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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE DIVISION'S
ANNUAL REVIEW AND
EVALUATION OF ELECTRIC
LIFELINE PROGRAM, HELP

Docket 03-035-01

IN THE MATTER OF HELP, ELECTRIC
LIFELINE PROGRAM EVALUATION

Docket No. 04-035-21

PRELIMINARY LIST OF ISSUES

Pursuant to the Commission's May 3, 2005 Scheduling Order, the Utah Committee of Consumer Services (Committee) proposes the following issues for consideration in these dockets.

STATEMENT OF THE PROCEEDING

The Utah Public Service Commission (Commission) authorized the Home Electric Lifeline Program (HELP) in May 2000. All PacifiCorp customers, other than HELP program participants, pay a monthly surcharge to fund HELP. Different customer classes pay varying amounts; for example, residential customers contribute \$0.12 per month. Using HELP funds, PacifiCorp provides an \$8.00 monthly credit to eligible low-income electric customers who apply for Help. The Commission capped the annual collection of funds at \$1,850,000 and required that the Division of Public Utilities (Division) annually audit the program for three years.

The Commission opened Docket No. 03-035-01 and Docket No. 04-035-21 to consider the Division's annual reports. Following its Year 3 report, the Division retained Quantec to further evaluate HELP. Quantec conducted its evaluation under Docket No. 04-035-21. Quantec's January 27, 2005 final report and the Division's comments and analysis of the report are now before the Commission. Currently, annual collections exceed the recommended cap, annual collections exceed the total annual credit, and there is a substantial account balance.

Paul F. Mecham is a Division employee and participated in the development and

presentation of the Division's position in Commission proceedings that first considered the HELP program.¹ Apparently dissatisfied with the Commission orders, Mr. Mecham doing business as Light and Truth, intervened in Docket No. 03-035-01 and Docket No. 04-035-21.² In early 2005, Mr. Mecham requested that the Commission reevaluate and eliminate the HELP program.

The proceeding as scheduled is intended to review the HELP program in light of Quantec's report and the Division's response; and to rule upon Mr. Mecham's request for agency action.

PROPOSED ISSUES FOR CONSIDERATION

The issues identified by the Committee are to be considered preliminary and subject to expansion or modification based upon the information and data gathered in the process of discovery and from the Committee's analysis of HELP. The Committee further reserves the right to identify and litigate additional issues that may arise in the course of the proceeding and in response to issues identified by other parties.

Financial and Administrative Issues

- (1) Should the \$8.00 per month reduction in a qualifying household's monthly electricity bill be increased to account for increased electric rates?
- (2) Should eligibility criteria be broadened to allow more participants in HELP and/or for consistency with HEAT eligibility criteria?

¹ As late as January 22, 2002, RW Beck, a third-party consultant that evaluated the HELP program, corresponded with Mr. Mecham in his capacity as a Division employee.

² Mr. Mecham registered Light and Truth as an assumed business name in July 2001.

- (3) How should the HELP program's account balance be distributed or used in the HELP program?
- (4) Should customer monthly surcharges and contributions be reduced to more closely match reasonably expected demands for HELP assistance based upon experience to date, and/or should total annual collected funds be reduced to address the account balance?
- (5) Is any customer class paying a disproportionate share of the total annual collected funds?
- (6) Should the monthly amount collected from each customer class be adjusted?
- (7) Should the annual audit requirement be eliminated?
- (8) If the audit requirement is eliminated, what should be the reporting requirements from the utility, the administering agency and the Division?
- (9) Would greater coordination of HELP and HEAT programs improve and maximize participation and efficiency in both programs?

Program Evaluation Standards and Measures Issues

- (1) Is the HELP program more accurately evaluated by standards and measures that are more broadly based than only fiscal results? Should those standards and measures include whether HELP contributes to the safety, health, comfort and convenience of customers; whether HELP mitigates negative or enhances positive economic impacts of charges on each category of customer; whether HELP contributes to the economic well being of the state of Utah; and whether the \$.12 surcharge paid by a non-participant is reasonable?
- (2) Will an adjustment of the total annual collected funds to more closely match reasonably expected demands for HELP assistance effectively balance the benefits to participants and to the utility with the costs to ratepayers?

Legal Issues

- (1) Do the Commission Orders in Docket No. 97-035-01, Docket No. 99-035-10, Docket No. 00-035-T07, and Docket No. 03-035-09 foreclose any further

consideration of the Commission's jurisdiction and authority to implement the HELP program?

- (2) Do the Commission Orders in Docket No. 97-035-01, Docket No. 99-035-10, Docket No. 00-035-T07, and Docket No. 03-035-09 foreclose any further consideration of the claim that HELP funds may be collected in rates and that collection in rates does not violate Utah Code §54-4-37?

RESPECTFULLY SUBMITTED this 12th day of May 2005.

Paul H. Proctor
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Utah Committee of Consumer Services

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Preliminary List of Issues was e-mailed May 12, 2005, to the following:

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