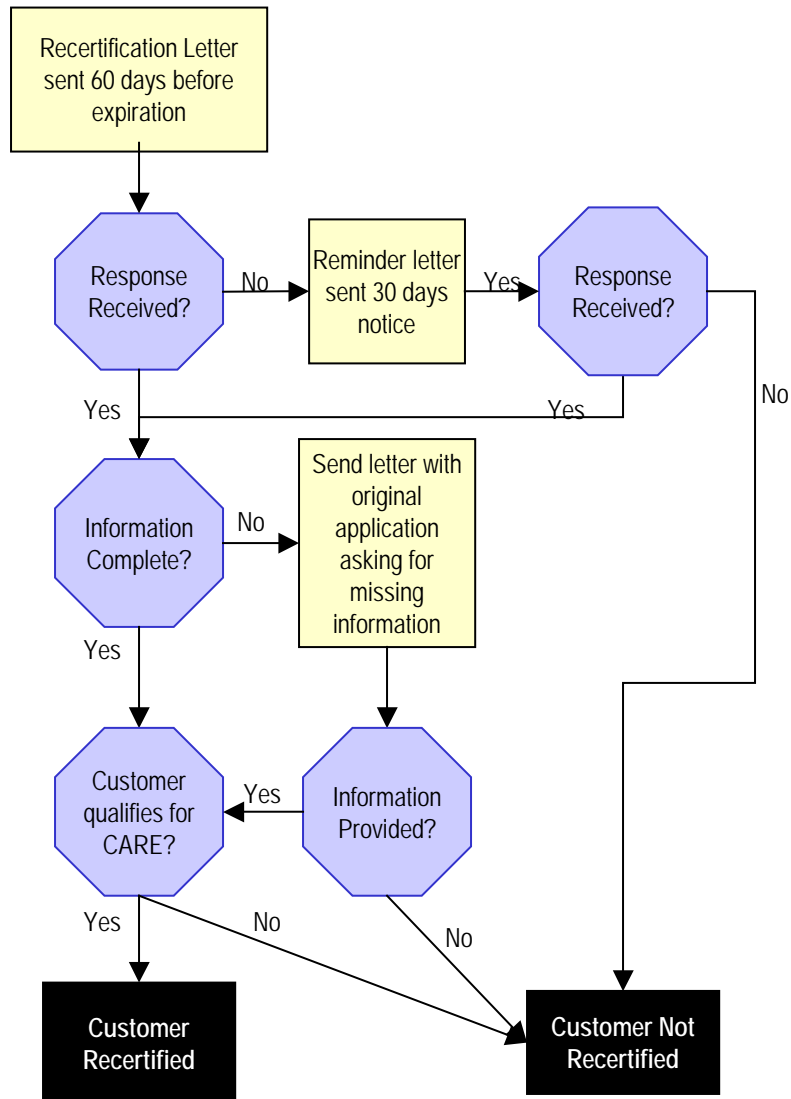
Recertification

The billing system automatically generates a recertification request letter for those that have been on CARE for two years. The letters and recertification applications are mailed from an automated mailing operation run by Information Technology. The first letter is sent 60 days before the scheduled recertification date. If the customer does not respond to the first letter within 30 days, a second letter is sent out with 30 days notice. If the customer still does not respond they are removed from the CARE rate.

The form itself is basically identical to the original application, with the accompanying letter clarifying the purpose for recertification.

²¹ This policy, however, is currently under review.

**Figure IV.3
Recertification Process**



Staffing

SCE has two full-time staff dedicated to managing CARE, plus a number of other management staff that devote part of their time to CARE. In addition, they have five full-time dedicated staff in the billing center that conduct the majority of the processing work. During busy periods up to 15 temporary workers are also brought on to assist with the processing.

Sub-Metered and CARE Extension Program Participants

Unlike the individually metered households, SCE currently conducts most of the sub-metered and extension program mailings manually: the billing processing organization requests an ad-hoc report with mailing labels

containing customer name and address, and then sends out the annual mailing. There are plans, however, to automate this process in the next year.

In addition, sub-metered and extension program participants only receive one letter for recertification. SCE is considering adding a second (follow-up) letter, similar to their policy for individually metered homes, in 2003.

Self-Reported Administrative Best Practices

A consistent theme throughout the interviews with SCE staff was how the entire corporation had committed themselves to making the implementation of CARE successful. The CARE management and staff were committed to utilize the best talent they could find within the company, whether it was for statistical sampling, for direct mail campaigns, or IT help to streamline the database:

“Strategically, what we want to do is coordinate and leverage our internal and our external resources.”

“The cross-functional teams in the organization are out promoting CARE in a very active way.”

“We draw on all of the expertise of whole company.”

“It’s a corporate culture. Our corporation has, our company has just embraced CARE everywhere . . . I think that that has been a big part of the reason why we’ve had success, because we’ve had management support throughout.”

“We think it’s probably our strongest suit, and why we’re where we are in terms of the enrollment – the whole company committed to this Program.”

A number of SCE staff also mentioned that the move toward automating many of their processes is making the administration of the Program more efficient. In 2002 and 2003, a CSBU organization called the Process Service Improvement group, worked with the Billing Processing Organization in developing the CARE Betterment Project, where they looked for opportunities to streamline data entry and general processing, including:

- Making sure the data entry screens move fluidly from one to another, to follow the logical order in which tasks are conducted
- Adding additional data in certain screens to prevent clerks from having to go back and forth to locate data fields
- Adding additional drop-down menus
- Automating the production of certain ad-hoc reports
- Populating fields such as last bill date and automatically determining the start date on CARE

Finally, recording the income and household members in the “remarks” field has allowed SCE better quality control for those customers that attempt to reapply (that did not qualify) or those that dispute denials for participation in the Program. CSRs, in other words, now have access to the information that customers recorded on their applications.

V. Southern California Gas

Outreach Practices

Southern California Gas (SCG) also utilizes a variety of methods to get the CARE message out to their low-income customers. Methods have included mass and targeted mailings, radio advertising, community events, community partnerships, and the utility's internal efforts using a call line and dedicated line, branch offices, Web site, and cross-program promotion. The utility has had notable success with outreach contractors, door-to-door canvassing, and CARE promotion through other utility programs.

Mass Efforts

Bill Messages/Inserts. Southern California Gas (SCG) sends a CARE bill insert twice each year to all non-CARE residential customers and annually to all non-CARE sub-metered and expansion program-eligible commercial customers to notify them about the Program. In 2002, the bill inserts – in English and Spanish – did not contain an application. In 2003, SCG began sending CARE applications to all non-CARE customers via bill inserts. A message about CARE, in both Spanish and English, is included quarterly on all residential customer bills.

Call Line. CARE is part of the on-hold and IVR messages on customer service lines, which all customers will receive, regardless of the time they call. Customers are informed about CARE when calling to initiate gas service, question high bills, request payment arrangements, or change the name on the account. In any of the cases in which customers bypass the IVR CARE offer, the CSRs in the Call Center will receive a system flag prompting them to offer the CARE program verbally. The customer service unit has staff fluent in English, Spanish, Chinese, Korean, and Vietnamese.

Web Site. Customers can receive information about CARE and download an application from the company Web site. The Web site application is available in English, Spanish, and Chinese. Approximately 1,400 Web pages have links to the SCG Web site. The most common links are from local movements, homeowners associations, and media-related sites.

Payment Centers & Field Staff. Field staff carry a small Customer Assistance brochure, in Spanish and English, which describe Program opportunities to customers when they encounter them for any reason. Payment center staff offer CARE to customers who initiate gas service, question a high bill, request payment arrangements, or change the name on the account in payment centers.

Targeted Populations

All of SCG's customer assistance brochures and applications are available in English, Spanish, Chinese, Korean, and Vietnamese.

SCG has conducted four targeted media campaigns: three for the Asian and one for the Spanish-language population. Ads and articles for CARE have promoted the Program in English, Chinese, Spanish, Korean, and Vietnamese newspapers. Television interviews have been on Chinese and Hispanic television stations, and CARE was promoted on several Mandarin, Cantonese, Spanish, Korean, and Vietnamese radio stations. SCG also participated in events in many of the target ethnic communities and SCG staff – described by one staff member as a “cadre of experts” – attends these events, often on weekends, to assist in getting people into the Program. SCG has also recently begun targeted mailings based on census tract data, with the first targeted to rural areas and the second to urban areas.

Sub-Metered Tenants and CARE Expansion. SCG mailed all sub-metered accounts (owner/managers of mobile parks) notification of responsibility for educating tenants annually about the CARE program. The package of information included a Program explanation, description of benefits, and other Program details. Prior to the mailing, all account contacts were called to alert them about the mailing and provide Program background. CARE expansion facilities are also mailed information about the Program.

Leveraging Community Contacts

Capitation Contractors. Although SCG uses a small number of capitation agencies, these agencies have been an effective tool to reach some underserved, target populations. One outreach contractor, for example, has implemented a highly successful door-to-door campaign. Largely because of this one agency, SCG had 17% of new enrollees come through capitation agreements in 2002. Despite this, SCG staff do not believe that the \$12 per enrollment incentive the contractors receive is adequate to motivate them to do outreach beyond signing up clients who are already in their offices for other Programs/services:

“Is \$12 enough? It depends on what they do. Some of the agencies, just based on the foot traffic, could provide CARE information to their clients and help them fill out the application form for that amount. For that, many agencies think it is average and it's fine. But, if you ask them if they had to do outreach and they had to do the outreach activity, then it is not enough.”

Other Community Alliances. SCG's Public Affairs unit notifies all local governments – city and county- and federal assistance agencies about CARE. Public Affairs and Community Relations also assisted CARE outreach by

sending out brochures and providing agency partnership and/or community event opportunities.

SCG and the California Department of Community Services and Development provide cross-referral of customers of the LIHEAP and CARE programs to increase enrollments in both programs.

Leveraging Internal Programs

SCG has used the opportunity to promote CARE when conducting outreach for other programs. Examples include:

- CARE is included in the general customer assistance brochure.
- CARE is included in the Home Energy Guide that is left by the field personnel with customers who request new gas services and appliance services.
- DAP applications include a CARE signature block so that applicants can apply for both programs simultaneously. CARE information is also included in the DAP Energy Education Workshop brochure.
- DAP outreach workers canvass limited-income areas to find qualifying customers and provide them with energy education materials, including CARE enrollment information, and explain CARE's eligibility requirements.
- Gas Assistance Fund (GAF) customer data are used to verify CARE eligibility and data shared between programs. SCG holds annual orientations for agencies providing GAF and communicates with them throughout the year to answer questions, remind them of Program availability, and ensure they have applications.
- The CARE program is one of the recommendations in the Residential Home Energy Audit Program report.
- CARE is also cross-promoted in the utility's Diverse Market Outreach program (DMOP) – an energy efficiency information program, including workshops/presentations to the hard-to-reach customers.
- Employee education about CARE and other customer assistance programs was conducted throughout SCG service territories with collectors, energy technicians, and branch payment employees.

Cross-Utility Collaboration

SCG has collaborated with SCE in electronically sharing CARE participant data to enroll customers in each utility's program. In 2002, switching from a tape exchange to electronic file transfer reduced the time needed to process

enrollments and enhanced this process. The SCE CARE customers represented 15% of the new SCG enrollees in 2002.

Most Effective Outreach Methods

SCG staff interviewed separated effectiveness by type of audience.

- SCG identified the Call Center as the most cost effective method to inform large numbers of customers about the CARE program. About 2.2 millions customers are offered the CARE program when they call to request turn-on services, question high billing, and ask for payment extensions. Customers also call the Call Center requesting CARE application forms as a result of mass media efforts in multiple languages.
- Two staff identified bill inserts as the most cost-efficient method of outreach since CARE information can be sent to 4 million non-CARE customers at a modest cost.
- The community-based organizations are probably more effective at reaching smaller numbers of hard-to-reach clients, one-on-one, and explaining to clients who are unable, unwilling, or uninformed about CARE. They are more experienced at door-to-door canvassing and have different personal contact opportunities than SCG.
- Another staff person identified “face-to-face” contact as the most effective to explain CARE and encourage enrollment.

Source Tracking

Source tracking is conducted at this time for applications resulting from capitation contractors, newspaper applications, Web site, GAF, LIHEAP, Direct Mailing, data sharing with other utilities, and special outreach events. . SCG does not have a procedure in place to track specific numbers of enrollment resulting from mass media campaigns such as radio and newspaper print ads.

Changes in 2003

- Greater involvement of community agencies in defining what materials (e.g., displays) would be most helpful in promoting CARE
- Greater targeting of efforts to seniors (e.g., senior brochure and events)
- Direct mailing efforts based on targeting study recently completed
- All Program documents (those following applications) to be made available in English, Spanish, Vietnamese, Chinese, and Korean. Participants can request an application in their preferred language, which will be used for all subsequent follow-ups.

- Bill inserts to have CARE information in English, Spanish, Chinese, Korean, and Vietnamese
- Include application in annual notification
- Transfer rate when customer moves within the SCG service territory
- Second recertification and verification letters (in late 2003 or early 2004)

Outreach Insights Gained/Current Issues

Web Site

- Staff believe the Web site is useful in working on a “larger scale as with agencies” but not as successful in working with customers, many of whom do not have access to computers or do not rely on this medium for information.

Targeted Populations

- It is essential to have a community leader who is promoting the Program; these can be identified by working with community organizations and internal Public Affairs.
- Staff believe that Spanish radio and news ads did not result in large numbers of enrollments, although these same efforts in the Chinese communities seemed to be more successful.

CARE Expansion

- It has been difficult to locate and directly communicate with eligible, non-participating facilities. SCG’s experience with outreach to state agencies and use of direct mailings has not resulted in substantially increased enrollment among non-profit facilities.
- The CARE Expansion program is more costly and time intensive than CARE, primarily due to determining whether facility meets the eligibility guidelines, a manual approval process, turnover in facility staff (requiring re-contact and re-training), and mailings/certification process information not getting to satellite sites when more than one site is part of a larger group of facilities.

Capitation Contractors

- SCG reported that many of the agencies approached do not want to become formal contractors, with the assumption of “performance.” SCG is willing to pay the CBOs for enrolling any number of new customers. The contractors feel strongly that this is another service they can offer their clients and are pleased to do so without seeking

payment for the new enrollments. These agencies are sent Program materials to support them in serving their clients.

Administrative Practices

SCG has automated the majority of its enrollment, recertification, and PEV administrative processes. Envelopes arriving at the CARE center each day are opened and sorted by form (application, recertification, or verification) and source. The forms are sent out daily to an outside firm that completes data entry. These data are returned electronically to SCG, where they are uploaded to the Customer Information System (CIS) for enrollment processing.

Figures V.1 through V.3 graphically display the SCG enrollment, verification, and recertification processes, which are described below.

Enrollment

Following the data upload to the CIS, customers who qualify are immediately entered on the CARE rate. If they do not qualify, the CIS automatically – from the SCG Data Distribution Center in Monterey Park, California – produces a letter explaining why they do not qualify. If the application is incomplete, the system automatically generates a letter with the customer name and account number printed on it, the data that have already been provided by the customer, and a request for additional data. The letter and a postage-paid envelope are mailed to the customer (the original application is retained by SCG).

The only errors that must be manually corrected are invalid account numbers and invalid names, which can often be resolved by searching on the name and address fields. Even the replies to the request for more information (on incomplete applications) are keypunched and system verified that they are completed correctly.

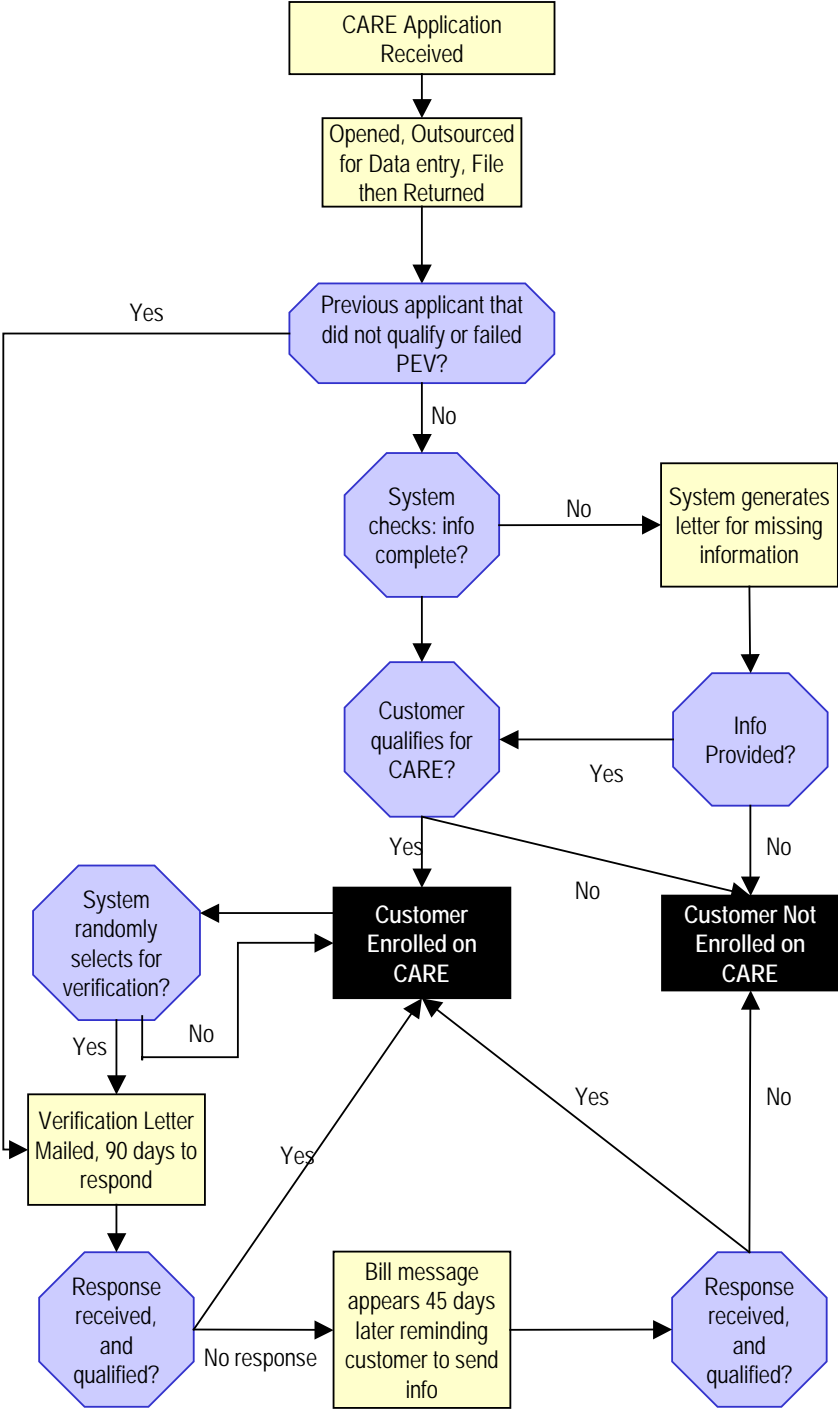
CARE customers who move within the SCG service territory do not carry their CARE rate with them; they are required to reapply for CARE at their new address. CSRs inform CARE customers who call to transfer service that they need to reapply and then send them a new application. These customers, therefore, are counted as new enrollments.

SCG has also set up an inter-utility automatic enrollment data exchanges with SCE, the DAP and GAF. The data exchange with SCE represented 15% of the new SCG CARE enrollees in 2002. In addition, DAP and GAF customers are excluded from the PEV process, having already proven they qualify by participation in the other programs.

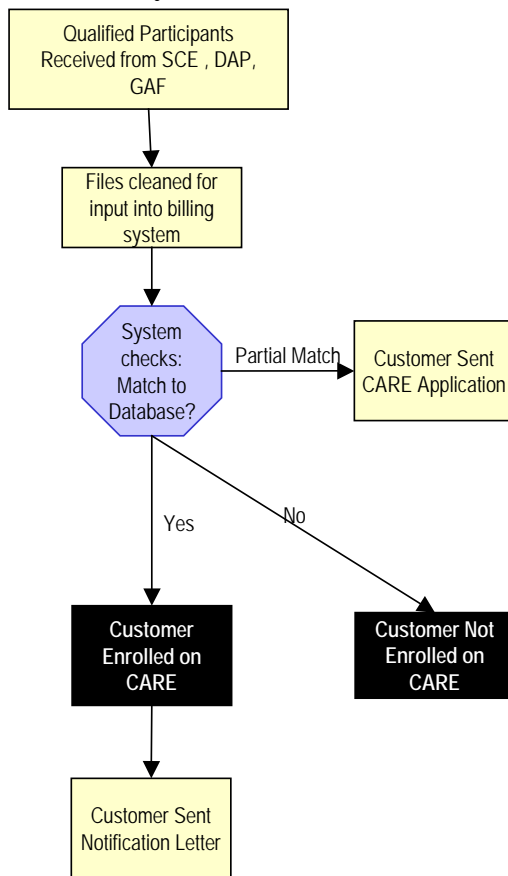
Customers who are on the CARE rate do not actually see the value of the discount, but instead see a message that says “CARE Discount Applied”

toward the top of the bill. The back of the bill also contains a description of the CARE rate.

Figure V.1
SCG Enrollment & Verification Process



**Figure V.2
SCG Inter-Utility Automatic Enrollment Process**



Verification

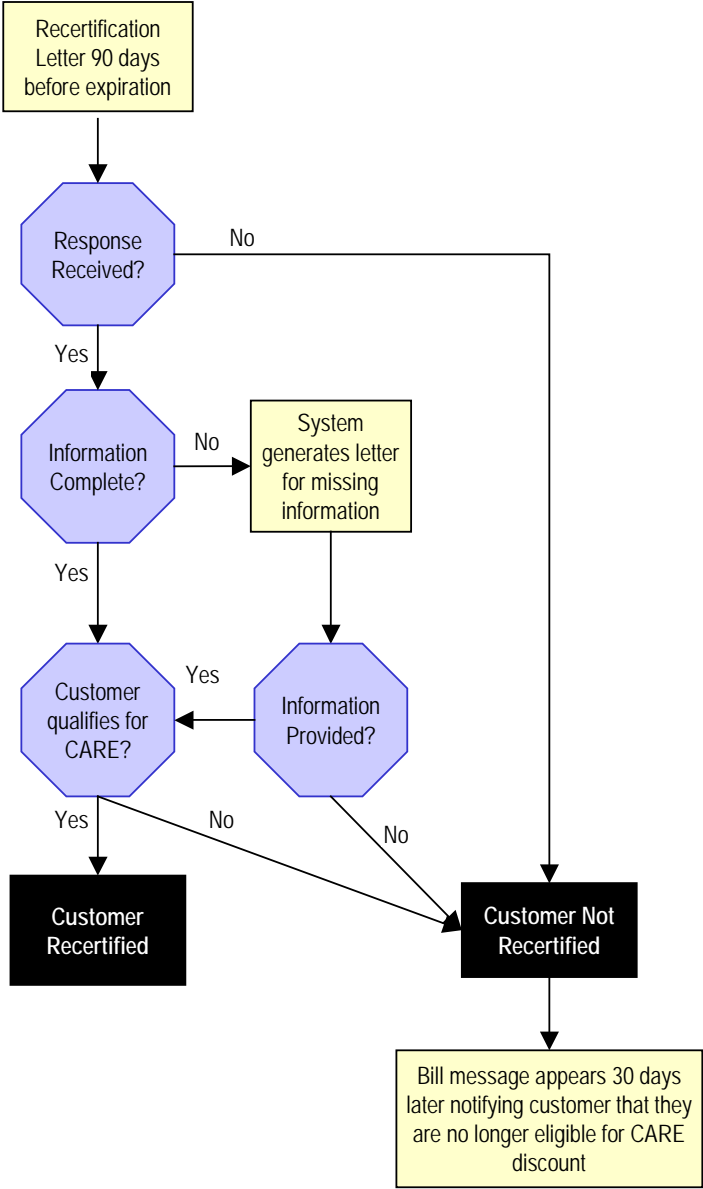
The automated system at SCG randomly selects approximately 500 customers a day (an average of 18% of all CARE customers annually) for PEV. Approximately 50% of those selected are new CARE accounts; CARE staff reported that screening new customer applications allows them to ensure that the discounted service establishment charge is not provided to nonqualifying customers. The remaining PEVs are sent to customers who have been on the CARE rate.

A letter is mailed to each applicant that is selected for PEV, asking for proof of income. The envelope on the letter says, in bright red letters, “Response Required.” Customers are told they have 90 days to respond, but are provided an additional grace period of 30 days.

After 45 days, the customer receives a reminder on their bill that they need to provide proof of income to remain on the CARE rate. If the applicant does not respond, the system generates another bill message after 100 days stating that the customer is removed from the CARE rate. Customers who fail the PEV

request (due to failure to respond or not qualifying) are back-billed for up to three months of rate discounts.

Figure V.3
SCG Recertification Process



Recertification

After two years on the CARE rate, customers are sent a recertification application that has the name, account number, and address fields already completed. The application requires the customer to simply complete the income qualification fields and sign the form. Like most of the SCG letters, this is a system-generated document and is sent 90 days before the CARE rate

expires. Like the verification letter, the outside of the envelope says “Response Required” in red lettering. The letter has historically been in English and Spanish, although the call center can issue recertification in Korean, Chinese, and Vietnamese if requested. Only one letter is currently sent to customers, but SCG does plan to add a second letter in late 2003 or early 2004.²²

Customers who do not respond to the recertification letter are given an additional 30-day grace period before they are removed from the CARE rate. Following removal, they also receive a bill message stating that “Your recertification application for the CARE program was not received by The Gas Company, therefore you are no longer eligible to receive the CARE discount rate.”

Customers who are already on the CARE rate and send in an application before the 90-day recertification period are treated as duplicates, and are not recertified early.

Staffing

SCG has a CARE Customer Assistance Manager that devotes approximately half her time to managing CARE for SCG (and the other half managing the SDG&E program). There is also a Strategy and Outreach Manager who splits her time between the two utilities.

SCG also has a full time CARE Senior Program Manager, a full time supervisor for 11 administration clerks (who perform the processing, handle the verification, and take elevated calls from the call center), and a full time Energy Program Advisor for CARE regulatory support.

Like the other utilities, SCG also receives additional support (in varying levels of FTEs) from the customer call center, IT, outreach, and regulatory.

Sub-Metered and CARE Extension Program Participants

System-generated applications are mailed annually to sub-metered tenants. Tenants have 90 days to recertify their eligibility. Those not completing the process are removed from the CARE rate and the owner/manager notified. Sub-metered recertification applications are sent to Quality Processing for data entry and batched to CIS for CARE approval processing. The tenant is sent approval or denial letter and owner/manager is notified of continued participation or termination.

²² There was a study conducted approximately two years ago at SCG that determined that the second letter was marginally effective. However, with the commitment to 100% penetration levels, SCG has decided to reintroduce the reminder letter.

For the expansion program, the lead clerk reviews the applications for eligibility and required documentation. Applications are approved on-line.

Self-Reported Administrative Best Practices

The SCG staff unanimously gave accolades to the automated processing system. In 2002, working with 11 processing clerks and a supervisor, the utility was able to successfully enroll an average of approximately 1,500 CARE applications per day.²³ Staff reported:

“[For the applications with completed information,] it is a matter of opening and sending our documents to Quality (the data entry vendor) with the exception of our documents that have verification information attached. Those are looked at and calculated and then they are sent to Quality. So we have a very quick process. We open and send to Quality.”

“We have an extremely, extremely large automated system with . . . hundreds of tables behind it. We have jobs that run in a batch process, which trigger files which are received electronically from various interfaces, and that’s it. That’s why we process . . . thousands of CARE customers a month.”

“[We have an] extremely, extremely high number of CARE applications, which we successfully process within the system without manual intervention and which enable the customer to have their accounts billed at CARE rates on a very, very timely process. They receive all of their recertification and PEV markers automatically. It works really very, very smooth and cleanly with really very little error.”

“The batch process is very information technology driven. It is very service oriented. What it does is allows us to provide the customer the rate as quickly as possible.”

In addition to automating much of the enrollment, verification, and recertification processes, the CIS can track compliments and complaints specific to the CARE program through a Customer Contact Tracking System field. These are reported and reviewed daily.

One respondent from the call center also reported two additional practices that are working particularly well for SCG:

- Copies of all forms, including the latest applications with the current income guidelines, are kept on the company intranet site. This allows CSRs to easily view the latest forms and understand the Program.

²³ Based on 381,265 new applicants in 2002. Note this does not include the denied, incomplete, invalid, or duplicate applications.

- Having one point of contact for the call center – a liaison between the CARE staff and the call center – has cut down on miscommunication and confusion. He reported:

“I think in a number of years back there was responsibility just to notify a particular supervisor in the call center instead of a call person, and I think that things may have fallen through the cracks, whereas at this point everybody knows whether it is coming from call center, that they need to talk to me about it or if it is coming from the CARE group, they need to talk to me about it, and usually I am just kind of a mediator. It just flows between, but it has been an excellent place to make sure nothing is dropped.”

VI. Outreach Contractor Surveys

One key component of rapid deployment was to increase CARE enrollment using capitation contractors to ensure that “eligible low-income customers fill out CARE applications when they obtain other types of low-income assistance through community-based organizations or other agencies . . . [these organizations] can also provide valuable outreach services for the CARE program by assisting clients in filling out CARE applications as an adjunct to the organization’s other daily activities”²⁴

Global Energy Partners therefore conducted surveys with OCs with two goals in mind:

- Assess the OCs’ understanding of and satisfaction with their role in the CARE Program
- Identify factors that affect the OCs’ CARE enrollment levels

Design of the Survey Sample

The survey sample design was developed in consultation with the project’s Steering Committee. The plan called for conducting surveys with OCs from each of the four utilities. The sample was drawn from lists (containing 299 2002 participating OCs) provided by the utilities. Of these, 230 (about 75%) were active (i.e., they submitted applications in 2002).

The XXX, quota-based sampling approach was to assign OCs into a set of “buckets” to allow us to tap the experience of the full array of OCs. The sample was designed to accomplish the following:

- Maintain a 3:1 split between active and inactive OCs
- Include the top-producing OCs for each utility
- Include OCs of special interest to each utility (e.g., hard-to-reach customers, such as those who serve non-English-speaking clients or seniors)
- Reflect a mix of all the other active OCs

While not a random sampling, the design allowed for inclusion of all kinds of participating OCs. The goal was to include a representative mix of all agency types while still attaining a large coverage of participant customers.

²⁴ CPUC Decision 01-05-033, May 3, 2001. Note this report refers to the community-based organizations and other agencies as outreach contractors.

We calculated that a sample of 58 from the pool of 299 would ensure representation of the full group of active and inactive OCs at the 95% confidence and 10% precision levels. The sample for each of the four utilities was drawn in proportion to the total number of enrollees in the CARE program with a minimum of eight OCs per utility.

Table VI.1 shows the planned allocation of the OC sample.

**Table VI.1
Allocation of Outreach Contractor Sample**

Component	Sample Size	Selection Process
Active Contractors		
Top producers	2-3 per Utility	Selected by number of enrollees recorded in utility databases top two to five contractors for each utility
Other active contractors	Remainder of sample, up to 9 per utility	Random sample from the remaining pool of active contractors.
Inactive Contractors	2-4 Per Utility	Random sample from the pool of contractors that did not enroll any participants into the Program.
Contractors of Special Interest	Up to 3 Per Utility	Sample from utility identified as a group whose constituents or activities are of special interest (e.g., disabled, Native Americans, veterans)

Implementation of the OC Survey

The survey instrument was developed in consultation with the Project Steering Committee. Once the content of the instrument was established, we tested it internally for flow and clarity of language, as well as to estimate completion time. We also pre-tested the instrument on a subset of the OC sample and used the information obtained to add response categories that would facilitate recording and coding.

We prepared a letter of introduction for the utilities to send to their respective sampled OCs, explaining the purpose of the survey and requesting that the appropriate person at the OC be encouraged to participate. The instrument contained screening questions to determine if the correct OC contact had been reached. All surveys were completed by telephone by trained Global Energy Partners staff.

Some of the OCs work with more than one of the four utilities. Since the approved sampling plan called for us to include the top performers from each

utility, several OCs were slated for inclusion several times. Other OCs revealed during the course of their survey that they worked with more than one utility, and we took the opportunity to complete a survey related to each utility. None had difficulty discriminating between the utilities when completing multiple surveys.

Limitations of the OC Survey Sample

The survey team completed surveys with 55 OCs; however, since eight of them work with more than one utility, we have responses representing 60 utility-OC contracts (see Table VI.2). The respondents signed up a total of 81,972 CARE participants, or 78% of the total CARE respondents enrolled by OC's in 2002. Given the chosen sampling design, the extrapolation to the remaining agencies needs to be practiced with caution. Our findings apply to the 78% covered participants and, to a lesser degree, to the remaining 22%. Even in the extreme scenario, however, where the precision of the remaining 22% is $\pm 100\%$, overall, the precision of the sample is likely to be no more than $\pm 10\%$.

Table VI.2
Distribution of Survey Respondents by Across Utilities

Utility	No. Responses from Utilities' Sample	No. Applicable Responses Including Multiple-Area OCs	Percent of 2002 OC CARE Participants Enrolled by Respondents
PG&E	15	16	38%
SCE	16	19	67%
SDG&E	8	9	72%
SCG	16	16	95%
<i>Total</i>	<i>55</i>	<i>60</i>	<i>78%</i>

As shown in Table VI.3, we were successful in getting representation from all the segments of interest, although some groups fell slightly below our original targets (e.g., inactive contractors). The under-representation of inactive contractors could potentially bias the findings, as the sample includes a higher percentage of active contractors than originally intended (i.e., we may have a more difficult time ascertaining the reasons for lack of participant enrollment among outreach contractors).

Table VI.3
Distribution of Survey Respondents by Component and Subgroup

Component	Freq.	%
Active Contractors		
Top Producers	13	24%
Other Active Contractors	32	58%
Inactive Contractors	4	7%
Contractors of Special Interest	6	11%
<i>Total</i>	<i>55</i>	<i>100%</i>

Discussion of Results

Outreach Contractors' Understanding/Satisfaction with their Role

Awareness and Understanding of Organization's Activities. The respondents from each OC seemed well acquainted with both the purpose and the implementation of the CARE program. With almost no exceptions, each respondent was able to state the purpose of the Program accurately and reported ongoing contact with the relevant service area utility. The few exceptions expressed a more global understanding of CARE, such as “provide additional resources to low-income people.” In addition to handling interaction with the utility(ies), more than 80% of the respondents train others in their organization about CARE, and 70% educate clients about the Program. Every respondent reported having multiple responsibilities related to their organization's participation in CARE.

The OCs are heavily focused on serving all low-income, Hispanic, African-American, senior, and Asian groups, but many also serve a number of other special interest groups, including the disabled and other ethnic groups. More than half of the OCs serve more than one constituent group (some named as many as eight). Table VI.4 shows the demographic segments served by the respondents.

**Table VI.4
Demographic Segment or Group Served by Respondent OCs**

	Frequency	Percent of Total Respondents
Ethnic/Cultural Segments		
Hispanic	33	60%
African-American	15	27%
Asian	13	24%
Caucasians	5	9%
Chinese	4	7%
Filipino	3	5%
Native American	3	5%
Laotian	2	4%
Vietnamese	2	4%
Hmong	1	2%
Samoan	1	2%
Other Target Segments		
All low-income people	24	44%
Seniors	21	38%
Persons with disabilities	5	9%
Migrant farm workers	4	7%
South Asian refugees	2	4%
New immigrant	1	2%
Non-English speaking	1	2%
Non-English-speaking seniors	1	2%
Unemployed	1	2%
Other	8	15%

Survey respondents said they are personally involved in key aspects of the OC’s CARE promotion programs, notably ongoing contact with the utility, training others in their organization about the Program, educating their clients, and helping clients fill out the CARE application form (Table VI.5).

**Table VI.5
Respondents' Role in the CARE Program (n=55)**

	No. Responses	%
Ongoing contact with Relevant Utility	50	91%
Train others in your organization about the Program (e.g., eligibility, filling out apps., encouraging enrollment)	45	82%
Educate your clients about the CARE program	40	73%
Help clients fill out the CARE application	40	73%
Organize/participate in outreach events for CARE enrollments	38	69%
Troubleshoot when things go wrong	37	67%
Made contact with Relevant Utility for you to participate	36	65%
Handle capitation payments from Relevant Utility	32	58%
Do you have any other responsibilities in the CARE Program?	20	36%
Help clients who have participated in CARE get recertified	15	27%

OC Resources Allocated to CARE

We also asked respondents a series of questions related to how they allocate resources to CARE enrollment. All respondents replied that the CARE program fits well with the rest of the activities they conduct. However, more than two-thirds (69%) said they do not set any targets regarding CARE.

Of those respondents reporting that their organization budgets a certain number of staff hours to CARE each month and who provided an answer as to the number of person-hours per month, the value fluctuated from a low of 4 hours to a high of 80 hours (Table VI.6).

Table VI.6
Level of Resources that OCs Allocate to CARE Enrollment

	Yes	No
The CARE program fits well with the rest of the activities we conduct (n=55)	100%	0%
We don't set any targets regarding CARE (n=51)	69%	31%
Specific staff (not all staff) do outreach for CARE (n=55)	60%	40%
All customer contact staff are instructed to promote CARE to clients (n=54)	56%	44%
We set a target number for enrollments/month such as number of applications, contact, or other outreach per month or per year (n=55)	36%	64%
We budget a certain number of staff hours to CARE each month (n=55)	35%	65%
We discuss CARE only if/when clients ask about it (n=51)	4%	96%

Other Roles OCs Could Assume. We also asked the OCs whether there were any additional roles they could play or activities they thought their organization could conduct to increase the number of clients they reach and enroll in the CARE Program. Sixty-two percent of respondents answered yes, providing a variety of ideas, such as improved internal communications to get qualifying clients referred to the right part of the organization, training volunteers at the front desk to promote CARE, or attending more street fairs. Several mentioned that they would need more funding or employees to increase their activities.

A few mentioned they would like more help from the utilities, including:

- “[The utility] could speed up capitation payments so that the organization could devote more time to the promotion of the Program.”
- “[The utility] could send letters out to clients explaining the Program and informing people where to find the nearest outreach contractor for CARE.”
- “[The utility] could provide funding for the organization to do more mailings in the area.”
- “Provide utility training staff to [the] organization to re-train everyone again because it has been awhile and some of the staff has turned over.”

A few respondents suggested other ideas such as:

- “Including information about CARE in their ‘school packets’ since the schools have frequent meetings with parents and this would be a great way to communicate with potential clients”
- “Focus on low-income housing residents with the help of a real estate agent”
- “Set up a table at [the utility] office to capture people who aren’t enrolled when they go in to pay their bill.”

At the end of each survey, we asked respondents if they had any other comments they would like to make about CARE or anything that the survey did not cover. The answers indicate that the respondents are quite happy with the Program overall. Among the comments/suggestions are:

- Change the income requirement to allow all clients who need the Program to qualify
- Provide funding for Program promotion
- Raise the capitation payment and/or pay these out faster
- Process applications faster so that clients see the Program benefits sooner after they have signed up
- Offer an advance to OCs to cover Program start-up costs
- Provide OCs with a list of current CARE participants
- Concern that [the utility] requires people to change the name on the utility bill if a person in the household qualifies for CARE. However, this requires a deposit, which discourages people from actually changing the name on the utility bill.

Factors that Affect Care Enrollment

Outreach Activities and their Efficacy. We asked respondents how they made clients aware of CARE and which methods were the most effective. Our survey shows that OCs rate the following methods as the most effective: explaining benefits to clients and door-to-door canvassing. (Note that radio ads and announcement sessions had very few responses. Therefore, the effectiveness of these two methods cannot be compared to that of the other methods that had numerous respondents.) Forty-percent of respondents said they use door-to-door canvassing to sign up participants (Table VI.7).

Table VI.7
OC Methods to Make Clients Aware of CARE

	1 Not Effective	2 Some- what Effective	3 Effective	4 Very Effective	Total	%	Effective- ness Rating (Weighted Average of Responses)
Announcement sessions (n=1)	0	0	0	1	1	2%	4.00
Explain CARE benefits to clients (n=53)	0	3	19	30	53	96%	3.45
Radio ads (n=3)	0	0	2	1	3	5%	3.33
Door-to-door canvassing (n=22)	1	2	4	13	22	40%	3.14
Staff booths at cultural or community fairs (n=40)	3	11	12	14	40	73%	2.93
Hand out application forms at events (n=38)	1	14	14	9	38	69%	2.82
Make phone calls about CARE (n=9)	1	2	4	2	9	16%	2.78
Hand out application forms at your office (n=47)	5	10	19	12	47	85%	2.77
Set CARE Program brochures out (n=28)	4	7	13	4	28	51%	2.61
Post advertisements (e.g., in newsletter or at center) (n=36)	6	15	11	4	36	65%	2.36
Send mailers about CARE (n= 11)	2	6	2	1	11	20%	2.18
Other (n=7)					7	13%	

We also asked OC respondents to rate the ways in which they might encourage clients to sign up. The OCs rated “providing assistance with filling out forms” as the most effective way of encouraging clients to enroll (Table VI.8). Almost all the OCs provided this assistance. Educational workshops, put on by over half of the OCs, were also perceived as being effective.

Table VI.8
OC Methods to Encourage Clients to Enroll in CARE

	Not Effective	Some- what Effective	Effective	Very Effective	Total	%	Effective- ness Rating (Weighted Average of Responses)
Rating Scale	1	2	3	4			
Assistance filling out forms	1	3	17	33	54	98%	3.52
Educational workshops	1	10	11	9	31	56%	2.90
Phone calls to encourage enrollment	1	4	4	0	9	18%	2.10
Other	0	0	1	0	1	2%	3.00

When asked which of the activities taken to encourage enrollment has been the most effective, respondents as a whole said that offering assistance filling out forms was the single most effective activity. As shown in Table VI.9, door-to-door canvassing, explaining benefits of CARE, and staffing booths at cultural or community fairs were all also mentioned by more than 10% of respondents. While these “top activities” clearly emerge, it is also evident that different OCs have different methods that are effective for their organization.

Table VI.9
Most Effective Activities for Increasing Enrollment in CARE

	No. Responses	Percent of Total Respondents
Assistance filling out forms	19	35%
Door-to-door canvassing	12	22%
Explain CARE benefits to clients	8	15%
Staff booths at cultural or community fairs	6	11%
Educational workshops	4	7%
Send mailers about CARE	2	4%
Post advertisements (e.g., in newsletter or at center)	2	4%
Set CARE Program brochures out	2	4%
Hand out application forms at your office	2	4%
Hand out application forms at events	2	4%
Radio advertisements	2	4%
Being observant when clients come for services	2	4%
Announcement sessions	1	2%
Piggyback with United Way funding	1	2%
Food share	1	2%

We also asked respondents why the methods they found effective had worked so well for them. Not surprisingly, we found that assisting in filling out forms was effective for a variety of reasons, including that participants did not want to take the time to do it on their own, a lack of knowledge, and language/comprehension barriers. One respondent noted that the workshops they provided were effective because they had multiple class sessions, so the audience was able to bring their information back with them and get help filling out the CARE forms.

One theme that emerged from the survey was that the OCs like to reach people where they are comfortable. For some, this meant fairs, while for others it meant at home or outreach to people in large groups. This highlights another finding of the survey: OCs appear to offer utilities several benefits, one of which is that they understand their constituency and can tailor outreach programs to them. For instance, some OCs mentioned that their clients like to read the CARE materials (on their own) because this allows them to look up

words in the dictionary and really understand the Program. Others mentioned that clients (the elderly) like to hear about the Program rather than read about it.

In addition to knowing how to target their clients, OCs offer other benefits to utilities. First, they can speak to clients in their preferred language. Second, they may have built up a high degree of trust with their clients, which helps in signing up participants:

“People who speak a foreign language have a great distrust of large corporations Having someone go door to door with the PG&E CARE T-shirt on puts a face to the organization and increases trust. Also, door-to-door canvassing is quick and people feel safe in their homes, especially if the CARE representative is bilingual.”

One respondent mentioned that, while door-to-door canvassing was very effective and allowed his staff to assist clients in filling out forms, the organization had to discontinue this practice because it was not cost effective.

Top Producers. We compared the activities and rated efficacy of the top producers to the other OCs. For the most part, both participation in activities and efficacy ratings were quite similar for the top producers and the remaining OCs. The key difference between the two is that the top producers were much more likely to do door-to-door canvassing than other OCs. Ninety-two percent of the top performer group conducted door-to-door canvassing, compared with 24% for the remaining OCs.

Table VI.10
OC Methods to Make Clients Aware of CARE – Top Producers

	1 Not Effective	2 Some- what Effective	3 Effective	4 Very Effective	Total	Percent Respond- ing	Effective- ness Rating (Weighted Average of Responses)
Explain CARE benefits to clients	0	0	5	8	13	100%	3.62
Door-to-door canvassing	0	0	2	8	12	92%	3.17
Make phone calls about CARE	0	0	2	0	2	15%	3.00
Staff booths at cultural or community fairs	0	4	3	3	10	77%	2.90
Hand out application forms at events	0	5	2	2	9	69%	2.67
Set CARE Program brochures out	1	0	4	0	5	38%	2.60
Post advertisements (e.g., in newsletter or at center)	1	2	3	1	7	54%	2.57
Hand out application forms at your office	3	0	3	2	8	62%	2.50
Send mailers about CARE	0	2	0	0	2	15%	2.00
Announcement sessions	0	0	0	0	0	0%	NA
Radio ads	0	0	0	0	0	0%	NA

When asked how they encouraged clients to sign up, the responses of top producers indicated that a slightly higher percentage of them offer educational workshops than for the group as a whole (69% vs. 56%). Other types of activities used, and their perceived efficacy, were quite similar across the two groups.

Table VI.11
OC Methods to Encourage Clients to Enroll in CARE – Top Producers

	1 Not Effective	2 Somewhat Effective	3 Effective	4 Very Effective	Percent Respond- ing	Effective- ness Rating (Weighted Average of Responses)
Assistance filling out forms	0	0	3	10	100%	3.77
Educational workshops	1	1	4	3	69%	3.00
Phone calls to encourage enrollment	0	2	0	0	15%	2.00
Other	0	0	0	0	0%	NA

Lastly, when asked which of the activities has been most effective in enrolling participants, top performers were more likely to note door-to-door canvassing and educational workshops than the group as a whole.

Table VI.12
Most Effective Activities for Increasing Enrollment in CARE – Top Producers

	Number of Responses	Percent of Total Respondents
Door-to-door canvassing	7	54%
Educational workshops	3	23%
Assistance filling out forms	3	23%
Post advertisements (e.g., in newsletter or at center)	1	8%
Explain CARE benefits to clients	1	8%

Satisfaction with the Program

Satisfaction with number of enrollees. When asked if they were satisfied with the number of participants they had enrolled, slightly more than half (29) of respondents said their enrollment numbers had fallen short of their expectations. In a third of the cases (18 respondents), expectations were met, and in 13% of cases (7 respondents), expectations were exceeded.

When top-producer respondents were removed, we see a reduction in the OCs' satisfaction with the number of participants they had enrolled. Almost two-thirds of the remaining respondents (64% or 27 respondents) said their enrollment numbers had fallen short of their expectations. In only 29% of cases (12 respondents), expectations were met, and expectations were exceeded in just 13% of cases (2 respondents).

As shown in Table VI.12, utility-specific responses show an above-average meeting or exceeding of expectations by the OCs working with SCE.

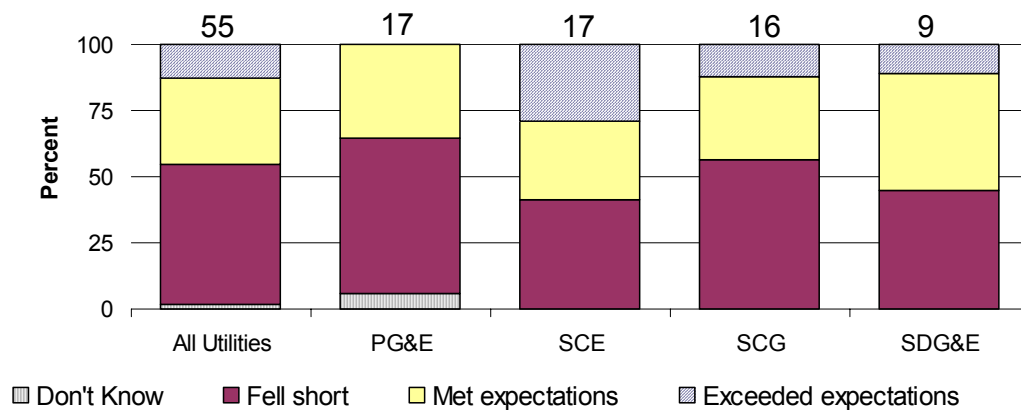
Table VI.12
Satisfaction with Number of Enrollees in CARE– Comparison of All OCs

	All Ocs		OCs (not top producers)		Top-Producer OCs	
	No. Responses	Percent	No. Responses	Percent	No. Responses	Percent
All Utilities						
Exceeded expectations	7	13%	2	5%	5	38%
Met expectations	18	33%	12	29%	6	46%
Fell short	29	53%	27	64%	2	15%
Don't know	1	2%	1	2%	0	0%
Total	55	100%	42	100%	13	100%
PG&E						
Exceeded expectations	0	0%	0	0%	0	0%
Met expectations	5	31%	3	23%	2	67%
Fell short	10	63%	9	69%	1	33%
Don't know	1	6%	1	8%	0	0%
Total	16	100%	13	100%	3	100%
SCE						
Exceeded expectations	5	28%	2	14%	3	75%
Met expectations	5	28%	4	29%	1	25%
Fell short	8	44%	8	57%	0	0%
Don't know	0	0%	0	0%	0	0%
Total	18	100%	14	100%	4	100%
SCG						
Exceeded expectations	2	13%	0	0%	2	50%
Met expectations	5	31%	3	25%	2	50%
Fell short	9	56%	9	75%	0	0%
Don't know	0	0%	0	0%	0	0%
Total	16	100%	12	100%	4	100%
SDG&E						
Exceeded expectations	1	11%	0	0%	1	25%
Met expectations	4	44%	2	40%	2	50%
Fell short	4	44%	3	60%	1	25%
Don't know	0	0%	0	0%	0	0%
Total	9	100%	5	100%	4	100%

Note: the individual utility numbers differ from the "All Utilities" due to exclusion of duplicate respondents.

Figure VI.1 shows responses across utilities. SCE’s OCs report the lowest percentage who feel they fell short of expectations (44%) as well as the highest percentage that feel they exceeded expectations (28%). No PG&E OCs reported exceeding expectations. Having said this, we also note that neither of the utilities is an outlier regarding OCs who were disappointed with their enrollments. Looking across the four utilities, slightly fewer than half of the OCs working with SDG&E and SCE said their enrollment fell short of expectations (44% for each) while somewhat more than half of the OCs working with PG&E and SCG said the same (63% and 56% respectively). All were between 40% and 65%. Furthermore, of the 31 OCs who said their enrollments fell short, only two faulted the relevant utility for this.

Figure VI.1
Satisfaction with Number of Enrollees in CARE– All OCs



Note: The individual utility numbers of respondents to this question differs from the “All Utilities” total due to exclusion of duplicate respondents from the “All Utilities” count.

When respondents were asked why they answered either “exceeded” or “fell short” of expectations, several themes emerged.

- It appears that some geographic areas are over/underserved by OCs. In other words, in places where many OCs are trying to sign up participants, they find that most of their clients are already enrolled. (Eight of the 55 respondents, or 15%, commented that they had difficulty signing up participants because so many were already enrolled.) In one case, a respondent noted that their area had very few OCs, and they attributed their success at signing participants up to this fact.
- It is difficult to find people who meet the eligible income level. One OC mentioned that signing up participants in Santa Clara county was difficult because the income guidelines are “extremely low” for the area. Two other contractors mentioned people “not meeting the

requirements,” which could refer at least in part to income requirements.

- Five OCs (9%) specifically noted that a lack of staff contributed to not signing up more participants. A few others mentioned that they had not had the time or that the Program took too much time.

One respondent complained of a lack of marketing materials. Two others had complaints about the utilities they worked with. “Communications with [the utility] can be improved upon. They act as though they don’t want to help clients/customers.” And “if some minor thing is wrong on the application, [the utility] will automatically reject the application without trying to fix the problem themselves. For example, if one number is wrong on the application, they will send it back to the organization when they could easily find the right account number. Primarily, it’s a lack of support from [the utility] to increase enrollment.”

Of the responding OCs who had dropped out of the Program, both noted that a key reason for their difficulty signing up participants was that their clients were already enrolled. One also mentioned that the Program “took too much time,” and the other the fact that there was “no company office” in the area.

Satisfaction with Participation in the CARE Program. When asked about their satisfaction with their participation in CARE, both overall and with several aspects of the Program, we saw that respondents are quite satisfied. More than 50% answered “satisfied” or “very satisfied” for every question. In general, they are least satisfied with the speed and amount of capitation payments. Based on respondents’ comments, the speed of payments is a major source of frustration. Respondents seem to take the amount of capitation payments as a given but do note in some cases that it precludes door-to-door canvassing. Results are shown in Table VI.13.

**Table VI.13
Satisfaction with Participation in the CARE Program**

	1 Very Unsatisfactory	2 Somewhat Unsatisfactory	3 Somewhat Satisfactory	4 Satisfactory	5 Very Satisfactory
Overall (n=55)	2%	4%	40%	27%	24%
Information you've received from Relevant Utility about the Program (n=55)	2%	13%	9%	42%	33%
Communications with Relevant Utility (n=55)	0%	16%	16%	40%	24%
Responsiveness of Relevant Utility when you have questions or problems (n=55)	0%	15%	18%	27%	38%
Ease of becoming/remaining an Outreach Contractor (n=55)	0%	2%	11%	47%	31%
Program training and support from Relevant Utility (n=55)	0%	5%	20%	49%	16%
Ease of enrolling clients (n=55)	0%	11%	13%	53%	24%
Forms/reporting required for participation (n=42)	0%	2%	10%	60%	26%
Speed of capitation payments (n=51)	10%	10%	14%	47%	12%
Amount of capitation payments (n=52)	12%	4%	25%	48%	4%

When asked about their satisfaction with participation in the Program overall, 51% said “satisfactory” or “very satisfactory.” Most were satisfied with the information they have received from the utilities about the Program. Three respondents (5%) commented that they would like more promotional material, including ads, posters, and banners. Two mentioned that the utility was slow to get them information about the Program.

Sixty-four percent were “satisfied” or “very satisfied” with communications with the utility. From those not as satisfied, comments included a complaint that communication was “slow” with the utility, that mail communications were slow, and that it was difficult to reach the utility through their toll-free number.

When asked about the responsiveness of the utility to questions or problems, 65% of respondents were “satisfied” or “very satisfied.” The only comment received to this question was that one respondent said the utility was slow to respond.

On the ease of becoming an OC contractor, respondents were quite satisfied, with 78% answering they were “satisfied” or “very satisfied” (47% and 31% respectively), and only 2% responding that this was somewhat unsatisfactory. Forty-nine percent (49%) of respondents were “satisfied” with training and support from the utilities.

Respondents were also satisfied with the ease of enrolling clients (77% were “satisfied” or “very satisfied”). However, 11% found this “somewhat

unsatisfactory.” The main problem appears to be that the OC does not know which will or will not be accepted. One reason for the rejections is that clients are already enrolled, and the OC does not know this. Two of the respondents dissatisfied with this aspect of the Program, or 1/3 of the 11%, noted that many clients were already enrolled; some additional frustration was expressed that so few were accepted. One respondent also said language barriers made it difficult for them to sign clients up because the utility did not provide materials in Russian or Farsi.

The survey indicates that OCs are generally happy with the forms and reporting required for participation in CARE: 86% of respondents replied that they were “satisfied” or “very satisfied” with these requirements, and only 2% were “somewhat unsatisfied.”

OCs express lower levels of satisfaction with the speed and amount of capitation payments than with any other aspect of the Program. On the speed of payments, 10% were “very unsatisfied” and another 10% “somewhat unsatisfied.” Respondents said payments can take several months and that they have difficulty making their financial commitments (including payroll) when payments are so slow. Several respondents also complained that their utility does not provide them with a status report on which applications will be accepted, so they cannot know until they receive the check the amount they will get. (From the comments, this clearly varies by utility, with some letting them know the status immediately. OCs of these utilities mentioned that they appreciate this practice.)

Lastly, in items related to satisfaction, 52% of OCs were “satisfied” or “very satisfied” with the amount of the capitation payments, while 12% were “very unsatisfied.” Respondents mentioned that CARE can not get priority in their agencies because the payments are so low and that the payments do not cover door-to-door canvassing expenses (one requested a seemingly modest increase to \$15 to support this). One respondent suggested that payment be based on completed applications rather than accepted ones to better compensate OCs’ efforts.

When looking at overall satisfaction with participation in the Program across utilities, survey results show that SCE and SDG&E have the largest percent of very satisfied OCs, with more than two-thirds SDG&E’s OCs stating that they were either satisfied or very satisfied.

Figure VI.2
Satisfaction with Participation in the CARE Program by Utility – Overall



Note: The individual utility numbers of respondents to this question differs from the "All Utilities" total due to exclusion of duplicate respondents from the "All Utilities" count.

The final question in our survey asked OCs about benefits that their organization received from participating in CARE. Responses are summarized in Table VI.14. As shown, more than 90% of the respondents replied that participating in CARE provided them with more assistance or resources to offer their clients; 80% of respondents said providing CARE was good public relations for their organization. Other benefits cited included demonstration of the OC's ability to manage a program and facilitating referral of clients to other programs.

Table VI.14
Benefits that the OC Receives from Being a CARE Program Contractor

	Freq.	%
More assistance or resources to offer to your clients	50	91%
Good public relations for your organization	44	80%
Increased revenues for your organization	39	71%
Increased communication with clients	30	55%
Is there some other benefit that your organization receives that is either significant or very significant?	17	31%

Barriers to Enrollment

We also asked OCS about barriers they face in enrolling people in CARE. Responses are summarized in Table VI.15. Language was mentioned most frequently (18 respondents rating it at least somewhat significant), followed by the client being already enrolled in CARE but not knowing it (ten respondents rating it at least somewhat significant). Nine respondents, with

eight of those calling it a significant or very significant problem, mentioned limited OC resources and time.

Among the responses provided in the “Other” category, those that were listed as very significant were:

- Lack of communication and feedback from the utility (2 respondents)
- Lack of a community-wide effort for all community-based organizations (1 respondent)
- Need for the utility to interact with the community (2 respondents)
- Need for more training in the CARE Program (2 respondents)
- Need for improved communication with the utility (2 respondents)
- Fear by the clients (2 respondents)
- Lack of transportation for the clients to reach the OC office (2 respondents)

**Table VI.15
Barriers Faced by OCs in Enrolling People in the CARE Program**

	1 Not a problem at all	2 Somewhat significant problem	3 Significant problem	4 Very Significant Problem	Total
Language	5%	47%	32%	16%	19
Age	0%	67%	0%	33%	3
Client inability to fill out forms	0%	33%	33%	33%	3
Income qualifications are too low	0%	0%	33%	67%	3
Utility bill is not in the client's name	0%	25%	75%	0%	4
Client is already enrolled in CARE but does not know	0%	40%	30%	30%	10
Lack of understanding about the Program	40%	20%	40%	0%	5
Physical challenges	0%	100%	0%	0%	1
Limited OC resources/time	11%	0%	56%	33%	9
Illiteracy	0%	67%	33%	0%	3
Lack of trust	20%	40%	20%	20%	5
Other	0%	33%	33%	33%	18

When asked why their clients might not want to enroll in CARE, regardless of the OCs’ efforts, the clients’ fear of disclosing information about themselves was the most common reason cited as a “significant” or a “very significant” problem. Discomfort in asking for assistance and not paying their own utility

bill were also ranked highly as reasons for clients not wanting to enroll in CARE.

Responses in the “Other” category that were considered to be a “significant problem” or a “very significant problem” were a perception of too much government involvement in the Program, lack of trust in the utility and lack of trust in general, language, and clients feeling overwhelmed. The first two responses speak to the fear of disclosing information as the most important reason why clients might not want to enroll despite OC efforts. Responses to this question can be seen in Table VI.16.

Table VI.16
Reasons for Clients Not Wanting to Enroll in CARE
Regardless of OC Efforts

	1 Not a Problem at all	2 Somewhat Significant Problem	3 Significant Problem	4 Very Significant Problem	Total
Fear of disclosing information about themselves (n=54)	39%	24%	19%	17%	54
Uncomfortable asking for financial assistance (n=54)	44%	31%	13%	4%	54
Eligibility criteria is confusing (n=54)	76%	19%	2%	4%	54
Application too difficult to fill out (n=54)	85%	9%	2%	2%	54
Don't pay own utility bill (n=54)	35%	41%	17%	4%	54
Other (n=12)	0%	58%	17%	25%	12

What Utilities Can Do to Help OCs Surmount Barriers. The top responses, regardless of utility sponsor, to this question were to provide CARE Program posters, advertise CARE more, improve OC staff training, and process applications more quickly. The responses, however, generally show that all OCs appear to be satisfied with the CARE Program application forms and the instructions they have received from the utilities. None thought that either a hotline or better instructions from the utilities would help them to increase enrollment.

Among “other” suggestions, were referrals of customers to the OCs, funding for more OC employees (addressing the resource constraints of OCs), and enhancing energy savings – such as providing energy-saving light bulbs – in association with the CARE Program (Table VI.17).

Table VI.17
What Utilities Can Do to Facilitate OCs' Role in Increasing CARE
Program Enrollment

	All Utilities (n=43)		PG&E (n=16)		SCE (n=19)		SCG (n=16)		SDG&E (n=9)	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
Better training for our staff about the Program	6	14%	3	19%	2	11%	0	0%	1	11%
Simpler application form	1	2%	0	0%	0	0%	1	6%	0	0%
Hotline for questions	0	0%	0	0%	0	0%	0	0%	0	0%
Provide posters on the Program	9	21%	2	13%	3	16%	2	13%	2	22%
Advertise the Program more	8	19%	1	6%	3	16%	3	19%	1	11%
Speedier processing of applications	5	12%	1	6%	3	16%	0	0%	1	11%
Pay a higher capitation fee	2	5%	1	6%	1	5%	0	0%	0	0%

Summary of Key Findings

- OCs are generally satisfied with their participation in the CARE Program; at least 91% of the respondents reported they were “somewhat satisfied” to “very satisfied” with their participation. Ease of becoming an OC and the reporting requirements are aspects of their participation that respondents rated as most satisfactory.
- Cross-utility comparisons with CARE Program participation show that SCE and SDG&E had the largest percentages of OCs satisfied with their participation in the Program. Several respondents under contract with SCE and SDG&E cited receiving information about the Program, ease of enrolling clients, forms/reporting required for participation, and responsiveness to questions or problems as the reasons for their satisfaction.
- OCs feel that they would benefit most from improvements in the payment process of capitation fees. In particular, they cited increasing the speed of capitation payments.
- The top producers said that door-to-door canvassing is the most effective approach to enrolling clients in the CARE Program, but one that is difficult to support with the current capitation payment.
- Having the utilities provide more and better Program collateral, such as material in additional languages and supplying posters and banners would be helpful to the OCs in promoting the CARE Program.

- Fear of government authority by some OC clients is a high hurdle to participation in the CARE Program. Winning the trust of these clients, while time consuming, will be key to enrolling these hard-to-reach customers.
- Almost two-thirds of the respondents said their organization could conduct additional activities that would increase their enrollee count. Many of these noted, however, that doing so would require additional funds and/or increased capitation fees.

Best Practices for OCs to Follow

The OC respondents identified several practices that they conduct as highly effective in aiding enrollment, with resounding consistency. These practices include:

- Explaining the benefits of the Program in person to elicit interest from eligible customers
- Filling out the form for clients or actively assisting them to complete the form
- Conducting educational workshops as an effective way to explain benefits and complete applications
- Working with clients in their preferred language

VII. Cross-Utility Findings

Limitations of the Findings

The research approach of this study was primarily qualitative, and thus the findings are not meant to be statistically representative. In addition, the study could have benefited greatly from speaking with additional market actors, including additional staff at each of the utilities, more inactive outreach contractors, and especially program participants and eligible nonparticipants. Our findings, therefore, summarize the opinions of those market actors that participated in the study; these opinions may differ from market actors that were not surveyed as part of our research.

In addition, the utilities have limited tracking data for the most effective and cost-efficient methods for enrollment. Without these data, it is difficult to assess the “best practices” regarding outreach methods.

In addition, the utilities have different practices for allocating general costs (e.g., call center, marketing, etc.) to CARE, making it difficult to compare overall CARE administrative costs. In addition, the rapid deployment reports sometimes use inconsistent approaches to allocating costs (e.g., some utilities allocate media expenses to general administration, not to the line item for “mass media advertising”). For comparability purposes we therefore chose to limit the analysis to those funds that were charged to the Public Purpose Programs surcharge accounts and rapid deployment funds, and to combine the cost categories into a few general line items.

Enrollment and Penetration Rates

As shown in Figure VII.1, all four utilities have exhibited a substantial increase in the number of customers enrolled in CARE from 2000 through the first quarter of 2003. Rapid deployment, mandated in 2001, allocated additional public purpose funds for outreach activities, including capitation fees.

Later, in 2002, the CPUC decision (02-07-033) explicitly stated, “our goal is to reach 100% of low-income customers who are eligible for, and desire to participate in, the CARE program.” Figure VII.2 shows, however, that quantifying penetration levels is difficult because the size of the population is uncertain. For example, SCE had estimated a penetration rate of 97% at the end of 2002, yet with updated census figures the penetration rate was recalculated as 79% in March 2003 despite an increase in the number of participants. SCG also experienced an increase in participants but a drop in the penetration rate for the first quarter of 2003.

Figure VII.1
Actual Number of CARE Participants by Utility and Year

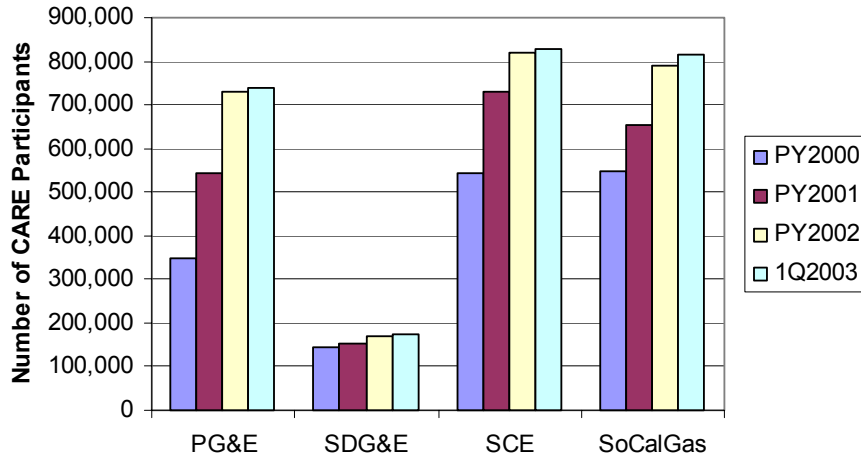


Figure VII.2
Estimated Penetration Rate by Utility and Year²⁵

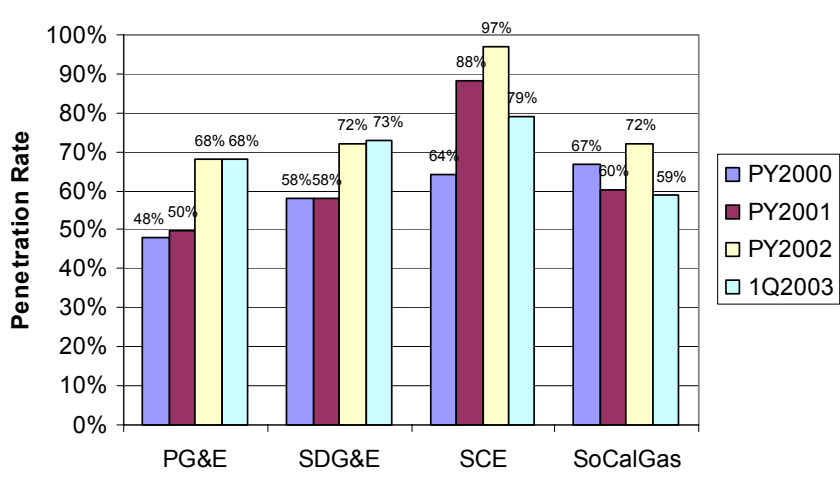


Table VII.1 provides more detail regarding the number of new enrollees and attrition. Despite considerable attrition rates for all four utilities – ranging from 19% to 38% – participation increased from 12% to 34% during the course of the year.

²⁵ Note that the 2002 estimated eligibility rates were revised substantially by employing the latest data from the 2000 Census. These new estimates were used to report estimated penetration rates in the first quarter of 2003, which likely accounts for the observed/reported decrease in estimated penetration between 2002 and 2003.

**Table VII.1
Change in CARE Participation from PY2001 to PY2002**

	PG&E	SDG&E	SCE	SCG
Beginning 2002 ¹	545,175	151,121	729,367	655,446
Total New Enrollments ²	287,901	60,567	257,299	381,265
Loss to Attrition ³	101,969	40,873	169,029	246,119
% Lost to Attrition ⁴	19%	27%	23%	38%
End of 2002 ⁵	731,107	170,815	817,637	790,592
Percent Increase in Participants ⁶	34%	13%	12%	21%
Avg. Number of 2002 Participants ⁷	638,141	160,968	773,502	723,019
Total estimated eligible Dec 2002	1,079,938	238,318	844,520	1,097,616
Estimated Penetration Dec '02 ⁸	68%	72%	97%	72%

¹ Based on Year End 2001, includes sub-metered

² Includes new enrollment from all sources, excludes recertification

³ Based on Rapid Deployment Reports (Combination of loss due to recertification, verification, request of non-eligible customer, and closed accounts)

⁴ Estimated based on Year End 2001 enrollment and Year End 2002 enrollment

⁵ Calculated, matched to rapid deployment Reports and Annual Reports

⁶ Calculated from Year End 2001 to Year End 2002

⁷ Average of Year End 2001 and Year End 2002

⁸ As reported in the 2002 annual reports.

Outreach

The utilities evaluated have developed different multi-faceted methods of outreach. PG&E has chosen to rely more heavily on consultants in developing a highly integrated, multifaceted outreach plan. SCE has chosen to integrate internally, developing a corporate approach to CARE, utilizing cross-functional teams to support their outreach efforts. SCG uses multiple methods, carefully choosing outreach methods that target the income-eligible customer segments. SDG&E, whose service territory has unique demographics, given that such a large percentage of eligible customers are seniors, has given important emphasis to senior and other demographically specific events, as well as using many of the same mass media efforts utilized by the other utilities. Table VII.2 summarizes the outreach activities conducted by the utilities in 2002, and gives a few highlights of planned events for 2003.

**Table VII.2
Summary of CARE Outreach Activities**

Item	PG&E	SDG&E	SCE	SCG
Brochures	English, Spanish, Chinese, Vietnamese (all bilingual for multigenerational families)	English, Spanish, Vietnamese	English, Spanish, Chinese, Cambodian, Korean, and Vietnamese	English, Spanish, Chinese, Vietnamese, and Korean
Posters	English, Spanish, Chinese, Vietnamese	English, Spanish	English, Spanish (additional languages planned for 2003)	None
Bill inserts (includes mandated annual notification)	English/Spanish mini-applications, 2-3 times a year, sent to all residential customers (including participants)	Two in 2002 to non-CARE customers only, English/Spanish application	English/Spanish application in June to non-CARE customers only	Two inserts in English/Spanish in 2002, expanding to 4-panel brochure with English, Spanish, Chinese, Vietnamese, and Korean for 2003 (and doing two inserts, one will have application)
Bill message	Quarterly message on all residential bills promoting Program in English and Spanish	Quarterly message on all residential bills promoting Program in English and Spanish	Quarterly message on all non-CARE residential bills promoting Program in English and Spanish	Quarterly message on all non-CARE residential bills promoting Program in English and Spanish
Bill message in newsletter	Periodic insertion of customer assistance programs article in PG&E "Spotlight"	Periodic article in "Energy Notes" monthly newsletter.	Periodic article in "Customer Connection" newsletter	Periodic article in "Gas Company Newsletter" depending on availability of the space. A CARE article was in 2003 June issue.
Direct mail piece	None	Direct mailing planned August 2003 to 40,000 customers in low-income areas.	Used direct mail to 244,000 households and shared mail piece to 560,000 households in under-penetrated zip codes. Targeted direct mail piece to 190,000 potential customers in February 2003 and 1.5 million customers in July 2003.	Targeted direct mail to 150,000 households in rural and under penetrated Census Tracts in May 2003. SCG plans to target the under penetrated Census Tracts in LA county (urban area) in 4 th quarter 2003.
Energy Education Workshops	CARE applications provided as part of Energy Partners Education	CARE applications completed as part of the energy education workshop.	CARE incorporated into any energy education presentations where potential CARE eligible customers are in attendance.	

Table VII.2, cont.

Item	PG&E	SDG&E	SCE	SCG
Media Campaigns				
Use of print ads	English, Spanish, Chinese, Vietnamese	English, Spanish, Korean, Chinese, Vietnamese, (with in-language application in ad), as well as seniors and African American.	English and Spanish (Planning on adding Cambodian, Chinese, Korean, and Vietnamese for 2003)	Spanish, Chinese, Korean, and Vietnamese newspapers. Press releases done in English etc.
Use of radio ads	English, Spanish, Chinese, Korean and Vietnamese	English and Spanish; monthly Vietnamese radio program.	English and Spanish	English, Mandarin, Cantonese, Korean, and Vietnamese
Television	Earned media and PSRs targeted in high language areas for Chinese and Spanish broadcasts	Four focused television campaigns in 2002, targeted to reach Hispanic and Senior Markets.		CARE program promoted via interview on Chinese and Hispanic television stations.
Community Events	PGE staff, including media/community relations have attended events, along with staff from marketing consultant	SDG&E Staff from various areas attend community events.	SCE's Affinity Groups, volunteer organizations that outreach CARE along with other activities; include: Edison Chinese Connection, Latino Employees Association, Filbarkada (Filipino), Networkers (African-American), Roundtable (Women), and Vietnamese affiliation.	SCG Staff from various areas attend community events
Multi Cultural	Usually partnered with various CBO opportunities for enrollment. With advance notice, supported through targeted media. Specialized outreach to: African-American, Hispanic, Asian, Native American, senior, and other targeted populations.	Outreach efforts to the following: Gays and lesbians Blind and Deaf Multicultural	Outreach efforts cover the following ethnic communities: Native American Indians Vietnamese Chinese Korean Hispanic	Outreach emphasis on ethnic communities, using community events, ethnic media

Table VII.2, cont.

Item	PG&E	SDG&E	SCE	SCG
Non-English	Most multi-cultural events include some facet of language-specific outreach, supported by language targeted media and language specific CBOs.	Participated in events with: <ul style="list-style-type: none"> • Migrant Education Center • Asociacion Latina de Padres de Crianza • Mujeres con Proposito • Alliance for African Assistance • The Collaborative, a group of five African refugee agencies. • Work with other Asian and Hispanic agencies. 	Non-English outreach a component of other activities in multi-cultural and faith-based areas. Targeted mailings made to non-English communities.	Use of Asian/Hispanic media campaigns and numerous community events including: Chinese and Vietnamese Harvest Moon Festivals in Arcadia, Westminster and Korean Festival "Hangawee" in Koreatown, Asian Pacific Festival at LA County Fair, and Fiestas Patrias are just few examples.
Additional Events: <ul style="list-style-type: none"> • Faith Based Organizations • Seniors • Military • Service Industry • American Red Cross • Retailers 	<ul style="list-style-type: none"> • Faith Based Organizations take part in capitation contracts. • Senior assistance agencies included within the capitation matrix. • Workplace Initiative focusing on Hotel and Food preparation industry (begun 2002). • Retailers, such as Sears and K-Mart cooperate in events 	Faith-based organizations including: <ul style="list-style-type: none"> • Ecumenical Council of San Diego • United Methodist Urban Ministry • Catholic Charities Customer Assistance • Episcopal Community Services. • Program brochures are hand delivered to customers at every turn-on, service order, high bill investigation, and bill collection. • Works with Aging & Independent Services group to provide information to seniors. SDG&E has also attended several other events that focused on senior outreach. • Military: Targeted newspaper campaign, and creation of a military brochure to inform new military personnel and families about CARE and other Customer Assistance Programs • Worked with American Red Cross to provide CARE information in all of the WIC facilities in San Diego. 	<ul style="list-style-type: none"> • Faith-based organizations including the Catholic Archdioceses, Inland Empire Ministers Association, and individual churches from South Los Angeles to Tulare County. • Consumer Affairs key contact with senior organizations throughout SCE's service territory and promotes CARE. • Food banks assist with enrolling customers • Company-wide "Show You CARE" campaign encourages employees to promote CARE to family, friends, and other social acquaintances. 	<ul style="list-style-type: none"> • Faith-based and community organizations on capitation contracts Faith based organizations including: <ul style="list-style-type: none"> • Catholic Charities • The Salvation Army • Public Affairs • United Way of Greater Los Angeles • Food Banks to assist in enrolling CARE

Table VII.2, cont.

Item	PG&E	SDG&E	SCE	SCG
Customer Contact Call Center	<ul style="list-style-type: none"> Customer Services Call Center Operations (both live and through IVR menu options). 1-866-PGE-CARE hotline with additional language support and live assistance. Voice prompts on call-in line for English, Spanish, Cantonese, Mandarin and Vietnamese; 	<p>Offer CARE to all residential customers when they call to initiate service, request payment arrangement, or change the name on the account.</p> <p>-CARE is part of the on-hold and Interactive Voice Response</p> <p>-Messages on customer service lines.</p>	<ul style="list-style-type: none"> Customer Services Call Center Operations (both live and through IVR menu options; includes dedicated line for targeted mailings New service customers informed of CARE and mailed application upon request. LIEE requests receive CARE information, as do customers calling for any low-income assistance 	<ul style="list-style-type: none"> Customer Services Call Center Operations (both live, on-hold, and through IVR menu options in English and Spanish). CARE information offered to all residential customers calling to initiate service, request payment arrangement, or change name on account. Call center can handle English, Spanish, Cantonese, Mandarin, Korean, and Vietnamese
Utility Field Personnel/ Payment Centers	<p>Division Personnel provided information for referral of customers</p> <p>CARE applications will be provided at authorized bill payment agencies that are frequented by potential CARE-eligible customers. Bins will be available in 2003 for customers to drop completed applications.</p>	<p>Customer Assistance program brochures and CARE applications hand delivered to customer at every turn-on, service order, high bill investigation, and bill collection call.</p>	<p>SCE field service personnel carry CARE applications to provide to customers.</p> <p>Information posters describing how to request a CARE application at all authorized payment agencies.</p>	<p>Customer Assistance program brochures hand delivered to customer at every turn-on, service order, high bill investigation, and bill collection.</p>
Outreach through Agency Contracts				
Door to Door	<p>Door-to-door CARE outreach conducted through LIEE programs and Capitation fee organizations</p>	<p>Capitation fee organizations have provided door-to-door outreach</p> <p>-Other outside agency promote CARE</p>	<p>Door to door CARE outreach conducted through LIEE programs and Capitation Fee organizations (see also "Agency Intake" below).</p>	<p>Several of Capitation fee organizations use door-to-door canvassing to enroll the CARE customers</p>
Agency Intake	<p>Capitation Contracts</p>	<p>Capitation Contracts</p>	<p>Capitation Contracts</p>	<p>Capitation Contracts</p>
Levering W/ LIHEAP	<p>-CSD and affiliated County Agencies</p> <p>-HEAP toll-free number on all CARE applications.</p>	<p>CARE leverages with all three LIHEAP agencies in the San Diego service territory. Two of these agencies enroll customers in the fee per application program.</p>	<p>SCE has contracts and/or leveraging agreements with LIHEAP agencies throughout its service territory. CARE applications are used as part of the outreach component of LIHEAP programs.</p>	<p>SCG and CSD have Letter of Agreements that provide for cross-referral of LIHEAP and CARE programs.</p>

Table VII.2, cont.

Item	PG&E	SDG&E	SCE	SCG
Leveraging with Local Govt. Programs	<ul style="list-style-type: none"> Local and State-wide newsletters to key governmental representatives-Local city events Various city programs utilize CARE certification for application to their services. Work with CSD to reach clients 	<ul style="list-style-type: none"> Partner in events with: Cities of Oceanside, Chula Vista, El Cajon and several others. Partnership with Department of General Services, EDD, the County Health & Human Services. 	<ul style="list-style-type: none"> Distribute applications through counties to insert with assistance checks Public Affairs organization focuses on outreaching CARE to community groups and local governments throughout the year. 	<ul style="list-style-type: none"> Partner with city, county, and federal assistance agencies (e.g. Housing Authority, CSD/LIEAP) to promote CARE
Community /Employer Presentations	Included under workplace initiative	<ul style="list-style-type: none"> CARE information provided to employees of: Hilton and Host/Marriott Hotels Partnered with Employment Development Department branches in San Diego County, setting up CARE application stands and posters in each facility. 	<ul style="list-style-type: none"> Account executives seek opportunities to reach customer segments with labor forces that are potentially eligible for CARE Distributed CARE applications through paycheck inserts and employee meetings in hotels. Other customer segments to be targeted include: restaurants, manufacturing, and building maintenance. Partners with individual schools and school districts to promote CARE in the classroom and provide applications for students to take to their families. 	<ul style="list-style-type: none"> Public Affairs Regional Managers and Customer Assistance department continuously inform and update the local governments, interested organizations, and health service customer assistance programs, including CARE
Other				
Tracking by source code	For outreach contractors only	OCs, newspaper applications, direct mail pieces, and outreach events	For some items, improving for 2003. Tracked about 60% of enrollees for 2002.	OCs, newspaper applications, and events. Direct mailing and CARE application bill insert in 2003.
Auto enrollment through other utilities/programs	MID/TID and HEAP in 2003	SCG for 2003	SCG and Energy Assistance Fund (EAF)	SCE, Direct Assistance Program, and Gas Assistance Fund (GAF). SDG&E in 2003.

Table VII.2, cont.

Item	PG&E	SDG&E	SCE	SCG
Other	Application mentions other programs participants may qualify for	<ul style="list-style-type: none"> • Customer Assistance handbook that discusses CARE and other programs • SDG&E Website—CARE program information with applications available for download and print in English, Spanish, and Vietnamese • CARE e-newsletter to more than 250 community and government agencies 		Customer Assistance leave behinds for filed and collections.

Measuring Outreach Effectiveness

It is challenging for the utilities to track applications (and thus enrollments) to specific outreach methods, particularly those that result from mass media efforts. All of the utilities discussed how rapid deployment – initiated in 2001 – set the stage for the goal of enrolling 100% of the eligible and interested customers and emphasized urgency to increase CARE enrollment. Consequently, through 2002, resources were focused mostly on increasing enrollments to the higher levels seen at the end of 2002 over the 2000 and 2001 levels (Figure VII.2). Only more recently has attention been directed at tracking outreach effectiveness in any detail.

“What’s important to note here is that since 2001, our CARE outreach and messaging has grown exponentially. We were at \$580,000. Now, all of a sudden we were up to \$3.8 million. It was – ‘What are we going to do?’ We wanted to make sure that we spent the money prudently and that we just didn’t go out to an advertising agency and throw out \$2 million, just to spend our money.”

“We all of the sudden had all this money from rapid deployment. We were told to do outreach. We just started doing things. And we hadn’t done it on a massive scale before...Now that we’ve done it for a while, we can step back and we can say ‘how we can track the results.’ Now that we’ve blitzed it, so to speak, let’s talk about managing it and see what’s most effective.”

Most of the utilities are now expanding and/or developing systems to track various sources of enrollment, not just the outreach contractors (which have been carefully tracked for reimbursement purposes and reporting to the CPUC) and other readily identifiable sources (e.g., in-language print advertisements). SCE and SCG have codes (eight- and two-digit codes, respectively) to track specific enrollment activities (e.g., individual outreach contractors, specific events, bill inserts, direct mail campaigns,). SDG&E is using a color-coded system for applications and source codes to track the results of direct mail campaigns, internal outreach, and capitation contractors.

The ability to track enrollment to specific outreach activities will allow for more reliable assessments of which activities are the most effective. For the purposes of this study, however, these data were not available, so we have relied on the self-reported perceptions of the most effective outreach efforts.

Mass Outreach Efforts

In identifying these “most effective outreach methods”, we analyzed the transcripts and annual reports (39 total narrative documents) by first selecting passages and assigning them categorical codes (e.g., bill insert, call center, capitation, targeted mailings, etc.).

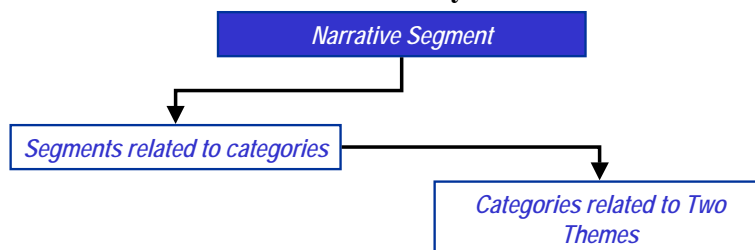
We then reviewed each quotation associated with the codes and assigned the categories one of two theme codes:

Theme 1: Most effective method – Quantity (Mass Outreach)

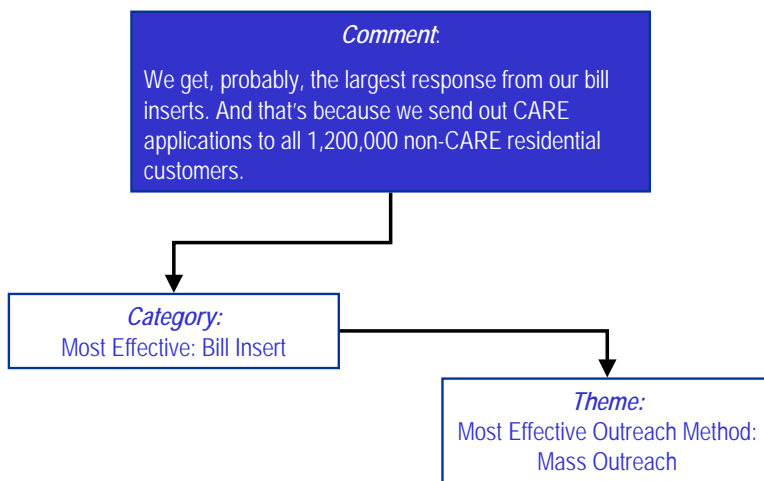
Theme 2: Most effective method – Targeted Outreach

The following flow chart portrays the process of analysis of all data segments, with each segment coded as category and theme. For detailed description of ATLAS.ti, please see Appendix D.

**Figure VII.3
Process of Analysis**



Example:



Based on our interviews with staff at each of the utilities, the largest source of CARE applications and enrollments is the notification and/or application inserted into customer bills, supported by the utility call centers. Several of the interview respondents believed the effectiveness of these methods are increased when additional strategies, such as media ads, events, and Call Line messages, are timed to coincide with the mailing:

“When you do a combination of things, it seems to be far more effective than just one individual media campaign, or just a bill insert. You’ll still see a spike, but it seems to be more effective if you do things in combination.”

CARE information is also available on automated IVR systems, at payment offices, and on company Web sites. The level of “depth” varies by utility, with some call centers sophisticated enough to guide consumers to local agencies, while others are only able to provide Program information and focus on getting application to customers. Additionally, some payment offices offer bins for applications (others have posters and materials available) and some Web sites having specialized CARE pages in many languages (others having more limited options). Each of the utilities, however, is working toward maximizing all internal systems of communication with customers, including more language options.

Targeted Outreach Efforts

When asked what were the most effective outreach methods, respondents noted that some are more effective for targeting hard-to-reach groups (e.g., Hispanics, Native Americans, Vietnamese, disabled, seniors, etc.).

The interview respondents reported that one of the most important methods for targeting hard-to-reach customers is relying on outreach contractors. While all of the utilities use the outreach contractors to enroll participants, overall these agencies have not been as effective as expected. As shown in Table VII.3 and Figure VII.4, outreach contractors resulted in only 9% of new enrollees for PG&E and SDG&E, 3% for SCE, and 17% for SCG.

The lower-than-expected number of referrals from these contractors was attributed to several factors, including the low incentive level, agencies having fewer eligible customers than anticipated, lack of an incentive to participate in enrollment events, and high staff turnover. Still, each utility felt that the use of the contractors was important to reach specific, hard-to-reach segments of eligible customers. Many important community partners, however, have not chosen to become contractors, but still inform agency clients of CARE and other programs as part of their service.

Identifying and reaching the many ethnic and cultural markets has become a greater focus for all of the utilities. In addition to using capitation contractors, utilities have participated in events and media campaigns (radio and newspaper), utilized door-to-door canvassing, and developed alliances with organizations and key individuals representing unique populations (e.g., Hispanic, Asian, Native American, African-American, seniors, disabled, service industry workers, and unions). Some approaches, such as community newspapers, have not been as effective as hoped. Events and face-to-face outreach are seen as very effective in reaching targeted, but small, audiences. These efforts are even more effective when supported by in-language and in-culture collateral, such as information materials and give-aways. Working with retailers, such as Sears and K-Mart, to host enrollment events has also proven effective.

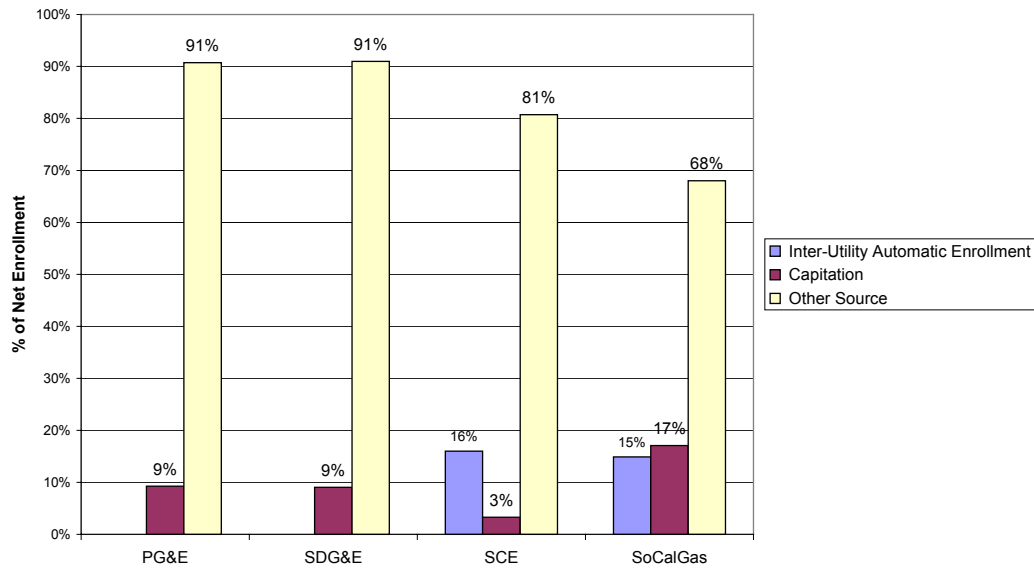
**Table VII.3
Source of Enrollment for PY2002**

Enrollment Source	PG&E	SDG&E	SCE	SCG
Total Gross Enrollments	441,342	106,966	409,816	502,094
New Enrollment	287,901	60,567	257,299	381,265
Inter-utility Automatic Enrollment*	0	0	41,211	56,831
Capitation	26,652	5,479	8,416	65,152
Other Source**	261,249	55,088	207,672	259,282
Recertification	153,441	46,399	152,517	120,829

* SCE and SCG exchanged lists of CARE participants in 2002. In addition, SCE supplemented the list with participants from EAF (included under "other source" in this table), while SCG supplemented the list with participants from DAP and GAF.

** Other sources included bill inserts, direct mail, call center applications, newspaper applications, etc. These were not tracked for most utilities so are grouped together here.

**Figure VII.4
Source of Enrollment for 2002 New Enrollees²⁶**



CARE Expansion and Sub-Metered Programs

The CARE Expansion component has proven challenging for some utilities. Identifying shelters and group living facilities, migrant and farm worker housing centers, and other eligible accounts has been difficult for some; others have found that owners with more than one site often fail to share the

²⁶ This is based on new enrollment only, so does not include recertification enrollment. In addition, although a few utilities had higher levels of detail, we chose to only select the three categories that were available for all utilities.

information with each eligible location. One utility received no response from the agricultural community after mailing notices to all eligible facilities. Efforts to improve outreach to this sector have included developing a relationship with a statewide organization of non-profits.

Reaching tenants in sub-metered housing units has also been challenging. All of the utilities have informed landlords of the Program and the requirement that they inform tenants of its availability, but it is difficult, time consuming, and costly to monitor their compliance, encourage them to inform the utility when a resident's status changes, and in other ways support the CARE program.

Changes Expected

Changes have been made in most of the utility CARE programs in 2003, including increasing access by adding in-language support (materials, Web site, call line), using more targeted and simultaneous approaches, and working to improve source tracking to assess the effectiveness of given outreach efforts. Several utilities are also exploring cooperative efforts with other utilities to test the effectiveness of an approach that includes putting CARE message and contact numbers on shopping bags used by emergency food sources, on dinner napkins accompanying home-delivered meals, and other methods, such as inserts for clients of programs like Head Start.

Market Barriers

Despite the vast array of outreach strategies, staff at all the utilities discussed the permanent barriers that they face in their effort towards achieving 100% penetration, including:

- Distrust of agencies and utilities, particularly among immigrants
- Illegal immigrants afraid to give proof of income
- Too busy to participate
- Not 100% of eligible customers are aware of the Program
- Perceived value of discount is too small
- Pride (some inter-utility auto-enrolled participants decline to participate):

“There are people who don't want to participate . . . We are finding that there are people who say, ‘I don't care. I don't want to participate. I know I qualify, but I don't want to participate.’ And we meet those people. Not often, but there are a small percentage that just don't want to participate.”

“I don't think you'll ever get to 100%. But where is that between 100% of the eligible and the 100% who wish to participate. What is

the difference? And that's what we really don't know, where the difference is. We don't know how many don't want to participate."

"I think there's certain people out there that are never going to sign. In my mind, not based on anything scientific, I thought 85% sounds like a possibility. And that was two years ago, and after seeing what's been happening here lately, I think it's even less than that now. I just don't know where the rest of those people are. We have been out there."

Administrative Practices

Although there are some similarities, each utility has different verification, recertification, and general administrative practices. As shown in Table VII.1, utilities are facing attrition rates of 19% to 38%, and it is possible that many of these customers who are dropped from the Program actually remain eligible for CARE. As we will examine below, different administrative practices can sharply impact the ability of utilities to keep customers enrolled in CARE.

Verification

Tables VII.4, VII.5, and VII.6 summarize the verification practices and statistics for each utility.^{27,28} The most notable differences in the verification processes include:

- PG&E selects only new applicants for verification, SCG selects a split of new applicants and existing customers, and SDG&E and SCE selects from the pool of participants
- SDG&E uses a probability model to select those most likely not to be eligible, the other utilities select randomly
- SCE allows 30 days to respond to the PEV request, the other utilities allow 90 days

²⁷ Verification of CARE customer incomes was authorized in July of 1989 at the time the original CARE program (LIRA) was authorized (D. 89-07-062) by the Commission at the request of the utilities. Most utilities (PG&E excepted) during proceeding I.88-07-009, were not asking for documentation at the time customers applied for the program but wanted to "verify customer information on a random basis or where the utility has reason to believe that a declaration of eligibility is fraudulent." That decision also provided that a utility could "render corrective billings" in accordance with approved tariffs.

²⁸ D. 99-07-016 required: 1) the telecommunications utilities to obtain the customer's signature indicating that the utility may (i) verify the customer's eligibility to participate in the ULTS program (Universal Lifetime Telephone Service) and (ii) if the verification finds the customer to be ineligible for ULTS the customer would be removed and could be billed for previous discounts received. 2) At the time of recertification both the energy and telecommunications utilities shall obtain a signed statement from the customer as described in (i) and (ii) above.

- SDG&E and PG&E were the only utilities in 2002 to send a second notice by mail to those PEV customers that do not respond to the initial letter
- SDG&E and SCG are the only two utilities that use bill messages for PEV customers that do not respond to the initial letter

Note that the percentage and type of CARE customers who are asked to verify their income varies amongst the utilities: in 2002 PG&E randomly selected 2% of new applicants, SCE randomly selected 1% of all participants, SDG&E selected 6% of all participants using a probability model, and SCG randomly selected 18% of all participants. The verification selection procedure is a policy decision that is up to each utility to determine.

The first goal is, of course, to maximize the number of verifications that are returned. SCG, with 80% returned, is far higher than any of the other utilities. While they only send out one reminder letter, they also use bill messages to remind PEV customers that they must respond or be dropped from CARE. They also send out the letter requesting the income verification in English and Spanish.

PG&E received 68% of PEV requests back, and they implement a number of practices that may positively influence their response rate, including sending out letters in four languages, using a personalized letter from one clerk who manages the process (and takes all phone calls), and even calling some applicants to make sure they do not have questions.

SDG&E, with a response rate of 62%, is the only utility in 2002 to have sent out a second reminder letter and include a bill message. Their letters are in English with a Spanish note.

SCE, with only a 41% response rate, only sent out one letter, in English, in 2002. In addition, SCE only allowed 30 days for customers to respond to the PEV request: the other utilities all allowed 90 days.

The percentage of verifications that is then approved varies greatly by utility, with PG&E approving nearly all of the returned applications, while SDG&E and SCG only successfully verify just more than half of those returned. The approval rate can vary based on both the exact documentation that is required and the diligence with which the utility seeks any missing information. Use of a probability model to screen the sample by SDG&E also impacts on the approval rate.

Another policy decision is whether or not to back bill customers who fail income verification. As shown in Table VII.4, PG&E and SDG&E have chosen not to back bill, SCG will bill for up to three months worth of discounts, and SCE back bills up to 12 months for customers with discounts totaling over \$100.

There are, of course, some customers who will not respond to the PEV request, even if they fully understand what is being requested. An informal survey and focus groups conducted by SDG&E found that, among those that understood the request, many customers did not respond because they either did not qualify or refused to provide their income data to the utility. Additionally, many customers just did not respond even after saying they would and being given an extended opportunity to do so.

Recertification

Recertification policies are also vastly different between the utilities, and the different approaches can sharply impact the percentage of customers that are successfully recertified (Tables VII.7, VII.8, and VII.9).²⁹

For example, PG&E allows duplicate entries – customers that are already receiving the CARE discount but send in an application – to be successfully recertified (effectively extending the recertification date), regardless of when the new application is received. SDG&E also allows duplicate applications if they are within 12 months of the CARE the scheduled recertification date. Other factors may also influence these high recertification rates, including:

- SDG&E includes a bill notice for those that must recertify, warning participants, “Your CARE discount will stop effective your next billing period.”
- SDG&E includes a notice on the envelope that says “Important information about your bill.”
- PG&E sends out the recertification letter and form in four languages.
- PG&E pre-completes the form, requiring that customers only complete the income section of the application (including household size) and sign to recertify.

²⁹ Originally provided for in D. 89-07-062 as a utility supported process that would occur every three years, that decision was modified in D. 94-12-049 to shorten the recertification of customers to every two years: “By reducing the time period in which the recertification takes place, the utilities can expeditiously eliminate participants who are no long eligible due to changed economic circumstances.”

**Table VII.4
Verification Practices in 2002, by Utility**

Item	PG&E	SDG&E	SCE	SCG
Selection procedure	Random, daily selection of approximately 2% from new applications (selected from hard copy)	System randomly selects approximately 15% of new & existing customers. Selected enrollees are run through a probability model before verification. Approximately 3% of these are sent verification notices	Random selection from all participants	Computer randomly selects new and existing customers
Language for letter	Letter in English, Spanish, Chinese, Vietnamese	Letter in English with a Spanish note. Customer can request letter in Spanish. Changing to English/Spanish	English	English/Spanish (but implementing other languages)
Materials review	Requires income verification from all members of household but some discretion of reviewer. Also screens based on neighborhood/other apparent discrepancies.	Attempts to get income verification from all adults in household	Requires income verification from all adults in household	Requires income verification from all adults in household
Back billing for those not approved	None	None	If discount is over \$100 back billed for total discounts for previous 12 months; if less than \$100 no back billing.	Up to three months
Number of days to respond	90 days	90 days	30 days	90 days
Follow-up letter for non-response	Introduced additional reminder letter in early 2002	Second notice (30 Day)	None, although being considered	None in 2002, working with IT to implement 2 nd letter in late 2003 or early 2004
Handling of failed verifications that reapply	Processor should catch any failed verification within the last 12 months and require income verification again. Customer is not placed on CARE rate until verified	Computer system should catch any failed verification (within 12 months) and require income verification again	Computer system will catch any failed verification within the last 12 months and require income verification again	If denied in last 12 months then CSR gets flag, forwards to CARE group, customer must verify income (checks are only for call center and through automatic enrollment)
Bill Message	None	Yes. Note warning customers that their CARE discount will be removed as of the next billing cycle.	None	For no or incomplete response to verification application, bill message reminder after 45 days. After 100 days bill message that customer is removed from CARE rate.

**Table VII.5
Verification Statistics in 2002, by Utility**

	PG&E	SDG&E	SCE	SCG
Total Verifications Sent	8,949	10,300	9,914	130,982
% of Avg Number of Participants ¹	1%	6%	1%	18%
Never Received Back ²	2,889 (32%)	3,910 (38%)	5,827 (59%)	26,648 (20%)
Total Received Back	6,060 (68%)	6,390 (62%)	4,087 (41%)	104,334 (80%)
Total Successfully Verified	6,044 (68%)	3,732 (36%)	3,676 (37%)	68,299 (52%)
Total Denied	16 (0%)	476 (5%)	411 (4%)	3,074 (2%)
Total Pending/Never Completed ³	0 (0%)	2,179 (21%)	919 (9%)	32,961 (25%)

- 1 Based on average number of participants in 2002. Note that PG&E selects randomly from only new participants, not existing, so the percent selected is closer to 2%
- 2 Percentages based off of total verifications sent
- 3 Timing differences may lead to sums that may differ from total verifications sent and to a high number of pending/never completed applications

**Table VII.6
Summary of 2002 Verification Practices and Statistics by Utility**

Item	PG&E	SDG&E	SCE	SCG
New applicant or existing participant	New applicants	All participants	All participants	50% new/ 50% existing participants
% of average participants selected	1%	6%	1%	18%
Days to respond	90	90	30	90
Probability model		✓		
Follow-up letter	✓	✓		
Bill message		✓		✓
Envelope notice		✓		✓
Language for letter	English, Spanish, Chinese, Vietnamese	English with a Spanish note	English	English/Spanish
% Received back	68%	62%	41%	80%
% Successfully Verified	68%	36%	37%	52%

**Table VII.7
Recertification Practices in 2002, by Utility**

	PG&E	SDG&E	SCE	SCG
Difference from initial application	Requires signature only (used regular applications in Jan-May 2002 with a letter in English/Spanish); New applications printed in English, Spanish, Chinese, and Vietnamese	Very similar to application, just says recertification application on bottom of form, different color	Very similar to original application, just says, "to reapply for CARE . . ." and signature is required.	Very similar to application, says recertification application and is a system generated document, with name/address/account fields filled in. Customer only needs to check a few boxes and sign.
Notices by mail	In 2002, just one letter, sent 24 months after certification. First letter provides 90 days notice, added 2 nd letter at 30 day notice in May 2003	Form letter asking people to recertify (90-day notice), plus an additional follow up letter (60-day notice)	Initial recertification letter (60-day notice) plus follow up letter if no response to initial letter within 30 days	One letter 90-day notice (but allow 120 days), used to be two letters; planning to implement 2 nd letter again in 2003
Timing of First Notice	24 months after certification	24 months after certification	60 days prior to 24 month anniversary data of CARE enrollment	24 months after certification
Notice on envelope	None	Says "Important information about your bill"	None	Says "Response Required" in red
Language for recertification application	English, Spanish, Chinese, Vietnamese (all on same application)	English/Spanish	English/Spanish	English/Spanish. Call Center issues recertification in Korean, Chinese, and Vietnamese when requested. Implementing system generated documents other languages
Language for recertification letter	English/Spanish, Chinese, Vietnamese	English/Spanish	English	Same as above.
Notices on bill	None	Bill warns "last bill" before CARE discount stops	None	After they expire bill says, "Your recertification application for the CARE program was not received by The Gas Company, therefore you are no longer eligible to receive the CARE discount rate."
Handling of duplicate applications	All accepted, update the recertification date based on most recent application	If within 12 months of recertification date then recertify, otherwise count as duplicate	If within one month of the scheduled recertification date count as recertification	If already on CARE then disregard the application. Starting in 2003 will use duplicate application as recertification (first manually, later automated)

**Table VII.8
Recertification Statistics in 2002, by Utility**

	PG&E	SDG&E ³	SCE	SCG
Total Recertifications Sent ¹	145,907	50,715	273,750	174,700
Total Received Back	NA	38,910 (77%)	217,139 (79%)	136,090 (78%)
Total Successfully Recertified ²	108,916 (75%)	46,399 (91%)	152,517 (56%)	120,829 (69%)
Total Denied	NA	NA	5,320 (2%)	2,432 (1%)
Total Pending/Never Completed	NA	NA	59,302 (22%)	12,829 (7%)

- 1 Includes sub-metered for all utilities but PG&E, Percentages based off of total recertifications sent
- 2 May include duplicate applications that are successfully recertified; recertification rates excluding duplicate applications were not available.
- 3 SDG&E reported that 11,120 participants were removed through the recertification process in 2002.

**Table VII.9
Summary of 2002 Recertification Practices and Statistics by Utility**

Item	PG&E	SDG&E	SCE	SCG
Days to respond	90	90	60	90 (120)
Follow-up letter		✓	✓	
Bill message		✓		✓ (after recertification date)
Envelope notice		✓		✓
Language for letter	English, Spanish, Chinese, Vietnamese	English	English/Spanish	English/Spanish
Duplicates allowed	All	Within 12 months of 24 month anniversary	Within one month of 24 month anniversary	None
% Successfully Recertified	75%	91%	56%	69%

Additional Administrative Practices that Influence Retention

There are a number of other administrative practices that differ by utility yet can influence the retention of qualified CARE customers (Table VII.10). For example, each utility has a slightly different way of showing the CARE discount for participants. SCE only shows the rate as “D CARE” and does not show a discount or any bill message that the customer is on CARE. SCG, on the other hand, clearly states that the CARE discount is applied but does not show the actual discount. PG&E and SDG&E clearly notify the customer they are on CARE and display the amount of the discount.

Clearly letting customers know they are on CARE can be a key to minimizing attrition in a number of ways, mostly by making customers aware of the benefits of the Program so they are more likely to participate in the PEV process or recertify when requested to do so. There are also cost savings in terms of administration time: the SCE call center mentioned that the number one question/concern from customers was that they are not on the CARE rate.

Tracking the preferred language and corresponding in this language can also be an important component of keeping qualified CARE customers in the Program. An alternative is to develop multi-language materials, as some utilities have done, essentially accomplishing the same objective: making sure that customers who were asked to participate in the PEV and recertification process understand what they are being asked.

Finally, three of the four utilities allow customers who are on CARE and move to a new location in the utility service territory to remain on the rate as long as there is not a break in service. SCG, however, has been requiring that the participant reapply for CARE. Given the high mobility rate of the low-income population, this policy is likely to increase the attrition rate (and SCG had the highest attrition rate in 2002, 38%).³⁰

**Table VII.10
Additional Administrative Practices that Influence Retention**

Item	PG&E	SDG&E	SCE	SCG
Display of CARE discount for participants	Notice they are on CARE rate and shows discount	Yes, prominently shows participation and includes discount for electric (gas shows CARE rate)	Shows up as "D CARE" rate only, does not show discount	Rate shows as "CARE Baseline" and "CARE Over Baseline" with a note that "CARE Discount Applied"
Tracking preferred language	Not tracked	Plans to implement in 2004	Yes, plan to use to customize letters in the future	In English and Spanish only, implementing other languages
Policy for those that move in service territory	Continue on CARE	Continue on CARE	Continue on CARE (if occurs without a break in service)	Must reapply, beginning an evaluation of using IT to continue on CARE

Costs

As demonstrated in Table VII.11, the CARE bill discounts for 2002 were substantial: PG&E provided over \$100 million in discounts, SCE over \$96 million, SCG over \$44 million, and SDG&E \$31.3 million. Combined, the 2002 CARE discounts totaled \$272.5 million.

³⁰ Some of these former participants, however, may have re-enrolled at their new address (data were not currently available).

**Table VII.11
Summary of PY2002 Total CARE Costs by Utility**

	PG&E	SDG&E	SCE	SCG
Total Program expenditures	\$106,508,635	\$34,144,808	\$99,053,331	\$48,668,362
Total administrative expenditures	\$6,367,635	\$2,821,110	\$2,167,933	\$4,121,783
Outreach	\$4,362,157	\$1,932,774	\$831,151	\$2,421,261
Processing, Certif, & Recertification	\$1,305,148	\$168,015	\$448,257	\$765,043
Other Administration	\$700,330	\$720,321	\$888,525	\$935,479
Bill Discounts*	\$100,141,000	\$31,323,698	\$96,885,398	\$44,146,579

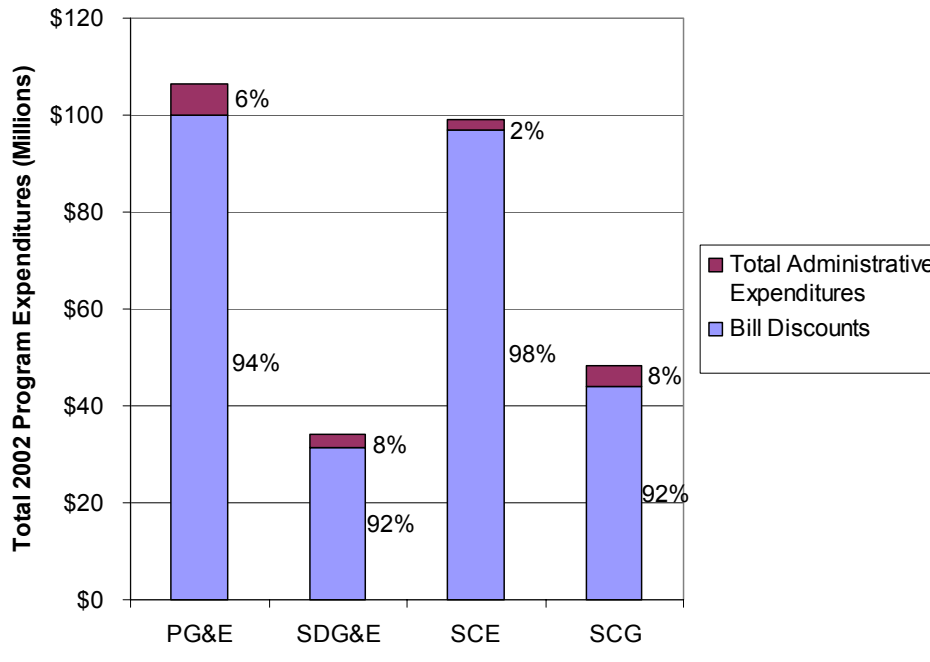
* Includes rate discounts and service establishment discounts

Quantec evaluated the refundable costs of the CARE program (i.e., those costs associated with the CARE program that are recovered through the public purpose programs surcharge). All of the utilities have limited these administrative expenses to 8% or less of the total refundable program expenditures (Figure VII.5).

During the evaluation Quantec noted that there are differences in the cost composition of the utilities' refundable CARE program. Depending on a utility's accounting system, operations, organizational structure, as well as past and ongoing rate setting proceedings and Commission decisions, a utility's CARE program receives a certain level of administrative or operational support from non-refundable operations and maintenance (O&M) organizations. The degree of this O&M support differs among utilities and may be more or less than the costs funded in O&M by another utility. Therefore, the costs contained in the refundable Program may be categorically more or less than another utility depending on the amount of support provided by O&M organizations.

Individual utility accounting for this O&M funding may or may not show these costs as a derivative of the CARE program. If a non-refundable cost is being recorded as a derivative of the CARE program, the utilities are to report it to the Commission as an additional, non-refundable indirect cost of the CARE program. However, since utilities do not account for all administrative costs at the Program level (e.g., costs are accounted for functionally and categorically), not all non-refundable indirect costs associated with the CARE program are being reported in this manner.

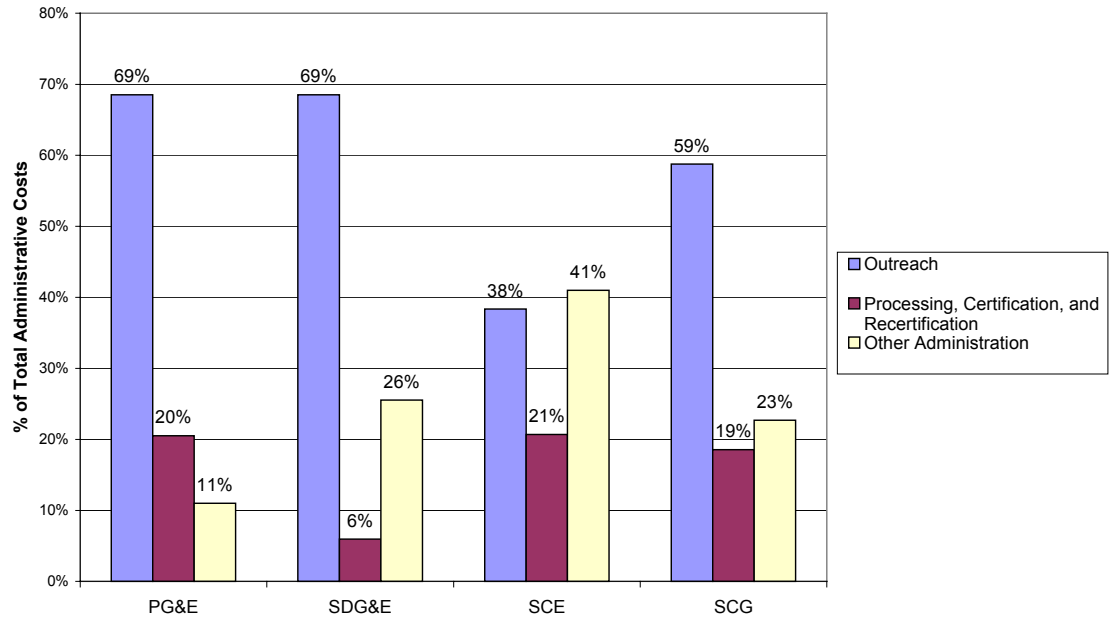
Figure VII.5
Summary of PY2002 Total CARE Costs by Utility



There are notable difference in how the utilities allocate their administrative expenditures. For example, as shown in Figure VII.6, PG&E and SDG&E allocate 69% of their administrative budget towards outreach. This high percentage is likely a function of the allocation of rapid deployment funds to outreach, the conducting of large media campaigns, the focus on outreach events, and use of outside consultants. SCE, on the other hand, only allocates 38% of the administrative budget for outreach, preferring instead to focus on lower cost, more targeted outreach methods (e.g., direct mail) and use in-house resources as much as possible.³¹

³¹ SCE, however, has the highest relative percentage “other administrative” costs of the four utilities.

**Figure VII.6
PY2002 Breakdown of Administrative Costs by Utility**



Finally, when the costs are examined per participant, there are some notable differences. As shown in Table VII.12, SDG&E had the highest administrative and outreach costs per enrollee and per total number of participants. However, SDG&E, being the smallest utility, has to divide overhead costs among a smaller base of Program participants, yet the amount of their overhead costs to recruit customers for the CARE program are not tied to the size of SDG&E’s customer base, but rather to the costs of promoting the Program, similar to the other utilities.

PG&E incurred the second highest administrative and outreach costs per participant. PG&E ran an aggressive outreach program in 2002, as their pre-rapid deployment participation levels were lower than the other utilities, and chose to use an outside public relations firm to help design and implement Program outreach, which also likely increased their costs. Program participation, however, increased by 34% in 2002, the highest of all the utilities. In addition, the processing, certification, and recertification costs per gross enrollee are nearly double the costs for the utility with the second highest costs, reflecting the “hands-on” approach that PG&E adopts both by choice and out of necessity due to the implementation of a new customer database in late 2002.

SCE keeps administrative costs allocated to the refundable Program down by using other departments within the utility to assist with CARE processing and outreach activities. In addition, the focus on identifying and conducting cost-

efficient outreach activities – such as their direct mail campaign – also contribute to lower administrative costs per participant.

**Table VII.12
PY2002 CARE Costs Per Participant**

	PG&E	SDG&E	SCE	SCG
Total Administration	\$6,367,635	\$2,821,110	\$2,167,933	\$4,121,783
Cost per Gross Enrollee	\$14.43	\$26.37	\$5.29	\$8.21
Cost per Average Number of Participants	\$9.98	\$17.53	\$2.80	\$5.70
Outreach	\$4,362,157	\$1,932,774	\$831,151	\$2,421,261
Cost per Gross Enrollee	\$9.88	\$18.07	\$2.03	\$4.82
Cost per New Enrollee*	\$15.15	\$31.91	\$3.23	\$6.35
Processing, Certification, and Recertification	\$1,305,148	\$168,015	\$448,257	\$765,043
Cost per Gross Enrollee	\$2.96	\$1.57	\$1.09	\$1.52

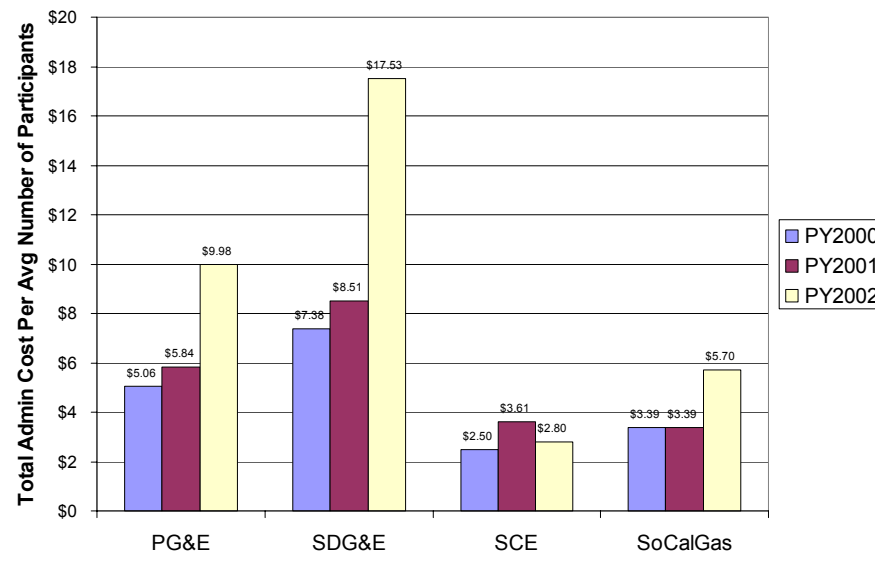
* Gross enrollees include recertification customers, new enrollees exclude recertification

Quantec also examined the total administrative costs per average number of participants from 2000-2002. In 2002, the first full year of Rapid Deployment, the costs per participant rose sharply for every utility except SCE (Figure VII.7). These increased costs are likely a result of increased funding for outreach expenditures. The increase in cost per participant also reflects the higher costs of enrolling the hard-to-reach customers: as each utility moves further along the penetration curve the marginal cost per enrollee increases, thus forcing up the average cost per participant.³² In other words, if utilities continue to increase their penetration rates in future years we would expect the average cost per gross enrollee and the average cost per new enrollee to continue increasing.³³

³² However, because each utility has a different percentage and representation of hard-to-reach customers, the marginal costs can differ along the penetration curves for each utility.

³³ Relying on less costly enrollment methods, such as inter-utility automatic enrollment, may help mitigate these potentially increasing costs.

**Figure VII.7
CARE Administrative Costs Per Average Number of Participants**



Discussion of Implications

The implications of each utility policy can have critical implications for minimizing administration and outreach costs and mitigating Program attrition. The pros and cons of a number of policy decisions are discussed below. Quantec also included recommendations (Chapter VIII) for those policy decisions where we felt the research provided evidence of a best practice; where the evidence of one practice over another was more ambiguous we only included the discussion below.

PEV for new applicants or existing customers. Verification at the time of enrollment prevents ineligible customers from receiving the CARE discount for longer than the time required to complete the PEV; similarly, conducting verification after additional months of participation may allow for higher subsidy costs than should be incurred, if a newly enrolled customer is found to be not qualified. The advantage of random verification at any time, however, is that it will identify participants who no longer qualify for the rate, being also inclusively directed at the question of how many participants qualify at the time they enroll but then no longer qualify at a later time.

Number of participants for verification. Selecting a high percentage of Program applicants for PEV allows for a filter to exclude those that are not eligible for the Program. The disadvantage of high numbers of PEV respondents are high administrative costs (the PEV process is labor intensive) and the risk of losing qualified respondents who may not respond for reasons

other than ineligibility (e.g., language barriers, inability to understand the request, or fear of providing income documents).

Back billing. Back billing serves the purpose of recovering utility subsidies for applicants or participants who fail to prove eligibility for the Program. The threat of back billing could increase the response rate to the PEV requests. Back billing, however, can also be problematic. For example, if existing participants fail the PEV process, there is no way to determine how many months to back bill for, as the participant may have been eligible for the Program when he or she first enrolled. In addition, back billing for large amounts may place an additional financial burden on low-income customers that may be slightly above the income requirements, or those that are eligible but fail to respond due to other reasons (as discussed above).

PEV probability model. Using a probability model allows the utility to better target the PEV process to applicants that are most likely to be ineligible. This allows the utilities to focus administrative resources and reduce the risk of losing eligible applicants in the PEV process. Utilities that do not have probability models will, of course, have to develop them, plus the availability and reliability of model inputs will likely vary by utility.

Number of days to respond to the PEV request. Allowing too short a period may not allow sufficient time for qualified applicants/participants to respond to the PEV request, but allowing too much time will allow for additional months of subsidies for potentially ineligible respondents (and, for those that back bill, larger amounts of subsidies to recover).

Number of days for recertification. Similar to the PEV requests, utilities need to provide enough time for participants to respond to the recertification requests. Allowing extra time – beyond the recertification deadline – may allow subsidies to be extended for participants who no longer qualify for the discount.

Allowing those that move within the particular utility service territory to stay on CARE. Maintaining participants who move to a new service address (for the same utility) on the CARE rate could potentially reduce attrition for qualified applicants who fail to reapply for the rate (either because they were not aware they had to or didn't take the time). In addition, keeping customers on CARE could reduce the administrative costs of the utilities by reducing the number of new applicants, particularly since the low-income community is more transient. However, not forcing customers to reapply assumes that they are still eligible for the Program, which may not be a correct assumption if the move is associated with a change in income or the number of household members.

Other Administrative Practices

The administrative practices discussed above directly impact CARE participation, but the current reporting requirements, call center customer response systems and management of capitation contracts, also affect both program operations and costs.

Reporting Requirements

Prior to rapid deployment, the utilities were reporting to the CPUC on CARE participation quarterly and the program activities and cost annually in compliance with the Requirements Reporting Manual. At the onset of rapid deployment, as the CPUC was responsible for reporting to the legislature on the use of SBX1 5 funding, additional reporting requirements were imposed on the utilities resulting in detailed monthly reports being filed with the CPUC and interested parties.

While the new reporting requirements increased the administration work of the CARE program, all of the utilities indicated that they now have enough experience with the process to where they no longer find the rapid deployment reporting requirements to be overly burdensome. Most, however, do use a number of staff to help produce the reports.

Call Centers

The utilities' call centers provide significant support to the CARE program. From use of the IVR to inform customers about the CARE program to CSRs offering CARE to customers during turn-on orders, bill payment arrangement requests, to referring of customer complaints to the CARE staff, CSRs are frontline personnel representing the companies and the CARE program to customers.

The utilities' call center operations are somewhat different from each other but have overarching similarities. All utilities have IVR systems explaining the CARE program. All call centers offer the CARE program to customers when they call for new service, request bill assistance, or request information on low-income programs. However, some utilities use IVR systems that all respondents reach, any time they call, before reaching a CSR, thus ensuring that all customers learn about CARE. Some utilities also offer information on CARE in additional languages, and PG&E even offered a dedicated CARE hotline.

Management of Capitation Contracts

Differences were also found in how the utilities manage their capitation contracts with community organizations (Table VII.13). For example, although all utilities offer detailed question and answer (Q&A) information

packets, PG&E and SDG&E also conduct in-person training sessions with OCs. In addition, SCE offers an “event toolkit” with tips and materials to help enrollment efforts.

The paperwork for OCs also varies by utility. PG&E and SDG&E require OCs to complete a transmittal form along with the applications, while the other utilities simply require that a source code be included on each application. All the utilities then return monthly reports to the OCs, detailing the number of applications received and approved. Two utilities – SDG&E and SCG – then require that the OCs invoice the utility to receive payment; PG&E and SCE automatically calculate the amount and prepare a check for the contractor.

**Table VII.13
Managing of Outreach Contractors**

Item	PG&E	SCE	SDG&E	SCG
Application	Legal contract	Five page legal contract	Six page legal contract	Six page legal contract
Training materials	Detailed Q&A sheet for training, as well as agenda for mandatory training session	Detailed Q&A Sheet. For 2003 showcase presentation provides a toolkit to educate community-based organizations about the CARE program and how to administer it. Event kit provides tips and materials to conduct enrollment efforts	Detailed Q&A Sheet. Training is conducted at meetings with each contractor upon execution of contract. During the contract year, meetings are held with all participating agencies where additional training is provided.	Detailed Q&A Sheet
Forms to submit participants	Simple form, required to fax cover sheet on the final business day of each month, then mail in complete form. Paid 30 days after submitting form.	None (use source code for applications)	Agencies put their source code on regular applications, then send in to SDG&E with transmittal forms. Then approval/rejections sent back to agency. Approvals can then be invoiced back to SDG&E, paid in two weeks.	Agencies put their source code on the applications, then send in to SoCal. No special form.
Reporting/Payment	PG&E creates COC monthly invoices on COC's behalf. Send COC's monthly report with number of approved/denied/ pending applications (with reasons) along with COCs invoice for COC record keeping. PG&E sends invoice to PG&E accounts payable to process checks.	One page report (summarizing results of application processing and the calculated dollar amount of payment) and check sent to contractor.	Send OC's monthly report with number of approved/denied applications (with reasons). Then OCs invoice SDG&E for capitation fees.	Send OC's monthly report with number of approved/denied applications (with reasons). Then OCs invoice SoCal for capitation fees.
Other	Offers a simple form for OCs to request more participant applications			

VIII. Conclusions and Recommendations

The individual utility experiments with different outreach and administration are rich sources of information on what practices are most effective in meeting the needs of low-income customers. However, as we cautioned in the introduction, each utility has its own unique set of challenges in promoting and administering the CARE program. So, an outreach or administrative practice that is highly successful for one utility may not achieve the same results for another.

We make these conclusions and recommendations with the following primary goals in mind:

- Specify outreach practices that identify and attract qualified participants from all population segments
- Focus on PEV practices that verify eligibility in a cost-effective manner that does not turn away qualified applicants
- Identify recertification procedures that minimize eligible participant attrition
- Outline general administrative practices that reduce the costs of managing the CARE program

Outreach

Outreach starts within each utility and works outward through a variety of mechanisms. In this evaluation, some of the utilities have used consultants in design and aspects of implementation, while others, beyond the use OCs, have primarily kept implementation in house, leveraging of CARE outreach with other company operations. We found that while PG&E, for example, has rapidly increased enrollment by using an outside marketing firm, their costs are some of the highest. Regardless of the broad decision to use consultants or keep the work in house, we believe the following approaches maximize the success of utility outreach efforts.

General

Commitment of every member of the utility to the CARE Program increases its ability to reach and keep eligible customers. In conducting our research, the single most consistent theme was the firm commitment among all utilities to enrolling and maintaining qualified low-income customers in the CARE program. A few utilities, however, did an exceptional job at enlisting both CARE staff and other employees to promote the Program. SCE, for example,

uses affinity groups, which are employee volunteer groups, to promote the Program with local ethnic and religious groups; SDG&E, SCG, and PG&E send out CARE staff to participate in events. PG&E brings representatives of many units to work with a consulting firm to maximize Program enrollments and wants to send a company wide e-mail asking each employee to sign up one person. Utility employees are potentially the best spokespersons for the Program, and this potential should be exploited as much as possible. The drawback to this approach is cost-allocation of activities.

Recommendations:

- Educate all employees regarding CARE
- Develop cross-functional communication practices that maintain ongoing commitment to the CARE message, alerts staff to issues/changes/challenges, and seeks input. These practices could include, among others, CARE meetings, internal newsletter regarding CARE and other low-income assistance programs
- Support and reward employee functions in implementing the program

Bill inserts are the most effective outreach method in terms of both enrolling large numbers of customers and cost. While each utility is required to provide at least one bill insert per year to notify customers of CARE, we found that each had added something to this process to make it more effective. Combined, these approaches can maximize the use (and reduce the cost) of bill inserts.

Recommendations:

- Target only nonparticipants for bill inserts. Some of the utilities still use bill inserts for all residential customers. This leads to far higher printing costs (especially for utilities with 700,000 or more participants), postage costs (for duplicates that are returned), and call center costs (for confused customers that call to make sure they are on the rate).
- Design the envelope to call attention to the CARE program and application. PG&E's consultant has added language to the bill envelope to alert customers to CARE's message, with the goal of maximizing every piece of paper that crosses the customers' hands. Cost and feasibility of this option should be explored.
- Include an application with bill inserts. Utilities that have switched from notifications about CARE to actual applications have found a much higher response rate.

- Use a clearly defined application form. The application should not too closely resemble a brochure (SDG&E reported that this confused some recipients.)
- Applications should be filled out as much as possible. Pre-completing the name, address, and account number fields simplifies the reply process for prospective participants.

Layering multiple outreach strategies and timing them to maximize one another's effect. The utilities' consistently find that outreach activities were most effective when conducted in combination. For example, planning the media campaign at the same time as the bill inserts or direct mailing or media coverage of local events leverages the impact of both activities.

Recommendation:

- Coordinate efforts and maximize timing to increase effectiveness of individual outreach efforts

Targeted

A variety of innovate approaches are needed to enroll those hardest to reach – low-income customers. In the past year, the utilities have undertaken a wide variety of new approaches to reach those low-income customers not easily addressed. These range from increasing the languages of Program material to intensive one-on-one efforts. Most agreed that all, and more, are needed to fully extend CARE to all eligible customers.

Recommendations:

- Continue to develop Program materials and utility support in the languages needed.
- Continue to use outreach contractors to enroll customers. Although many respondents stated that managing capitation agreements was administratively burdensome, all felt that the outreach contractors served an important role in enrolling applicants from the hard-to-reach sectors. Respondents indicated, however, that if the cost of managing these contracts was factored in – salaries for one to two full time staff – the cost per enrollee was far higher than \$12 per participant. OCs surveyed feel their efforts could be better supported by the utilities through:
 - More rapid processing of applications and reimbursement
 - More frequent training of OC staff to address high turnover and changing Program priorities
 - Additional funding if outreach is expected beyond providing CARE information to those who come to the agency for other

- services (i.e., attending events, doing door-to-door canvassing, etc.)
- Somehow knowing who was already on the CARE rate to avoid duplication of efforts
- Use multiple methods to reach target populations. Beyond in-language materials, PG&E, for example, has found that radio is a particularly effective medium to reach their Hispanic customers, while in-language newspapers are most effective with the Asian community, and churches have been the most effective outlet for reaching African-Americans. Other efforts, such as working with retailers to host events, reaching out to employers with hourly-wage workers, and standing on street corners have been utilized. Door-to-door canvassing has been very successful, particularly for high-producing OCs; however, it is costly and time intensive.
- Remind managers/landlords of sub-metered facilities of their legal obligations to inform their tenants about the CARE rate. Provide them with adequate materials to promote the Program, including posters and applications.

Tracking

Beyond a few key areas, the utilities have not tracked the most effective and cost-efficient methods for enrollment. Without these data, it is difficult to make informed choices about outreach methods most effective for a given goal. For example, bill inserts do seem to be effective and cost-efficient for reaching large numbers of customers, and some utilities can track the resulting enrollments. For other methods, while some are making attempts to code applications to events and other efforts, few have sufficient data on which to make planning decisions.

Recommendation:

- Although utilities are conducting some degree of source tracking, all utilities should expand the use of source codes to identify the most effective and cost-efficient methods for enrollment. Tracking outreach effectiveness, without tracking source of enrollment and associated costs, is a highly imperfect exercise. The goal is not necessary to conduct activities with the lowest acquisition cost, as cost per enrollee will increase both for hard-to-reach population segments and as utilities move further along the penetration curve. However, it is imperative to have the tools to make proper decisions regarding resource allocation, and this can only be conducted by tracking fields such as source of application, number of applications, number enrolled, and costs allocated to the effort as shown in Table VIII.1.

Table VIII.1
Example of Table to Track Outreach Effectiveness and Cost

Source	Number Sent	Number Received Back	Number Approved	Direct Costs*	Cost per Enrollee
Call Center					
Direct Mail February					
Direct Mail July					
Capitation (all agencies)					
Bill inserts					
Data Exchange					
Etc.					

* Some of these sources, such as call center, may be more difficult to precisely define direct costs.

Inter-Utility Automatic Enrollment

Inter-Utility Automatic Enrollment (AE) is a cost-effective method of expanding CARE participation, particularly at lower points along the penetration curve. The *Lite-Up Texas Program*, which has enrolled approximately 30% of the eligible households,³⁴ has stated that automatic enrollment (which was initiated at Program inception) is their most cost-effective form of outreach: over 90% of their participants come from AE, and they are cutting expenses for other outreach methods.³⁵ In 2002 a number of utilities began, or expanded, inter-utility AE, sharing lists of participants with each other. In addition, a number of utilities received lists of participants from other low-income energy programs (e.g., GAF, EAF, and DAP) and enrolled these participants. As these processes become more automated utilities are reporting that they are cost-effective means of enrolling eligible customers.

Recommendation:

- Expand the use of inter-utility AE, as well as with other low-income energy programs with similar eligibility requirements

Administration

A variety of administrative functions support CARE implementation, from billing processes through verification and recertification. In each, we found

³⁴ “Getting the Most Out of Discount Programs: The Texas Experience.” Randall Chapman (Texas Legal Services), National Low Income Energy Conference, Sacramento, CA, June 2003.

³⁵ Interview with Randall Chapman, Texas Legal Services, August 2003.

practices than can improve the efficiency and cost effectiveness of implementation.

Cost accounting varies by utility, is difficult to conduct at the level of detail desired, and provides challenges both for utilities and regulators. The utilities have different practices for allocating general costs (e.g., call center, marketing, etc.) to CARE, making it difficult to compare overall CARE administrative costs. In addition, the rapid deployment reports sometimes use inconsistent approaches to allocating costs (e.g., some utilities allocate media expenses to general administration, not to the line item for “mass media advertising”). For comparability purposes we therefore chose to limit the analysis to those funds that were charged to the Public Purpose Programs surcharge accounts and rapid deployment fund, and to combine the cost categories into a few general line items.

Recommendation:

- ***Utilities and the CPUC need to work together to determine if more consistent cost accounting is practical and feasible.*** The methodology for allocating costs by category should be evaluated to determine if more consistency can be implemented among the utilities and the benefits to the CARE program of doing so. This means examining the allocation of general expenses and definitions contained in the Rapid Reporting Manual (RRM) and would require input of each utility and the Commission, as some utilities will face constraints based on their own internal cost-accounting systems.

Verification

Customers can be lost at many steps in the process. Several companies showed high attrition rates for those customers who were chosen for verification. At the point of verification, some customers become distrustful, may not understand what is requested of them, forget to follow-through, or leave the Program in some other way. A concentrated effort is needed to reduce attrition during this process.

Recommendation:

- Instill a sense of personalization and ownership for the verification process. PG&E has one person in charge of verifications who takes pride in minimizing the attrition through the use of personalized letters and phone calls. This has led to dramatic increases in the response and approval rates for the PEV customers in the last year.
- Use bill messages and reminder letters as much as possible for verification. SCG, the only utility that uses bill messages for customers that are asked to verify income, received 80% of the PEV requests back, far higher than any other utility.

- Track language of customer and provide follow-up information for verification in their preferred language.

Recertification

All of the utilities have faced challenges in reducing attrition at recertification. Multiple methods seem necessary to reduce customers lost at the time of recertification. Some of these approaches included better notification mechanisms (in-language, personalized), while others include improved internal processes that reduce the effort an individual must make to remain on the CARE rate.

Recommendations:

- Use bill messages and reminder letters as much as possible for verification and recertification. SDG&E, which had the highest recertification rate, is the only utility that uses bill messages for recertification requests. The utilities with lower recertification rates only sent out one letter and did not include bill messaging.
- Track language of each customer and provide recertification requests in their preferred language.
- Consider allowing CARE customers who move within the utility service territory to stay on the CARE rate. Low-income customers are endemically transient, and CSRs may not consistently send out an application to the new address for those that move to reenroll.
- Allow duplicate applications to count as recertification applications. The policy for treatment of duplicate applications (those that arrive before the two year recertification period) varied dramatically by utility: SCG rejected all duplicate applications, SCE accepts them if they are within one month of the recertification date, SDG&E accepts them if they are within 12 months of the recertification date, and PG&E accepts all duplicates. In addition, the utility is paying (via a postage-paid envelope) to receive the duplicate application. All the utilities should consider accepting duplicate entries, especially if they are within a certain period (e.g., 12 months) of recertification.

Process Support

Internal processes can support the larger outreach and administrative processes. While each utility has varying levels of IT capability and other departmental support, the research identified a number of opportunities for Program efficiencies.

Recommendations:

- Identify IT changes that are straightforward to implement yet save processing time. A number of respondents identified simple IT changes, such as combining a number of fields onto one screen or automatically populating name and address fields that shave important seconds off the processing job, reducing data entry errors, and allowing for more cumulative productivity.
- Use a bill design that lets customers know they are on the CARE rate, and attempt to show the discount. Customers that do not know they are on the CARE rate can increase utility costs by spending time with the call center and/or sending in duplicate applications. Consistency is also important: SDG&E shows the discounted amount for the electric bill yet shows gas as a CARE rate, and they receive many calls from customers asking why they are not receiving their CARE discount. Utilities should also consider showing the CARE recertification date on the bill, which would clarify questions about participation and recertification. Customers knowing they are on the CARE rate has another benefit: it avoids duplication of efforts by the outreach contractors (signing up existing customers, as discussed above), and will likely lead to more active recruitment efforts by the outreach contractors.

Policy vs. Practice

The study identified a number of areas where actual practice diverged from utility policy. For example, although all utilities are suppose to verify the income levels for all adult members of the household, some utilities were less stringent in their practice. In addition, there was some uncertainty at a number of utilities about when the CSRs inform callers about CARE: although they are supposed to inform specific categories of callers about CARE, some CSRs felt they could use their own judgment as to when to mention the rate.

Recommendations:

- Utilities should enforce their policies regarding income verification and call center outreach for the CARE program. These policies should be stated in writing and reviewed annually, at a minimum, with all pertinent staff.

Further Study

As a final thought, the utilities may want to consider a study of various types of customers related to the Program (including those that failed or did not respond to recertification). Several questions that can be answered may be helpful in determining optimal design for the delivery of CARE, including:

- For participants: How did they learn about the Program? How satisfied are they? Any suggestions for improvement of outreach?
- For Nonparticipants: What percent qualify? If it is statistically representative sample then there are implications regarding the number of customers who may not qualify who are being marketed to? What are the barriers?
- For nonrespondents to verification or recertification. What are the reasons? How many would have qualified?³⁶
- For other studies: How do the findings from this report compare to other utility and PUC studies?

³⁶ Adequate information on these topics was not available at the time of this study, although the Low Income Needs Assessment study will be examining this issue.

Appendix A.

Discussion Guide for Utilities

Process Evaluation of the Outreach and Administrative Practices for CARE

Name: _____ Date: _____

Company: _____ Phone/email: _____

Position: _____ Interviewer: _____

Interviewer Note

The annual reports will provide some of the information requested below, so questions might be rephrased – where appropriate – to provide clarification and additional details.

Introduction

Thank you for taking the time to speak with me today. My name is _____ and I'm with Quantec, a consulting firm based in Portland, Oregon. We're conducting a study to determine the best practices for the recruitment and administrative practices of the CARE program. I'm speaking with representatives from each of the four largest California utilities: PG&E, SCE, SDG&E, and SoCal. Any information you share with me today is completely confidential, and will only be summarized in aggregate form with the other responses we receive. I will also be tape recording our conversation today to supplement my notes. We have approximately _____ hour(s) to speak.

For Program Managers

- Who are the staff members that work on planning, delivering, and monitoring the CARE program from your utility? What are their roles and responsibilities? (Include assistant/associate program managers, processing clerks, customer service/assistance staff, marketing staff, agency liaisons, database programming staff, accounting staff, etc.; Check also regarding additional staff that might be familiar with regulatory issues, program history, etc.; *confirm that important staff are included in the interview schedule*).

For All Respondents

- Please describe your job responsibilities in regard to the CARE program?
- How long have you been in your current position?
- What type of training/experience do you have that prepares you for your current responsibilities? (e.g., experience with other low income programs)

For Staff Familiar With Recruitment Activities

- Please describe your company's outreach strategy for recruiting new participants into the program.
- How are outreach strategies selected and approved? (Probe annually as in plans, and ad hoc throughout the year if applicable)
- What outreach activities do you consider to be the most effective in terms of recruiting new program participants? In reaching target audiences?
- Are these outreach activities also the most cost-efficient? (i.e., the fewest dollars per new participant recruited?) Why or why not?

If not the most cost-efficient then ask:

- What outreach activities do you consider to be the most *cost-efficient* in terms of recruiting new program participants?
- Have you conducted any studies/analyses to quantify effectiveness of outreach strategies in terms of general enrollment? In terms of enrolling targeted customers? (If so could we have a copy?)
- Have you conducted any studies/analysis to quantify the efficiency of your efforts? (If so could we have a copy?)
- Are there other recruitment approaches that you have not attempted but that you think might be effective? If so, please describe them.
- Why have you not implemented these approaches?
- How (if at all) have your recruitment strategies changed in the past three years? How has rapid deployment impacted recruitment efforts?
- What effects have you seen as a result of these changes?
- Are there any other external influences that have affected program recruitment? How so? (e.g., the economic downturn, rising utility rates, etc.)

If Outreach Contractors (OCs) not discussed then ask

- How important do you see the role of OCs in recruiting new participants for your company? Why?
- What do you think could be done to increase the number of OC enrollments?
- Do you feel the capitation agreements are working well? (Include all aspects, including recruiting OCs, maintaining communications with the OCs, disbursement of capitation fees, etc.)
- What other agencies, including PR firms, marketing firms, or other organizations, do you either team with or collaborate with as part of your CARE outreach efforts?
- Anything else you'd like to add in terms of outreach activities generally?

For Staff Familiar With Enrollment Activities

- Please describe the process for enrolling new or existing CARE participants? (i.e., the process flow for the paperwork, CIS, program database, etc.)
- How is the enrollment process selected and approved?
- What are the most efficient aspects of the enrollment process? (Those aspects that are working well).
- What are the most inefficient aspects of the enrollment process? (Those areas that need improvement).
- What changes do you suggest to make the enrollment process more efficient? (i.e., more streamlined, less costly, etc. – independent of the AE process, which will be discussed later)
- Have you conducted any studies/analyses to examine your enrollment process? (e.g., ease of enrollment, efficiency of process, customer satisfaction).
- Do you think the current enrollment processes present challenges for any groups of eligible customers? Which? Why? What might be done to mitigate these barriers/challenges?
- Has your enrollment process changed in the past three years?
- If so, what if any effects have you seen as a result of these changes?

For Staff Familiar With the Verification Process

- Please describe your current process for verifying that CARE participants are eligible for the program (Number of people contacted? How contacted? Requirements?)
- Do you leverage the income information of other customer assistance programs for verifying that CARE participant are eligible?
- How was the verification process selected and approved at your company?
- What activities do you consider to be the most effective in your utility's process of verifying program eligibility?
- Are these verification activities also the most cost-efficient? (i.e., the fewest dollars per participant?) Why or why not?

If not the most cost-efficient then ask:

- What activities do you consider to be the most *cost-efficient* in terms of verifying that participants are eligible for the program?
- Have you conducted any studies/analyses to quantify the efficiency of your efforts? (i.e., would other approaches be more effective?) If yes, please provide a copy.
- Are there other verification approaches that you have not attempted but that you think might be effective?
- Have your verification strategies changed in the past three years? What has been the impact of rapid deployment?
- If so, what effects have you seen as a result of these changes?

For Staff Familiar With the Recertification Process

- Please describe your company's strategy for recertifying current CARE participants (e.g., is this done via postal mail, e-mail, another way, etc.)
- How was the recertification strategy selected and approved?
- What activities do you consider to be the most effective in terms of recertifying previous program participants?
- Are these recertification activities also the most cost-efficient? (i.e., the fewest dollars per participant?) Why or why not?

If not the most cost-efficient then ask:

- What activities do you consider to be the most *cost-efficient* in terms of recertifying previous program participants?

- What do you consider the major barriers to recertification? How have you tried to address these?
- Have you conducted any studies/analyses to quantify the efficiency of your efforts? If yes, please provide a copy.
- Are there other recertification approaches that you have not attempted but that you think might be effective?
- Why have you not implemented these approaches? Are there plans to do so?
- Have your recertification strategies changed in the past three years? Have these changed specifically because of rapid deployment or for other reasons?
- If changes, what effects have you seen as a result of these changes?
- Are there any other external influences that have impacted program recertification? How so? (e.g., the economic downturn, rising utility rates, etc.)

For Staff Familiar With the Customer Relationship Management (CRM) and Customer Information Systems (CIS) Processes

- What materials do participants receive in the mail? When? How does the discount appear on the bill?
- How are participants tracked in the CIS? (How are they entered/flagged, quality control mechanisms, etc.)
- What are the most efficient/inefficient aspects of this process?
- Could any changes make this process more efficient? Why have these changes not been implemented? Are they planned?
- How is cost accounting for the program conducted? (i.e., the allocation of shared administrative costs)
- What are the most efficient/inefficient aspects of this process?
- Could any changes make this process more efficient? Why have these changes not been implemented? Are they planned?
- How are the CPUC reports generated each month/quarter?
- What in your view are the most efficient/inefficient aspects of this process?
- In your view, could any changes make this process more efficient?
- How are customer complaints handled?
- What are the most efficient/inefficient aspects of this process?

- What changes could be made to make this process more efficient? Why have these changes not been implemented? Are they planned?
- How are changes of address handled?
- What are the most efficient/inefficient aspects of this process?
- Could any changes make this process more efficient? Why have these changes not been implemented? Are they planned?
- How are income level changes handled?
- What are the most efficient/inefficient aspects of this process?
- Could any changes make this process more efficient? Why have these changes not been implemented? Are they planned?
- Anything else you'd like to add regarding general administrative practices for the CARE program at your company?

For All CARE Staff

- Is there anything about how your staff delivers the CARE program that you find particularly outstanding or that has been especially successful in meeting some aspect of program outreach and administration?
- (If yes): What have you done? Do you think this is a practice that could be used statewide? Why? Why not? (Explore barriers, costs, utility differences, target audience differences etc., and why it worked so well for the respondent utility)
- Anything else you'd like to add today regarding your current outreach and administrative practices for the CARE Program?

If Time Permits, ask about Automatic Enrollment

- What affect do you think automatic enrollment will have on the future of your outreach activities? (Probe: What populations might it be most effective for; which might remain; which will always need specialized outreach)
- Once AE begins, what do you think will be a reasonable effort for verification – both process and cost?

Thank you again for taking the time to speak with me today.

Appendix B. Survey Instrument for Outreach Contractors

Process Evaluation of the Outreach and Administrative Practices for CARE:

Name: _____ Date: _____
Outreach Contractor: _____ Phone/e-mail: _____
Relevant Utility _____
Position: _____ Interviewer: _____
Start Time: _____ End Time: _____

Call Dispositions

1. Date: _____ Result: _____ Notes: _____
2. Date: _____ Result: _____ Notes: _____
3. Date: _____ Result: _____ Notes: _____
4. Date: _____ Result: _____ Notes: _____

Interviewer Note

Introduction/Screening

A. Hello, this is Russ Goold / Ingrid Bran from Global Energy Partners. May I please speak with *Name of Contact Provided by Utility*?

If contact person is available, continue with **B**.

If contact person is not available but still reachable, schedule a callback:

Date _____

Time _____

B. I'm following up on the letter you received from *CARE Utility Contact Staff (use appropriate name & company)* about a survey that is part of an evaluation of the CARE Program. Do you recall receiving the letter?

If YES: Go to **C**.

If NO: Read the following, then Go to **C**.

We are conducting an evaluation of the CARE Program to make it more effective. As part of this, we are contacting the Outreach Contractors to discuss their experience with the program. In particular, we need to talk with the person at your organization who can discuss the following:

1. Your organization's understanding of and satisfaction with your role in the CARE Program
2. Factors that affect CARE enrollment

Are you that person, or may I speak to the individual who can best address these issues?

If YES, go to **C**.

If NO: Can you refer me that person?

Name: _____

Phone number: _____

[Thank and terminate call. Contact referral.]

C. Is this a good time to complete the survey? It should take approximately 20 minutes to complete.

If YES: Go to **E**.

If NO: When would be a convenient time for me to call you back?

Date _____

Time _____

I will call you back then. Thank you.

D. If we do not have any indication that the organization has discontinued participation, Go to **E**.

If we KNOW that the organization has discontinued participation, say: Our records show that your organization has discontinued participation as an Outreach Contractor for the CARE program with Relevant Utility. Is that correct?

IF YES, ask: Why did your organization terminate your participation?
[DO NOT READ. ENTER ALL THAT APPLY]

- a. Most of our clients are not eligible for CARE
- b. We couldn't interest our clients in the program
- c. CARE outreach doesn't fit with the rest of our activities

- d. The reimbursement wasn't worth the effort
- e. It took too much time
- f. Dissatisfied with interactions with *Relevant Utility*. Explain briefly: _____

[Turn responses to f. into list following pre-test if appropriate.]

- g. Other: _____

Even though your organization is not currently participating, we are still interested in your experience with the CARE program so that *Relevant Utility* can improve it. May I ask you some questions about your experience with the CARE program?

If YES: Go to **E**.

If NO: Thank and terminate.

- E.** Any information you share with me today is completely confidential, and will be reported only in aggregate form with the responses from other interviews being conducted, so your specific responses will not be directly attributable to you.

[IMPORTANT STATEMENT TO READ TO INTERVIEWEE] As we go through this interview please keep in mind that we're interested in your experiences during the year 2002.

NOTE: IF RESPONDENT IS CONCERNED ABOUT THE LEGITIMACY OF THE SURVEY,

Please call *Relevant Utility Contact (use appropriate name & phone number)*. These are the utility staff who sent the introduction letter to the Outreach Contractors.

PG&E: Dennis Guido, Community Relations Supervisor, Customer Energy Management, ph. 415-972-5429, email DWG3@pge.com.

SCE: Jack Parkhill, Manager, Low Income Programs, ph. 626-302-8040, e-mail jack.parkhill@sce.com.

SDG&E: Irma DePratti, CARE Program Manager, ph. 858-650-4160, e-mail Idepratti@semprautilities.com.

SoCalGas: Athena Wang, Senior Program Manager, SoCalGas CARE Program, ph. 213-244-4217, e-mail awang@semprautilities.com.

Understanding and Satisfaction

The first set of questions deals with your familiarity with your organization's role in the CARE Program, and your satisfaction with that role.

1. First, please tell me what demographic segment or group within the low-income community your organization serves, for example, Laotian, Vietnamese, or the elderly. [DO NOT READ. CHECK ALL THAT APPLY]
 - a. All low-income people
 - b. African-American
 - c. Native American
 - d. Asian
 - e. Hispanic
 - f. Chinese
 - g. Vietnamese
 - h. Laotian
 - i. Filipino
 - j. Samoan
 - k. Non-English speaking: _____
 - l. New immigrant: _____
 - m. Seniors: _____
 - n. Non-English-speaking seniors: _____
 - o. Persons with disabilities: _____
 - p. Church/temple attendees: _____
 - q. Union Members: _____
 - r. Food Distribution Center Clients: _____
 - s. Other: _____

2. What is your understanding of the goal of the CARE program? [DO NOT READ]
 - _____ Reduce the energy utility bills for low-income households
 - _____ Other: _____
 - _____ Don't know: _____

3. Can you tell me what role you personally have (or had) in the CARE program? [READ LIST]

[CHECK ALL THAT APPLY.][Don't read list at first but use to prompt as needed or to make sure that s/he has identified all his/her roles.]

{Note for full test: If person does not have any of these roles, ask to speak with someone who has role a, b, c, and/or d. }

- a. Educate your clients about the CARE program
- b. Help clients fill out the CARE application
- c. Help clients who have participated in CARE get recertified
- d. Train others in your organization about the program (e.g., eligibility, filling out apps., encouraging enrollment)
- e. Troubleshoot when things go wrong
- f. Made contact with *Relevant Utility* for you to participate
- g. Ongoing contact with *Relevant Utility*
- h. Handle capitation payments from *Relevant Utility*
- i. Organize/participate in outreach events for CARE enrollments
- j. Do you have any other responsibilities in the CARE Program?

4. A. Which of the following activities does your organization conduct to make your clients more aware of the CARE program? [READ LIST. ENTER ALL THAT APPLY.]

Yes	No		Not effective	Somewhat effective	Effective	Very effective	Don't Know	NA
		Send mailers about CARE						
		Post advertisements (e.g., in newsletter or at center)						
		Set CARE Program brochures out						
		Staff booths at cultural or community fairs						
		Make phone calls about CARE						
		Hand out application forms at your office						
		Hand out application forms at events						
		Explain CARE benefits to clients						
		Door-to-door canvassing						
		Other: _____						

- B. Which of the following activities does your organization conduct to encourage your clients to enroll in the CARE program? [READ LIST. ENTER ALL THAT APPLY.]

Yes	No		Not effective	Somewhat effective	Effective	Very effective	Don't Know	NA
		Educational workshops						
		Phone calls to encourage enrollment						
		Assistance with filling out forms						
		Other: _____						

- 5 A& B. I'd like to get your opinion about how effective each of the activities you conduct has been in either increasing awareness or enrollment. On a scale of 1 to 4 with 1 being Not Effective, 2 Somewhat Effective, 3 Effective, and 4 Very Effective, please rate your activities. [RETURN TO TABLES IN QUESTION 4 AND ENTER INFORMATION.]

5C. Which one of the activities above has been the most effective in increasing enrollment? [IF THE ANSWER IS OBVIOUS, THEN SIMPLY CONFIRM.] _____

5D. Why do you think it has been so effective for you?

6. With the methods you've used to reach and enroll people in the CARE program, how would you rate your satisfaction with the number of people your organization has enrolled in the CARE Program? [READ OPTIONS.]

- a. Met expectations
- b. Exceeded expectations
- c. Fell short of expectations
- d. Just got started; no results yet
- e. Don't know [DO NOT READ]

Can you tell me why you answered b. or c.? Record here: _____

7. Are there any additional roles or activities you think your organization could also do to increase the number of clients you reach and enroll in the CARE Program?

If YES: List what respondent mentions and ask:
How could *Relevant Utility* facilitate your doing this/them?

8. On a scale of 1 to 5, with 1 being Very unsatisfactory, 2 Somewhat unsatisfactory, 3 Somewhat satisfactory, 4 Satisfactory, and 5 Very satisfactory, how would you rate your satisfaction with participation in the CARE program?

	1 Very unsatisfactory	2 Somewhat unsatisfactory	3 Somewhat satisfactory	4 Satisfactory	5 Very satisfactory	Don't Know
a. Overall						
b. Information you've received from <i>Relevant Utility</i> about the program						
c. Communications with <i>Relevant Utility</i>						
d. Responsiveness of <i>Relevant Utility</i> when you have questions or problems						
e. Ease of becoming/remaining an Outreach Contractor						
f. Program training and support from <i>Relevant Utility</i>						
g. Ease of enrolling clients						
h. Forms/reporting required for participation						
g. Speed of capitation payments						
h. Amount of capitation payments						

Notes: _____

9. Which of the following benefits does your organization receive from participating as a CARE Outreach Contractor?

[READ LIST]

[Note: Significant can mean any of the following: makes our services more valuable to our clients; raises our credibility as a community resource; allows organization to do something more than without CARE.]

	Yes	No	Don't know
a. Increased communication with clients			
b. Increased revenues for your organization			
c. More assistance or resources to offer to your clients			
d. Good public relations for your organization			
e. Is there some other benefit that your organization receives that is either significant or very significant? Other: _____			

Notes: _____

Factors That Affect Enrollment

The last set of questions deals with factors that contribute to your success and *Relevant Utility's* success in signing up CARE participants, or make it difficult to sign participants up.

10. The first question is about factors that are a problem to you as an Outreach Contractor. Can you tell me which are the top barriers to enrolling people in the CARE Program that your organization faces? We'll use a scale of 1 to 4, where 1 is not a problem at all, 2 is a somewhat significant problem, 3 is a significant problem, and 4 is a very significant problem.

	1. Not a problem at all	2. Somewhat significant problem	3. Significant problem	4. Very significant problem	Don't know
a.					
b.					
c.					
d.					

11. What can *Relevant Utility* do to better facilitate your organization's role in the CARE Program to increase enrollment? [DO NOT READ LIST . CHECK ALL THAT APPLY.]

- a. Better training for our staff about the program
- b. Simpler application form
- c. Hotline for questions
- d. Provide posters on the program
- e. Advertise the program more
- f. Speedier processing of applications
- g. Pay a higher capitation fee
- h. Other: _____

12. Can you help me identify the top reasons your clients might not want to enroll in the CARE program, regardless of your efforts? We'll use a scale of 1 to 4, where 1 is not a problem at all , 2 is a somewhat significant problem, 3 is a significant problem, and 4 is a very significant problem.

	1. Not a problem at all	2. Somewhat significant problem	3. Significant problem	4. Very significant problem	Don't know
a. Fear of disclosing information about themselves					
b Uncomfortable asking for financial assistance					
c. Eligibility criteria is confusing					
d. Application too difficult to fill out					
e. Don't pay own utility bill					
f. Other: _____					

13. This question is about factors that are problems for the *Relevant Utility*. I know that you keep in touch with your clients so can you tell me which, if any, of the following *Relevant Utility* could do to be more successful in attracting your clients to the CARE Program?
- a. More multilingual materials and utility contacts
 - b. Provide more help with the application process
 - c. Provide incentives to apply
 - d. Increase the CARE Program discount
 - e. Have utility staff visit my center
 - f. Raise the qualifying income level
 - g. Provide more materials that target seniors
 - h. Enclosure in the monthly bill
 - i. State on the bills how much the client could be saving if they were on CARE
 - j. Other: _____
 - k. None; *Relevant Utility* is doing all that is possible.
 - l. Don't know
14. My final question has to do with the level of resources that your organization allocates to CARE enrollment. Please give me a Yes or No answer to the following: [READ LIST]

	Yes	No	Don't Know
a. We set a target number for enrollments/month such as number of applications, contact, or other outreach per month or per year			
b. Specific staff (not all staff) do outreach for the CARE program			
*c. We budget a certain number of staff hours to CARE each month			
d. All customer contact staff are instructed to promote the CARE program to clients			
e. The CARE program fits well with the rest of the activities we conduct			
f. We discuss the CARE program only if/when clients ask about it			
g. We don't set any targets regarding CARE; whatever we get, we get			

* Note: If respondent answers "Yes" to this, ask how many hours. Input here: _____ person-hours per month.

Do you have any other comments that you'd like to make about the CARE Program or about anything that these questions did not cover?

That's all the questions I have. Thank you very much for taking the time to speak with me today.

[Note End Time: _____]

Appendix C.

Summary of Interviews Conducted

Interviews with SoCal Gas (5/19/03)

Carmen Rudshagen, CARE Customer Assistance Manager
Jennifer Chang, Outreach and Strategy Manager
Jeanette Gomez, CARE Program Supervisor
Lupe Rodriquez, Lead CARE Control Clerk
David Stevens, Project Advisor Customer Contact Centers
Carol Sullivan, Business System Analyst
Athena Wang, CARE Senior Program Manager

Additional SoCalGas Interviews via Phone

Peggy Robinson, United Way of Greater LA (administers GAF)

Interviews with Southern California Edison (5/20/03)

Jack Parkhill, Low-Income Energy Efficiency Manager
John Nall, Manager - Energy Efficiency
Julie Rowey, Manager - Marketing
Elaine Miller, Manager, Customer Service Operations Billing
Sarah Santos, Supervisor, RCRO Customer Call Center
Margie Remai, Accounting Assistant, RCRO Customer Call Center
Gary Golden, Financial Analyst, Finance - Major Customer Division & Support
Marjorie Gonzalez, Supervisor, Energy Efficiency Call Center
Edwin Lanfranco, Supervisor, CCO Quality Assurance
Linda Yamauchi, Manager, Consumer Affairs & Customer Satisfaction
Flor Tolley, Product/Project Manager, Consumer Affairs & Customer Satisfaction
Kathie Conaway, Business Analyst, CSS Support
Nancy Boling, Manager, Process & Service Improvement
Rosie Casillas, Business Analyst, Process & Service Improvement
Lenette Vasquez, Business Analyst, Process & Service Improvement
Pete Zanzot, Program Manager - Low Income Energy Efficiency
Sheila Lee, Program Manager - Low Income Energy Efficiency
John Fasana, Marketing Analyst - Energy Efficiency, Regulatory

Interviews with San Diego Gas and Electric (5/21/03)

Irma Depratti, CARE Program Manager
Erin Manion, CARE Associate Program Manager
Carmen Rudshagen, CARE Customer Assistance Manager
Jennifer Chang, Outreach & Strategy Manager
Irene Batch, Information Technology
Eddie Tabornal, Processing Supervisor
Barbara Cronin, Energy Programs Advisor

Interviews with Pacific Gas & Electric

Jeff Beresini, Outreach Manager
Linda Fontes, CARE Program Supervisor
Tina Nguyen, Senior Administrative Clerk, Operations and Processing
Brett Searle, Project Management Analyst
Sefka Cibulka, Project Manager
Winsey Lam, Senior Administrative Clerk, Capitation and Budget
Gabe Trevino, Administrative Clerk, Help Tickets and Transfers
Vince Manfreda, Senior Administrative Clerk, Mail Support and Random Verification
Erwin Bonilla, Senior Administrative Clerk, Special Programs
Mary O'Drain, Low Income Programs Senior Project Manager

Additional PG&E Interviews via Phone

Raul Garza, Hill and Knowlton
Dennis Guido, Community Relations Manager
Claudia Mendoza, Ethnic Media Liason
Rocio Lopez, Associate Corporate Communications Representative

Other Market Actor Interviews

Charlene Trimmer, Marketing Consultant
Randy Chapman, Texas Legal Services Center

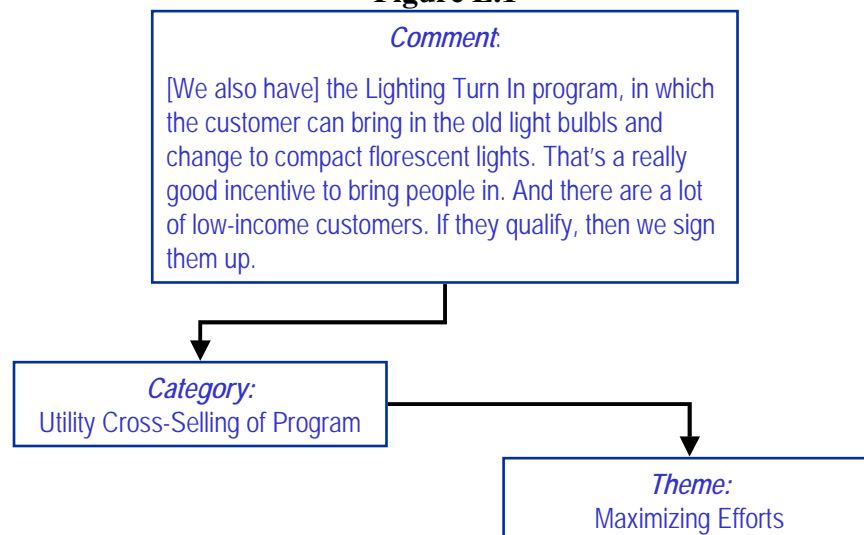
Appendix D. Using ATLAS.ti in Qualitative Analysis

Data collected during the interviews, as well as the annual reports and selected documents, were transferred to ATLAS.ti (a qualitative analytic software package) for analysis. A description of the analytic approach taken using ATLAS.ti is useful in understanding the way in which the results are reported as well as the underlying approach taken in developing all of our narrative analysis. We use the software to organize, review and analyze the qualitative data collected.

The following steps were taken to conduct the analysis:

1. Interviews were transcribed into written format.
2. The transcriptions and selected documents were imported into the ATLAS.ti software.
3. Quantec staff read the text, selecting passages that were of interest, assigning code words or memos to quotations. For example, when an interviewee mentioned talking about CARE to customers when telling them of other programs, it was coded “cross-selling of programs.” This type of code assignment was constructed for all interviews. More than 135 codes were developed for this analysis.

Figure E.1



This type of coding allows for simple searches across documents, based on key words or phrases, to develop a complex networks of codes around given themes or subjects. An example of this coding is presented below.

4. A constant review of text and codes is done, assigning more and/or different codes if necessary to better identify quotations that begin to emerge around a theme. In some cases, as in identification of “most effective methods” in Chapter VII, the codes become categories of types of responses. These categories may then be linked to larger themes.
5. The number of “mentions” associated with each category can be counted, indicating the strength of this response among sources (or “groundedness” in grounded theory) in that it occurs across types of Program actors interviewed and/or documents reviewed.

A variety of other analytical functions can be undertaken with ATLAS.ti, but for purposes of this report, the steps above are inclusive of the analysis conducted.

Appendix E. Glossary of Terms

AE (Automatic Enrollment): Automatically enrolling customers from other low-income healthcare, utility assistance programs, and energy assistance programs utilizing computer systems onto the CARE Program.

Capitation Contractor: An organization that contracts with a utility to enroll qualified customers in the CARE program; these organizations that participate in this program are also referred to as Outreach Contractors. A fee of up to \$12 per each customer successfully enrolled in CARE was authorized by the CPUC to allow organizations already serving the low-income community to leverage enrollment of clients in the CARE program with the other services they offer.

CBO (Community Based Organization): Typically serves low-income or others in need within the community. These organizations often serve as capitation contractors.

CIS (Customer Information System): The generic name for utility customer database systems; used by SCG and SCE.

CISCO: The customer database system for SDG&E.

Community Outreach Contractor: PG&E refers to capitation contractors (see above) as Community Outreach Contractors.

CoreDaptix: The customer database system for PG&E.

CPUC: California Public Utilities Commission.

CSR (Customer Service Representative): Utility call center staff members who respond to customer calls.

Low Income Energy Efficient (LIEE) (also known as the Direct Assistance Program or DAP): Offers no cost weatherization and appliance replacement services to income qualified customers.

EAF (Energy Assistance Fund): Which utility??? Program offers payment assistance to low-income customers.

Energy Division (ED): A CPUC department responsible for oversight of the energy utilities amongst other responsibilities.

Expansion Program: The CARE Program was expanded in 2001 to include non-profit homeless shelters and group living facilities, migrant and farm

worker housing centers, qualified privately owned employee housing, and qualified non-profit housing for agricultural workers.

FTE (Full-Time Equivalent): Refers to one utility staff position.

GAF (Gas Assistance Fund): SCG's program that offers payment assistance to low-income customers.

Hard-to-reach: Customers with language, geographic, or other barriers that make it difficult for them to learn about and sign up for the CARE program.

Neighbor-to-Neighbor: SDG&E's program that offers payment assistance to income-qualified customers.

IVR (Integrated Voice Response): A menu driven telephone information system.

OC (Outreach Contractor): Capitation Contractors (see above) are normally referred to as Outreach Contractors in this report.

ORA (Office of Ratepayer Advocates): A division of the CPUC that represents ratepayers in the provision of safe and reliable utility service, at the lowest possible cost, and ensures that utility customers have access to the best possible information about their options and choices.

PEV (Post-Enrollment Verification): Utilities are required by the CPUC to verify CARE eligibility by reviewing income documents for a sample of CARE participants.

PG&E: Pacific Gas & Electric

Rapid Deployment: Term used to describe the expenditure of legislative funds under SBX1 5 and allocated to the utilities by the CPUC to assist in providing income-qualified customers with the CARE and LIEE programs.

Recertification: Utilities are required by the CPUC to recertify that their CARE customers continue to be eligible for the program. Residential customers are required to recertify their CARE eligibility every two years, while sub-metered and expansion program participants must recertify their eligibility every year.

RRM (Reporting Requirements Manual): Explains how costs are to be allocated by the utilities in reporting to the CPUC.

SBX1 5: The senate bill that introduced rapid deployment. Note that SBX1 5 and rapid deployment are sometimes used interchangeably.

SCE: Southern California Edison

SCG: Southern California Gas

SDG&E: San Diego Gas and Electric

Steering Committee: The managing team overseeing and directing the evaluation project. The Steering Committee was composed of one measurement and evaluation representative from each IOU, the utility representative managing the consultant's contract who acted as the facilitator of the project, a representative from the Office of Ratepayer Advocates, and an advisory representative from the Energy Division. The Commission authorized this team to be the decision-making body over the conduct of the evaluation, to provide input and guidance, and to be responsible for the final results

Sub-metered account: Non –utility accounts that are billed through a landlord or manager for utility services to cover the cost of the utility’s bill to the landlord or manager, such as at a mobile home park.

Verification: See PEV above.

Appendix F

Workshop Materials -- Notice

STATE OF CALIFORNIA

GRAY DAVIS, Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 6, 2003

RE: Public Input Workshop Notice – California Alternate Rate for Energy (CARE) Program Evaluation on Outreach and Administrative Practices

To: Interested Participants in Rulemaking (R.) 01-08-027

Quantec, LLC, on behalf of the CPUC and the Joint Energy Utilities (San Diego Gas & Electric Company, Pacific Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company), has completed their draft report on CARE Outreach and Administrative Practices. The draft report will be sent electronically to all parties on the service list in R.01-08-027 on August 11, 2003. The purpose of this public workshop is to review the findings contained in the report and to obtain comments from the public on this draft report. The workshop is being held pursuant to D.03-02-070 and in consultation with the assigned ALJ and Assigned Commissioner.

PUBLIC INPUT WORKSHOP

August 18, 2003
10:00 AM to 1:00 PM
The Pacific Energy Center
851 Howard Street (between 4th St. and 5th St.)
San Francisco, CA 94103

Teleconference Information: The meeting is accessible through teleconference. To use this option, please call: 800-490-7515 and then dial pass code *1232173*. This location is wheelchair accessible. The meeting is open to the public.

If you cannot attend the workshop and would like to provide written or electronic comments that may be incorporated into the workshop discussion and report, those comments need to be **received** by 4:00 p.m. on August 15, 2003 and should be sent to:

Ms. Barbara Cronin
SDG&E
8335 Century Park Court
San Diego, CA 92123-1569
Bcronin@semprautilities.com

Questions regarding the workshop should be addressed to Ms. Barbara Cronin of SDG&E at (858) 654-8782 (Bcronin@semprautilities.com) or George Tagnipes of the Energy Division at (415) 703-2451 (jst@cpuc.ca.gov).

Sincerely,

/s/ GEORGE TAGNIPES
George Tagnipes
Energy Division

Cc: Service List R.01-08-027

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached **Public Input Workshop Notice - California Alternate Rate for Energy (CARE) Program Evaluation on Outreach and Administrative Practices** on all parties of record in this proceeding or their attorneys of record, either by electronic mail or, for any party for which an electronic mail address has not been provided, by first class mail.

Dated August 6, 2003, at San Francisco, California.

/s/ CHARITY BAYOT
Charity Bayot

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TDD# (415) 703-2032 five working days in advance of the event.

Evaluation of CARE Outreach and Administrative Practices: Public Workshop

Prepared by:

Quantec, LLC
Global Energy Partners

August 18, 2003

Prepared for:

San Diego Gas & Electric
Pacific Gas & Electric
Southern California Edison Company
Southern California Gas Company
California Public Utilities Commission

Today's Agenda

- Introduction
- Outreach Contractor Interviews
- Cross-Utility Findings
- Implications, Conclusions and Recommendations



CARE Background

- Rate discount program
- Changes resulting from Rapid Deployment
 - CPUC: “Call to arms” to protect low-income customers
 - Increased funding for capitation (outreach contractors) and targeted outreach



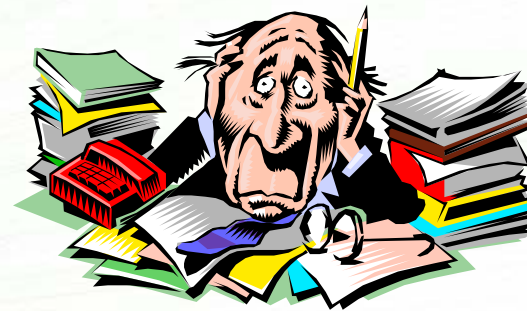
Goals of the Study

- Determine the best practices among the utilities for the current recruitment of new participants into CARE
- Evaluate the current administrative practices of each of the four utilities



Methodology

- Outreach contractor (OC) interviews
 - 60 utility OCs, represents 78% of OC enrolled participants
- Utility interviews
 - 46 interviews, represent nearly 100% of CARE supervisory staff and liaisons to other departments
- Additional market actors
 - PR firm, marketing consultant, emergency fund administrators, Texas Legal Services
- Review of Program materials
 - Over 125 documents: Outreach, administration protocols, application/recertification, capitation, training, annual reports, rapid deployment reports, leveraging, CPUC decision, ORA requests
- Focus on 2002 data



Outreach Contractor Interviews: Goals


- Assess the OCs' understanding of and satisfaction with their role in the CARE program
- Identify factors that affect the OCs' CARE enrollment levels

Outreach Contractor Interviews: Implementation

- Telephone interviews
- 55 completions (representing 60 utility OCs)
 - Sample represents 78% of 2002 OC enrollments
- Sample of active, inactive, and special interest

Component	Freq.	%
Active Contractors		
Top Producers	13	24%
Other Active Contractors	32	58%
Inactive Contractors	4	7%
Contractors of Special Interest	6	11%
<i>Total</i>	<i>55</i>	<i>100%</i>

Outreach Contractor Interviews: Findings

- OCs are generally satisfied with their role in the CARE Program
- Some OC's report door-to-door canvassing works best
- Some requested increased speed of payments 
- Respondents seek additional collateral materials
- Level of incentives limit additional outreach activities
- OC reported best practices for enrolling customers
 - Explain benefits
 - Assist with form
 - Preferred language

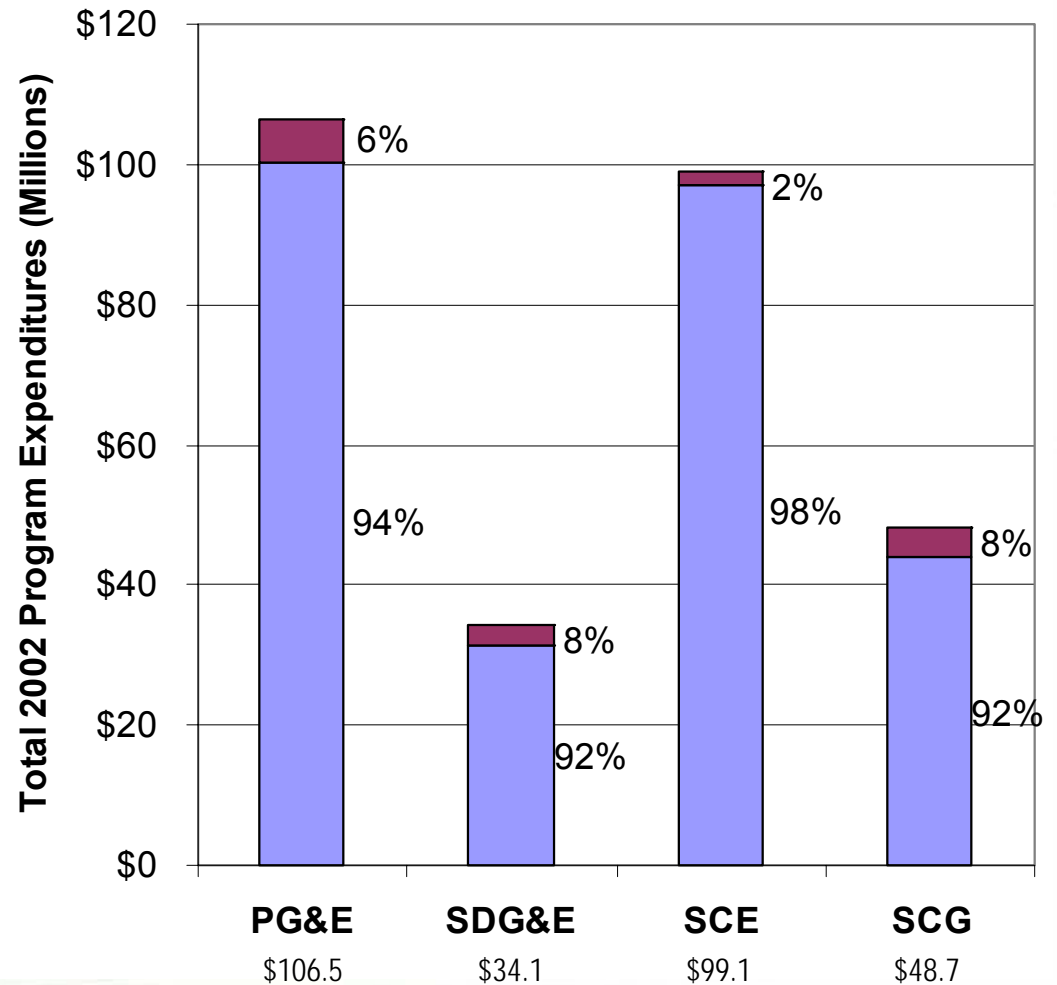
Utility Interviews: Implementation

- In-person, one full day per utility
- Interviewed 46 people
- Representatives from different departments
 - CARE Program staff
 - Information technology (IT)
 - Marketing/outreach
 - Call center
 - Billing
- Comprehensive examination of administration and outreach
 - Outreach activities
 - Verification
 - Customer relations
 - Enrollment activities
 - Recertification

Cross-Utility Findings: Costs*

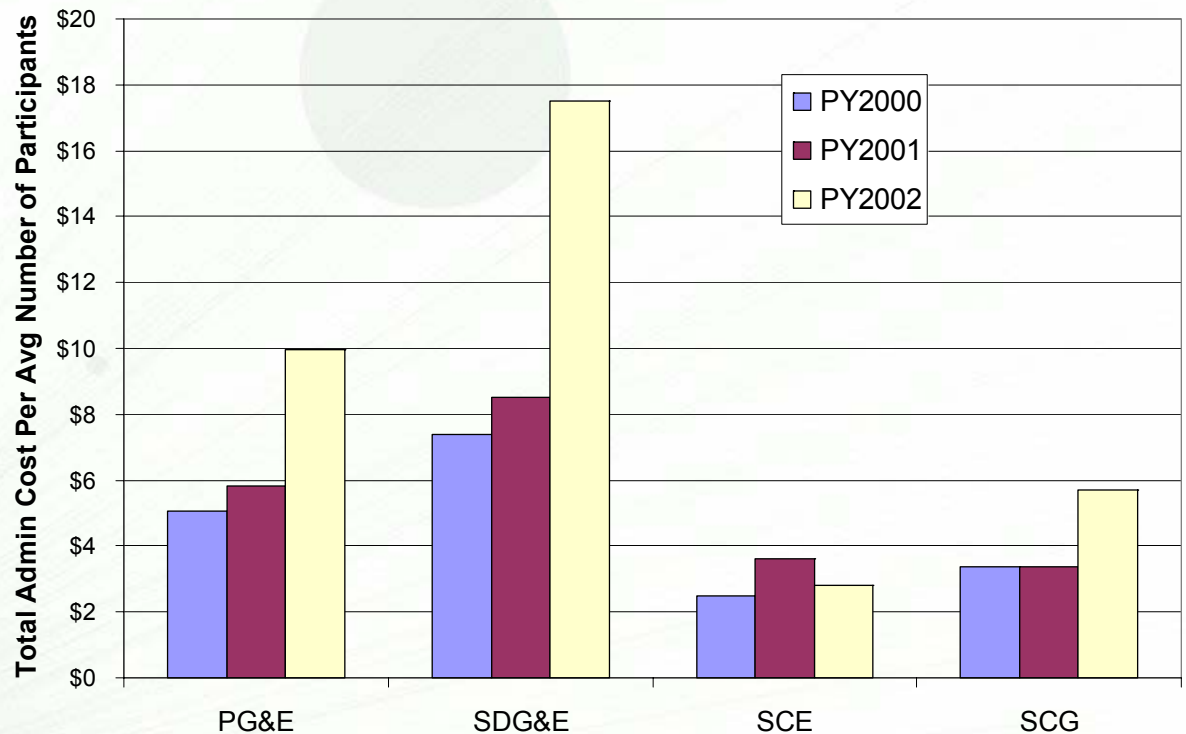
- Total discounts of \$272.5 million
- Administration 8% or less of total expenditures

■ Total Administrative Expenditures
■ Bill Discounts



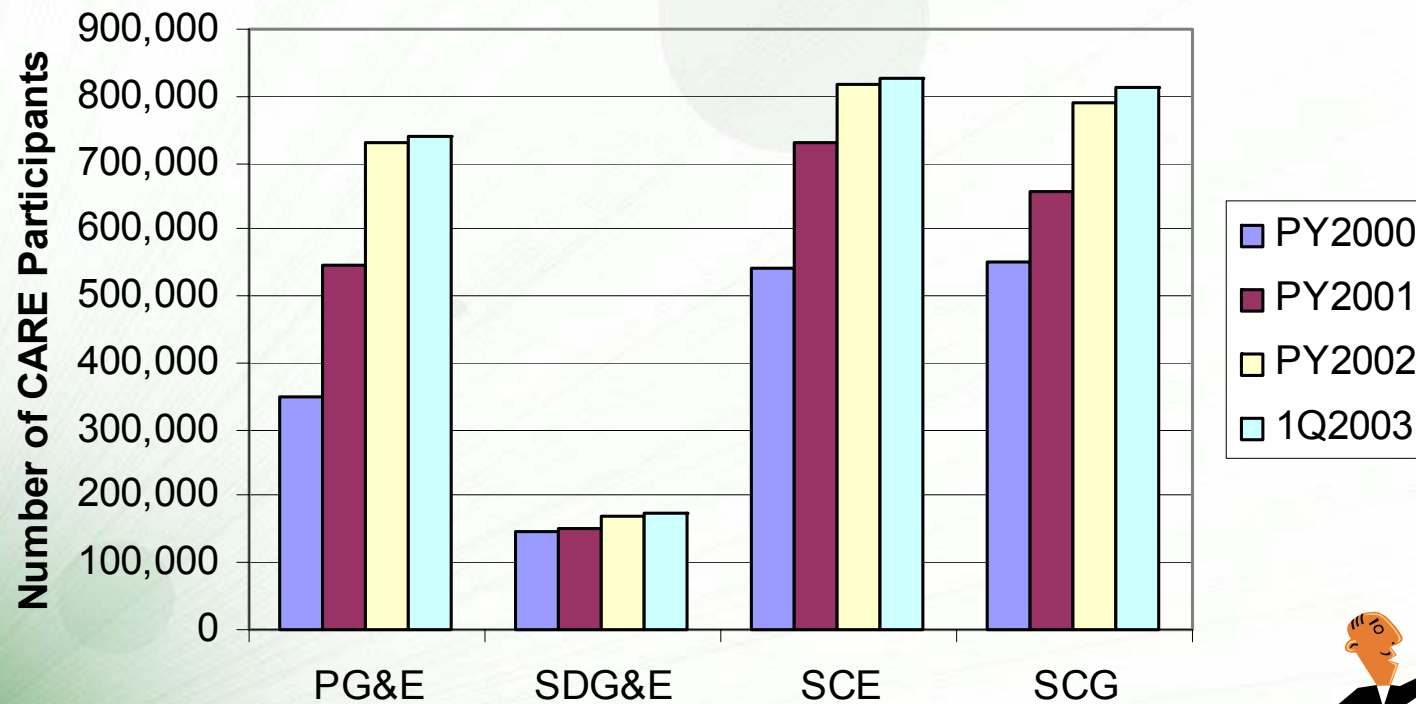
Cross-Utility Findings: Cost per Participant*

- Increasing costs in 2002:
Rapid
Deployment
- Utility differences:
 - Size
 - Cost allocation
 - Implementation



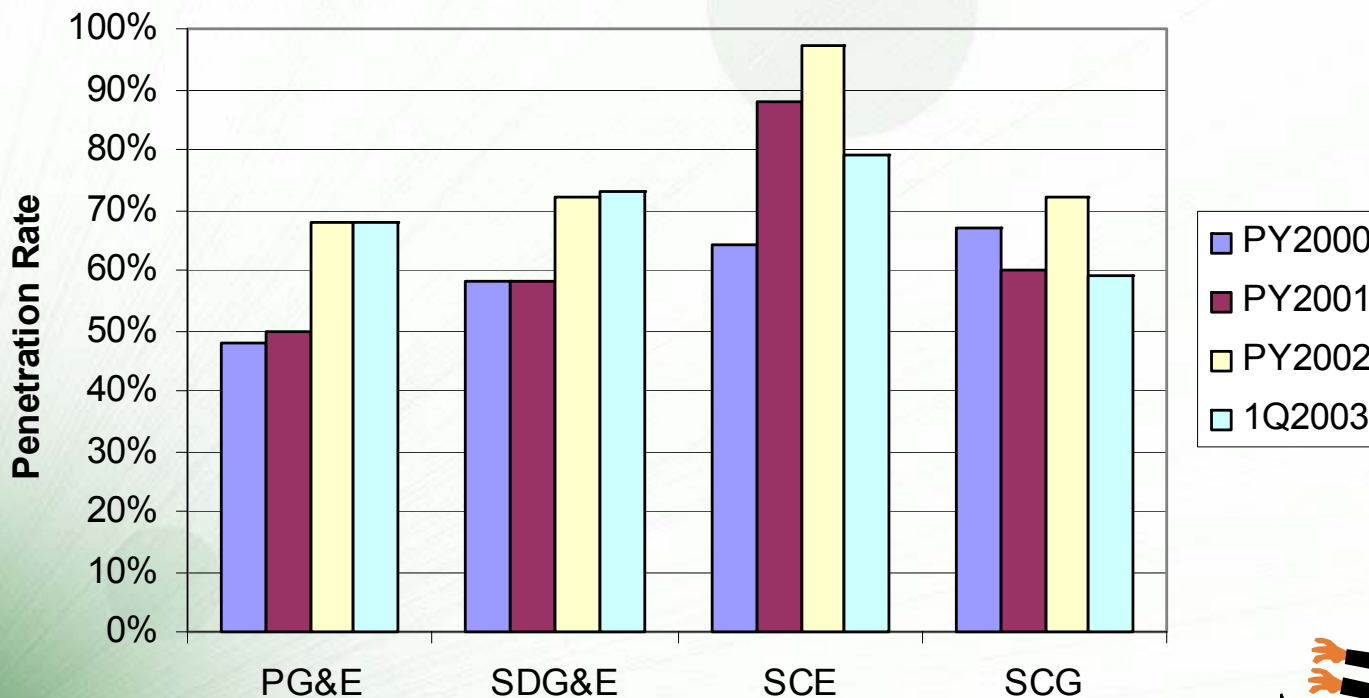
Cross-Utility Findings: Enrollment

- Enrollment increasing . . .



Cross-Utility Findings: Penetration

- But penetration affected by use of updated census information



Cross-Utility Findings: Verification

- Policies differ by utility
- Impacts of reminders, multi-language

Item	PG&E	SDG&E	SCE	SCG
New applicant or existing participant	New applicants	All participants	All participants	50% new/ 50% existing participants
% of average participants selected	1%	6%	1%	18%
Days to respond	90	90	30	90
Probability model				
Follow-up letter		☹️		
Bill message	☹️	☹️		
Envelope notice		☹️		☹️
Language for letter	English, Spanish, Chinese, Vietnamese	English with a Spanish note	English	English/Spanish
% Received back	68%	62%	41%	80%
% Successfully Verified	68%	36%	37%	52%

Cross-Utility Findings: Recertification

- Influence of policy for duplicate applications

Item	PG&E	SDG&E	SCE	SCG
Days to respond	90	60	60	90 (120)
Follow-up letter		☯	☯	
Bill message		☯		☯(after expiration)
Envelope notice		☯		☯
Language for letter	English, Spanish, Chinese, Vietnamese	English	English/Spanish	English/Spanish
Duplicates allowed	All	Within 12 months	Within 1 month	None
% Successfully Recertified	75%	91%	56%	69%

Cross-Utility Findings: Mass Outreach

- Call center and bill inserts most effective
- Other effective methods:
 - Integrated campaign
 - Events
 - Face-to-face

Cross-Utility Findings: Targeted Outreach

- Outreach contractors
- Targeted mailings
- Creative approaches
 - Alliances with community leaders
 - Working with retailers
 - Reminding sub-metered managers of legal obligations
 - Cooperative efforts for emergency food sources
 - Mass media
 - Alliances with government assistance offices



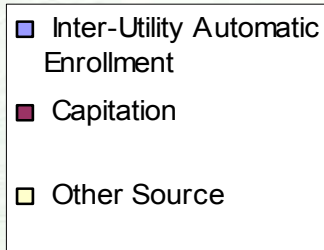
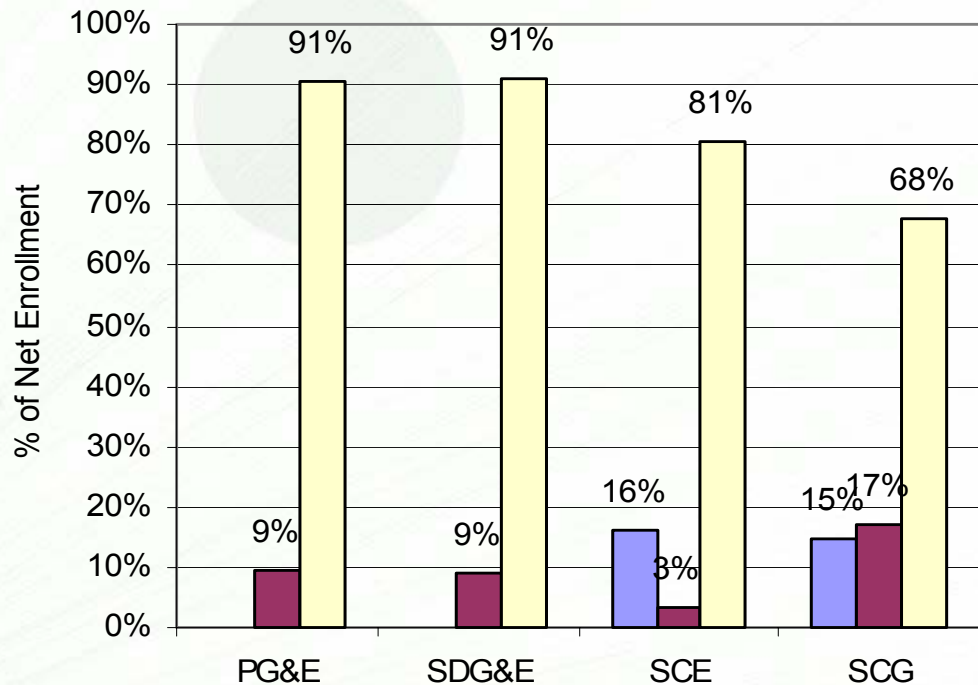
Cross-Utility Findings: Managing OCs

- All utilities provide basic information
- Differences in training, invoicing procedures

Item	PG&E	SCE	SDG&E	SCG
Detailed Q&A sheet				
Training sessions				
Requires transmittal form				
Summary report sent to OCs				
OCs need to send additional invoice after report				

Cross-Utility Findings: Source of Enrollment

- Capitation small source of enrollment
- “Other source” includes bill inserts, direct mail, call center applications, newspaper applications



Cross-Utility Findings: Market Barriers to Reaching 100% Penetration

- Distrust of agencies and utilities
- Undocumented immigrants afraid to give proof of income
- Too busy to participate
- Awareness of the Program
- Pride

Implications, Conclusions, and Recommendations

Implications of Policies

- Use of outreach contractors
 - Pros: Best method for “hard-to-reach” population
 - Cons: Expensive to implement
- Verification for new vs. existing applicants
 - New: Screen ineligible in beginning
 - Existing: Some may become unqualified
- Number of participants for verification
 - Pros for high number: Screen ineligible
 - Cons for high number: High administrative costs, loss of some eligible respondents

Implications of Policies (cont.)

- **Back billing**
 - Pros: Threat may increase verification response rate, recover subsidies for ineligible applicants
 - Cons: If verification for all applicants, how far to back bill?
- **Probability model**
 - Pros: Focus administrative resources, reduce risk of losing eligible participants
 - Cons: Cost of developing model, availability of data

Implications of Policies (cont.)

- Number of days for PEV/recertification response
 - Shorter period: Reduce subsidies for ineligible respondents, reduce back bill amount
 - Longer period: Provide adequate time to respond
- Maintaining those that move to new address on CARE rate
 - Pros: Reduce attrition for qualified applicants, reduce administration costs
 - Cons: Assumes customer is still eligible (income, household members)

C&R: Outreach

- Commitment of every member of the utility to CARE increases Program success
 - Educate all employees regarding CARE
 - Develop cross-functional communication practices
 - Support and reward employee functions in implementing the Program



C&R: Outreach

- Bill inserts are the most effective method for quantity and cost
 - Target only nonparticipants for bill inserts
 - Include an application with bill inserts
 - Pre-complete application as much as possible
 - Multiple languages



C&R: Outreach

- Layering multiple outreach strategies maximizes impact
 - Coordinate outreach efforts to occur at the same time
- Hard-to-reach customers require multiple approaches
 - Language-specific materials
 - Outreach contractors
 - Remind landlords of sub-metered facilities of legal obligation



C&R: Outreach

- Beyond a few key areas, the utilities have not tracked methods for enrollment
 - Expand the use of source codes
 - Will allow the selection of low-cost, effective outreach methods
- Inter-Utility Automatic Enrollment is cost effective
 - Expand the use of inter-utility Automatic Enrollment (and with other low-income energy programs)

C&R: Administration

- Cost accounting varies by utility, is difficult to conduct at the level of detail desired, and provides challenges both for utilities and regulators
 - Utilities and the CPUC need to work together to determine if more consistent cost accounting is practical and feasible



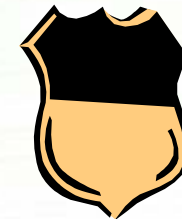
C&R: Administration

- A number of policies can minimize verification and recertification attrition
 - Instill a sense of personalization and ownership for the verification process
 - Use bill messages and reminder letters as much as possible
 - Track language of customer and provide follow-up information for verification and recertification in preferred language
 - Consider allowing CARE customers that move to stay on the CARE rate
 - Allow duplicate applications to count as recertification applications



C&R: Administration

- Internal processes can support the larger outreach and administrative processes
 - Identify IT changes that are straightforward to implement yet save processing time
 - Use a bill design that lets customers know they are on the CARE rate, and attempt to show the discount
- The study identified a number of areas where actual practice diverged from utility policy
 - Utilities should educate call center staff about CARE and do quality assurance to make sure policies are implemented correctly



Further Study

- For participants
 - How did they learn about the Program?
 - How satisfied are they?
 - Any suggestions for improvement of outreach?
- For nonparticipants
 - What percent qualify? What are the barriers to participation?
- For nonrespondents to verification or recertification
 - What are the reasons? How many would have qualified?
- How do the findings from this report compare to other utility and PUC studies?

Appendix F Workshop Materials

----- Original Message -----

From: Tagnipes, George <mailto:JST@cpuc.ca.gov>
To: 'Barbara R. Alexander ' <mailto:barbalex@ctel.net>
Cc: Hecht, <mailto:JHE@cpuc.ca.gov> Jessica T.
Sent: Friday, August 08, 2003 3:55 PM
Subject: RE: Workshop on Oitreach and Education-CARE

Ms. Alexander: The whole CARE Process Evaluation timeline was tight in order to be able to submit a final report to the Commission in September, so that the Commission may consider the findings in the report in a year-end decision addressing program planning for 2004.

Pushing the long scheduled workshop and final report due dates back even a week would compromise the Commission's ability to issue a draft ruling, comment period, and final decision by year end.

Also, there are many other participants that have travel and other plans to attend the August workshop, and Energy Division cannot in good faith recommend to the Assigned Commissioner that the date be changed for just one party.

However, if you would like to file a request to extend the schedule, you could simply send a personal letter to the Assigned Commissioner with your request. It doesn't need to be a formal pleading or anything that requires a lawyer.

Please cc George Tagnipes (jst@cpuc.ca.gov <mailto:jst@cpuc.ca.gov>) if you do file a request with the Assigned Commissioner.

Thank you,
George

----- Original Message -----

From: [Cronin, Barbara](#)
To: ['Barbara R. Alexander'](#)
Cc: ['Tagnipes, George'](#) ; ['Hecht, Jessica T.'](#)
Sent: Wednesday, August 06, 2003 5:52 PM
Subject: RE: Workshop on Oitreach and Education-CARE

Barbara, I appreciate your copying me on your concerns and hope all is well with you. AARP has certainly provided us with helpful comments in the past and I look forward to AARP's thoughts on this evaluation effort. This schedule is in compliance with the Commission Decision 03-02-070 dated 3/3/03 and which contains the schedule we are adhering to in order to provide the Commission with information for use in planning the CARE for Program Year 2004.

Let me clarify the schedule in hopes that I can alleviate your concerns to some degree. I believe the schedule that we are following here will allow sufficient opportunities for AARP to comment. **Comments are only due August 15, if you are unable to attend the workshop and want comments included in the Workshop Report.** These written comments will be included in the Workshop Report as an Appendix. Comments made at the workshop will also be included in the Workshop Report.

Comments on the Evaluation Report, however, are being accepted through August 26 and will be included as an Appendix to the Final Report filed on September 16 rather than included in the Workshop Report, which is also to be filed on September 16. Once the Report is filed, the Commission can issue an ACR allowing further comments, requesting further workshops, or providing other direction on the Report and providing an appropriate time schedule to complete those activities.

I hope you are able to attend the public workshop on this report or teleconference with us. I believe the last timewe held a related workshop on the RFP you teleconferenced in and we were able to address many of your concerns during that call.

-----Original Message-----

From: Barbara R. Alexander [mailto:barbalex@ctel.net]
Sent: Wednesday, August 06, 2003 3:17 PM
To: Cronin, Barbara
Cc: 'Tagnipes, George'; 'Hecht, Jessica T.'
Subject: Re: Workshop on Oitreach and Education-CARE

Barbara Cronin: I appreciate your detailed response. Unfortunately, it is not possible to read and digest this report and then participate (even by teleconference) in a workshop 7 days after the report's issuance. I have other obligations and deadlines that were set long ago for the next several weeks and this is a month with a lot of traditional vacation time for most folks. Therefore, I continue to protest this timing of this workshop. I continue to request that it be scheduled in early September after all interested parties can digest the report and formulate thoughtful input. This might require a delay of 1-2 weeks in the issuance of the Final Study to the PUC.

I distinctly recall raising the issue of the short amount of time between the issuance of the evaluation report and any workshops and comment period when the schedule for this project was discussed months ago. I do not understand what the rush is because as we all know, there are not any adverse consequences if you allow a longer comment period and schedule a workshop in early September as opposed to mid-August.

I expect one of you (Staff or ORA or utility) to seek an amendment to any previously ordered schedule to respond to these concerns and I certainly hope that a citizens group does not have to hire a lawyer to make a formal motion to the PUC about this. I note that the Assigned Commissioner in this proceeding has the authority to change schedules upon request.

Barbara Alexander
Consultant to AARP

-----Original Message-----

From: Barbara R. Alexander [mailto:barbalex@ctel.net]
Sent: Wednesday, August 06, 2003 1:53 PM
To: bcronin@semprautilities.com
Subject: Fw: Workshop on Oitreach and Education-CARE

Barbara Cronin: I send you a copy of this message so you know the concerns I have raised about the timing of this workshop and comment schedule.

Barbara Alexander
Consultant to AARP

----- Original Message -----

From: [Barbara R. Alexander](#)
To: [Tagnipes, George](#)
Cc: [Hecht, Jessica T.](#)
Sent: Wednesday, August 06, 2003 12:33 PM
Subject: Workshop on Oitreach and Education-CARE

George: The electronic notice of the forthcoming workshop on CARE evaluation was issued today. It is unacceptable to announce that a major evaluation is going to be issued on Aug. 11 and that a workshop is already scheduled for Aug. 18 and comments due on Aug. 15. If I need for get formal with this request, I will do so, but really, what are you thinking of here? Please reschedule the workshop for early September and allow a reasonable time to read and provide comments on this yet to be published document.

Barbara Alexander
on Behalf of AARP

Barbara R. Alexander
Consumer Affairs Consultant
83 Wedgewood Dr.
Winthrop, ME 04364
voice and FAX: (207) 395-4143

Appendix F

Workshop Materials – Letter Comments

August 28, 2003

Ms. Barbara Cronin
San Diego Gas & Electric
8335 Century Park Court
San Diego, Ca. 92123-1569
Bcronin@sdge.com

re: comments on workshop and CARE evaluation draft report

Dear Ms. Cronin:

Our letter of August 26 to Commissioner Wood and the service list in R.01-08-027 expressed Latino Issues Forum's and The Greenlining Institute's concern about both the timelines for public review and comment and, even more significantly, the lack of low-income community input into the process. I do appreciate your telephone call on the 26th saying that comments could instead be received on the 28th. However, the unduly compressed timelines prevent small organizations from being able to thoroughly review and comment, as the consultant for AARP already voiced.

Latino Issues Forum and The Greenlining Institute (sometimes hereafter "LIF/Greenlining" or "Intervenors") offer their initial impressions on the workshop and draft report evaluating CARE programs, which we will expand upon at a later date.

First and foremost, it is vital to obtain low-income and grassroots community based organizations' ("CBOs") input into the process. We note that the consultants did meet with capitation contractors, but CBOs representing different racial/ethnic communities have not been briefed on the report nor asked for their feedback. No CBOs were present at the workshop in San Francisco. This is a huge oversight. We trust that the Low Income Oversight Board will also have an opportunity to comment on the evaluation before it is finalized.

Overall, LIF/Greenlining believe that the report offers good information about CARE program administration, contrasting different utilities' practices and processes to implement Commission orders on increased CARE penetration. All utilities appear to be making good faith, and sometimes extraordinary, efforts to outreach and enroll all CARE-eligible customers who wish to be enrolled as the Commission have ordered. We commend the utilities on the quality and variety of outreach efforts they have undertaken and also on the apparent dedication of many of their CARE program staff.

We offer the following brief observations:

- All utilities seemed to agree that a multi-faceted approach to outreach works best, and that CBOs are important to target the hard-to-reach.
- Utilities have varying capacities to reach non-English speaking customers with CARE materials and re-certification letters in different languages. Utilities should expand their ability to reach non-English speaking customers in their territories.¹
- Recertification appears to pose significant barriers to participation. Perhaps the recertification process needs to be rethought. It is also important not to draw erroneous conclusions from the low recertification rate (such as ineligibility, unless that is proven.)
- Backbilling at some utilities where customers fail to recertify appears onerous and should be rethought.
- Verification rates vary between utilities from 1% to 18%. Is the higher rate justified in any way?
- The report's conclusion that "bill inserts are the most effective outreach method" (ES-4) should clarify if the report is actually talking about bill face messages accompanied by applications, mail back applications or separate bill inserts, which in Intervenors' experience no one reads, particularly if English only.
- Policies for CARE customers who move should be uniform and CARE should be continued absent a change in circumstance without reapplication.
- LIF/Greenlining agrees that duplicate applications should count as recertification, with two-year period running from the new date of application.

Intervenors plan to file expanded comments once the final report is released. We urge the Commission to ensure input from the Low Income Oversight Board and CBOs around the state. Timelines should be adequate to enable small organizations with limited resources an opportunity to participate.

Sincerely yours,

Susan E. Brown, Counsel
Latino Issues Forum

cc: Service list in R. 01-08-027 (by E-mail)

¹ LIF/Greenlining do not understand the Report's comment that "some utilities confront high percentages of low-income immigrants" (ES-2) since all four utilities in question have high percentages of immigrants in their service territories.

Appendix F

Workshop Materials – Workshop Report



EVALUATION OF CARE OUTREACH AND ADMINISTRATIVE PRACTICES:

AUGUST 18, 2003, PUBLIC WORKSHOP REPORT

The Public Workshop for the process evaluation of the California Alternative Rate for Energy (CARE) program took place on August 18, 2003. The meeting was held at the PG&E Pacific Energy Center in San Francisco, CA, from 10:00 a.m. to 12:30 p.m. This Workshop was publicly noticed on the August 4, 2003 Commission Calendar, and a Workshop letter was issued to the service list in Rulemaking (R.) 01-08-027 on August 6, 2003 (copy attached).

Attendance:

- Interested Parties: Irina Krishpinovich, Hemstreet Association; Susan Brown, Latino Issues Forum
- CARE Evaluation Steering Committee: Kevin McKinley, Southern California Edison (SCE); Henry DeJesus, San Diego Gas & Electric (SDG&E); Barbara Cronin, SDG&E ; Athena Wang, Southern California Gas Company (SCG); Mary O'Drain, Pacific Gas & Electric (PG&E); Angela Jones, SCE (by phone); Jessica Hecht, Office of Ratepayer Advocacy (ORA) California Public Utilities Commission (CPUC); George Tagnipes, Energy Division, CPUC
- Utilities: Margee Moore, Sempra Utilities; Irma R. DePratti, SDG&E; Linda Fontes, PG&E; Winsey Lam, PG&E; Jeff Beresini, PG&E; Carmen Rudshagen, Sempra Utilities (by phone); Jeanette Gomez, SCG (by phone); John Fasana, SCE (by phone)
- California Public Utilities Commission: Karen DeGannes, Energy Division; Josie Webb, Energy Division (by phone)
- Consultants: Greg Wikler, Global Energy Partners; Ingrid Bran, Global Energy Partners; M. Sami Khawaja, Quantec; Scott Dimetrosky, Quantec

Agenda

The meeting discussed the following items, as outlined by the evaluation contractors in their presentation (copy attached):

1. Introduction
 - a. CARE Background
 - b. Goals of the study
 - c. Methodology
2. Outreach contractor interviews
 - a. Goals
 - b. Implementation
 - c. Findings
3. Cross-utility findings
 - a. Implementation
 - b. Costs
 - c. Cost per participant
 - d. Enrollment
 - e. Penetration
 - f. Verification
 - g. Recertification
 - h. Mass outreach
 - i. Targeted outreach
 - j. Managing Outreach Contractors
 - k. Source of enrollment
 - l. Market barriers to reaching 100% penetration
4. Implications, conclusions, and recommendations
 - a. Implications of policies
 - b. Outreach
 - c. Administration
 - d. Further study

Comments

Pre-Workshop Comments

One comment was received prior to the Workshop from Barbara Alexander, Consultant to AARP, stating that the time allowed for comments on the Draft Report (from the time the Report was distributed to the due date for comments for inclusion in the Workshop discussion) did not allow sufficient time for review of the Report. SDG&E responded to this e-mail by explaining that the scheduling was in compliance with the Commission Decision (D.) 03-02-970, that further opportunity for comment on the Draft Report was

provided for in the schedule, and that comments could also be submitted to the Commission subsequent to the September 16, 2003, filing of the Report with the Commission.

CARE Evaluation Report and Presentation

There were a number of questions raised and discussions held during the course of the Workshop regarding the presentation on the CARE Evaluation Report.

Methodology: Karen DeGannes asked Quantec to clarify whether or not the results of their study had any statistical validity. Quantec stated that the conclusions drawn in the study were derived based on the data reviewed, which included interviews with 60 utility outreach contractors (representing 78% of outreach contractor enrolled participants), 46 utility staff interviews (representing nearly 100% of the CARE supervisory staff plus liaisons to other departments), interviews with additional market actors such as a PR firm and marketing consultant, and a review of over 125 program documents (such as outreach materials, administration protocols, application/recertification, capitation, training, annual reports, rapid deployment reports, leveraging, CPUC decision, ORA requests).

Our approach, however, was primarily qualitative, and thus the findings are not meant to be statistically representative. In addition, the study could have benefited greatly from speaking with additional market actors, including additional staff at each of the utilities, more inactive outreach contractors, and especially program participants and eligible nonparticipants. Our findings, therefore, summarize the opinions of those market actors that participated in the study; these opinions may differ from market actors that were not interviewed as part of our research.

Differences in costs per utility: Quantec clarified that the percent of total costs assigned to administration was 8% or less of total Program costs for all utilities. There were questions, however, about what factors influence the differences. Quantec discussed the importance of bill discount size (SDG&E/SCG had lower total subsidies; therefore, their percent administration costs were higher) and cost allocation (SCE uses many internal departments to deliver CARE, making it more difficult for each department to segregate CARE activities from the rest of their workload). Quantec also reiterated that the analysis had been conducted based on the refundable costs reported as part of the public purpose programs surcharge and did not look at other costs beyond those allocated directly to CARE.

Market barriers to reaching 100% penetration: The Steering Committee pointed out that the barriers were based on the findings from both the utility and the OC interviews and supported by findings from the Joint Utilities' CARE Outreach Pilot. Athena Wang stated that some customers feel that the discount is so small (due to low gas bills in Southern California) that eligible customers may not be interested in participating. Quantec also discussed that, without interviewing current or eligible participants, the study could not

definitively explain what are the barriers to reaching 100% penetration (and this task was considered outside the original scope of work).

Differences in verification: There was a long discussion about the verification table, Slide 13, included in the Workshop Presentation (which summarized Tables VII.4 and VII.5 from the Draft report). Quantec clarified that this table referred to policies in 2002. Quantec also reiterated the fact that this was not a controlled experiment (i.e., we could not manipulate one variable at a time), so we were unable to assign specific outcomes to any one action, although it appeared that the use of bill messages from SCG had an impact in increasing the response rate. Quantec also responded to a very salient point made by one of the telephone participants about the comparability of the data in these tables, specifically, Cross-Utility Findings, Verification, acknowledging that these numbers are actual population figures, not statistical data with "dispersion" to allow for statistical tests. Athena Wang asked why SDG&E had a lower response rate despite the use of so many reminder letters, and Quantec and SDG&E hypothesized that the use of the probability model was most likely the cause (i.e., many didn't respond because they did not qualify). Jessica Hecht asked about the influence of different policies regarding document review for the verification process, and Quantec confirmed that this likely played an important role in the differences between percent received back/percent successfully verified ratio between the utilities and will address further in the report. Karen DeGannes asked about the ability to quantify the costs of different administrative procedures for verification practices, but this information was not available (Barbara Cronin reported that Sempra utilities could pencil out some estimated costs of verification based on what information utilities do have, if such estimates were to be asked for in the future). Susan Brown suggested that information on arrearages and account closures could be tracked related to the back billing of customers taken off the CARE rate as a result of verification.

SDG&E's Probability model: There was a discussion among the attendees regarding what data go into the probability model and how they could be applied for other utilities. A question was raised as to the accuracy of the model, and SDG&E stated that they thought the model was sufficiently designed around demographics and customer data to screen for customers less likely to be qualified for CARE.

Differences in recertification: SDG&E pointed out that, although their letter is in English, it does have a footnote in Spanish, and SCG clarified that customers can request letters in other languages. There was also a question about the importance of the policy regarding duplicates, but Quantec pointed out that we did not have access to recertification data with/without duplicates (although SDG&E mentioned that they were looking more closely at this issue and may be able to generate these figures). Jessica Hecht asked for clarification from PG&E as to whether they track the preferred languages for verification and recertification; Linda Fontes clarified that verification tracking uses a separate spreadsheet that does track language (it is not tracked in the customer database), and that for recertification they use a four-language application.

Mass Outreach--Use of bill Inserts/Call Center as Most Effective Mass Outreach

Method: Susan Brown questioned how this finding was verified. Quantec reported that outreach findings were based on the perceptions of CARE staff: adequate tracking data were not available to assess outreach using any other methods. Quantec agreed to make sure that the report will clearly indicate this fact. Athena Wang of SCG, however, did corroborate this finding by discussing the results of a study they recently completed that showed the majority of program participants stated that they learned of the Program through the call center or bill inserts. Quantec also pointed out that this topic was discussed at the kick off meeting and that two recommendations included better source tracking and a follow-up study of program participants.

Targeted Outreach – Direct Mail and Sub-metered Notifications: There was discussion among the utilities of sharing direct mail data so that they could learn about the costs/impacts of using this approach. There was also a discussion about notifying sub-metered tenants directly about recertification; all utilities stated that they are now doing this. Most of the utilities are also now reminding sub-metered managers/landlords about their legal obligation to tell tenants about CARE (per SB920).

Targeted Outreach – Managing OCs: PG&E stated that they recently started a monthly newsletter to all their outreach contractors, providing updated information about CARE. Athena Wang stated that, although SCG doesn't offer formal training sessions for each OC, they do have one-on-one meetings with all new OCs when they sign up to participate in 2003.

Irina Krishpinovich concluded after the discussion on outreach methods that a primary concern related to outreach seems to be having data available to assess outreach methods. The utilities responded that they are implementing tracking methods to capture that data.

Further study: Karen DeGannes mentioned that the Low Income Needs Assessment Study will examine a number of issues regarding CARE (e.g., barriers to participation), but the study scope and tasks have already been defined and would have benefited from some of the insights gained from the Process Evaluation.

Appendix G

Response to Quantec CARE Process Evaluation Report Draft

PG&E

Pacific Gas and Electric Company (PG&E) has worked closely with the CARE Evaluation Steering Committee¹ during this CARE Process Evaluation. PG&E will continue to work with Energy Division, ORA and the other utilities to specifically define and implement any of the consultant's recommendations that the Commission decides to adopt. In fact, PG&E is already implementing most of the recommendations.

Many of the recommendations include several alternate strategies, so that if one recommended strategy would be difficult for a utility to implement (such as including a recertification or verification bill message), another of the consultant's suggested strategies may be very simple to implement (such as sending a recertification or verification reminder letter). For instance, the consultant recommends that bill messages and reminder letters be used as much as possible for recertification and verification. Including a standardized recertification or verification bill message may be difficult for PG&E due to billing system constraints, but PG&E is already sending out reminder letters in multiple languages. Thus PG&E is already implementing one of the two alternate strategies recommended.

Similarly, the consultant recommends that customer language be tracked so that verification materials can be provided in the customers preferred language. Although PG&E sends applications to customers in the language requested, this information is not tracked in PG&E's customer database, and may not be appropriate to track since it is not known that customers requesting an in-language CARE application want *all* their correspondence in a specific, non-English language.² Furthermore, tracking a customer's language request may not be necessary if additional correspondence is multi-lingual, fulfilling the intent of the recommendation to provide materials in the customer's preferred language.

PG&E supports all of the report recommendations and is already implementing most of them, as illustrated below. PG&E believes the next step is for the utilities, Energy Division and ORA to work together to specify and define recommended CARE strategies so that the utilities can better understand whether there may be any difficulties associated with their implementation.

¹ Including representatives from PG&E, Southern California Edison Company, San Diego Gas and Electric Company, Southern California Gas Company, Energy Division, and the Office of Ratepayer Advocates.

² In fact, PG&E has noted that in-language applications are often returned filled out in English, which may indicate that the home is multi-lingual.

Outreach, General

Commitment of every member of the utility to the CARE Program increases its ability to reach and keep eligible customers.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> Educate all employees regarding CARE. 	<ul style="list-style-type: none"> PG&E supports this recommendation.
<ul style="list-style-type: none"> Develop cross-functional communication practices that maintain ongoing commitment to the CARE message, alerts staff to issues/changes/challenges, and seeks input. These practices could include, among others, CARE meetings, internal newsletter regarding CARE and other low-income assistance programs. 	<ul style="list-style-type: none"> PG&E supports this recommendation and already implements it, including most recently: information on CARE in the PG&E employee newsletter and a CARE booth at the PG&E employee services fair.
<ul style="list-style-type: none"> Support and reward employee functions in implementing the Program. 	<ul style="list-style-type: none"> PG&E supports this recommendation.

Bill inserts are the most effective outreach method in terms of both enrolling large numbers of customers and cost.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> Target only nonparticipants for bill inserts. Some of the utilities still use bill inserts for all residential customers. This leads to far higher printing costs (especially for utilities with 700,000 or more participants), postage costs (for duplicates that are returned), and call center costs (for confused customers that call to make sure they are on the rate). 	<ul style="list-style-type: none"> PG&E supports this recommendation and has already planned to target only non-participating residential customers for its next bill inserts.
<ul style="list-style-type: none"> Design the envelope to call attention to the CARE program and application. PG&E's consultant has added language to the bill envelope to alert customers to CARE's message, with the goal of maximizing every piece of paper that crosses the customers' hands. Cost and feasibility of this option should be explored. 	<ul style="list-style-type: none"> PG&E supports this recommendation and already implements it.
<ul style="list-style-type: none"> Include an application with bill inserts. Utilities that have switched from notifications about CARE to actual applications have found a much higher response rate. 	<ul style="list-style-type: none"> PG&E supports this recommendation and already includes a CARE application as a bill insert.
<ul style="list-style-type: none"> Use a clearly defined application form. The application should not too closely resemble a brochure (SDG&E reported that this confused some recipients.) 	<ul style="list-style-type: none"> PG&E supports this recommendation. PG&E's bill insert is an actual CARE application.
<ul style="list-style-type: none"> Applications should be filled out as much as possible. Pre-completing the name, address, and account number fields simplifies the reply process for prospective participants. 	<ul style="list-style-type: none"> PG&E supports this recommendation and already preprints account information on any CARE applications that are sent to customers from the Bill, Print, Mail (BPM) Center.

Layering multiple outreach strategies and timing them to maximize one another’s effect.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> • Coordinate efforts and maximize timing to increase effectiveness of individual outreach efforts. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and is already implementing it.

Outreach, Targeted

A variety of innovate approaches are needed to enroll those hardest to reach – low-income customers.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> • Continue to develop Program materials and utility support in the languages needed. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and will continue to implement it.
<ul style="list-style-type: none"> • Continue to use outreach contractors to enroll customers. Although many respondents stated that managing capitation agreements was administratively burdensome, all felt that the outreach contractors served an important role in enrolling applicants from the hard-to-reach sectors. Respondents indicated, however, that if the cost of managing these contracts was factored in – salaries for one to two full time staff – the cost per enrollee was far higher than \$12 per participant. OC’s surveyed feel their efforts could be better supported by the utilities through: <ul style="list-style-type: none"> • More rapid processing of applications and reimbursement • More frequent training of OC staff to address high turnover and changing Program priorities. • Additional funding if outreach is expected beyond providing CARE information to those who come to the agency for other services (i.e., attending events, doing door-to-door canvassing, etc.). • Somehow knowing who were already on the CARE rate to avoid duplication of efforts. 	<ul style="list-style-type: none"> • PG&E supports this recommendation. PG&E processes invoices quickly and pays the OC for all successfully enrolled applications within 30 days, as specified in the terms of their contracts. PG&E offers training and sends out a monthly newsletter to OCs. Additional help is always available to OCs by calling their PG&E OC contact.
<ul style="list-style-type: none"> • Use multiple methods to reach target populations. Beyond in-language materials, PG&E, for example, has found that radio is a particularly effective medium to reach their Hispanic customers, while in-language newspapers are most effective with the Asian community, and churches have been the most effective outlet for reaching African-Americans. Other efforts, such as working with retailers to host events, reaching out to employers with hourly-wage workers, and standing on street corners have been utilized. Door-to-door canvassing has been very successful, particularly for high-producing OCs; however, it is costly and time intensive. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and is already implementing it.
<ul style="list-style-type: none"> • Remind managers/landlords of sub-metered facilities of their legal obligations to inform their tenants about the CARE rate. Provide them with adequate materials to promote the Program, including posters and applications. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and is already implementing it.

Tracking

Beyond a few key areas, the utilities have not tracked the most effective and cost-efficient methods for enrollment.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> Although utilities are conducting some degree of source tracking, all utilities should expand the use of source codes to identify the most effective and cost-efficient methods for enrollment. Tracking outreach effectiveness, without tracking source of enrollment and associated costs, is a highly imperfect exercise. The goal is not necessary to conduct activities with the lowest acquisition cost, as cost per enrollee will increase both for hard-to-reach population segments and as utilities move further along the penetration curve. However, it is imperative to have the tools to make proper decisions regarding resource allocation, and this can only be conducted by tracking fields such as source of application, number of applications, number enrolled, and costs allocated to the effort as shown in Table VIII.1. 	<ul style="list-style-type: none"> PG&E supports this recommendation and is already tracking many sources. PG&E will work with Energy Division and ORA to define what (if any) additional sources to track.

Inter-Utility Automatic Enrollment

Inter-Utility Automatic Enrollment (AE) is a cost-effective method of expanding CARE participation, particularly at lower points along the penetration curve.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> Expand the use of inter-utility AE, as well as with other low-income energy programs with similar eligibility requirements. 	<ul style="list-style-type: none"> PG&E supports this recommendation and is currently in discussion with both SoCalGas and SCE to implement it. PG&E is already implementing inter-utility AE with the Turlock and Modesto Irrigation Districts.

Administration

Cost accounting varies by utility, is difficult to conduct at the level of detail desired, and provides challenges both for utilities and regulators.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> Utilities and the CPUC need to work together to determine if more consistent cost accounting is practical and feasible. 	<ul style="list-style-type: none"> PG&E supports this recommendation and continues to work with Energy Division and ORA on the Reporting Requirements Manual and reporting definitions.

Verification

Customers can be lost at many steps in the process. Several companies showed high attrition rates for those customers who were chosen for verification.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> • Instill a sense of personalization and ownership for the verification process. PG&E has one person in charge of verifications who takes pride in minimizing the attrition through the use of personalized letters and phone calls. This has led to dramatic increases in the response and approval rates for the PEV customers in the last year. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and is currently implementing it.
<ul style="list-style-type: none"> • Use bill messages and reminder letters as much as possible for verification. SCG, the only utility that uses bill messages for customers that are asked to verify income, received 80% of the PEV requests back, far higher than any other utility. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and currently sends reminder letters. PG&E would need to investigate the feasibility of including bill messages.
<ul style="list-style-type: none"> • Track language of customer and provide follow-up information for verification in their preferred language. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and is already providing multi-language verification materials.

Recertification

All of the utilities have faced challenges in reducing attrition at recertification.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> • Use bill messages and reminder letters as much as possible for verification and recertification. SDG&E, which had the highest recertification rate, is the only utility that uses bill messages for recertification requests. The utilities with lower recertification rates only sent out one letter and did not include bill messaging. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and currently sends reminder letters. PG&E would need to investigate the feasibility of including bill messages.
<ul style="list-style-type: none"> • Track language of each customer and provide recertification requests in their preferred language. 	<ul style="list-style-type: none"> • PG&E supports this recommendation depending on what is meant by "tracking customer language." PG&E CARE staff records and responds to all requests for in-language applications. PG&E is already providing multi-language recertification materials.
<ul style="list-style-type: none"> • Consider allowing CARE customers who move within the service territory to stay on the CARE rate. Low-income customers are endemically transient, and CSRs may not consistently send out an application to the new address for those that move to reenroll 	<ul style="list-style-type: none"> • PG&E supports this recommendation and already transfers eligibility to PG&E CARE customers moving within its service area.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> • Allow duplicate applications to count as recertification applications. The policy for treatment of duplicate applications (those that arrive before the two year expiration period) varied dramatically by utility: SCG rejected all duplicate applications, SCE accepts them in they are within one month of expiration, SDG&E accepts them if they are within 12 months of the recertification date, and PG&E accepts all duplicates. In addition, the utility is paying (via a postage-paid envelope) to receive the duplicate application. All the utilities should consider accepting duplicate entries, especially if they are within a certain period (e.g., 12 months) of recertification. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and already implements it.

Process Support

Internal processes can support the larger outreach and administrative processes.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> • Identify IT changes that are straightforward to implement yet save processing time. A number of respondents identified simple IT changes, such as combining a number of fields onto one screen or automatically populating name and address fields that shave important seconds off the processing job, reducing data entry errors, and allowing for more cumulative productivity. 	<ul style="list-style-type: none"> • PG&E supports this recommendation.
<ul style="list-style-type: none"> • Use a bill design that lets customers know they are on the CARE rate, and attempt to show the discount. Customers that do not know they are on the CARE rate can increase utility costs by spending time with the call center and/or sending in duplicate applications. Consistency is also important: SDG&E shows the discounted amount for the electric bill yet shows gas as a CARE rate, and they receive many calls from customers asking why they are not receiving their CARE discount. Utilities should also consider showing the CARE expiration date on the bill, which would clarify questions about participation and recertification. Customers knowing they are on the CARE rate has another benefit: it avoids duplication of efforts by the outreach contractors (sighing up existing customers, as discussed above), and will likely lead to more active recruiting efforts by outreach contractors. 	<ul style="list-style-type: none"> • PG&E supports this recommendation and already implements it. PG&E’s bill already shows that the customer is on CARE.

Policy vs. Practice

The study identified a number of areas where actual practice diverged from utility policy.

Recommendation	PG&E Comments
<ul style="list-style-type: none"> Utilities should enforce their policies regarding income verification and call center outreach for the CARE program. These policies should be stated in writing and reviewed annually, at a minimum, with all pertinent staff. 	<ul style="list-style-type: none"> PG&E supports this recommendation.

Further Study

Recommendation	PG&E Comments
<p>As a final thought, the utilities may want to consider a study of various types of customers related to the Program (including those that failed or did not respond to recertification). Several questions that can be answered may be helpful in determining optimal design for the delivery of CARE, including</p> <ul style="list-style-type: none"> For participants: How did they learn about the Program? How satisfied are they? Any suggestions for improvement of outreach? For Nonparticipants: What percent qualify? If it is statistically representative sample then there are implications regarding the number of customers that may not qualify? What are the barriers? For nonrespondents to verification or recertification. What are the reasons? How many would have qualified? For other studies: How do the findings from this report compare to other utility and PUC studies? 	<ul style="list-style-type: none"> PG&E supports this recommendation and believes additional information about the characteristics of CARE and non-CARE customers will be obtained through the statewide low-income need assessment study.

PG&E supports the CARE Evaluation results and looks forward to working with Energy Division and ORA to decide how to implement them.

SDG&E

Conclusions and Recommendations

The individual utility experiments with different outreach and administration are rich sources of information on what practices are most effective in meeting the needs of low-income customers. However, as we cautioned in the introduction, each utility has its own unique set of challenges in promoting and administering the CARE program. So, an outreach or administrative practice that is highly successful for one utility may not achieve the same results for another.

We make these conclusions and recommendations with the following primary goals in mind:

- Specify outreach practices that identify and attract qualified participants from all population segments
- Focus on PEV practices that verify eligibility in a cost-effective manner that does not turn away qualified applicants
- Identify recertification procedures that minimize eligible participant attrition
- Outline general administrative practices that reduce the costs of managing the CARE program

Outreach

I. General

A. Commitment of every member of the utility to the CARE Program increases its ability to reach and keep eligible customers.

Recommendations:

1. Educate all employees regarding CARE
SDG&E has provided CARE training to field personnel, customer contact personnel and all branch office representatives. SDG&E is in the preliminary stages of developing a project to educate all Sempra employees regarding the CARE program. The project will include a "CARE Month" which will encourage employees to help enroll members of their families, communities, and churches that qualify. Associated cost approximately \$1,000 for employee notification.
2. Develop cross-functional communication practices that maintain ongoing commitment to the CARE message, alerts staff to issues/changes/challenges, and seeks input. These practices could include, among others, CARE meetings, internal newsletter regarding CARE and other low-income assistance programs.
SDG&E currently sends periodic program updates to employees using the Sempra Daily News web page and the Sempra Link monthly newsletter. As part of the Employee Education Program, SDG&E will also send updates to employees through Outreach Around the Region, a quarterly newsletter highlighting Customer Assistance events that

*is mailed to over 200 community-based agencies in San Diego. **No additional cost to SDG&E will be incurred for this effort since communication systems are already in place.***

3. Support and reward employee functions in implementing the Program

*SDG&E is developing a plan to recognize those employees who participate in enrolling customers on CARE. **Estimate for employee recognition \$ 4,000***

B. Bill inserts are the most effective outreach method in terms of both enrolling large numbers of customers and cost.

Recommendations:

4. Target only non-participants for bill inserts. Some of the utilities still use bill inserts for all residential customers. This leads to far higher printing costs (especially for utilities with 700,000 or more participants), postage costs (for duplicates that are returned), and call center costs (for confused customers that call to make sure they are on the rate).

*SDG&E currently uses the approach of targeting only non-participating residential customers when mailing the application bill insert. **Since this is current SDG&E procedure, no additional cost will be incurred.***

5. Design the envelope to call attention to the CARE program and application. PG&E's consultant has added language to the bill envelope to alert customers to CARE's message, with the goal of maximizing every piece of paper that crosses the customers' hands. Cost and feasibility of this option should be explored.

*SDG&E uses CARE envelope messages stating, "Important information regarding your account" when mailing Recertification and Verification information. SDG&E is in the process of updating system capabilities to allow for printing of CARE applications requested through the call center at the Monterey Park Facilities. Once the systems are capable to print the pre-populated applications, SDG&E will include an envelope message on requested CARE applications. **Cost for postage and envelopes are accounted for in current program cost.***

6. Include an application with bill inserts. Utilities that have switched from notifications about CARE to actual applications have found a much higher response rate.

*SDG&E currently mails CARE applications as bill inserts twice a year. **No additional cost to SDG&E will be incurred.***

7. Use a clearly defined application form. The application should not too closely resemble a brochure (SDG&E reported that this confused some recipients.)

*CARE application designs are evaluated and updated annually to reflect the income guideline changes. In 2003, SDG&E took the opportunity to make a few modifications to the application and make it clear that the document was a CARE application. SDG&E will look to make additional improvements to the applications for PY2004. **No additional cost to SDG&E will be incurred for this effort.***

8. Applications should be filled out as much as possible.. Pre-completing the name, address, and account number fields simplifies the reply process for prospective participants.

*As part of system upgrades, SDG&E will be pre-populating customer account number, name, and address on the CARE applications requested through the Customer Call Center or CARE group. The system upgrade will also include pre-populated customer information on recertification and verification documents. **Programming cost to add CARE application on-line is estimated at \$13,000***

Layering multiple outreach strategies and timing them to maximize one another's effect.

Recommendation:

9. Coordinate efforts and maximize timing to increase effectiveness of individual outreach efforts.

*SDG&E recently ran an extensive media campaign, which included television, radio and newspaper, to support the CARE application bill insert. SDG&E experienced a larger response through this effort versus a bill insert application mailed earlier with no supporting media efforts. **SDG&E has included this coordinated effort as part of future outreach campaign; therefore, no additional cost will be incurred.***

C. Targeted

A variety of innovate approaches are needed to enroll those hardest to reach – low-income customers.

Recommendations:

10. Continue to develop Program materials and utility support in the languages needed.

*As part of system enhancements, SDG&E will be mailing applications, verification and recertification documentation, and all supporting documents (i.e., incomplete or ineligible correspondence) in Spanish and English. SDG&E also has Vietnamese applications available through the Customer Call Center and on the SDG&E website. SDG&E will also be translating verification and recertification documentation in Vietnamese and making them available to Call Center representatives through On-Line Help. **Cost for system enhancements are estimated at \$85,000. Cost of Vietnamese translation approximately \$1,000.***

*Additionally, SDG&E partners with local community agencies to provide in-language information to a variety of ethnic groups. SDG&E is currently working with groups supporting the Chinese, Korean, African, Russian and Kurdish immigrants in San Diego County. **Anticipated cost for additional translations \$1,000.***

11. Continue to use outreach contractors to enroll customers. Although many respondents stated that managing capitation agreements was administratively burdensome, all felt that the outreach contractors served an important role in enrolling applicants from the hard-to-reach sectors. Respondents indicated, however, that if the cost of managing these contracts was factored in – salaries for one to two full time staff – the cost per enrollee was far higher than \$12 per participant. OC's surveyed feel their efforts could be better supported by the utilities through:
 - o More rapid processing of applications and reimbursement

- More frequent training of OC staff to address high turnover and changing Program priorities
- Additional funding if outreach is expected beyond providing CARE information to those who come to the agency for other services (i.e., attending events, doing door-to-door canvassing, etc.)
- Provide OCs a list of current CARE participants to avoid duplication of efforts

*SDG&E believes strongly in partnering with community agencies to provide enrollment services and continues to encourage agencies to participate in the capitation program. Because of the high employee turnover rate for these agencies, it has been a challenge to keep agency personnel trained. SDG&E recently had its first Open House and Training where all agencies were invited to attend. Participating agencies provided program feedback on outreach ideas and on ways that SDG&E can help them reach their goals. Additional training will be offered bi-annually or as requested by participating agencies. SDG&E has also personalized contact between SDG&E and the contractor by assigning each agency to a specific CARE processing representative to handle applications submitted by their assigned organization. The CARE representative will make monthly contact with the agency to assist them with any invoicing or processing questions. **Cost for bi-annual training meetings \$1,500.***

*SDG&E is looking to implement an agency incentive program for the fourth quarter of 2003. **Estimate cost for this effort \$10,000.***

12. Use multiple methods to reach target populations. Beyond in-language materials, PG&E, for example, has found that radio is a particularly effective medium to reach their Hispanic customers, while in-language newspapers are most effective with the Asian community, and churches have been the most effective outlet for reaching African-Americans. Other efforts, such as working with retailers to host events, reaching out to employers with hourly-wage workers, and standing on street corners have been utilized. Door-to-door canvassing has been very successful, particularly for high-producing OCs; however, it is costly and time intensive.

*SDG&E has utilized many targeted outreach approaches, including in-language newspaper advertisements for the Asian Community, Spanish radio advertisements, door-to-door canvassing and outreach to churches. SDG&E believes that door-to-door activity is very effective in enrolling the “hard-to-reach” customers and has recently mailed a Request for Proposals for door-to-door enrollment services to local organizations and anticipates door-to-door activity to begin fourth-quarter 2003. **Cost for door-to-door enrollment has not been established and will be determined through a bid-process.***

*SDG&E is looking at ways to better track responses from specific outreach activities in order to have a clear understanding of which activities are most effective. SDG&E will be utilizing 800 numbers to track mass media campaigns and will be enhancing the source code capability to track responses. **Cost for additional 800 numbers will be determined by call volume. Cost for system enhancements for tracking included in response to question 14.***

13. Remind managers/landlords of sub-metered facilities of their legal obligations to inform their tenants about the CARE rate. Provide them with adequate materials to promote the Program, including posters and applications.

*SDG&E mails information to mobile homes twice a year and includes CARE posters and applications in the mailing. This year, SDG&E implemented a new recertification process that informed the tenant directly that they needed to recertify their eligibility by submitting a new CARE application. Managers/owners were notified of the changes and sent additional CARE applications for any new tenants. Additional communications on program changes are made as needed. **This is current SDG&E practice and no additional cost will be incurred.***

Tracking

Beyond a few key areas, the utilities have not tracked the most effective and cost-efficient methods for enrollment.

Recommendation:

14. Although utilities are conducting some degree of source tracking, all utilities should expand the use of source codes to identify the most effective and cost-efficient methods for enrollment. Tracking outreach effectiveness, without tracking source of enrollment and associated costs, is a highly imperfect exercise. The goal is not necessary to conduct activities with the lowest acquisition cost, as cost per enrollee will increase both for hard-to-reach population segments and as utilities move further along the penetration curve. However, it is imperative to have the tools to make proper decisions regarding resource allocation, and this can only be conducted by tracking fields such as source of application, number of applications, number enrolled, and costs allocated to the effort as shown in Table VIII.1.

*In 2002 SDG&E implemented the use of source codes for tracking enrollments from capitation contracts. SDG&E began expanding the use of source codes to all outreach activities but did not have the proper reports available to track all activities associated with the returned application. SDG&E has developed reporting requirements and is in the process of making system enhancements to generate reports that will provide the needed information to populate the table VIII.1 of this report. In an effort to begin tracking the information as soon as possible, SDG&E processors will be manually tracking the status of all applications received to the best of their ability. **IT estimate for reporting upgrades \$9,500.***

Inter-Utility Automatic Enrollment

Inter-Utility Automatic Enrollment (AE) is a cost-effective method of expanding CARE participation, particularly at lower points along the penetration curve.

Recommendation:

15. Expand the use of inter-utility AE, as well as with other low-income energy programs with similar eligibility requirements.

SDG&E currently exchanges new CARE customer information with SCG. Since SDG&E budgeted to continue this effort, no additional cost will be incurred.

Administration

Cost accounting varies by utility, is difficult to conduct at the level of detail desired, and provides challenges both for utilities and regulators.

Recommendation:

16. Utilities and the CPUC need to work together to determine if more consistent cost accounting is practical and feasible.

SDG&E acknowledges that there are differences in what utilities have included in costs to the CARE public purpose program. For example, some utilities may include Regulatory Dept. and Legal Dept. costs; others may include employee non-labor (e.g. pension and benefits, workman's comp) other utilities do not. Therefore, when looking at the charges associated with the CARE public purpose program, as was done in this report (and when looking at the costs of other public purpose programs) the comparison of costs is a comparison of costs recovered by the utilities in the public purpose programs surcharges (PPP and PGC surcharges) and are non-inclusive of support costs defined and funded by the utilities elsewhere in their regulatory accounts.

SDG&E does not know of sufficient benefit to undertake changing utilities' policies and practices and/or reporting systems to make all of the utilities' costing to the CARE public purpose program the same. SDG&E would ask that the benefits of modifying utility accounting/reporting systems and practices to the CARE program and the utility customers be identified and a cost/benefit analysis be conducted prior to implementing such modifications.

The existing systems allow for recovery of costs associated with CARE according to federal and Commission regulations governing accounting for those costs as applied to the individual utilities. To make changes solely for the sake of comparison, and not for the benefit of utility customers and/or to improve utility services seems arbitrary and administratively burdensome to the programs.

SDG&E believes that making changes to utilities' accounting and reporting systems would require a multi-year effort to, at a minimum:

- *Identify all administrative costs not included in the PPP/PGC by each utility and have utilities identify the source account for that funding*
- *Commission would have to revisit all costs associated with the CARE program by*

utility and determine which costs be included in the public purpose program charges by all utilities and explain why any costs exempted from being included was not (e.g., surcharge exemption)

- Commission would have to review other PPP programs and determine if costs for those program were also not included in the PPP/PGC funds and decide if they should be*
- Each utility would have to identify changes to account compositions and accounting practices which would enable it to include mandated costs in public purpose programs and when this could happen*
- Costs for any system changes or changes to program labor as a result of accounting changes would have to be estimated and planned in program costs*
- Mandated CARE program costs would have to be removed from other funding sources and rates adjusted accordingly with an offsetting change made to the PPP/PGC surcharge*
- Implementation would occur over time as systems and practices were changed*

SDG&E believes implementing this recommendation without further information on the benefits of making such potentially broad ranging modifications and the corresponding cost to the utilities' ratepayers is not in the best interest of the CARE program or its customers.

Verification

Customers can be lost at many steps in the process. Several companies showed high attrition rates for those customers who were chosen for verification.

Recommendation:

17. Instill a sense of personalization and ownership for the verification process. PG&E has one person in charge of verifications who takes pride in minimizing the attrition through the use of personalized letters and phone calls. This has led to dramatic increases in the response and approval rates for the PEV customers in the last year.

All SDG&E CARE representatives handle CARE verifications and take great pride in providing the best service available to all CARE Customers. SDG&E believes that changes to the income verification documents needs to be made to reduce the number of customers lost and has redesigned verification documents to reflect a more personal and "user friendly" approach. These documents will be updated as part of the CARE enhancement project in 2004. Costs for the redesign have previously been stated.

18. Use bill messages and reminder letters as much as possible for verification. SCG, the only utility that uses bill messages for customers that are asked to verify income, received 80% of the PEV requests back, far higher than any other utility.

SDG&E currently mails two customer-reminder letters and includes a bill message on the customer's last bill before the CARE discount is removed.

19. Track language of customer and provide follow-up information for verification in their preferred language.

*As part of system enhancements, SDG&E will be printing verification information in Spanish and English. Vietnamese documents will also be made available through On-Line Help. SDG&E is also exploring the use of language indicators that will identify the preferred language for customers and print all CARE information in the specified language, if available. **Costs for enhancing document to print in English and Spanish are included in response to question 10. Estimate for expanding the use of the language indicator has yet to be determined.***

Recertification

All of the utilities have faced challenges in reducing attrition at recertification.

Recommendations:

20. Use bill messages and reminder letters as much as possible for verification and recertification. SDG&E, which had the highest recertification rate, is the only utility that uses bill messages for recertification requests. The utilities with lower recertification rates only sent out one letter and did not include bill messaging.

SDG&E currently mails two customer-reminder letters and includes a bill message on the customer's last bill before the CARE discount is removed. SDG&E will also be making follow-up calls to customers who have not responded to previous attempts and are to be dropped from the program imminently.

21. Track language of each customer and provide recertification requests in their preferred language.

*Recertification documents are included in the system enhancement project to be printed in Spanish and English, and Vietnamese documents will be made available through On-Line Help. Additional changes have been made to the recertification letter to draw the customer's attention to the request by highlighting the average annual savings received by CARE participants. **Costs for enhancing documents to print in English and Spanish are included in response to question 10.***

22. Consider allowing CARE customers who move to stay on the CARE rate. Low-income customers are endemically transient, and CSRs may not consistently send out an application to the new address for those that move to reenroll.

SDG&E currently transfers CARE benefits when customers transfer service.

23. Allow duplicate applications to count as recertification applications. The policy for treatment of duplicate applications (those that arrive before the two year expiration period) varied dramatically by utility: SCG and SCE rejected all duplicate applications, while PG&E and SDG&E accepted them. In addition, the utility is paying (via a postage-paid envelope) to receive the duplicate application. All the utilities should consider accepting duplicate entries, especially if they are within a certain period of recertification (e.g., SDG&E counts the duplicate application as a recertification if it is within 12 months of the actual recertification date).

SDG&E recently implemented changes that utilize all duplicate applications for recertification.

Process Support

Internal processes can support the larger outreach and administrative processes.

Recommendations:

24. Identify IT changes that are straightforward to implement yet save processing time. A number of respondents identified simple IT changes, such as combining a number of fields onto one screen or automatically populating name and address fields that shave important seconds off the processing job, reducing data entry errors, and allowing for more cumulative productivity.

*SDG&E recently implemented system enhancements that simplified the process for adding and deleting CARE customers. Additional changes are included as part of the system enhancement project currently underway and associated **cost have yet to be determined.***

25. Use a bill design that lets customers know they are on the CARE rate, and attempt to show the discount. Customers that do not know they are on the CARE rate can increase utility costs by spending time with the call center and/or sending in duplicate applications. Consistency is also important: SDG&E shows the discounted amount for the electric bill yet shows gas as a CARE rate, and they receive many calls from customers asking why they are not receiving their CARE discount. Utilities should also consider showing the CARE expiration date on the bill, which would clarify questions about participation and recertification.

SDG&E reflects both the gas and electric discounts as line items on the CARE customer's bill. The gas discount is stated as, "Reflects a CARE Discount Of" whereas the electric is stated as a "Residential CARE Discount." A few customers may confuse how the calculations are determined but this does not generally confuse the customer as to whether or not they are on the rate. SDG&E is exploring changes that would streamline the two processes.

SDG&E is also exploring additional bill enhancements that will provide CARE information on the front page of the bill to try and reduce the number of customers who are unaware that they are on the rate. This effort will be explored as part of the bill redesign planned in late 2004.

Cost for these efforts are yet to be determined.

Policy vs. Practice

The study identified a number of areas where actual practice diverged from utility policy.

Recommendations:

26. Utilities should enforce their policies regarding income verification and call center outreach for the CARE program. These policies should be stated in writing and reviewed annually, at a minimum, with all pertinent staff.

SDG&E current training procedures for Call Center employees include CARE outreach mandates, which offer CARE during all turn-on calls, credit inquiries, and high bill investigations. These policies are made available at all times to Call Center representatives through the SDG&E On-Line Help information web page. Call Center employees are monitored by Quality Assurance Specialists to ensure adherence all Call Center policies and procedures, including CARE.

Verification procedures are available for CARE processing staff and are enforced on an ongoing basis.

SDG&E believes that current policies and procedures are being enforced and does not anticipate additional cost incurred.

Further Study

As a final thought, the utilities may want to consider a study of various types of customers related to the Program (including those that failed or did not respond to recertification). Several questions that can be answered may be helpful in determining optimal design for the delivery of CARE, including:

27. For participants: How did they learn about the Program? How satisfied are they? Any suggestions for improvement of outreach?
28. For Nonparticipants: What percent qualify? If it is statistically representative sample then there are implications regarding the number of customers that may not qualify? What are the barriers?
29. For nonrespondents to verification or recertification. What are the reasons? How many would have qualified?³
30. For other studies: How do the findings from this report compare to other utility and PUC studies?

SDG&E has utilized customer research in the past to improve programs and is in agreement with recommendations 27-30. However, SDG&E would appreciate knowing what studies could be used as a benchmark for comparison. SDG&E also agrees that the statewide Low Income Needs Assessment study will provide valuable information about to reach and enroll eligible customers, including which eligible customer do not wish to participate.

³ Adequate information on these topics was not available at the time of this study, although the Low Income Needs Assessment study will be examining this issue.

SCG

Conclusions and Recommendations

The individual utility experiments with different outreach and administration are rich sources of information on what practices are most effective in meeting the needs of low-income customers. However, as we cautioned in the introduction, each utility has its own unique set of challenges in promoting and administering the CARE program. So, an outreach or administrative practice that is highly successful for one utility may not achieve the same results for another.

We make these conclusions and recommendations with the following primary goals in mind:

- Specify outreach practices that identify and attract qualified participants from all population segments
- Focus on PEV practices that verify eligibility in a cost-effective manner that does not turn away qualified applicants
- Identify recertification procedures that minimize eligible participant attrition
- Outline general administrative practices that reduce the costs of managing the CARE program

Outreach

I. General

A. Commitment of every member of the utility to the CARE Program increases its ability to reach and keep eligible customers.

Recommendations:

1. Educate all employees regarding CARE
SCG has been conducting employee education about the CARE program and other customer assistance programs throughout SoCalGas service territories with credit collections, meter readers, call center/branch payment offices, field customer contract personnel, public relations, and community relations.
SCG also disseminates CARE program information at the SoCalGas “Job Knowledge Fair” and in the internal employee newsletter to educate employees about CARE and the enrollment progress of the program.
2. Develop cross-functional communication practices that maintain ongoing commitment to the CARE message, alert staff to issues/changes/challenges, and seek input. These practices could include, among others, CARE meetings, internal newsletter regarding CARE and other low-income assistance programs.
SCG agrees with the Consultant that having every member of the utility commit to the CARE Program will help with CARE enrollment. SCG will continue with current

employee education efforts and expand the utilization of the internal employee newsletter and e-mail. SCG's CARE articles have been focusing on the CARE enrollment progress, program changes, and outreach activities. SCG is planning to further engage the employees by including articles on CARE issues and challenges in the newsletter. SCG is also exploring an internal CARE enrollment campaign to encourage employees to sign up CARE customers.

3. Support and reward employee functions in implementing the Program

SCG has supported the CARE program by recognizing those employees who make contributions to the program.

B. Bill inserts are the most effective outreach method in terms of both enrolling large numbers of customers and cost.

Recommendations:

4. Target only nonparticipants for bill inserts. Some of the utilities still use bill inserts for all residential customers. This leads to far higher printing costs (especially for utilities with 700,000 or more participants), postage costs (for duplicates that are returned), and call center costs (for confused customers that call to make sure they are on the rate).

For bill inserts, SCG only targets non-CARE customers.

5. Design the envelope to call attention to the CARE program and application. PG&E's consultant has added language to the bill envelope to alert customers to CARE's message, with the goal of maximizing every piece of paper that crosses the customers' hands. Cost and feasibility of this option should be explored.

Currently, SCG uses a notice on envelopes to require response when mailing the recertification and verification requests. Because SCG mails bills with the CARE insert to over 4 million residential customers, it would be confusing to the majority of our customers that do not qualify for CARE. SCG will explore other approaches that may be as effective.

6. Include an application with bill inserts. Utilities that have switched from notifications about CARE to actual applications have found a much higher response rate.

In July 2003, a bill insert application was mailed to all non-CARE residential customers.

7. Use a clearly defined application form. The application should not too closely resemble a brochure (SDG&E reported that this confused some recipients.)

SCG's bill insert application is different from the CARE brochure.

8. Applications should be filled out as much as possible. Pre-completing the name, address, and account number fields simplifies the reply process for prospective participants.

SCG agrees the application should be filled out as much as possible. All self-certification, re-certification, and verification applications generated from SCG Customer Information Systems are pre-populated with the customer's name, address, and account number. Any future direct mailing is planned to include a pre-completed CARE application to simplify the CARE application and CARE process.

Layering multiple outreach strategies and timing them to maximize one another's effect.

Recommendation:

9. Coordinate efforts and maximize timing to increase effectiveness of individual outreach efforts.

To maximize timing and the effectiveness of outreach efforts, SCG believes in campaigning the CARE program continuously year round to reach as many customers as possible since CARE is not a seasonal nor a consumer program. It has been very effective in repetitive communication. SCG coordinates outreach efforts case by case. SCG is planning to have a five-language bill insert in September followed with radio and newspaper ads in Hispanic- and Asian-language campaigns to maximize the effectiveness. Through these efforts, SCG hopes for a larger response from non-English speaking customers.

C. Targeted

A variety of innovative approaches are needed to enroll those hardest to reach – low-income customers.

Recommendations:

10. Continue to develop Program materials and utility support in the languages needed.

SCG currently mails applications, verification and recertification documents in Spanish and English.

Currently, customers can request Asian-language applications through the Call Center. Applications and documents in Korean, Chinese, and Vietnamese are scheduled to be online in November 2003. After the Asian-language documents are added to SCG's Customer Information System, customers will have all follow-up documents, and be able to recertify and verify their eligibility for the CARE program, in their preferred language.

To expand in language communication and outreach, SCG supports in-language materials development. For example, SCG supports the Armenian Relief Society to develop a CARE application in Armenian.

11. Continue to use outreach contractors to enroll customers. Although many respondents stated that managing capitation agreements was administratively burdensome, all felt that the outreach contractors served an important role in enrolling applicants from the hard-to-reach sectors. Respondents indicated, however, that if the cost of managing these contracts was factored in – salaries for one to two full time staff – the cost per enrollee was far higher than \$12 per participant. OC's surveyed feel their efforts could be better supported by the utilities through:
 - o More rapid processing of applications and reimbursement
 - o More frequent training of OC staff to address high turnover and changing Program priorities

- Additional funding if outreach is expected beyond providing CARE information to those who come to the agency for other services (i.e., attending events, doing door-to-door canvassing, etc.)
- Somehow knowing who was already on the CARE rate to avoid duplication of efforts

The OCs outreach has been successful for SCG. SCG will continue to enlist new OCs for CARE enrollment, as funding is available.

SCG processes all applications and reimbursements without delay. All OC applications are processed within two days after they are received. For reimbursements, SCG CARE sends the OC invoices to Accounts Payable within two days after receiving the invoice. Although most of the invoices are paid promptly, SCG reserves the right to pay the invoice within 30 days.

A newly-designed capitation program package was sent to all OCs in the beginning of September 2003 to provide program updates and offer various methods to support their goals. SCG provides on-site training upon request. SCG also promotes activities such as OC event sponsorship and assistance, staff support, and giveaways.

Rather than provide customer confidential information to contractors, SCG plans to provide census data to contractors to assist them in identifying the target areas.

12. Use multiple methods to reach target populations. Beyond in-language materials, PG&E, for example, has found that radio is a particularly effective medium to reach their Hispanic customers, while in-language newspapers are most effective with the Asian community, and churches have been the most effective outlet for reaching African-Americans. Other efforts, such as working with retailers to host events, reaching out to employers with hourly-wage workers, and standing on street corners have been utilized. Door-to-door canvassing has been very successful, particularly for high-producing OCs; however, it is costly and time intensive.

SCG has a multifaceted outreach method to reach different customer segments. The CARE information and application bill inserts have been used to reach general customers. To reach Chinese, Korean, Spanish, and Vietnamese speaking customers, SCG uses in-language media such as newspaper ads, radio ads, and the bill insert. The community-based organizations have been SCG's key partners to reach additional ethnic groups such as American Indians and Armenians, as well as Arabic and other hard-to-reach customers.

SCG believes the direct mailing is another cost effective approach to reach eligible customers. In May of 2003, SCG conducted an extremely successful direct mailing to low-income rural areas.

Door-to-door canvassing has been very successful for some of SCG's OCs. To sustain the success, SCG will support the OCs with a targeted-areas analysis. SCG continues to enlist new OCs to help with CARE enrollment and inform OCs about the CARE program through e-newsletters and our Public Affairs Team.

In 2004, SCG is planning to work with faith-based organizations, government assistance programs, Head Start program, and post offices in rural areas to distribute CARE information.

SCG is collecting enrollment responses from specific outreach methods for outreach measurement and evaluation. SCG is also looking at customer surveys to evaluate the responses to the mass media campaign.

13. Remind managers/landlords of sub-metered facilities of their legal obligations to inform their tenants about the CARE rate. Provide them with adequate materials to promote the Program, including posters and applications.

SCG currently notifies managers/landlords of their obligation to inform their tenants about the CARE rate twice a year. SCG supply managers/landlords with a flyer to be distributed in their tenants' bills.

Tracking

Beyond a few key areas, the utilities have not tracked the most effective and cost-efficient methods for enrollment.

Recommendation:

14. Although utilities are conducting some degree of source tracking, all utilities should expand the use of source codes to identify the most effective and cost-efficient methods for enrollment. Tracking outreach effectiveness, without tracking source of enrollment and associated costs, is a highly imperfect exercise. The goal is not necessary to conduct activities with the lowest acquisition cost, as cost per enrollee will increase both for hard-to-reach population segments and as utilities move further along the penetration curve. However, it is imperative to have the tools to make proper decisions regarding resource allocation, and this can only be conducted by tracking fields such as source of application, number of applications, number enrolled, and costs allocated to the effort as shown in Table VIII.1.

SCG currently uses source codes to track enrollment from capitation contractors, the website, direct mailing, GAF, LIHEAP, data sharing with other utilities, special outreach events, the bill insert application, and applications sent by the system. Currently, the enrollments by source code are available in a daily system report and require manual aggregation for any further analysis. SCG is working with IT to develop a monthly summary report.

SCG does not have a method in place today to track specific numbers of enrollments resulting from mass media campaigns such as radio and newspaper print ads. SCG plans conduct customer market research to evaluate the customer preferred outreach methods to receive program information.

Inter-Utility Automatic Enrollment

Inter-Utility Automatic Enrollment (AE) is a cost-effective method of expanding CARE participation, particularly at lower points along the penetration curve.

Recommendation:

15. Expand the use of inter-utility AE, as well as with other low-income energy programs with similar eligibility requirements.

SCG exchanges new CARE enrollment information with SCE weekly. Customers with last name and address matches are automatically enrolled into the SCG CARE program. SCG is working on IT implementation to expand the data exchange with SDG&E. SCG also is in discussion with PG&E about data exchange.

Administration

Cost accounting varies by utility, is difficult to conduct at the level of detail desired, and provides challenges both for utilities and regulators.

Recommendation:

16. Utilities and the CPUC need to work together to determine if more consistent cost accounting is practical and feasible.

SCG agrees it is difficult to compare the total CARE administration cost among the utilities. In compliance, utilities are to track **incremental** CARE administrative expenditures in the CARE balancing account for purposes of program cost recovery. Utilities should not recover the CARE program costs from the Public Purpose Program surcharge or the rapid deployment fund that are provided for in the utilities' base rates. SCG believes this is the key reason why cost accounting for the CARE program is different among the utilities.

SCG's existing accounting/reporting systems allow not only for recovery of costs associated with CARE but also for tracking gas service costs according to federal and Commission regulations. SCG has detailed authorized CARE cost records that can be aggregated at many different levels and categories.

Commission has ordered the Energy Division to conduct an audit of all CARE administration costs. One of the requirements is to summarize the types and nature of expenditures recorded as CARE administration costs. The results of the CARE audit could provide further information for best cost accounting practices evaluation.

To improve the current cost reporting, utility and Commission can consider clarifying cost category specifications in the CARE program Cost Classifications in the RRM Group Report.

Verification

Customers can be lost at many steps in the process. Several companies showed high attrition rates for those customers who were chosen for verification.

Recommendation:

17. Instill a sense of personalization and ownership for the verification process. PG&E has one person in charge of verifications who takes pride in minimizing the attrition through

the use of personalized letters and phone calls. This has led to dramatic increases in the response and approval rates for the PEV customers in the last year.

SCG currently has dedicated employees that are trained to respond to any type of customer calls or questions regarding the CARE program. Furthermore, each CARE representative uses methods to retain eligible customers on the rate such as additional follow-up calls, specific letters as needed etc.

Currently, the CARE Department calls customers who have sent the verification application with proof of income, but failed to mark the number in the household. The answers are considered phone affidavits, and the application is then processed as complete.

The CARE Department also calls customers who have responded to the verification request with income documents but who are missing a particular income document. If the customer cannot be reached by phone, a letter is sent that identifies the specific required document.

Often when customers return the verification application, they neglect to include proof of income documents. The customer is mailed a letter indicating that the application was received, but proof of income was not. The letter notifies the customer to send the letter back along with the necessary income documents.

When a customer notifies the CARE Department that they recently verified their eligibility before moving to a new address, the customer's account is PEV approved upon investigation of the CIS.

18. Use bill messages and reminder letters as much as possible for verification. SCG, the only utility that uses bill messages for customers that are asked to verify income, received 80% of the PEV requests back, far higher than any other utility.

SCG currently utilizes bill messages for customers who have not completed the process, encouraging customers to send proof of income documents back with the application. This message appears 45 days after the initial verification application is mailed. For those customers who have been removed from the rate for failing to respond to the verification application within the 90 day time-frame, (we actually allow the customer 100 days to respond), a bill message notifies them of the reason for the removal.

In 2004, a second or final verification request in conjunction with the bill message will be mailed 45 days from the initial verification application. It will be mailed in the appropriate language preference indicated in the CIS.

19. Track language of customer and provide follow-up information for verification in their preferred language.

SCG is implementing Asian documents to provide follow-up information such as verification requests, recertification requests, incomplete application notices, and denied notices in three Asian languages – Chinese, Korean, and Vietnamese. Customers will be mailed the follow-up documents in the language that is the same as the language of the initial CARE application returned or requested. SCG will track the language preference in the Customer Information System.

Recertification

All of the utilities have faced challenges in reducing attrition at recertification.

Recommendations:

20. Use bill messages and reminder letters as much as possible for verification and recertification. SDG&E, which had the highest recertification rate, is the only utility that uses bill messages for recertification requests. The utilities with lower recertification rates only sent out one letter and did not include bill messaging.

SCG has a bill message to notify customers no longer eligible to receive the CARE discount due to no-response. SCG is working on a bill message reminder for recertification, shown on a customer's bill 45 days from the initial application. A second verification and recertification is also in the IT implementation stage and to be online in the first quarter of 2004.

21. Track language of each customer and provide recertification requests in their preferred language.

As mentioned in response to recommendation 19, customers will receive recertification requests in one of five languages when the Asian documents are implemented. Preferred languages will be tracked by SCG's Customer Information Systems.

22. Consider allowing CARE customers who move to stay on the CARE rate. Low-income customers are endemically transient, and CSRs may not consistently send out an application to the new address for those that move to reenroll.

SCG is currently working with IT to implement transfer of the CARE rate when a customer moves.

23. Allow duplicate applications to count as recertification applications. The policy for treatment of duplicate applications (those that arrive before the two year expiration period) varied dramatically by utility: .

SCG uses the duplicate application to update the recertification date manually, which was implemented since June 2003. An IT solution will be implemented when their resources become available. Currently SCG IT is implementing various CARE system enhancements.

Process Support

Internal processes can support the larger outreach and administrative processes.

Recommendations:

24. Identify IT changes that are straightforward to implement yet save processing time. A number of respondents identified simple IT changes, such as combining a number of fields onto one screen or automatically populating name and address fields that shave important seconds off the processing job, reducing data entry errors, and allowing for more cumulative productivity.

SCG is constantly looking for IT solutions and automated practices. For example, we are working on automating the duplicated application as a recertification application. Another processing improvement currently being created for implementation is for a more concise batching of our work before it is sent to the data entry vendor. This would increase productivity, as it would ensure fewer follow-ups and correcting of accounts identified in the error report. SCG is continually modifying system reports to better support the regulatory reporting requirements.

- Use a bill design that lets customers know they are on the CARE rate, and attempt to show the discount. Customers that do not know they are on the CARE rate can increase utility costs by spending time with the call center and/or sending in duplicate applications. Consistency is also important: SDG&E shows the discounted amount for the electric bill yet shows gas as a CARE rate, and they receive many calls from customers asking why they are not receiving their CARE discount. Utilities should also consider showing the CARE expiration date on the bill, which would clarify questions about participation and recertification. Customers knowing they are on the CARE rate have another benefit: it avoids duplication of efforts by the outreach contractors (signing up existing customers, as discussed above), and will likely lead to more active recruitment efforts by the outreach contractors.

“CARE discount applied” is noted on the gas bills of CARE customers. SCG will look into the possibility of displaying the customer’s discount amount on the bill and evaluate customer/program benefits. The changes will require major bill system and tariff changes.

Any changes to the bill presentation will require major IT changes. SCG will further investigate the costs/benefits of showing the CARE expiration date. One primary concern is customers understanding of the CARE expiration date.

Policy vs. Practice

The study identified a number of areas where actual practice diverged from utility policy.

Recommendations:

25. Utilities should enforce their policies regarding income verification and call center outreach for the CARE program. These policies should be stated in writing and reviewed annually, at a minimum, with all pertinent staff.

CARE is part of the on-hold and IVR messages on customer service lines. In any of the cases in which customers bypass the IVR CARE offer, the CSRs in the Call Center will receive a system flag prompting them to offer the CARE program verbally. CSRs are required to know about the policy and have easy access to online help. SCG has Quality Assurance Specialists monitoring calls, we can insure adherence to CARE policies.

Further Study

As a final thought, the utilities may want to consider a study of various types of customers related to the Program (including those that failed or did not respond to recertification). Several questions that can be answered may be helpful in determining optimal design for the delivery of CARE, including:

26. For participants: How did they learn about the Program? How satisfied are they? Any suggestions for improvement of outreach?
27. For Nonparticipants: What percent qualify? If it is statistically representative sample then there are implications regarding the number of customers who may not qualify who are being marketed to? What are the barriers?
28. For nonrespondents to verification or recertification. What are the reasons? How many would have qualified?⁴
29. For other studies: How do the findings from this report compare to other utility and PUC studies?

To be more effective, outreach methods and program materials should be based on the customer's conditions, circumstances, and preferences. SCG will conduct various market research studies and data analysis to better understand our CARE eligible customers.

SCG will have the CARE evaluation report in use to confirm SCG outreach and administration practices. The Need Assessment Study will also provide guidelines to SCG's outreach practices.

SCE

Outreach, General

Commitment of every member of the utility to the CARE Program increases its ability to reach and keep eligible customers.

Recommendation	SCE Comments
<ul style="list-style-type: none"> Educate all employees regarding CARE. 	<p>SCE supports this recommendation.</p> <p>SCE has provided CARE education through its internal company newspaper and business unit newsletters. In addition, employees were recruited to participate in a company-wide "Show You CARE" campaign. Through this effort every SCE employee was asked to complete one CARE application with an eligible family member or friend. SCE also supports internal company organizations that outreach CARE to the community. SCE's Employee Affinity Groups serve as a resource to support CARE initiatives and to promote a better understanding of various cultures and traditions by reaching out to communities. Groups represent employees from various cultural and ethnic backgrounds including Chinese, Vietnamese, Filipino, Hispanic, African American and others</p>
<ul style="list-style-type: none"> Develop cross-functional communication practices that maintain ongoing commitment to the CARE message, alerts staff to issues/changes/challenges, and seeks input. These practices could include, among others, CARE meetings, internal newsletter regarding CARE and other low-income assistance programs. 	<p>SCE supports this recommendation.</p> <p>SCE implements a cross-functional approach to the management of the CARE program. While program management and administration is centralized in low-income programs group, it is supported by various company organizations including billing, call center, communications, IT, regulatory/law, finance, and process improvement. While these groups have ongoing task-specific responsibilities SCE feels that overall communication can be improved so therefore, SCE plans to enhance communication through regular meetings of internal CARE stakeholders.</p>
<ul style="list-style-type: none"> Support and reward employee functions in implementing the Program. 	<p>SCE supports this recommendation.</p> <p>SCE's "Show You CARE" campaign was a corporate-supported function and employees who participated received incentives such as special tee shirts and credit for volunteer hours. Employees who earn enough volunteer hours in community service can get corporate contributions to organizations of their choice. SCE employs a corporate sponsored "Speakers Bureau" to support CARE presentations and SCE's Employee Affinity Groups provide tremendous support to CARE functions in cultural communities.</p>

Bill inserts are the most effective outreach method in terms of both enrolling large numbers of customers and cost.

Recommendation	SCE Comments
<ul style="list-style-type: none"> • Target only nonparticipants for bill inserts. Some of the utilities still use bill inserts for all residential customers. This leads to far higher printing costs (especially for utilities with 700,000 or more participants), postage costs (for duplicates that are returned), and call center costs (for confused customers that call to make sure they are on the rate). 	<p>SCE supports this recommendation.</p> <p>SCE targets only non-participating residential customers for bill inserts.</p>
<ul style="list-style-type: none"> • Design the envelope to call attention to the CARE program and application. PG&E's consultant has added language to the bill envelope to alert customers to CARE's message, with the goal of maximizing every piece of paper that crosses the customers' hands. Cost and feasibility of this option should be explored. 	<p>SCE supports this recommendation.</p> <p>SCE used a printed envelope announcement on a targeted mailing in the past, but not on the annual solicitation to all non-participating residential customers. SCE will be incorporating a CARE message on the envelopes of a direct mailer planned for October. SCE will explore the possibility of a similar message on the annual solicitation.</p>
<ul style="list-style-type: none"> • Include an application with bill inserts. Utilities that have switched from notifications about CARE to actual applications have found a much higher response rate. 	<p>SCE supports this recommendation.</p> <p>SCE includes a CARE application as a bill insert.</p>
<ul style="list-style-type: none"> • Use a clearly defined application form. The application should not too closely resemble a brochure (SDG&E reported that this confused some recipients.) 	<p>SCE supports this recommendation.</p> <p>SCE's bill insert is an actual CARE application, not a brochure.</p>
<ul style="list-style-type: none"> • Applications should be filled out as much as possible. Pre-completing the name, address, and account number fields simplifies the reply process for prospective participants. 	<p>SCE supports preprinting account information on CARE applications sent to customers. Planned process improvements for CARE include preprinting account information on CARE applications and using bar coding to streamline the processing of returned applications.</p>

Layering multiple outreach strategies and timing them to maximize one another's effect.

Recommendation	SCE Comments
<ul style="list-style-type: none"> • Coordinate efforts and maximize timing to increase effectiveness of individual outreach efforts. 	<p>SCE supports this recommendation.</p> <p>Immediately after completing the 2003 annual CARE solicitation in June, SCE conducted a targeted mailing to approximately 1.5 million residential customers using market research income data to identify potential CARE-eligible households. This effort successfully enrolled over 41,000 customers on CARE, representing a 73% approval rate for those applications returned.</p> <p>SCE has also used a combination of direct and shared- mail pieces coupled with radio advertising to targeted markets. The radio advertising alerted customer to anticipate receiving the mailed piece.</p> <p>These efforts demonstrated to SCE that there is value to using a timed/multiple effort approach to outreach which SCE plans more of in the future.</p>

Outreach, Targeted

A variety of innovate approaches are needed to enroll those hardest to reach – low-income customers.

Recommendation	SCE Comments
<ul style="list-style-type: none"> • Continue to develop Program materials and utility support in the languages needed. 	<p>SCE supports this recommendation.</p> <p>Currently, the primary CARE application is available to customers in six languages: English, Spanish, Chinese, Korean, Cambodian, and Vietnamese. The application is also being translated into Filipino and Japanese, bringing the total to eight languages.</p> <p>SCE is also planning to translate the recertification and verification letters into the same eight languages.</p> <p>Targeted mailing pieces to residential customers are prepared in English and Spanish and other languages will be used when deemed appropriate for specific marketing efforts.</p>
<ul style="list-style-type: none"> • Continue to use outreach contractors to enroll customers. Although many respondents stated that managing capitation agreements was administratively burdensome, all felt that the outreach contractors served an important role in enrolling applicants from the hard-to-reach sectors. Respondents indicated, however, that if the cost of managing these contracts was factored in – salaries for one to two full time staff – the cost per enrollee was far higher than \$12 per participant. OC's surveyed feel their efforts could be better supported by the utilities through: <ul style="list-style-type: none"> ○ More rapid processing of applications and reimbursement ○ More frequent training of OC staff to address high turnover and changing Program priorities. ○ Additional funding if outreach is expected beyond providing CARE information to those who come to the agency for other services (i.e., attending events, doing door-to-door canvassing, etc.). ○ Provide OCs a list of current CARE participants to avoid duplication of efforts. 	<p>SCE supports this recommendation.</p> <p>Since the mid-1980s, SCE has enjoyed a good working relationship with many Community-Based Organizations (CBOs) to deliver low-income program services and recognizes the important contribution they make in working with clients that traditionally have been hard-to-reach by utilities. SCE believes this contribution has helped find and enroll customers on CARE and believes that this activity should be continued.</p> <p>When the CARE Capitation Fee Project began in 2001, SCE developed systems to process applications and payments to contractors. These systems have progressively improved over time and an upcoming enhancement will send electronic files to Accounts Payable to speed the issuance of checks to contractors.</p> <p>SCE recognizes the value of training OCs and has recently developed a CARE Showcase Presentation Kit for OCs to use as an educational tool. The presentation will include a cover letter, a CARE Overview Guide, an explanation of an Event Tool Kit, and Capitation Program flyers. The Event Tool Kit provides a brochure with a tear-off, postage returned application, Questions & Answers flyer; and table-top poster displays with a "take-one" function.</p> <p>SCE currently is complying with the funding directives of the CPUC which limits payments to CARE Capitation Fee Project contractors to \$12.00 per approved application. Funding for additional outreach events or activity is evaluated on a case-by-case basis.</p> <p>Because SCE's CARE enrollment is over 800,000 and customers continually are placed on and removed from CARE for various reasons, the logistics of providing participant lists for specific contractors, to avoid duplication, does not appear practical at this time. Customers may call an SCE phone center to verify if they are on CARE.</p>

Recommendation	SCE Comments
<ul style="list-style-type: none"> • Use multiple methods to reach target populations. Beyond in-language materials, PG&E, for example, has found that radio is a particularly effective medium to reach their Hispanic customers, while in-language newspapers are most effective with the Asian community, and churches have been the most effective outlet for reaching African-Americans. Other efforts, such as working with retailers to host events, reaching out to employers with hourly-wage workers, and standing on street corners have been utilized. Door-to-door canvassing has been very successful, particularly for high-producing OCs; however, it is costly and time intensive. 	<p>SCE supports this recommendation.</p> <p>SCE has developed a CARE marketing plan that includes multiple methods to reach target populations. Depending on the target audience, SCE may use direct mail, print ads, and radio, or a combination of these methods. The current strategy attempts to “touch” the customer multiple times with the CARE message to reinforce it and motivate the customer to take action to enroll. Another method has been the face-to-face contact with customers through (1) the Capitation Fee Project contractors and (2) SCE participation in community events. SCE is increasing its focus on an enhanced multi-media campaign to multi-lingual communities.</p>
<ul style="list-style-type: none"> • Remind managers/landlords of sub-metered facilities of their legal obligations to inform their tenants about the CARE rate. Provide them with adequate materials to promote the Program, including posters and applications. 	<p>SCE supports this recommendation.</p> <p>SCE developed an improved package of written materials for the mobilehome park owners/managers to encourage them to promote CARE. The materials included information on specific legal obligations the owners/managers need to comply with in providing CARE benefits to tenants and a question and answer list was added to further clarify CARE program procedures.</p>

Tracking

Beyond a few key areas, the utilities have not tracked the most effective and cost-efficient methods for enrollment.

Recommendation	SCE Comments
<ul style="list-style-type: none"> • Although utilities are conducting some degree of source tracking, all utilities should expand the use of source codes to identify the most effective and cost-efficient methods for enrollment. Tracking outreach effectiveness, without tracking source of enrollment and associated costs, is a highly imperfect exercise. The goal is not necessary to conduct activities with the lowest acquisition cost, as cost per enrollee will increase both for hard-to-reach population segments and as utilities move further along the penetration curve. However, it is imperative to have the tools to make proper decisions regarding resource allocation, and this can only be conducted by tracking fields such as source of application, number of applications, number enrolled, and costs allocated to the effort as shown in Table VIII.1. 	<p>SCE supports this recommendation.</p> <p>SCE first implemented a Source Code system in 2001 to track contractor activity for the CARE Capitation Fee Project. Since then, use of Source Codes has been expanded to include all major outreach efforts for CARE. These include the annual solicitation, targeted mailings, applications originating from requests to SCE's phone centers including those in non-English languages. The feasibility for further refining Source Code use is being examined. One enhancement under consideration is the ability to print a custom Source Code for an outreach event on a small quantity of CARE applications on desktop printers. SCE will also work to improve its ability to track the costs of activities associated with Source Codes so that cost effectiveness can be determined.</p>

Inter-Utility Automatic Enrollment

Inter-Utility Automatic Enrollment (AE) is a cost-effective method of expanding CARE participation, particularly at lower points along the penetration curve.

Recommendation	SCE Comments
<ul style="list-style-type: none"> Expand the use of inter-utility AE, as well as with other low-income energy programs with similar eligibility requirements. 	<p>SCE supports this recommendation.</p> <p>In late 2000, SCE began collaborating with SoCalGas to share CARE participant data electronically to assist customers to enroll in each utility's program. Currently, SCE is working with Southwest Gas Company to collaborate to electronically share CARE participant data.</p>

Administration

Cost accounting varies by utility, is difficult to conduct at the level of detail desired, and provides challenges both for utilities and regulators.

Recommendation	SCE Comments
<ul style="list-style-type: none"> Utilities and the CPUC need to work together to determine if more consistent cost accounting is practical and feasible. 	<p>SCE supports this recommendation.</p> <p>SCE believes that the differing cost accounting practices may result from the unique organizational structure that each utility employs for CARE delivery. Even if cost accounting changes are not feasible, changes in reporting practices that would facilitate comparisons among the utilities may be attainable.</p>

Verification

Customers can be lost at many steps in the process. Several companies showed high attrition rates for those customers who were chosen for verification.

Recommendation	SCE Comments
<ul style="list-style-type: none"> Instill a sense of personalization and ownership for the verification process. PG&E has one person in charge of verifications who takes pride in minimizing the attrition through the use of personalized letters and phone calls. This has led to dramatic increases in the response and approval rates for the PEV customers in the last year. 	<p>SCE supports this recommendation.</p> <p>SCE understands there is a need to more accurately determine the reasons customers do not respond to verifications and is considering what may reduce the resulting CARE attrition. Additional methods of follow-up being considered include phone contact to determine if a customer needs assistance with the verification process.</p>
<ul style="list-style-type: none"> Use bill messages and reminder letters as much as possible for verification. SCG, the only utility that uses bill messages for customers that are asked to verify income, received 80% of the PEV requests back, far higher than any other utility. 	<p>SCE supports this recommendation.</p> <p>A reminder letter to customers who have not responded to an initial letter requesting a verification of income eligibility is being developed. The use of a bill message to customers is being explored.</p>

Recommendation	SCE Comments
<ul style="list-style-type: none"> Track language of customer and provide follow-up information for verification in their preferred language. 	<p>SCE supports this recommendation.</p> <p>SCE is currently developing reports to more accurately track language preferences of CARE customers. The reports will include information on how customers with language preferences respond to verification requests. A part of this project includes the development of a means to mail CARE materials to a customer, including verification requests, in a language of preference. SCE is currently tracking the language preference of CARE customers so that verification letters can be sent in the language preference of the customer.</p>

Recertification

All of the utilities have faced challenges in reducing attrition at recertification.

Recommendation	SCE Comments
<ul style="list-style-type: none"> Use bill messages and reminder letters as much as possible for verification and recertification. SDG&E, which had the highest recertification rate, is the only utility that uses bill messages for recertification requests. The utilities with lower recertification rates only sent out one letter and did not include bill messaging. 	<p>SCE supports this recommendation.</p> <p>A reminder letter to customers who have not responded to an initial letter requesting a recertification of eligibility has been implemented. The use of a bill message to customers will be explored.</p>
<ul style="list-style-type: none"> Track language of each customer and provide recertification requests in their preferred language. 	<p>SCE supports this recommendation.</p> <p>SCE is currently developing reports to more accurately track language preferences of CARE customers. The reports will include information on how customers with language preferences respond to recertification requests. A part of this project includes the development of a means to mail CARE materials to a customer, including recertification requests, in a language of preference. SCE is currently tracking the language preference of CARE customers so that recertification letters can be sent in the language preference of the customer.</p>
<ul style="list-style-type: none"> Consider allowing CARE customers who move to stay on the CARE rate. Low-income customers are endemically transient, and CSRs may not consistently send out an application to the new address for those that move to reenroll 	<p>SCE supports this recommendation.</p> <p>CARE customers that move within the SCE service area can remain on the CARE rate when they move, as long as SCE is informed of the turn-on order for the new address at the same time they request the turn-off order at the old address. If there is a "break" in this timeframe, the customer is removed from CARE and must reapply. A system enhancement is planned in 2003 that will transfer CARE to a new address if the turn-on order is requested within 30 days of the turn-off order.</p>
<ul style="list-style-type: none"> Allow duplicate applications to count as recertification applications. The policy for treatment of duplicate applications (those that arrive before the two year expiration period) varied dramatically by utility: SCG rejected all duplicate applications, SCE accepts them if they are within one month of the recertification date, SDG&E accepts them if they are within 12 months of the recertification date and PG&E accepts all duplicates. 	<p>SCE supports this recommendation.</p>

Process Support

Internal processes can support the larger outreach and administrative processes.

Recommendation	SCE Comments
<ul style="list-style-type: none"> Identify IT changes that are straightforward to implement yet save processing time. A number of respondents identified simple IT changes, such as combining a number of fields onto one screen or automatically populating name and address fields that shave important seconds off the processing job, reducing data entry errors, and allowing for more cumulative productivity. 	<p>SCE supports this recommendation.</p> <p>SCE is presently implementing a major "CARE Betterment Project" that undertakes to streamline the processing of CARE applications on SCE's customer service system. SCE does not consider the changes to be simple but does recognize the value of these system enhancements.</p>
<ul style="list-style-type: none"> Use a bill design that lets customers know they are on the CARE rate, and attempt to show the discount. Customers that do not know they are on the CARE rate can increase utility costs by spending time with the call center and/or sending in duplicate applications. Consistency is also important: SDG&E shows the discounted amount for the electric bill yet shows gas as a CARE rate, and they receive many calls from customers asking why they are not receiving their CARE discount. Utilities should also consider showing the CARE expiration date on the bill, which would clarify questions about participation and recertification. 	<p>SCE supports this recommendation.</p> <p>SCE routinely reviews its bill layout to decide what enhancements would improve a customer's understanding of account information. Showing the CARE discount on the bill will be explored.</p>

Policy vs. Practice

The study identified a number of areas where actual practice diverged from utility policy.

Recommendation	SCE Comments
<ul style="list-style-type: none"> Utilities should enforce their policies regarding income verification and call center outreach for the CARE program. These policies should be stated in writing and reviewed annually, at a minimum, with all pertinent staff. 	<p>SCE supports this recommendation.</p> <p>SCE is currently reviewing its policies for verification and call center outreach. For verification, a reference document to more precisely define what to include in household income has been developed for use by CARE staff.</p>

Further Study

Recommendation	SCE Comments
<p>As a final thought, the utilities may want to consider a study of various types of customers related to the Program (including those that failed or did not respond to recertification). Several questions that can be answered may be helpful in determining optimal design for the delivery of CARE, including</p> <ul style="list-style-type: none"> • For participants: How did they learn about the Program? How satisfied are they? Any suggestions for improvement of outreach? • For Nonparticipants: What percent qualify? If it is statistically representative sample then there are implications regarding the number of customers that may not qualify? What are the barriers? • For nonrespondents to verification or recertification. What are the reasons? How many would have qualified? • For other studies: How do the findings from this report compare to other utility and PUC studies? 	<p>SCE supports this recommendation.</p> <p>SCE anticipates additional information about the characteristics of CARE and non-CARE customers will be obtained through the statewide low-income need assessment study.</p>