

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking on the)
Commission's Proposed Policies and) R.01-08-027
Programs Governing Low-Income) (Filed August 23, 2001)
Assistance Programs.)

SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E)
ON BEHALF OF ITSELF, PACIFIC GAS & ELECTRIC COMPANY (U 39 M),
SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) AND
SOUTHERN CALIFORNIA GAS COMPANY (U 904 G)
SUBMITS THIS SUPPLEMENT TO THEIR ANNUAL
ESTIMATES OF CARE ELIGIBLE CUSTOMERS

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Dated: December 16, 2003

December 16, 2003

Mr. William Ahern
Executive Director
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: R.01-08-027 - Annual Estimate of CARE Eligible
Customers - Supplement

Dear Mr. Ahern:

Southern California Edison Company (SCE) on behalf of itself, Pacific Gas and Electric Company, San Diego Gas & Electric, and Southern California Gas Company (the Joint Utilities) respectfully submits this supplement to the annual estimates of CARE eligible customers and suggested penetration enrollment benchmarks for each utility to be achieved in 2004.

This information was requested by the Energy Division on December 2, 2003 and supplements the estimates made in the November 3, 2003 filing with the Commission and Executive Director Ahern.

	SCE	PG&E	SDG&E	SoCalGas
CARE Enrollment				
September 2003 actual	899,571	790,729	177,235	936,845
December 2003 ¹	908,000	812,840	178,735	954,846
December 2004 ²	942,000	900,000	185,767	1,048,000
Net Increase in Enrollment = 2004 Goal	34,000	87,160	7,032	93,154

¹ Projected 2003 year-end enrollment.

² Projected 2004 year-end enrollment (the proposed 2004 benchmark for each utility). The methodologies are discussed in more detail in Attachment A of the November 3rd filing and share a common element, the expected decline in the enrollment rate of the remaining eligible, but not participating customers. SCE captured 30% of non-participating CARE customers in 2002 and 35% in 2003. For 2004, due to expected diminishing returns as penetration increases, SCE expects to enroll 30% of non-participating customers. SDG&E for 2002, 2003, and 2004, enrolled or forecasts enrolling 17%, 13% and 10%, respectively, for each year. These numbers reflect diminishing returns as the percentage of participating customers continues to increase. SoCalGas for 2002, 2003, and 2004, enrolled or forecasts enrolling 31%, 29% and 25%, respectively, again accounting for the diminishing returns that have been experienced. PG&E forecast enrollment through year-end 2004 by straightlining January through September 2003 actual enrollment gains through December 2004, and then subtracting 6,000 participants to account for diminishing returns.

	SCE	PG&E	SDG&E	SoCalGas
CARE Penetration				
September 2003 ³	85.6%	69.1%	73.6%	67.9%
September 2003 ⁴	86.3%	66.5%	71.2%	70.6%
December 2003 ⁵	87.1%	68.4%	71.8%	71.9%
December 2004 ⁶	90.4%	75.7%	74.6%	78.9%
Technically eligible (total households)⁷				
September 2003	4,042,288	5,104,457	1,099,990	4,933,702
Demographically eligible households⁸				
September 2003	1,042,097	1,188,701	249,050	1,327,694

Very truly yours,



Larry R. Cope

cc: Service List

³ 2003 penetration rate reported in monthly reports using demographic eligibility rates that were submitted in February 2003.

⁴ Penetration rate calculated using the demographic eligibility rates that were submitted November 3, 2003.

⁵ Projected penetration is calculated by dividing September 2003 demographically eligible households into December 2003 projected enrollment.

⁶ Projected penetration is calculated by dividing September 2003 demographically eligible households into December 2004 projected enrollment.

⁷ As defined in footnote 2, the utilities did not use this figure as a direct input in developing their 2004 enrollment benchmarks. Therefore, they did not attempt to develop forecasts for these figures as of year-end 2003 or year-end 2004. The utilities have updated this number annually, quarterly, or monthly based on billing records. For comparison, the September 2003 figure is used as the denominator for the CARE penetration rates included for September 2003 and for year-end 2003 and 2004.

⁸ The demographically eligible households were calculated for each utility by applying the demographic eligibility rate to technically eligible households by county by utility service area. The methodology is described in the Low Income Reporting Requirements Manual. These rates were developed by Athens Research and utilize current year income and household size data from a vendor. The data now fully incorporates Census 2000 information. The demographic eligibility rates are listed for each utility by county in Attachment B of the November 3, 2003 filing.

CERTIFICATE OF SERVICE

I hereby certify that, pursuant to the Commission's Rules of Practice and Procedure, I have this day served a true copy of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON BEHALF OF ITSELF, PACIFIC GAS & ELECTRIC COMPANY (U 39 M), SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) AND SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) SUBMITS THIS SUPPLEMENT TO THEIR ANNUAL ESTIMATES OF CARE ELIGIBLE CUSTOMERS on all parties identified on the attached service list(s). Service was effected by one or more means indicated below:

- Placing the copies in properly addressed sealed envelopes and depositing such envelopes in the United States mail with first-class postage prepaid (Via First Class Mail):
 - To all parties, or
 - To those parties without e-mail addresses or whose e-mails are returned as undeliverable;
- Placing the copies in sealed envelopes and causing such envelopes to be delivered by hand or by overnight courier to the offices of the Commission or the other addressee(s);
- Transmitting the copies via e-mail to all parties who have provided an address.

Executed this **16th day of December, 2003**, at Rosemead, California.



Susan Quon
Project Analyst
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