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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION **RESOLUTION E-4327**
April 22, 2010

R E S O L U T I O N

Resolution E-4327. Southern California Edison's (SCE) requests to use up to $2 million in California Alternate Rate for Energy (CARE) Funds to be leveraged with the Emergency Temporary Assistance For Needy Families (TANF) Funding to create a new "TANF Leveraging Program" which will provide eligible low-income customers utility bill payment assistance.

PROPOSED OUTCOME: Approves SCE's Request to Use up to $2 million of California Alternate Rate for Energy (CARE) Funds to Leverage Emergency Temporary Assistance for Needy Families (TANF).

ESTIMATED COST: The authorized use of up to $2 million comes from SCE's CARE balancing account. This amount is already funded through the Public Purpose Charge and this resolution does not increase SCE's revenue requirements.

By Advice Letter 2448-E/U 338-E filed on March 8, 2010, and Supplemental Advice Letter 2448-E-A filed on March 12, 2010.

SUMMARY

This Resolution approves SCE's request to establish a new program, the "TANF Leveraging Program" that will provide utility bill payment assistance to eligible residential families in need of payment assistance pursuant to eligibility requirements established by the Federal Government's TANF guidelines via a third party program administrator. SCE's proposed TANF Leveraging Program will leverage up to $2 million of CARE funds with the TANF funds available to counties in SCE's service territory in order to provide critical payment assistance to eligible residential customers. SCE will record its actual TANF leveraging Program costs into a program-specific sub-account specially created in SCE's existing CARE balancing account pursuant to this resolution.

Under the American Recovery and Reinvestment Act (ARRA) of 2009, funds were appropriated for the Temporary Assistance to Needy Families (TANF) Emergency Contingency Fund (Emergency Fund) over fiscal years 2009 and 2010. This Emergency Fund is in addition to the regular TANF Contingency Fund that needy families in California can access through established agencies. Through this provision of ARRA, every one dollar of CARE contributions will be matched with four dollars from the Emergency Fund.

Upon partnering with a county on the new program, SCE will record costs to match the TANF funds in the CARE balancing account. Specifically, SCE will debit the CARE balancing account for an amount based on an estimate of the total funds required for administering the new program as described below. The estimated CARE funds required will be calculated based on TANF funds needed in the corresponding quarter of 2009 and the fact that CARE will provide 20% of the required funds for the new program, with the remaining funds being provided by the ARRA emergency fund. SCE will debit 20 percent of the estimated amount to the CARE balancing account, subject to a total program cap of $2 million, with the remaining 80 percent to be matched from TANF funds with all CARE-TANF funds used for the direct benefit of customers and third party administrator costs.

SCE is in discussions with The Salvation Army to request that it fulfill the third party program administrator role. The Salvation Army is also implementing a similar program on behalf of Pacific Gas and Electric Company (PG&E).

At the conclusion of SCE's TANF Leveraging Program, currently projected to take place on September 30, 2010, any unspent ratepayer program funds will be returned to ratepayers through the CARE balancing account.

BACKGROUND

Rulemaking (R.)10-02-005, opened to investigate customers' electric and natural gas service disconnections, ordered the investor-owned utilities (IOUs) to file Tier 3 advice letters to take advantage of the Emergency Funds available through ARRA.

On February 4, 2010, the Commission opened (R.)10-02-005 to address the issue of customers' electric and natural gas service disconnections. As part of that rulemaking, Ordering Paragraph 13 directed the IOUs to file Tier 3 advice letters to take advantage of the Emergency Funds available through the ARRA TANF Emergency Contingency Fund. Under ARRA, up to $5 billion, of which $1.8 billion is available to California, was appropriated for the TANF Emergency Contingency Fund for fiscal years 2009 and 2010. This Emergency Fund is in addition to the regular TANF Contingency Fund that needy families in California can access through established agencies during the economic downturn.

To take advantage of the TANF Emergency Fund dollars available as directed in (R.)10-02-005, SCE is proposing to establish a new TANF Leveraging Program in association with the Salvation Army and counties in SCE's service territory to increase critical payment assistance to eligible low-income customers.

SCE filed Advice Letter 2448-E/U 338-E on March 8, 2010 and Supplemental Advice Letter 2448-E-A on March 12, 2010 proposing to establish a new program that will provide utility bill payment assistance to eligible residential families in need of payment assistance pursuant to eligibility requirements established by the Federal Government's TANF guidelines. SCE's proposed TANF Leveraging Program will leverage ratepayer funding with the TANF funds available to counties in SCE's service territory in order to provide critical payment assistance to eligible residential customers.

SCE is in discussions with The Salvation Army to request that it fulfill the third party program administrator role and is collaborating with partner counties in its service territory to implement the new program.

SCE seeks authorization to transfer up to $2 million of CARE funds for the purpose of leveraging federal ARRA TANF Emergency Contingency Fund dollars.

Through the provision of ARRA, every one dollar of CARE contributions will be matched with four dollars from the Emergency Fund. TANF matching funds are requested on a quarterly basis, and SCE will base the requested amount for a particular county on CARE and disconnection data for the same quarter of the prior year. Upon partnering with a county on the new program, SCE proposes to record costs to match the TANF funds in the CARE balancing account. Specifically, SCE will debit the CARE balancing account for an amount calculated as follows: 1) determine the number of CARE customers in the specific county who are in need of payment assistance pursuant to eligibility requirements established by the Federal Government's TANF guidelines in the applicable quarter in 2009; 2) multiply that number by $174, the average arrearage amount at time of disconnect for CARE customers; and 3) add 15 percent for administrative costs. This calculation estimates the total amount of funding necessary per quarter, by county, to prevent CARE customers from being disconnected. SCE will then debit 20 percent of this amount to the CARE balancing account, subject to a total program cap of $2 million, with the remaining 80 percent to be matched from TANF funds, with all CARE-TANF funds used for the direct benefit of customers and third party administrator costs.

SCE seeks authorization to track and record the use of these funds within a sub-account of the CARE balancing account.

CARE program costs are recorded in a two-way balancing account. The contributions calculated as described above will be debited to the CARE balancing account when funds are transferred. SCE will recover these program costs as part of the recorded CARE balancing account through the normal operation of the rate consolidation process in the Energy Resource Recovery Account (ERRA) Forecast Proceeding on or soon after January 1, 2011. This recovery process will be tracked in a sub-account.

Because the Salvation Army is administering a similar program for Pacific Gas and Electric Company (PG&E), SCE is requesting the Salvation Army to administer their new program.

SCE is currently in discussions with The Salvation Army to request that it fulfill the third party program administrator role. The Salvation Army has several offices in SCE's service territory, including 48 offices in the three counties SCE is initially targeting, and is also implementing a similar program on behalf of PG&E. Therefore, The Salvation Army is well positioned to quickly assist SCE and associated counties in launching the program, which is essential given the expiration date of September 30, 2010 for these TANF funds.

SCE's proposal is intended to provide direct benefits through utility payment assistance to SCE's customers during the economic downturn.

SCE's proposal will provide utility bill payment assistance to eligible residential families in need of payment assistance pursuant to eligibility requirements established by TANF guidelines. Because the TANF funds are provided pursuant to strict regulations by the Federal government which requires that the funds should only be granted when the counties can provide a 20 percent match in funding, SCE will be collaborating with partner counties to expand customer outreach efforts to inform customers of this enhanced payment assistance program. Additionally, under the new program, SCE will not disconnect qualified customers for non-payment while funds are being processed by the counties.

All customers contacted via the TANF Leveraging Program will also be informed of other payment arrangements and extensions of bill payment periods offered by SCE to its customers.

SCE will continue to use its existing Energy Assistance Fund Program (EAF) to help customers who do not qualify for the TANF Leveraging Program.

Because not all CARE customers will be eligible for TANF due to the added requirement for legal residency and the need to have children as well as employment, SCE will continue to use its existing EAF program to help these customers. The SCE EAF program is funded by contributions from SCE employees, customers and Edison International shareholders. Shareholders contributed a total of $600,000 in 2009 to EAF, and in 2010, SCE shareholders plan to contribute $500,000 and match all employee contributions. Additionally, SCE will continue to refer its customers to other assistance programs that may provide further support including 2-1-1, Low Income Home Energy Assistance Program (LIHEAP) administered by the Community Services Department, the IOUs' Low Income Energy Efficiency Program, and other assistance programs.

Due to the economic climate and the expiration date for the use of the Emergency Fund, SCE requested a shortened protest period of 7 days and a shortened response period of 2 calendar days.

In an effort to respond expeditiously to the hardship faced by customers in this economic climate and to leverage the funds available from the Emergency Fund, SCE requested a shortened protest period of seven days and a shortened response period of two days for AL 2448-E-A/U 338-E. Unless extended by the federal government, the additional payment assistance from the Emergency Fund will expire on September 30, 2010 providing limited time to implement the program.

On March 15, 2010 the Commission granted SCE's request for a shortened protest period with protests to the Advice Letter due on March 19, 2010 and replies to any protests due March 22, 2010.

NOTICE

Notice of AL 2448-E-A/U 338-E was made by publication in the Commission's Daily Calendar. SCE states that a copy of the Advice Letter was mailed and distributed in accordance with Section 3.14 of General Order 96-B.

PROTESTS

Advice Letter 2448-E-A/U 338-E was timely protested by The Utility Reform Network (TURN) on March 19, 2010.

Although TURN supports the notion of using ratepayer funds to take advantage of the opportunity to leverage with federal TANF funds, TURN expresses two main concerns: 1) SCE should further increase shareholder contributions for emergency financial assistance in order to maximize direct benefits to customers and 2) SCE's should further clarify its proposal regarding ratepayer funding of administrative costs.

First, TURN states that the proposal does not maximize direct benefits to customers from ratepayer funds and proposes that SCE should further increase shareholder contributions for emergency financial assistance. Although SCE's 2010 shareholder contribution of $500,000 to the EAF program combined with the $2 million ratepayer contribution through SCE's new TANF Leveraging Program represents a $1:$4 shareholder-to-ratepayer match, TURN states that SCE should still give more to this important program as shareholders, ratepayers and struggling customers will all enjoy the program benefits. TURN highly encourages SCE shareholders to increase their contribution, but given the exceptional and very limited opportunity presented by ARRA to leverage federal dollars for low-income Californians struggling to keep up with utility bills, TURN has concluded that it is in the best interest of SCE's customers to support SCE's proposal, rather than hold out for a larger shareholder contribution.

Secondly, TURN states that SCE's proposal appears to contain unreasonably high administrative costs and that several aspects of the proposed recovery of administrative costs are unclear.

Specifically, TURN requests clarification on:

- Whether SCE seeks to recover its own internal administrative costs from the $2 million program cap;
- Whether there are other administrative costs to the extent they are separate from the 15% adder for administrative costs; and
- Whether SCE intends to use TANF funds to cover 80% of the third party administrative costs, budgeted at 15% of total grant funding.

TURN has noted that if SCE seeks to use CARE funds for only 20% of the third party administrative costs and if administrative costs are capped at 15% of the total budget for the TANF Leveraging Program (leaving total administrative costs in the range of 3% of program expense), then SCE's proposal would appear to be reasonable and consistent with the Commission's directive in OIR 10-02-005.

TURN would no longer protest SCE's advice letter if SCE clarified that it is actually proposing to spend approximately 3% of total CARE funding for the new TANF Leveraging Program on administrative costs. Otherwise, TURN objects to the proposal because administrative costs in the range of 15% are significant and should not be charged entirely to ratepayers. Instead, TURN proposes that SCE should offer to absorb most of the incremental administrative costs of the TANF Leveraging Program.

SCE responded to the protests of TURN on March 22, 2010 further clarifying the amount and recovery of administrative costs associated with the TANF Leveraging Program.

In its reply, SCE clarifies the following:

- SCE clarifies that up to 15% of the TANF Leveraging Program funds may be used for administrative costs because this is the maximum allowed under the TANF guidelines.
- SCE clarifies that SCE does not intend to deduct its own administrative costs associated with the proposed program from the $2 million cap. The debit entry to the CARE Balancing Account equal to "SCE's administrative costs associated with implementing the 2010 TANF assistance program" refers to the amount that SCE will be paying to the third-party administrator of the program, and not any of SCE's own administrative costs.
- SCE's clarifies that the 15% administrative cost is included as a factor in the calculation of the total cost of the program, in which 20% of the administrative cost portion will be debited from the CARE Balancing Account to be recovered from ratepayers. (Therefore TURN is correct that this results in ratepayers funded administrative costs of less than 3% for the TANF Leveraging Program).

SCE requests that based on these clarifications which seem to be consistent with TURN's understanding of the proposed program, the Energy Division should find TURN's protest moot and approve the program as proposed.

DISCUSSION

SCE's proposal to transfer up to $2 million of CARE funds for the purpose of leveraging federal ARRA TANF Emergency Contingency Fund dollars is in compliance with (R.)10-02-005.

Ordering Paragraph 13 of (R.)10-02-005 directed the IOUs to file advice letters within 30 days outlining their proposals to increase emergency financial assistance to low-income customers by leveraging TANF Emergency Fund dollars with CARE funds.

Pursuant to the Commission order, SCE filed Advice Letter 2448-E/U 338-E on March 8, 2010, and Supplemental Advice Letter 2448-E-A on March 12, 2010 proposing to establish a new program that will provide utility bill payment assistance to eligible residential families in need of payment assistance pursuant to eligibility requirements established by the Federal Government's TANF guidelines. SCE's proposed TANF Leveraging Program will leverage ratepayer funding with the TANF funds available to counties in SCE's service territory, in order to provide critical payment assistance to eligible residential customers.

Although the Commission will authorize up to 15% of total program costs for costs associated with administering the program, pursuant to compliance with Federal TANF guidelines,[1] we expect SCE to keep administrative costs to a minimum, as envisioned by (R.)10-02-005.

(R.)10-02-005 envisioned that the utility proposals would maximize direct benefits to needy customers while keeping "administrative costs to a minimum."[2] And although the Commission finds a 15% allocation for administrative costs to be excessive, we will authorize up to 15% of total program costs for costs associated with administering the program and conducting marketing and other customer outreach efforts, pursuant to compliance with Federal TANF guidelines, but expect SCE to keep administrative costs to a minimum, as originally envisioned by (R.)10-02-005. Additionally, it is expected that 80% of these administrative costs will be covered by federal funding with the remaining 20% covered by ratepayer funds.

Although SCE's proposal does not utilize shareholder charitable contributions specifically for this new program as envisioned in (R.)10-02-005, SCE shareholders will be contributing $500,000 to the Energy Assistance Fund in 2010, representing a sufficient $1:$4 shareholder-to-ratepayer match.

(R.)10-02-005 envisioned that the IOUs would continue to use their shareholder and employee funded charitable contributions for the program but would also offer new proposals to direct some CARE funds for additional assistance in order to leverage as much available ARRA funds as possible. Rather than using its existing assistance program to administer TANF funds, SCE is proposing to establish the separate TANF Leveraging Program to provide utility bill payment assistance while continuing to contribute to EAF.

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[1] The Commission will defer to the federal TANF rules and regulations in regards to overall administrative program expenditure allowances if the Commission's allowance for administrative expenditure differs from what is allowed under the federal guidelines for TANF funds.

[2] OIR 10-02-005, pp. 10-11.

SCE's existing EAF program, funded by contributions from SCE employees, customers and Edison International shareholders, helps SCE residential customers pay their electric bills. A maximum of $100 is available to qualified customers once in a 12-month period. In 2009 shareholders contributed a total of $600,000 to EAF, and in 2010, SCE shareholders plan to contribute $500,000 and match all employee contributions.

In TURN's protest, TURN strongly urged SCE to further increase its shareholder contributions, but did acknowledge that SCE's 2010 shareholder contribution will have exceeded the $1:$5 shareholder-to-ratepayer match endorsed by the Commission in Resolution E-4251.[3]

The Commission recognizes that SCE's 2010 shareholder contribution of $500,000 to EAF combined with the proposed $2 million ratepayer contribution through SCE's new TANF Leveraging Program represents a $1:$4 shareholder-to-ratepayer match, before accounting for the additional shareholder contribution tied to employee giving. The Commission also finds that SCE's 2010 contribution will have exceeded the $1:$5 shareholder-to-ratepayer match endorsed by the Commission in Resolution E-4251 and applauds SCE for this continued support from shareholders. We agree with TURN that during these tough economic times, ratepayers and struggling customers will all benefit from any additional assistance available, and therefore we encourage SCE to continually increase its shareholder contributions in order to provide maximum program benefits to its customers.

Additionally, SCE explained that it cannot use its existing EAF program to administer the TANF funds, as suggested by the Commission in (R.)10-02-005 for the following reasons:

- The requirements for EAF and TANF are significantly different, with TANF having several added requirements.
- If SCE commits EAF money to the TANF program and only one or two counties choose to participate, SCE's low income customers in the remainder of its service territory will not have access to the EAF program.

[3] Resolution E-4251, Ordering Paragraphs 1, 2.

- Not all CARE eligible customers will be eligible for TANF due to the added requirements regarding legal residency, children, and employment. These customers would also be left with no assistance.

Although the Commission recognizes that there are differences in program guidelines and requirements that may provide challenges for SCE in administering the programs together, the Commission is not fully convinced of SCE's reasoning. We see benefits in having one administrator for similar utility programs. Customers who do not qualify for the TANF Leveraging Program should still be able to receive assistance from the EAF funds as long as any leveraging of the CARE/TANF/EAF funds is tracked separately. CARE and TANF eligible customers may receive aid from the CARE and TANF funds, while those not qualified for TANF funding should still be able to receive aid from EAF regardless of whether the programs are administered together or separately. For example, PG&E will be implementing a similar program in its service territory which will be administered alongside its current payment assistance program, REACH[4], with REACH, TANF and CARE funds tracked separately.

In any case, although the Commission is not fully convinced of SCE's reasoning for not administering the EAF and TANF programs together, we authorize SCE's proposal to create a new TANF Leveraging program, separate from that of its existing EAF program, if SCE believes that such a separation would lead to more seamless program administration.

SCE's proposal provides benefits to SCE's customers as envisioned by (R.)10-02-005 during the economic downturn.

The Commission finds that the additional funding made available through a combination of ratepayer funds and the TANF Fund will provide much needed relief to low-income customers who are experiencing extreme financial hardship.

The Commission agrees that this additional funding will help reduce substantial amounts of past due bills for many low-income families and avoid service

[4] PG&E's REACH program is an energy-assistance program funded by PG&E, and its customers, employees and retirees.

disconnections. Working in cooperation with a third party administrator and as many county agencies who choose to participate in this voluntary program as are interested, TANF Program funds will be leveraged with ratepayer funding to provide a TANF program four-to-one match ($4 TANF funds for every $1 CARE funds) which will enable qualifying families to pay their utility bills. At the level of funding being proposed, many of SCE's low-income ratepayers will benefit from the TANF Leveraging Program in order to provide critical payment assistance to eligible residential customers.

Additionally, SCE's proposal to not disconnect qualified customers for non-payment while funds are being processed by the counties and to refer all customers contacted via the TANF Leveraging Program to other payment arrangements and bill payment extensions available to customers will provide additional benefits to customers.

SCE's request to record its actual TANF Leveraging Program costs in its existing CARE balancing account with the creation of program specific sub-accounts is reasonable and provides adequate program transparency.

The recovery process of tracking the actual TANF Leveraging Program costs in a sub-account within the CARE balancing account provides sufficient program transparency. CARE program costs are recorded in a two-way balancing account. These program contributions will be debited to the CARE balancing account when funds are transferred and will be recovered as part of the recorded CARE balancing account balance through the normal operation of the rate consolidation process in the Energy Resource Recovery Account (ERRA) Forecast Proceeding on or soon after January 1, 2011.

SCE will revise Preliminary Statement AA, CARE Balancing Account, Part 3 in order to record the transfer of authorized ratepayer funds for the proposed program. Specifically, Subsection (e) is added to Section 3 as follows:

- 3. e. Temporary Assistance for Needy Families (TANF)

  Debit entry equal to the authorized Commission Care program expenditures provided to a third party in support of the 2010 TANF assistance program.

Debit entry equal to SCE's administrative costs associated with implementing the 2010 TANF assistance program.

Additionally, SCE will return any unspent ratepayer funds to the CARE balancing account at the conclusion of SCE's TANF Leveraging Program, currently projected to be September 30, 2010.

TURN's protest of SCE's proposal in Advice Letter 2448-E-A/U 338-E is moot and SCE's proposal for administrative costs are reasonable.

On March 19, 2010, TURN filed a protest to SCE Advice Letter 2448-E-A/U 338-E expressing two main concerns: 1) SCE should further increase shareholder contributions for emergency financial assistance in order to maximize direct benefits to customers, and 2) SCE's proposal regarding ratepayer funding of administrative costs should be further clarified. Specifically, TURN wanted SCE to clarify that the proposal allocates approximately 3% of total CARE funding for the new program on administrative costs. TURN stated that if this was the case, then TURN would no longer protest SCE's advice letter.

On March 22, 2010, SCE responded to the protest of TURN clarifying that TURN was correct in that the proposal results in ratepayers funding administrative costs of actually less than 3% for the TANF Leveraging Program.

SCE's clarifications are satisfactory to TURN concerns. Therefore, the Commission finds TURN's protest moot and SCE's allocation for administrative costs to be reasonable. Additionally, the Commission highly encourages SCE to continually increase shareholders contribution towards payment assistance for needy customers as it would help to maximize benefits.

SCE will file a report with the Commission by May 1, 2011 detailing the distribution of funds through the REACH and CARE/TANF program.

In order to keep the Commission apprised of the distribution of funds through the program, SCE will file a report alongside its 2010 CARE/LIEE annual report by May 1, 2011 providing the following information:

1. Total amount of payment assistance provided to customers by the TANF Leveraging Program, separated by TANF Emergency Funds and total ratepayer funds.

2. Total number of customers assisted through the TANF Leveraging Program
3. A breakdown of ratepayer funds used for the TANF Leveraging Program separated into administrative or program expenses and direct distributions by county, including a qualitative explanation of reasonable and justified administrative or program funds spent.
4. Total applications successfully processed by the third party administrator and total reimbursement amount paid by each participating county through the TANF Emergency Funds.
5. Amount of any unspent ratepayer funds remaining at the conclusion of the TANF Leveraging Program, currently projected to end on September 30, 2010, to be returned to the CARE balancing account.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

All parties in the proceeding have stipulated to waive the 30-day waiting period required by PU Code section 311 (g)(1) and the opportunity to file comments on the draft resolution. Accordingly, this matter will be placed on the Commission's agenda directly for prompt action.

FINDINGS AND CONCLUSIONS

1. In compliance with Ordering Paragraph 13 of (R.)10-02-005, SCE filed Advice Letter 2448-E/U 338-E on March 8, 2010 24, 2010 and Supplemental Advice Letter 2448-E-A/U 338-E on March 12, 2010 to establish a new program that will provide utility bill payment assistance to eligible residential families in need of payment assistance pursuant to eligibility requirements established by the Federal Government’s TANF guidelines.
2. SCE’s proposed TANF Leveraging Program will leverage up to $2 million of ratepayer funding with the TANF funds for a 4 to 1 funding match.

3. SCE will record its actual TANF Leveraging Program costs into a separate sub-account created in its existing CARE balancing account.
4. SCE will use the following formula to calculate the amount to be debited from the CARE balancing account: First, 1) determine the number of CARE customers in the specific county who are in need of payment assistance pursuant to eligibility requirements established by the Federal Government's TANF guidelines in the applicable quarter in 2009; 2) multiply that number by $174, the average arrearage amount at time of disconnect for CARE customers; and 3) add 15 percent for administrative costs. This calculation will estimate the total amount of funding necessary per quarter, by county, to prevent CARE customers from being disconnected. Second, debit 20 percent of this amount from the CARE balancing account with the remaining 80 percent to be matched from TANF funds.
5. A maximum of up to 15% of the total TANF Leveraging Program funds may be used for administrative costs pursuant to compliance with Federal TANF guidelines. Of these total administrative costs, 20% will be debited from the CARE Balancing Account to be recovered from ratepayers, with 80% covered from TANF.
6. SCE does not intend to deduct its own administrative costs associated with the proposed program from the $2 million cap. The debit entry to the CARE Balancing Account equal to "SCE's administrative costs associated with implementing the 2010 TANF assistance program" will refer to the amount that SCE will be paying to the third-party administrator of the program, and not any of SCE's own administrative costs.
7. Any excess ratepayer funds not used in the TANF Leveraging Program will be returned to the CARE balancing accounts.
8. SCE is in discussions with the Salvation Army to administer the TANF Leveraging Program.
9. SCE will refer its customers to other assistance programs that may provide further support including 2-1-1, Energy Assistance Fund Program, Low Income Home Energy Assistance Program (LIHEAP), Low Income Energy Efficiency Program, and other assistance programs to both customers assisted under the new program as well as those that do not qualify for TANF.
10. SCE will create subaccounts within the CARE balancing account to provide transparency in recording and tracking the amount of ratepayer-only funded payment assistance provided to eligible customers under the TANF

Leveraging Program as well as incremental administrative and marketing costs necessary to implement this new program.

11. SCE shall revise its Preliminary Statement AA, CARE Balancing Account, Part 3, in order to record the transfer of authorized ratepayer funds for the proposed program.
12. SCE requested a shortened protest period of 7 days and a shortened response period of 2 calendar days in an effort to respond expeditiously to customers' concerns and to leverage the available monies through TANF because the availability of ARRA funds to TANF will expire on September 30, 2010.
13. On March 15, 2010, the Commission granted SCE's request for a shortened protest period with protests to the Advice Letter due on March 19, 2010 and replies to any protests due March 22, 2010.
14. On March 2, 2010, The Utility Reform Network (TURN) filed a protest voicing the following concerns; 1) SCE should further increase shareholder contributions for emergency financial assistance in order to maximize direct benefits to customers, and 2) SCE's proposal should be clarified further regarding ratepayer funding of administrative costs.
15. On March 22, 2010, SCE filed a reply to TURN's protest clarifying that of the 15% of total TANF Leveraging Program funds estimated for administrative costs, 20% will be debited from the CARE Balancing Account, with 80% covered from TANF, resulting in ratepayers funding of administrative costs of actually less than 3% for the Program.
16. The Commission is satisfied with SCE's clarifications regarding the funding allocation of administrative costs and finds TURN's protest moot.
17. The Commission and TURN continue to encourage SCE to increase its shareholder contributions towards payment assistance for needy customers in order to maximize benefits.

<u>THEREFORE IT IS ORDERED THAT:</u>

1. The request of SCE to establish a new program that will provide utility bill payment assistance to eligible residential families in need of payment assistance pursuant to eligibility requirements established by the Federal

Government's TANF guidelines as proposed in Advice Letter 2448-E-A/U 338-E is approved.

2. SCE's proposal to create a TANF Leveraging Program leveraging up to $2 million of CARE funding with the federal TANF Emergency Funds augmented through ARRA dollars for a $4 to $1 funding match is approved.
3. SCE's request to record its actual TANF Leveraging Program costs into a specially created sub-account within its existing CARE balancing account is approved.
4. SCE's proposal to calculate the amount to be debited from the CARE balancing account as described herein is approved: First, 1) determine the number of CARE customers in the specific county who are in need of payment assistance pursuant to eligibility requirements established by the Federal Government's TANF guidelines in the applicable quarter in 2009; 2) multiply that number by $174, the average arrearage amount at time of disconnect for CARE customers; and 3) add 15 percent for administrative costs. Second, debit 20 percent of this amount to the CARE balancing account, subject to a total program cap of $2 million, with the remaining 80 percent to be matched from TANF funds.
5. Up to 15% of the total TANF Leveraging Program funds (CARE funds plus leveraged TANF Funds) may be used for administrative costs pursuant to compliance with Federal TANF guidelines.
6. SCE will not deduct its own administrative costs associated with the proposed program from the $2 million cap.
7. The total amount of CARE funds requested to be leveraged will not exceed $2 million and any excess funds not used in the TANF Leveraging Program will be returned to the CARE balancing accounts.
8. SCE will continue to refer its customers assisted under the new program as well as those that do not qualify for TANF to other assistance programs that may provide further support including 2-1-1, Energy Assistance Fund Program, Low Income Home Energy Assistance Program (LIHEAP), Low Income Energy Efficiency Program, and other assistance programs.
9. SCE will create sub-accounts within the CARE balancing account to provide transparency in recording and tracking the amount of ratepayer-only funded payment assistance provided to eligible customers under the TANF Leveraging program as well as incremental administrative and marketing costs necessary to implement this new program.

10. SCE shall revise its Preliminary Statement AA, CARE Balancing Account, Part 3, in order to record the transfer of authorized ratepayer funds for the proposed program. Specifically, Subsection (e) is added to Section 3 as follows:

    - 3. e. Temporary Assistance for Needy Families (TANF)

      Debit entry equal to the authorized Commission Care program expenditures provided to a third party in support of the 2010 TANF assistance program.

      Debit entry equal to SCE's administrative costs associated with implementing the 2010 TANF assistance program.

11. SCE shall file a separate report alongside their 2010 CARE/LIEE annual report by May 1, 2011 detailing the results of the CARE/TANF program with the following information:

    - Total amount of payment assistance provided to customers by the TANF Leveraging Program, separated by TANF Emergency Funds and total ratepayer funds.
    - Total number of customers assisted through the TANF Leveraging Program.
    - A breakdown of ratepayer funds used for the TANF Leveraging Program separated into administrative or program expenses and direct distributions by county, including a qualitative explanation of reasonable and justified administrative or program funds spent.
    - Total applications successfully processed by the third party administrator and total reimbursement amount paid by each participating county through the TANF Emergency Funds.
    - Amount of any unspent ratepayer funds remaining at the conclusion of the TANF Leveraging Program, currently projected to end on September 30, 2010, to be returned to the CARE balancing account.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on April 22, 2010; the following Commissioners voting favorably thereon:

/s/ Paul Clanon
Paul Clanon
Executive Director

MICHAEL R. PEEVEY
PRESIDENT
DIAN M. GRUENEICH
JOHN A. BOHN
TIMOTHY ALAN SIMON
NANCY E. RYAN
Commissioners