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DEPARTMENT OF COMMERCE  
Office of Consumer Services

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To: The Public Service Commission of Utah

From: The Office of Consumer Services  
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The Division of Public Utilities  
Chris Parker, Director  
Artie Powell, Energy Section Manager

Date: September 23, 2011

Subject: Docket No. 11-035-T07 – Rocky Mountain Power’s Proposed Increase to Schedule 91 Surcharge to Fund Low-Income Lifeline Program.

### Background

On September 1, 2011 Rocky Mountain Power (Company) filed with the Public Service Commission of Utah (Commission) an application requesting an increase to the Schedule 91 surcharge which funds the Low-Income Lifeline Credit for qualifying residential customers (Schedule 3). The Company requested an effective date of October 1, 2011. On September 8, 2011 the Commission issued an action request to the Division of Public Utilities (Division) with a response due date of September 23, 2011. Following are the comments and recommendations of the Office of Consumer Services (Office) in response to the Company’s Application.

### Discussion

Residential customers qualifying to receive assistance under Electric Schedule 3 currently receive an \$11.00 monthly Low-Income Lifeline Credit. An additional \$10.00 per month Life Support Assistance Credit is available for qualifying customers.

The Company states that there has been a significant increase in the number of qualifying residential customers receiving credits under Schedule 3 resulting in credits exceeding collections under Schedule 91. Thus, an increase in the Schedule 91 surcharge is required to continue to provide benefits under Schedule 3.

The Company estimated the shortfall in revenue based on current collections and Low-Income Lifeline participants and proposed surcharge increases to eliminate the shortfall.

The monthly surcharge of most customer classes will increase to 0.35% of the customer class revenues, although Schedule 12 will receive a decrease to move to 0.35%.<sup>1</sup> No change is proposed for Schedules 8, 9, 9A and 31 which are currently capped at \$50.00 per month. The percentage of customer class revenues for these customers is 0.13%, 0.04% and 0.23% respectively. Utah Code 54-7-13.6 requires that the surcharge for the Low-income assistance program may not exceed 0.5% of the rate class's retail revenues and that it shall be calculated as an equal percentage of revenues from all rate schedules.<sup>2</sup> The Company's application complies with those requirements of Utah Code 54-7-13.6.

The following table shows the proposed monthly surcharge change by customer Schedule.

Schedule	Current Schedule 91 Rate	Proposed Schedule 91 Rate	Monthly Surcharge Change
Schedules 1, 2 & 25	\$0.23	\$0.26	\$0.03
Schedule 6, 6A & 6B	\$7.82	\$8.91	\$1.09
Schedule 7	\$0.11	\$0.13	\$0.02
Schedule 8	\$50.00	\$50.00	\$0.00
Schedule 9 & 9A	\$50.00	\$50.00	\$0.00
Schedule 10	\$1.15	\$1.25	\$0.10
Schedule 11	\$1.71	\$2.24	\$0.53
Schedule 12	\$2.06	\$1.35	-\$0.71
Schedule 15	\$0.17	\$0.19	\$0.02
Schedule 21	\$15.61	\$16.64	\$1.03
Schedule 23	\$0.42	\$0.45	\$0.03
Schedule 31	\$50.00	\$50.00	\$0.00

### Issues

The Office assesses programs of this nature from the perspective of both the recipients of the funding and the ratepayers who are providing the funding, as we represent both groups. The Office recognizes the rate benefits from these types of low income programs so long as contributions remain at a reasonable level.

<sup>1</sup> The customer class changes range from a decrease of \$0.71 to an increase of \$1.09 per month.

<sup>2</sup> The monthly surcharge may not exceed \$50 per month for any customer, adjusted periodically as the commission determines appropriate for inflation.

The Company has noted the increase in participating qualifying customers receiving the Low-Income credit since November 2009. We are all aware of the financial difficulties currently being experienced by many Utah families as well as nationally. The Office advocates that this is not an appropriate time to either reduce the payment amount or limit participation beyond current qualifications if funding can be maintained with minimal impact to ratepayers who are providing the funding.

As shown in the table above the proposed monthly surcharge changes range from a decrease of \$0.71 to an increase of \$1.09 per month. The Office represents ratepayers taking service under Schedules 1, 2, 25, 10 and 23. The proposed monthly surcharge increase for those customers is \$0.03 (Schedules 1, 2, 25 and 23) and \$0.10 (Schedule 10). It is the Office's view that the proposed increase in the surcharge to continue to fund Schedule 3 is reasonable at this time.

#### Recommendations

The Office recommends that the Commission approve the Company's request for an increase in the Schedule 91 surcharge effective October 1, 2011.