

Abstract #: 149

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Abstract Title: PATTERNS OF CUSTOMER ATTRITION: WHO DROPS OUT FROM SCE'S CARE PROGRAM?

Abstract Text:

As part of its commitment to serve the public with its energy needs, Southern California Edison (SCE) offers "income-qualified" customers with much-needed bill-relief through its California Alternate Rates for Energy (CARE) program. CARE eligibility guidelines govern program eligibility such that customers meet maximum household income and household size guidelines. As of June 1, 2014, households with at most two persons should have an annual income of up to \$31,460 and the threshold increases by \$8,120 for every additional member. Additionally, households that participate in such programs as MediCal/Medicaid, CalFresh/SNAP (Food Stamps), CalWork (TANF)/Tribal TANF, WIC, MediCal for Families (Healthy Families A&B), LIHEAP, SSI, National School Lunch (NSL), Bureau of Indian Affairs General Assistance, and Head Start Income Eligible (Tribal only) are eligible to sign up for CARE. However, much remains unknown about the patterns and predictors of CARE customer attrition. In this regard, the current endeavor will examine general CARE customer churn or drop-out in 2014 as it aims to identify some significant socioeconomic and demographic predictors for customer attrition. The analyses will also examine the role of program recertification required every two years of all CARE customers on their propensity to churn. This paper will use survival analysis that models both the incidence and timing of customer attrition. The findings are hoped to shed light on formulating suitable marketing and outreach campaigns and policies to hopefully stem the tide of attrition, especially among those eligible to stay within the program.