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November 3, 2008

**ADVICE LETTER 2036-E/1813-G**  
(U 902-M)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: REQUEST FOR APPROVAL TO PAY CAPITATION FEES TO OUTREACH ORGANIZATIONS FOR LOW INCOME CUSTOMER ENROLLMENTS INTO THE LOW INCOME ENERGY EFFICIENCY (LIEE) PROGRAM**

**PURPOSE**

San Diego Gas & Electric Company (SDG&E) requests California Public Utilities Commission (Commission) authorization to pay outreach organizations a capitation fee for those customers who are successfully enrolled in the LIEE program.

**BACKGROUND**

In Ordering Paragraph 6 of Decision (D.) 01-05-033, the Commission authorized the utilities to negotiate capitation fees up to \$12.00<sup>1</sup> per eligible enrollment in the California Alternate Rates for Energy (CARE) program. The capitation fee is intended to cover the agency's incremental cost for helping clients complete the CARE application form while assisting the client with other services provided by the agency.<sup>2</sup> Pursuant to that decision, SDG&E pays outreach organizations/agencies for assisting low-income customers in filling out the CARE application as an adjunct to the organizations' other daily activities. The organization is paid a capitation fee only if the customer is successfully enrolled in the CARE program. D.01-05-033 did not expressly authorize or prohibit the utilities to pay the capitation fee for enrolling the agency's clients into the LIEE program.

**REQUEST**

SDG&E respectfully requests Commission authorization to pay a capitation fee to outreach organizations/agencies for their services in providing information about the LIEE program, prequalifying eligible customers, and assisting those customers in completing the LIEE program

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<sup>1</sup> D.06-12-038 authorized the utilities to increase the capitation fee to \$15.00 per eligible enrollment.

<sup>2</sup> D.01-05-033 at page 45 determined that this fee "would go only to those organizations which are not otherwise required or reimbursed for such services (e.g., not to LIEE contractors)."

lead sheet.<sup>3</sup> As proposed, outreach organizations/agencies will explain the LIEE program to their clients, including the benefits of the program, program requirements, and income documentation requirements. In addition, the outreach organizations/agencies will prequalify customers based on their income and assist those income-eligible customers in completing the LIEE program lead sheet. When the customer is successfully enrolled in the LIEE program, the outreach organization/agency will be paid a capitation fee for its service. SDG&E seeks the same latitude to contract with different entities at varying levels of capitation fees, up to \$15.00 per qualified LIEE enrollment, as authorized by the Commission in D.01-05-033 and D.06-12-038.

SDG&E is not proposing to offer a capitation fee to the contractors currently participating in the LIEE program, as there are existing provisions for outreach and enrollment. As such, SDG&E's request is not applicable to the LIEE Statewide Policy and Procedures Manual or the Weatherization Installation Standards Manual applicable to LIEE program contractors.

SDG&E is neither seeking an increase in its existing authorized funding for LIEE program year 2008 nor is it seeking an increase in the funding level proposed in its Application 08-05-024 for program cycle 2009 - 2011. SDG&E plans to use the existing LIEE funding levels authorized in D.06-12-038 to fund these efforts for the remainder of 2008 program year. For the 2009 - 2011 program cycle, SDG&E plans to utilize the outreach funding level ultimately authorized by the Commission. SDG&E plans to track these outreach activities and expenditures and include in its monthly filing with the Commission. In addition, SDG&E plans to assess this outreach enrollment method at a later date to determine its effectiveness.

### **EFFECTIVE DATE**

This Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. SDG&E respectfully requests that this Advice Letter become effective on December 3, 2008, which is 30 calendar days after the date of this filing.

### **PROTEST**

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

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<sup>3</sup> Consistent with payment for CARE enrollment, organizations/agencies will be paid only if customers are successfully enrolled in the LIEE program.

Copies of the protest should also be sent via e-mail to the attention of both Honesto Gatchalian ([jinj@cpuc.ca.gov](mailto:jinj@cpuc.ca.gov)) and Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) of the Energy Division. A copy of the protest should also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Todd Cahill  
Regulatory Tariff Manager  
8330 Century Park Court, Room 32C  
San Diego, CA 92123-1548  
Facsimile No. (858) 654-1788  
E-mail: [tcahill@semprautilities.com](mailto:tcahill@semprautilities.com)

### **NOTICE**

A copy of this filing has been served on the utilities and interested parties shown on the attached list, which includes parties in R.08-07-011 by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to SDG&E Tariffs by facsimile at (858) 654-1788 or by e-mail at [SDG&ETariffs@semprautilities.com](mailto:SDG&ETariffs@semprautilities.com).

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KEN DEREMER  
Director – Tariffs & Regulatory Accounts

(cc list enclosed)

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SAN DIEGO GAS & ELECTRIC (U 902)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Aurora Carrillo

Phone #: (858) 654-1542

E-mail: acarrillo@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2036-E/1813-G

Subject of AL: Request for Approval to Pay Capitation Fees to Outreach Organizations for Low Income Customer Enrollments into the Low Income Energy Efficiency (LIEE) Program

Keywords (choose from CPUC listing): LIEE, CARE

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL N/A

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: N/A

Does AL request confidential treatment? If so, provide explanation:

Resolution Required?  Yes  No

Tier Designation:  1  2  3

Requested effective date: 12/03/08

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Ave.,**

**San Francisco, CA 94102**

**mas@cpuc.ca.gov and jnj@cpuc.ca.gov**

**San Diego Gas & Electric**

**Attention: Todd Cahill**

**8330 Century Park Ct, Room 32C**

**San Diego, CA 92123**

**tcahill@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

General Order No. 96-B  
ADVICE LETTER FILING MAILING LIST

cc: (w/enclosures)

Public Utilities Commission

DRA

D. Appling  
S. Cauchois  
J. Greig  
R. Pocta  
W. Scott

Energy Division

P. Clanon  
S. Gallagher  
H. Gatchalian  
D. Lafrenz  
M. Salinas

CA. Energy Commission

F. DeLeon  
R. Tavares

Alcantar & Kahl LLP

K. Harteloo

American Energy Institute

C. King

APS Energy Services

J. Schenk

BP Energy Company

J. Zaiontz

Barkovich & Yap, Inc.

B. Barkovich

Bartle Wells Associates

R. Schmidt

Braun & Blaising, P.C.

S. Blaising

California Energy Markets

S. O'Donnell  
C. Sweet

California Farm Bureau Federation

K. Mills

California Wind Energy

N. Rader

CCSE

S. Freedman  
J. Porter

Children's Hospital & Health Center

T. Jacoby

City of Chula Vista

M. Meacham  
E. Hull

City of Poway

R. Willcox

City of San Diego

J. Cervantes  
G. Lonergan  
M. Valerio

Commerce Energy Group

V. Gan

Constellation New Energy

W. Chen

CP Kelco

A. Friedl

Davis Wright Tremaine, LLP

E. O'Neill  
J. Pau

Dept. of General Services

H. Nanjo  
M. Clark

Douglass & Liddell

D. Douglass  
D. Liddell  
G. Klatt

Duke Energy North America

M. Gillette

Dynegy, Inc.

J. Paul

Ellison Schneider & Harris LLP

E. Janssen

Energy Policy Initiatives Center (USD)

S. Anders

Energy Price Solutions

A. Scott

Energy Strategies, Inc.

K. Campbell  
M. Scanlan

Goodin, MacBride, Squeri, Ritchie & Day

B. Cragg  
J. Heather Patrick  
J. Squeri

Goodrich Aerostructures Group

M. Harrington

Hanna and Morton LLP

N. Pedersen

Itsa-North America

L. Belew

J.B.S. Energy

J. Nahigian

Luce, Forward, Hamilton & Scripps LLP

J. Leslie

Manatt, Phelps & Phillips LLP

D. Huard  
R. Keen

Matthew V. Brady & Associates

M. Brady

Modesto Irrigation District

C. Mayer

Morrison & Foerster LLP

P. Hanschen

MRW & Associates

D. Richardson

OnGrid Solar

Andy Black

Pacific Gas & Electric Co.

J. Clark  
M. Huffman  
S. Lawrie  
E. Lucha

Pacific Utility Audit, Inc.

E. Kelly

R. W. Beck, Inc.

C. Elder

School Project for Utility Rate  
Reduction

M. Rochman  
Shute, Mihaly & Weinberger LLP

O. Armi

Solar Turbines

F. Chiang

Sutherland Asbill & Brennan LLP

K. McCrea

Southern California Edison Co.

M. Alexander  
K. Cini  
K. Gansecki  
H. Romero

TransCanada

R. Hunter

D. White

TURN

M. Florio  
M. Hawiger

UCAN

M. Shames

U.S. Dept. of the Navy

K. Davoodi  
N. Furuta  
L. DeLacruz

Utility Specialists, Southwest, Inc.

D. Koser

Western Manufactured Housing

Communities Association

S. Dey

White & Case LLP

L. Cottle

Interested Parties In:

R.08-07-011