

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of Advice No. 11-07 for )  
Approval of Revision to Sheet No. 91, ) DOCKET NO. 11-035-T07  
Increasing the Surcharge to Fund the Low )  
Income Lifeline Program ) ORDER GRANTING TARIFF REVISION  
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ISSUED: October 25, 2011

By The Commission:

The above-captioned matter pertains to a proposed tariff revision filed by Rocky Mountain Power, a division of PacifiCorp<sup>1</sup> (“Company”) on September 1, 2011. As analyzed by the Utah Division of Public Utilities (“Division”), this application, if approved, will result in a three cent per month increase for residential customers, from \$0.23 to \$0.26. On October 4, 2011, a hearing was conducted to examine the application. This order memorializes the Commission’s ruling at the conclusion of that hearing.

Company witness David L. Taylor summarized the application and adopted the substance of the application as his testimony. His testimony explained that since Senate Bill 75 passed in 2009, participation by low-income customers has increased beyond the Surcharge to Fund Low Income Lifeline Program (“Schedule 91”). Therefore, as he explained, a change and increase to the Schedule 91 surcharge is necessary.

The Division, the Utah Office of Consumer Services (“Office”), and the Salt Lake Community Action Program (“SLCAP”) are the only parties other than the applicant. At the hearing, Carolyn Roll, utility analyst, sponsored a memorandum dated September 23, 2011, addressed to the Commission, presenting the Division’s evaluation of the application. The

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<sup>1</sup> PacifiCorp is a public utility doing business in the State of Utah under the jurisdiction of the Commission. Rocky Mountain Power is a division PacifiCorp but is not itself a public utility.

memorandum is DPU Exhibit 1. The Division prepared this memorandum in response to the Commission's September 15, 2011 request for a tariff review and investigation concerning the application. As stated in the Division memorandum, the Division recommends the Commission approve the rate change requested.

Cheryl Murray from the Office testified, and Betsy Wolf from SLCAP also testified. Ms. Wolf testified that the continuing difficult economy has resulted in an increase in the number of households served by this program, and this rate increase is important to ensure that benefits to eligible households are maintained. The Office and SLCAP both support the Company's tariff revision.

The uncontested evidence supporting the application is summarized below.

Docket No. 08-035-38 and Senate Bill 75

In 2008, the Company filed a general rate case in Docket No. 08-035-38. While Docket No. 08-35-38 was pending, the 2009 Utah Legislature passed Senate Bill 75 granting the Commission authority to approve a low income program subject to certain limitations. S.B. 75 took effect on March 25, 2009 and the relevant part for purposes of this order is now codified at Utah Code Ann. § 54-7-13.6. Section 54-7-13.6 states, in part:

(c) (i) Subject to Subsection (5)(c)(ii), the monthly surcharge . . . shall be calculated as an equal percentage of revenues from all rate schedules.

(ii) The monthly surcharge described in Subsection (5)(b)(i) may not exceed \$50 per month for any customer, adjusted periodically as the commission determines appropriate for inflation.

Utah Code Ann. §§ 54-7-13.6(5)(c)(i)-(ii) (2010).

On June 17, 2009, the Commission approved the Rate Design Stipulation in Docket No. 08-035-38 mentioned above. See Report and Order on Rate Design, dated June 17, 2009. Under paragraph 17 of the Rate Design Stipulation, the Company agreed, within 60 days of the order, to discuss with the parties a proposal “to increase the Schedule 3 low income lifeline credit by at least an amount equal to the increase in residential customer charge stipulated hereon [and] . . . to file an application with the Commission for approval of such proposal.” Pursuant to paragraph 17 of the stipulation, the parties met and agreed to increase the Schedule 3 low income lifeline credit from \$8.00 to \$11.00 and to change the income eligibility for the credit to at or below 150 percent of the federal poverty level, mirroring the income eligibility used for the Utah HEAT Program under the Utah Department of Community and Culture. Thereafter, on August 11, 2009, the Company filed its proposed tariff changes to Schedules 3 and 91,<sup>2</sup> and the Commission approved them on November 1, 2009.

This Application

Since the enactment of Section 54-7-13.6 and the low income lifeline credit increase that took effect afterwards on November 1, 2009 in Docket No. 08-035-38, the number of qualifying residential customers receiving low income credits has increased significantly. The Company estimates there will be a 3 percent increase in the number of customers served under this program over the next twelve months compared to the twelve most recent historical months. Consequently, the credits provided under Schedule 3 have and will continue to exceed the collections under the Schedule 91 surcharge. Funding for the Schedule 3 credits is made

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<sup>2</sup> Schedule 91 addresses the surcharge to fund the low income lifeline program which is at issue in this docket.

possible by the surcharge collected under Schedule 91. Thus, to keep the program funded, the Schedule 91 surcharge must be adjusted.

Consistent with the limitations set forth in Section 54-7-13.6, the Company proposes, through this application, to increase the Schedule 91 surcharge to approximately 0.35 percent of revenues for rate schedules that are not at the \$50 per month cap. For residential customers the proposed surcharge would result in a three cent per month increase, from \$0.23 to \$0.26. The increased surcharges are designed to collect an amount of money large enough to cover Schedule 3 credits and the Utah Department of Community and Culture's ("DCC") actual cost incurred in qualifying households as income-eligible. The proposed surcharge revenues needed are estimated to be \$4,536,048 annually, including a payment of up to \$30,000 to DCC. As noted above, the Division, Office, and SLCAP all support the surcharge adjustments as proposed. The Division further represents the proposed changes are consistent with Section 54-7-13.6, the Commission's prior order and the parties' stipulation referred to above.

**ORDER**

Based on the application, the recommendation from the Division, and the testimony presented at the hearing, the Commission approves the application. By a ruling at the conclusion of the hearing, the rate changes became effective October 4, 2011. This order memorializes that bench ruling.

DATED at Salt Lake City, Utah, this 25<sup>th</sup> day of October, 2011.

/s/ Melanie A. Reif  
Administrative Law Judge

DOCKET NO. 11-035-T07

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Approved and confirmed this 25<sup>th</sup> day of October, 2011, as the Order Granting  
Tariff Revision of the Public Service Commission of Utah.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary  
D#210884

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the Commission within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 25<sup>th</sup> day of October, 2011, a true and correct copy of the foregoing ORDER GRANTING TARIFF REVISION, was served upon the following as indicated below:

By Hand-Delivery:

Division of Public Utilities  
160 East 300 South, 4<sup>th</sup> Flr.  
Salt Lake City, Utah 84111

Office of Consumer Services  
160 East 300 South, 2<sup>nd</sup> Flr.  
Salt Lake City, Utah 84111

By Electronic-Mail:

Rocky Mountain Power  
Attention: Mr. Dave Taylor  
201 South Main, Ste. 2300  
Salt Lake City, UT 84111  
([dave.taylor@pacificorp.com](mailto:dave.taylor@pacificorp.com))

Pacificorp  
Data Request Response Center  
825 NE Multnomah, Ste. 800  
Portland, OR 97232  
([datarequest@pacificorp.com](mailto:datarequest@pacificorp.com))

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Administrative Assistant