

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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|--|---|----------------------|
| In The Matter Of The Division's Annual |) | |
| Review and Evaluation of Electric |) | Docket No. 03-035-01 |
| Lifeline Program, HELP |) | |
| |) | |
| In The Matter Of HELP, Electric Lifeline |) | Docket No. 04-035-21 |
| Program Evaluation |) | |

DIRECT TESTIMONY OF RONALD J. BINZ

ON BEHALF OF AARP

Filed: September 16, 2005

DIRECT TESTIMONY OF RONALD J. BINZ

1 **Q What is your name and address?**

2 A My name is Ronald J. Binz. My business address is 333 Eudora Street, Denver,
3 Colorado 80220-5721.

4 **Q On whose behalf are you testifying in this case?**

5 A I am testifying on behalf of AARP, a nonprofit, nonpartisan membership
6 organization for people aged fifty and over. AARP provides information and resources;
7 advocates on legislative, consumer, and legal issues; assists members to serve their
8 communities; and offers a wide range of products and services to its members.
9 Nationally, AARP has over thirty-five million members, including 187,000 members in
10 Utah.

11 **Q What is your occupation?**

12 A I am President of Public Policy Consulting, a firm specializing in energy and
13 telecommunications regulatory matters. I provide consulting services to a variety of
14 public-sector and private-sector clients in the energy and telecommunications industries,
15 primarily in the regulatory arena.

16 **Q Please summarize your experience in utility regulation.**

17 A I have been involved in utility regulation since 1979, when I started my consulting
18 practice. I have testified before regulatory commissions in fifteen states on a variety of
19 topics, including revenue requirements, cost allocation and rate design, competition
20 policy, incentive regulation, etc. I have also served as President of the Competition
21 Policy Institute (CPI) in Washington, D.C. since 1996.

1 For eleven years from 1984 to 1995, I was Consumer Counsel for the State of
2 Colorado. In that role, I represented the interests of residential, small business and
3 agricultural consumers of telecommunications and energy before the Colorado Public
4 Utilities Commission, the Federal Communications Commission (FCC), the Federal
5 Energy Regulatory Commission (FERC), the courts and legislative bodies.

6 During my tenure as Consumer Counsel I served as the President of the National
7 Association of State Utility Consumer Advocates (NASUCA) for two years and chaired
8 the organization's Telecommunications Committee for three years. In those roles (and at
9 CPI) I have testified fourteen times before Congressional committees on energy and
10 telecommunications matters.

11 Prior to my work with the Office of Consumer Counsel, I was a consulting utility
12 rate analyst. I have testified before regulatory commissions, courts and arbitration panels
13 in fifteen states on behalf of a variety of clients. These have included consumer
14 organizations, senior citizen groups, agricultural utility consumers, property managers,
15 homebuilders, homeowners associations, state agencies, telecommunications resellers and
16 local governments.

17 I am a frequent speaker and presenter at industry, regulatory and legislative
18 conferences and symposia. I am a member of the Harvard Electricity Policy Group and
19 recently served on two advisory commissions to the Federal Communications
20 Commission. My *curriculum vitae* is attached as Appendix A to this testimony.

21 **Q What is your educational background?**

22 A I received a B.A in Philosophy from St. Louis University in 1971. I received M.A

1 in Mathematics from the University of Colorado in 1978. I entered the Masters Program
2 in Economics in 1980 and completed 27 hours of graduate work. I was researching my
3 Masters Thesis on Regulated Industries in 1983 when I was appointed to the Public
4 Utilities Commission by Colorado Governor Richard Lamm.

5 **Q Are there any additional qualifications you wish to mention?**

6 A Yes. I am very familiar with the issues of low-income energy assistance. From
7 1991 to 2002 I was a member of the Board of the Colorado Energy Assistance
8 Foundation (CEAF) a Colorado charity established to provide energy assistance to
9 low-income Coloradans. I chaired the CEAF board for six of those years. CEAF grew to
10 be one of the more successful “fuel funds” in the country. During the eleven years of my
11 work with CEAF, the organization raised and distributed more than \$30 million to assist
12 Colorado’s low-income utility customers. At the same time, the organization’s
13 administrative costs were kept to less than 5% of its contributions.

14 **Q What is the purpose of your testimony in this case?**

15 A In this docket, the Commission is examining the performance of the Home
16 Electric Lifeline Program (HELP) which it authorized four years ago. The purpose of my
17 testimony is to assist the Commission in evaluating the program by addressing the four
18 aspects of HELP program identified previously by the Commission in its prior order
19 establishing a taskforce to study the need for HELP.

20 **Q How is your testimony organized?**

21 A First, I present an introduction to the testimony and a summary of my findings
22 and recommendations. Second, I discuss how the HELP program has measured up to the

1 criteria established by the Commission in its previous order. Third, I endorse the
2 stipulation concerning the HELP program agreed by PacifiCorp, the Division of Public
3 Utilities, the Committee of Consumer Services, SLCAP and AARP, among others
4 parties. Fourth, I recommend additional changes the Commission should consider to
5 make the HELP program even more cost-effective in the future. Finally, I close with a
6 summary of my findings and recommendations.

I. INTRODUCTION AND SUMMARY OF TESTIMONY

7 **Q Mr. Binz, why is this case important to AARP and its members in Utah?**

8 A As a matter of policy, AARP supports programs to provide energy assistance to
9 low-income persons. The HELP program provides benefits to nearly 20,000 Utah
10 families; since AARP has 187,000 members in Utah, it is likely that a number of AARP
11 members are beneficiaries of the program. AARP is pleased to be able to participate in
12 this proceeding to examine the justification and cost-effectiveness of the HELP program.

13 **Q Please summarize your conclusions and recommendations to the**
14 **Commission.**

15 A After reviewing the documents produced in this case, I have developed the
16 following recommendations for the Commission:

- 17 ▪ HELP provides a needed, if modest, benefit to participants at a
18 reasonable cost to non-participants. The rationale underlying the
19 Commission's original decision to approve HELP remains valid: the
20 indicators of poverty and the energy burden in Utah have increased
21 since the program was established;
- 22 ▪ The design of the HELP program means that the program does not
23 conflict with the Commission's rate making objectives either for

- 1 participants or non-participants;
- 2 ▪ The HELP program appears to be cost-effective, as measured by the
3 Total Resource Benefit/Cost analysis. This cost-effectiveness measure
4 is appropriate since it is used by the Commission to measure the cost-
5 effectiveness of Demand Side Management programs;
- 6 ▪ The HELP program is appropriately targeted toward the most needy
7 class of utility customers;
- 8 ▪ The cost of administering the HELP program is reasonable in absolute
9 terms and is quite low in relative terms due to the involvement of
10 PacifiCorp in distributing the program benefits and collecting the
11 program costs;
- 12 ▪ **PRIMARY RECOMMENDATION:** The Commission should approve
13 the stipulation submitted jointly by the DPU, the CCS, SLCAP and
14 AARP, continuing the HELP program with modifications. The
15 stipulation was also signed and submitted by PacifiCorp, the
16 Department of Community and Culture, and Crossroads Urban Center;
- 17 ▪ **SECONDARY RECOMMENDATION:** The Commission should consider
18 several adjustments and modifications of the HELP program to be
19 made in future years. These changes will increase the
20 cost-effectiveness of the program:
- 21 ○ Provide greater benefits in those months of the year in which
22 consumers incur the highest monthly utility bills.
- 23 ○ Increase further the size of the HELP benefit;
- 24 ○ Examine whether to use a portion of the HELP fund balance to
25 coordinate with the Division of Housing & Community
26 Development for crisis assistance.

II. EVALUATION OF THE HELP PROGRAM

27 **Q Please describe the principles that the Commission established in its previous**
28 **orders to determine the need for HELP and evaluate the program.**

29 **A** In its order in Docket No. 99-035-10, the Commission determined that an electric
30 “lifeline” program should comport with the following four requirements:

31 From reviewing the foregoing Commission orders and the Mountain
32 States case, we draw a set of criteria by which to judge the merits of the

1 current proposal. First, the need should be both real and unmet by direct-
2 payments programs, which are the preferred means. Second, to avoid the
3 problems found in Docket No. 81-999-06, the program must target only
4 low-income households and it should not raise rates for low-income
5 households that consume above-average amounts of electricity. Third, the
6 benefits of the program should offset negative impacts on rate making
7 objectives and should be sufficient to overcome the Commission's
8 reluctance to effectuate social policy by means of altered electricity rates.
9 Fourth, a concern expressed in the present Docket, the program should be
10 easy and inexpensive to administer.

11 I think that these characteristics are appropriate. In shorthand, these four criteria require
12 that the HELP program:

- 13 ▪ Address a real need
- 14 ▪ Be correctly targeted
- 15 ▪ Have benefits that offset negative ratemaking impacts
- 16 ▪ Be easy and inexpensive to administer.

17 **Q Does the HELP Program meet a real need?**

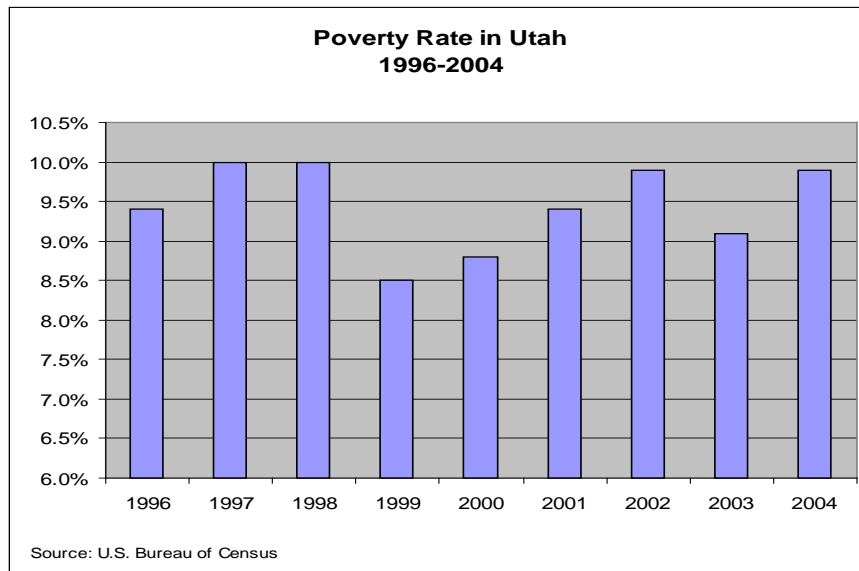
18 A Yes. I think it is relatively straightforward to conclude that there is an unmet need
19 for energy assistance in Utah. I first note that the Commission reached this very
20 conclusion five years ago when it originally authorized the HELP program. Since that
21 decision, the relevant indicators of unmet need have only worsened. In other words, in
22 *relative* terms the need has only deepened in recent years. In *absolute* terms, low-income
23 persons pay a much higher percentage of their income for energy costs than the
24 population in general. This means that, in low-income households, energy costs compete
25 directly with the cost of food and medicine, among other household expenses.

26 Of course, the federal Low-Income Home Energy Assistance Program (LIHEAP)
27 provides important needed assistance, but that program covers only a fraction of energy
28 costs (usually gas costs) and is limited by the size of the federal LIHEAP grant.

1 However, as this Commission is probably aware, the LIHEAP program serves less than
2 half of the eligible households in Utah. The limited size of the LIHEAP grant means that
3 the benefit per client served is equal to the total grant divided by the number of
4 participants. Unfortunately, this means that the size of the LIHEAP benefit falls as the
5 number of participants grows in a given year.

6 **Q Please explain how the “relevant indicators” of the unmet energy assistance**
7 **need in Utah have changed in the past five years.**

8 A First, I would note that the poverty rate in Utah has increased significantly since
9 1999. This is the percentage of Utahns with household incomes below the poverty level.
10 The following chart shows the change in poverty rates from 1996 to 2004.



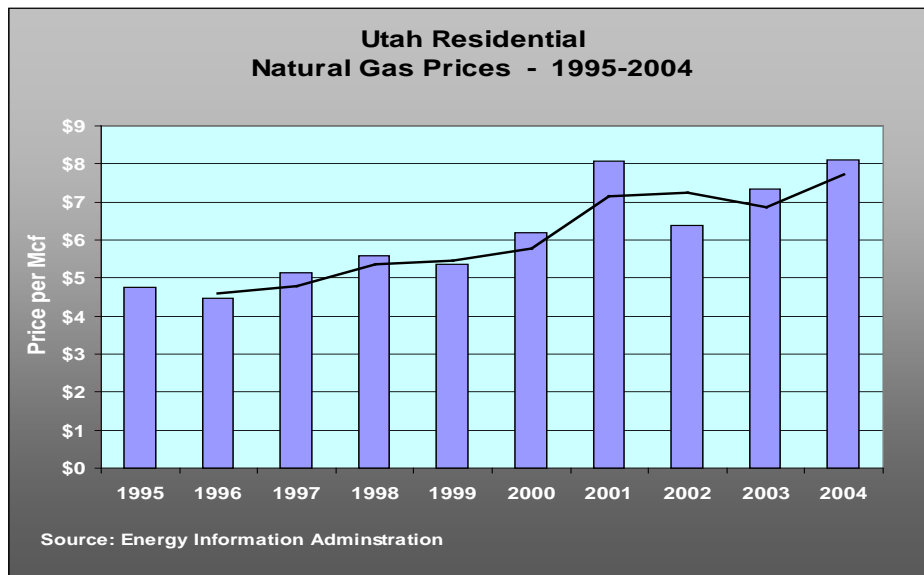
11 From the chart, we can see that the *percentage* of Utahns who are below the
12 federal poverty line grew from 1999 to 2004. While real median state income may have
13 risen slightly during that period, relatively more Utahns found it more difficult to

1 purchase the necessities of life, as evidenced by the growing percentage of the population
2 who slipped below the poverty line.

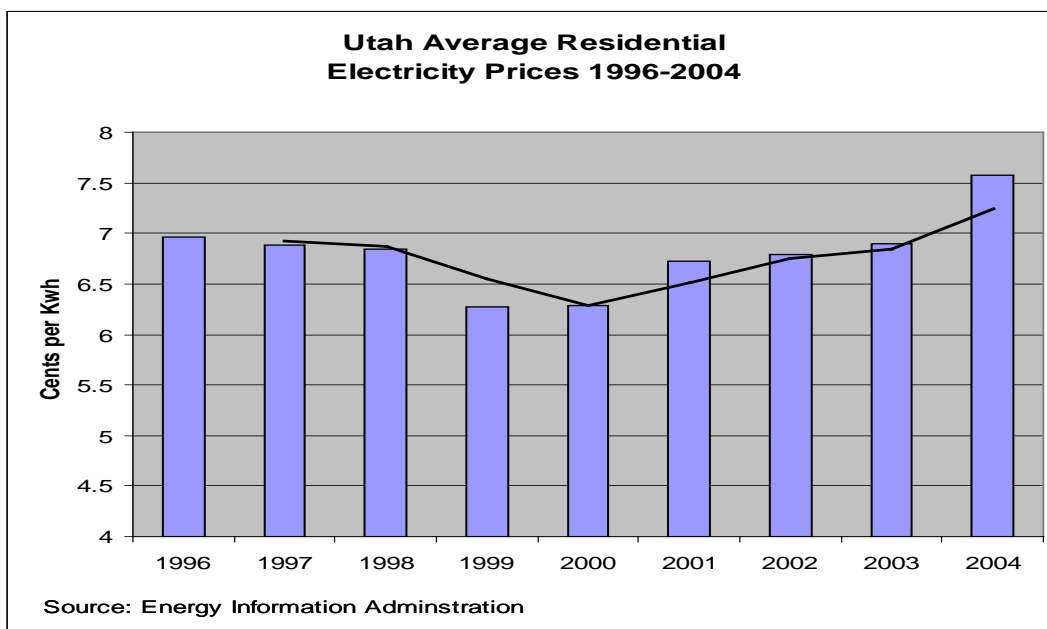
3 Two additional points should be made here. First, the quoted statistics are for the
4 percentage of residents who are below 100% of the federal poverty line. The HELP
5 program's eligibility is broader than that, encompassing households with incomes at or
6 below 125% of the poverty line. It is reasonable to assume that, as a progressively larger
7 percentage of residents falls below 100%, similarly a progressively larger percentage
8 drops below 125%.

9 The second point is that the data are for all of Utah, not simply the portion served
10 by PacifiCorp. However, a check of the county-by-county data reveals that the poverty
11 rate in nine of the ten largest counties in Utah (representing 92% of the state population)
12 increased between 1999 and 2002. These larger counties (e.g., Salt Lake, Utah, Davis,
13 and Weber) are served by PacifiCorp. The poverty rate actually grew deeper in the larger
14 urban areas than in the rural areas in this time frame.

15 At the same time that Utahns were losing ground in purchasing power, utility
16 costs were rising. The following two charts demonstrate the change in residential utility
17 costs over the period 1995-2004. The first chart tracks natural gas prices to Utah
18 residential customers during the period. As the trend line indicates, the rate has trended
19 upward from 1999 to 2004, the relevant period for consideration in this case. The
20 average price per Mcf increased by 51% from 1999 to 2004.



- 1 Similarly, the price of electricity increase over the same time frame, as shown by the
- 2 following chart.



- 3 In the case of electric power, the cost per kilowatt-hour increased by 20.9%
- 4 between 1999 and 2004.

1 In summary, buying power for low income consumers was falling during the
2 period 1999-2004 while the prices of utility service were increasing sharply. The
3 Commission was convinced of the need for HELP when it approved the program
4 initially; the need is now greater.

5 **Q What about the “energy burden” for low-income families?**

6 A One last consideration is the burden shouldered by low-income persons for
7 household energy purchase in Utah. To measure this, we examine the fraction of after-
8 tax household income that is consumed by energy costs. The Quantec report, (requested
9 by the Division of Public Utilities and paid for from HELP funds), supplies useful
10 information on that subject.¹ Quantec concluded that low-income persons in the
11 PacifiCorp territory (with household income less than 125% of Federal poverty
12 guidelines) devoted 4.6% of their after-tax income to electricity costs, compared to 1.8%
13 for the household at the state median household income.

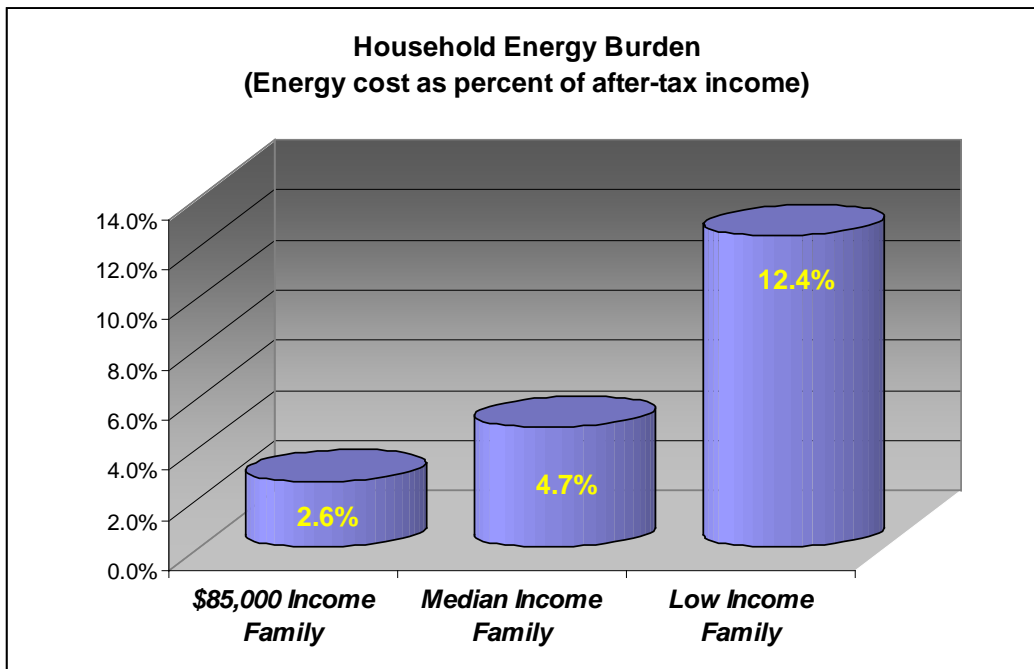
14 Significantly, the Quantec report considers only the relative burden for electricity
15 purchased by low-income households. As I will discuss later, it is also relevant to
16 consider the burden of natural gas costs on low-income households. In a DPU
17 publication², the Division estimates that the average annual residential electric bill from
18 PacifiCorp (for 700 kWh/mo) is \$626.56, while the average annual gas bill from Questar
19 (for 115 Dth/year) is \$1037.17.

20 Putting this information together with the Quantec research, we conclude that, if
21 the gas bill and the electric bill for an average customer are taken together, the “energy

¹ “Utah HELP: Program Evaluation, Final Report,” M. Sami Khawaja and John Willey, Quantec, LLC.
December 17, 2004

² “Rate Changes 6-15-05” viewed at www.psc.state.ut.us on 9/2/05

1 burden” for a household with income at 125% of poverty is approximately 12.4%, while
2 the corresponding burden for a household with income at the state mean is about 4.7%.
3 As an additional contrast, a household with an \$85,000 annual income spends only about
4 2.6% of after-tax income on home energy costs.



5 **Q Please turn to the next topic. Is the HELP program benefit properly targeted**
6 **to low-income persons?**

7 A The HELP benefit is available to persons in households served by PacifiCorp with
8 income at or below 125% of the federal poverty level. This is the same eligibility
9 requirement as the LIHEAP program in Utah. This income level equates to an income of
10 \$11,963 for a single person or \$24,188 for a household of two adults and two children.
11 Quantec found that 65% of LIHEAP recipients had annual incomes below \$8500 and that
12 the average LIHEAP benefit is estimated to be \$142. I think there can be little doubt that

1 households with this income level will have a difficult time with its energy bills.

2 **Q How does the HELP program compare with programs in other states?**

3 A Utah's HELP program is a meaningful, but modest, utility assistance program.

4 Like programs in other states, it supplements utility assistance provided through the
5 Federal LIHEAP program. An organization known as the LIHEAP Clearinghouse within
6 the U.S. Department of Health and Human Services each year compiles a list of the
7 various state and local energy assistance programs that supplement the LIHEAP
8 assistance program in states.³ Nationally, the combined state and local programs add
9 more than \$2 billion in assistance to the federal program. The \$2 billion consists of
10 \$1.78 billion in direct rate assistance and \$287 million in energy efficiency assistance.

11 I have prepared Exhibit RJB-1, which contains information from the LIHEAP
12 Clearinghouse. As can be seen on page 1 of the exhibit, Utah's HELP program can be
13 found on the list, identified as a utility-based program with an annual total benefit of \$1.7
14 million. Data is presented for a total of 44 states in the Clearinghouse survey for 2004⁴.

15 **Q Where does Utah rank among the 44 states that reported the amounts**
16 **provided in their supplemental assistance programs?**

17 A Exhibit RJB-1, page 2 shows the relative ranking of the 44 reporting states with
18 respect to four measures: 1) total assistance (rate assistance plus energy efficiency) per
19 capita; 2) total assistance per low-income person; 3) rate assistance per capita; and 4) rate

³ The report is available at <http://www.liheap.ncat.org/Supplements/2004/supplement04.htm>, viewed September 4, 2005.

⁴ The 2004 survey does not contain data from seven states: Hawaii, Idaho, Kansas, Nebraska, North Dakota, Tennessee and Wyoming. Collectively, these seven states represent less than 5% of U.S. population and also less than 5% of the number of persons living in poverty in the U.S.

1 assistance per low-income person. The ranking number is from 1 (highest ratio of
2 benefits to population) to 44 (lowest ratio).

3 Of the four measures, I believe to be most relevant to the Commission’s inquiry in
4 this case is the amount of rate assistance per low-income person. On that measure Utah
5 ranks 32nd among the 44 reporting states. The Utah HELP program benefit total works
6 out to \$7.21 per low-income person; the national average for this statistic is \$50.36.⁵

7 **Q The third criterion listed by the Commission is that the HELP program**
8 **benefits should offset negative impacts. Please comment on that feature of the**
9 **HELP program.**

10 A In its prior order, the Commission required that “the benefits of the program
11 should offset negative impacts on rate making objectives and should be sufficient to
12 overcome the Commission's reluctance to effectuate social policy by means of altered
13 electricity rates.”

14 The Commission is correct to be concerned about the impact that the HELP
15 program may have on consumer behavior through the electric rate structure. For reasons
16 I will discuss below, I believe that the structure of the HELP program means that the
17 \$8.00 monthly benefit (proposed in the stipulation to be increased to \$11.25) will have a
18 negligible impact on the Commission’s rate making objectives.

⁵ Of course, the HELP program annual benefit is currently \$96.00 per year for each participating Utah household. The measures of the relative value of the state programs in Exhibit RJB-1 are measured in dollars per *eligible person*, not dollars per *participating household*. The two statistics can be interchanged by scaling by the participation factor and the average number of persons per low-income household.

1 **Q How is the HELP benefit designed?**

2 A The HELP benefit is a reduction of \$8.00 in the monthly electric bill of a
3 participating household. The reduction is in the form of a lump-sum rebate or discount
4 applied to the total bill. In other words, while the total bill is reduced (and thereby
5 reducing the average price per kilowatt-hour) the *marginal* price per kilowatt-hour is not
6 affected by the HELP benefit.

7 **Q How is that fact relevant to the question of rate making objectives?**

8 A The Utah PSC has designed electric rates in Utah so that the rate structure in the
9 summer months is an “inverted block” structure. This means that the price for a
10 kilowatt-hour of electricity increases with the number of kilowatt-hours purchased, at
11 breakpoints of 400 kWh and at 1000 kWh. The Commission designed rates in this
12 fashion to signal customers that summertime power costs are higher. In addition, since
13 the price of power in the bail block is higher than power purchased in earlier (“infra-
14 marginal”) blocks, consumers are faced with a marginal energy cost that is higher than
15 the average energy cost. Here is PacifiCorp’s residential electric rate schedule for Utah:

| PacifiCorp Residential Rate Schedule 1 | | |
|---|-----------|----------------------------|
| <i>Monthly Customer Charge</i> | \$0.98 | per customer |
| <i>Energy Charge</i> | | |
| <i>May-September</i> | \$0.06936 | per kWh first 400 kWh |
| | \$0.07872 | per kWh next 600 kWh |
| | \$0.09272 | per kWh all additional kWh |
| <i>October-May</i> | \$0.06936 | per kWh all kWh |

16 To see how the HELP benefit structure dovetails with the Commission’s

1 ratemaking objectives, consider the situation of a HELP-participating customer
2 purchasing 1100 kWh of electricity during a summer month. The customer's bill will be
3 \$85.23 minus the HELP discount of \$8.00 for a total bill of \$77.23. Now if that customer
4 uses 50 kWh more or less than 1100 kWh during the month, the bill will change by
5 \$4.64, which is 50 kWh times 9.272¢ per kWh – *the full price of power in the tail block*.
6 In other words, since the HELP benefit does not affect the price per marginal kWh, the
7 customer's incentive to conserve (or disincentive to increase use) is not weakened. In
8 this sense, the HELP discount fulfills the same role as the lower price found in the initial
9 blocks: this lower price adjusts PacifiCorp's total revenues to the correct level without
10 lessening the marginal incentive to the individual customer. Similar comments apply to
11 energy prices in the winter, although the tail block price is priced lower at that time.

12 **Q What about the impact on the rates of non-participating customers?**

13 A The cost of the HELP program is recovered from all customers as a small
14 surcharge on monthly bills. For residential customers, this is currently 12¢ per month
15 and is proposed to be reduced to 10¢ per month in the stipulation. Amounts for
16 commercial and industrial customers are larger, but less than proportionately larger.

17 Referring only to the residential customer class, the question is whether the
18 surcharge creates negative impacts for the Commission's rate making objectives. In this
19 case, we note that the monthly customer charge for residential customers has been set by
20 the Commission at \$0.98 per month. This is, of course, a very low customer charge.
21 Since the HELP program surcharge is proposed to be 10¢ added to the monthly bill, we
22 can think of the surcharge as having the same effect as raising the monthly customer

1 charge to \$1.08. (The analysis of the other customer classes is similar.)

2 Since the HELP surcharge has no other effect on the bills of non-HELP
3 participating customers, I conclude that the addition of 10¢ to an already-low customer
4 monthly charge will not change customer behavior. As discussed above, these customers
5 still face the same marginal prices in the summer and in the winter. Increasing the
6 monthly customer charge by 10¢ is highly unlikely to have any impact on customer
7 subscription or usage.

8 **Q What is your conclusion as to whether the HELP program creates negative**
9 **impacts for the Commission’s rate making objectives?**

10 A I think the design of the program, as a rebate or discount to the total monthly bill,
11 probably has little or no impact on the Commission’s rate making objectives for
12 participating customers. I do not think the Commission should have any concerns about
13 this issue in this case. For that reason, I would also recommend that the Commission not
14 modify the HELP benefit to raise or lower the per-unit price of electricity, especially in
15 those blocks that are likely to be the “tail block” for any customer. For non-participating
16 customer, the 10 cent monthly surcharge is unlikely to have any impact on the rate
17 making objectives.

18 **Q Please comment on the cost-effectiveness of the HELP program.**

19 A The cost-effectiveness of the HELP program was analyzed in the Quantec Report
20 cited earlier. Quantec found that the HELP program passed the Total Resource Cost
21 (TRC) test, but did not pass the Rate Impact (RIM) test. While the benefits to all
22 consumers in total (participants and non-participants) exceed program costs, this is not

1 true when we focus only on non-participants. Essentially, the direct benefits to non-
2 participating consumers do not outweigh the modest cost (10-12 cents per month) of the
3 program. This is an unsurprising outcome of the RIM test since the benefits to non-
4 participants, *qua* ratepayers, is limited to the decrease in shutoffs and bad debts.

5 **Q If the Commission decides to apply a cost benefit measure to the HELP**
6 **program, which cost-effectiveness measure should be applied?**

7 A I understand that the Commission uses the Total Resource Cost (TRC) test to
8 evaluate the cost-effectiveness of Demand Side Management (DSM) projects for
9 PacifiCorp in Utah. I have not reviewed the Commission's decisions in that matter, but it
10 seems reasonable to apply the same cost-effectiveness analysis here. Quantec
11 demonstrated (while taking a very conservative approach to the TRC) that the system as a
12 whole is better off with the HELP program – the same kind of conclusion that applies to a
13 DSM project that passes the TRC test.

14 **Q Should the Commission be concerned that the HELP program does not pass**
15 **the RIM test?**

16 A No. I think it would be a misplaced concern to devote substantial effort trying to
17 create a HELP-type program that passes the RIM test. As I will discuss below, the HELP
18 program is probably the least-cost possible method for delivering needed energy
19 assistance to low-income persons in Utah. The Commission should build on the
20 experience of other states by continuing and improving the HELP program. Later in this
21 testimony I offer a couple of recommendations for future changes to the program design
22 that should improve the cost-effectiveness of a program that already passes the

1 appropriate cost-benefit analysis.

2 **Q Do you think that the HELP program is “easy and inexpensive to**
3 **administer”?**

4 A I have not prepared an analysis of the cost of administering the HELP program for
5 PacifiCorp. I assume the Commission will receive testimony on that topic from the
6 Company. However, with my experience as Chairman of the Board of the Colorado
7 Energy Assistance Program, I am well aware of benefits to such programs of working
8 closely with utilities to lower program delivery costs.

9 The HELP program benefits are distributed and the HELP costs are recovered by
10 billing adjustments implemented by PacifiCorp. This is an amazingly low-cost means of
11 distributing the benefit and collecting the costs, compared to any other conceivable
12 method of doing so. Obviously the utility bills will be sent anyway, so that the payment
13 and collection function is literally a “free-rider” in the utility envelope. Since no checks
14 are mailed to beneficiaries and no invoices are sent out to collect funds for the program,
15 this system avoids the costs associated with creating and tracking checks and invoices.
16 There are also no transaction costs on the customer side of the equation – no lost or stolen
17 checks, no separate monthly bill to pay supporting the HELP program. Assuming the
18 administration of the program is efficient, I am unable to imagine *a priori* a system that
19 would cost less.

20 **Q Mr. Binz, do you have recommendations for changes to the program in**
21 **future years?**

22 A Yes, I have three recommendations that should improve the overall

1 cost-effectiveness of the program

2 First, I recommend that the Commission consider restructuring the monthly
3 benefit so that participants get larger benefits in months when average utility bills are
4 higher and smaller benefits when bills are lower. For example, the monthly benefit might
5 be \$15 during the five months of the year when average bills are highest and \$9 per
6 month during the other seven months. The average monthly benefit would be \$11.50, but
7 the money would be targeted to the higher-cost months.

8 If the HELP benefit were structured to deliver a larger benefit in months when
9 utility bills are larger, I predict that HELP would exhibit greater benefits to
10 non-participants, since it would have a greater effect on shutoffs and uncollectible
11 amounts. Without changing the overall annual benefit to participants, this single change
12 would increase the cost-effectiveness of the program.

13 My second recommendation is that the Commission consider the potential to
14 work with the Utah Department of Commerce and use part of the fund balance in concert
15 with the Utah Division of Housing & Community Development for assistance in crisis
16 situations. In my experience, some of the most cost-effective uses of fuel funds are to
17 fund emergency situations. At a relatively low total cost, expenditure of crisis funds can
18 avert shutoffs, medical problems, homelessness and other significant problems for a
19 limited number of families.

20 My third recommendation is simply that the Commission work to increase the
21 size of the HELP benefit. As demonstrated by the state-by-state comparison, the HELP
22 program in Utah is in the bottom third of programs nationally. Simply put, the HELP

1 program has room to grow. I also predict that, up to a point, the HELP program would
2 become more cost-effective if the benefit were increased. The mitigation impact on
3 service termination, uncollectibles and other problems that accompany high utility rates
4 will likely grow in non-linear fashion if the program is expanded beyond its relatively
5 small benefit.

6 **Q Do you have any additional recommendations for the Commission?**

7 A I have two other suggestions. First, I recommend that the Commission consider,
8 in a separate proceeding, whether to adopt a similar assistance program with Questar Gas.
9 As I noted earlier in my testimony, the money spent by low-income persons in Utah is
10 greater for natural gas than for electricity.

11 Second, I recommend to the Commission that enrollment in the HELP program be
12 automatic for any customer that has qualified for LIHEAP. In addition to participants
13 LIHEAP, customers who participate in Utah's other means-tested financial assistance
14 programs should be automatically enrolled in the HELP program. I am not aware of the
15 exact overlap between the programs today, but the Quantec sample suggests that 15% of
16 LIHEAP recipients in Utah are not enrolled in HELP, even though they are eligible. In
17 my view, there is little reason why each LIHEAP recipient should not be made a HELP
18 participant. Of course, consumer should be given the option to decline HELP enrollment.

19 **Q Please summarize your testimony.**

20 A The Commission is to be commended for periodically examining the merits of the
21 HELP program. In the preceding testimony, I have discussed features of the HELP
22 program and I make the following recommendations for the Commission's consideration:

23

- The HELP program provides a needed, if modest, benefit to

- 1 participants at a reasonable cost to non-participants. The rationale
2 underlying the Commission's original decision to approve HELP
3 remains valid: both the indicators of poverty and the energy burden in
4 Utah have increased since the program was established;
- 5 ▪ The design of the HELP program means that the program does not
6 conflict with the Commission's rate making objectives either for
7 participants or non-participants; i.e., customers' marginal consumption
8 decisions are not affected by HELP;
 - 9 ▪ The HELP program appears to be cost-effective, as measured by the
10 Total Resource Benefit/Cost analysis. This cost-effectiveness measure
11 is appropriate since it is used by the Commission to measure the cost-
12 effectiveness of Demand Side Management programs in Utah;
 - 13 ▪ The HELP program is appropriately targeted toward the most needy
14 class of utility customers;
 - 15 ▪ The cost of administering the HELP program is reasonable in absolute
16 terms and is quite low in relative terms due to the involvement of
17 PacifiCorp, the Department of Community and culture, and Crossroads
18 Urban Center in distributing the program benefits and collecting the
19 program costs.
 - 20 ▪ The Commission should approve the stipulation submitted jointly by
21 the DPU, the CCS, SLCAP and AARP, continuing the HELP program
22 with modifications;
 - 23 ▪ The Commission should consider several adjustments and
24 modifications of the HELP program in future years. These changes
25 are likely to increase the cost-effectiveness of the program:
 - 26 ○ Provide greater benefits in those months of the year in which
27 consumers incur the highest monthly utility bills.
 - 28 ○ Increase further the size of the HELP benefit;
 - 29 ○ Examine whether to coordinate with the Utah Division of Housing
30 & Community Development for crisis assistance;
 - 31 ▪ The Commission should consider two other measures to increase the
32 impact for low-income customers:
 - 33 ○ Consider the costs and benefits of automatic enrollment of
34 LIHEAP recipients in the HELP program;
 - 35 ○ Consider creating a HELP-like program for Questar Gas Company.

1 Q Does this conclude your testimony?

2 A Yes.

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333 Eudora Street
Denver, Colorado 80220
303-393-1556 (O)

Employment History

1995-present President, Public Policy Consulting

Consultant, specializing in energy and telecommunications regulatory policy issues. Assignments include strategic counsel to clients and research and testimony before regulatory and legislative bodies. Since 1995, a wide range of clients has included: consumer advocate offices, rural electric utilities, senior citizen advocacy groups, industrial electric users, homebuilders, telecommunications resellers, an incumbent local exchange company, low-income advocacy organizations, and municipal utilities.

1996-present President and Policy Director, Competition Policy Institute

Competition Policy Institute is an independent non-profit organization that advocates state and federal policies to bring competition to energy and telecommunications markets in ways that benefit consumers. Duties include: determining the organization's policy position on a wide range of telecommunications and energy issues; conducting research, producing policy papers, presenting testimony in regulatory and legislative forums, hosting educational symposia for state regulators and state legislators.

.1984-1995 Director, Colorado Office of Consumer Counsel

Director of Colorado's first state-funded utility consumer advocate office. By statute, the OCC represents residential, small business and agricultural utility consumers before state and federal regulatory agencies. The office has been a party to more than two hundred legal cases before the Colorado Public Utilities Commission, the Federal Communications Commission, the Federal Energy Regulatory Commission and the courts. Annual office budget is \$1 million.

Managed a staff of eleven, including attorneys, economists, and rate analysts who conduct economic, financial and engineering research in public utility matters.

Testified as an expert witness on subjects of utility rates and regulation. Negotiated rate settlement agreements with utility companies. Regularly testified before the Colorado general assembly and spoke to professional business and consumer organizations on utility rate matters. Consulted with advisory board of consumer leaders from around the state.

Leadership role in National Association of State Utility Consumer Advocates. Member of high-level advisory boards to Federal Communications Commission (Network Reliability Council) and Environmental Protection Agency (Acid Rain Advisory Council). Frequent witness before

congressional committees and invited speaker before national industry and regulatory forums.

1977-1984 Consulting Utility Rate Analyst

Represented clients in public utility rate cases and testified as an expert witness in more than twenty utility cases before regulatory commissions in Utah, Wyoming, Colorado and South Dakota. Clients included state and local governments, low income advocacy groups, irrigation farmers and consumer groups. Testimony spanned topics of telephone rate design, electric cost-of-service studies, avoided cost valuation of nuclear generation, electric rate design for irrigation customers and municipal water rate design.

1975-1984 Instructor in Mathematics

Taught mathematics at the University of Colorado, Denver and Boulder campuses. Nominated three times for outstanding part-time faculty member.

1971-1974 Manager, Blue Cross and Blue Shield

Managed major medical claims processing department. Responsibilities included budgets, hiring, training, managing supervisors, and coordinating with medical peer review committee.

Other Business Interests

1994-present Managing Partner, Trail Ridge Winery

Partner and Secretary/Treasurer of Trail Ridge Winery. Trail Ridge is a Colorado winery located in Loveland, Colorado, producing a variety of wines from Colorado-grown grapes. Duties include service on board of directors; duties of corporate secretary/treasurer; development of business plans; legislative, regulatory and other external affairs; assistance in winery operations and tasting room; assistance in public relations and marketing.

Education

M.A. (Mathematics) 1977. University of Colorado. Course requirements met for Ph.D.

Graduate courses toward M.A. in Economics 1981-1984. University of Colorado. Twenty-seven hours including Economics of Regulated Industries, Natural Resource Economics, Econometrics.

Advanced Course in Utility Regulation 1986. National Association of Regulatory Utility Commissioners.

B.A. with Honors (Philosophy) 1971. St. Louis University.

Diploma 1967. Catholic High School, Little Rock, Arkansas.

Professional Associations and Activities

Colorado Legislative Task Force on Information Policy, Gubernatorial Appointee 2000-2001

National Association of State Utility Consumer Advocates
President 1991-1992, Vice-President 1990, Treasurer 1987-1989
Chair, Telecommunications Committee 1992-1995

Network Reliability Council to the Federal Communications Commission

North American Numbering Council to Federal Communications Commission, Co-Chair

Harvard Electric Policy Group, John F. Kennedy School, Harvard University

Denver Mayor's Council on Telecommunications Policy

Exchange Carriers Standards Association Network Reliability Steering Committee

Colorado Telecommunications Working Group, Gubernatorial Appointee

Colorado Energy Assistance Foundation, Board Member, Past Chairman

Legislative Commission on Low-Income Energy Assistance, Past President

Colorado Public Interest Research Foundation, Board Member

Colorado Common Cause, Board Member, Treasurer, Board Chairman

Acid Rain Advisory Council to the Environmental Protection Agency

Outreach Committee, Western States Coordinating Council Regional Planning Committee

Total Compensation Advisory Council to the State of Colorado Department of Personnel

New Mexico State University Public Utilities Program, Faculty and Advisory Council

Aspen Institute for Humanistic Studies, Telecommunications Policy Meetings 1986-1997

Who's Who in Denver Business

Council on Economic Regulation, Past Fellow

Colorado Wine Industry Development Board, Chairman

American Vintners Association, Executive Committee, Membership Chair

Recent Regulatory Testimony and Presentations

Since 1977, Mr. Binz has participated in more than 150 regulatory proceedings before the Federal Energy Regulatory Commission, the Federal Communications Commission, State and Federal District Courts, the 8th Circuit, 10th Circuit and D.C. Circuit Courts of Appeal, the U.S. Supreme Court and state regulatory commissions in California, Colorado, Georgia, Idaho, Maine, Michigan, Minnesota, New Mexico, New York, North Dakota, Oregon, South Dakota, Texas, Utah, and Wyoming.

He has filed testimony in more than sixty proceedings before these bodies. His testimony and comments have addressed a wide variety of technical and policy issues in telecommunications, electricity, natural gas and water regulation. Following is a sample of recent testimony and presentations before regulatory commissions.

Testimony

Before the Colorado Public Utilities Commission. Testimony on behalf of YMCA of the Rockies. In re: YMCA of the Rockies, Complainant v. Xcel Energy (d/b/a Public Service Company of Colorado, Respondent. Rebuttal Testimony. Docket No. 05F-167G. (September 2005)

Before the Colorado Public Utilities Commission. Testimony on behalf of YMCA of the Rockies. In re: YMCA of the Rockies, Complainant v. Xcel Energy (d/b/a Public Service Company of Colorado, Respondent. Direct Testimony. Docket No. 05F-167G. (June 2005)

Before the Michigan Public Service Commission. Testimony on behalf of the Michigan Attorney General. In The Matter Of SBC Michigan's Request For Classification Of Business Local Exchange Service As Competitive Pursuant To Section 208 Of The Michigan Telecommunications Act. Case No. U-14323. (March 2005)

Before the Colorado Public Utilities Commission. Testimony on behalf of the Colorado Office of Consumer Counsel. In the Matter of the Combined Application of Qwest Corporation for Reclassification and Deregulation of Certain Part 2 Products and Services and Deregulation of Certain Part 3 Products and Services. Docket No. 04A-411T. (February 2005)

Before the Utah Public Service Commission. In The Matter Of the Application of PacifiCorp for Approval of Its Proposed Electric Rate Schedules and Electric Service Regulation. Rate Design Testimony. Docket No. 04-035-42. (January 2005)

Before the Utah Public Service Commission. In The Matter Of the Application of PacifiCorp for Approval of Its Proposed Electric Rate Schedules and Electric Service Regulation. Revenue Requirements Testimony. Docket No. 04-035-42. (December 2004)

Before the Colorado Public Utilities Commission. Testimony on behalf of the Building Owners and Managers Association of Metropolitan Denver (BOMA) in the Matter of The Investigation And Suspension Of Tariff Sheets Filed By Public Service Company Of Colorado With Advice Letter No. 1411—Electric Docket No. 04S-164E (October 2004)

Before the Colorado Public Utilities Commission. Testimony on behalf of Colorado Energy Consumers in the Matter of The Application of Public Service Company of Colorado for Approval of its 2003 Least-Cost Resource Plan. Docket No. 04A-214E (filed: September 2004)

Before the Colorado Public Utilities Commission. Testimony on behalf of Colorado Energy Consumers in the Matter of the Application of Public Service Company of Colorado For An Order Authorizing It To Implement A Purchased Capacity Cost Adjustment Rider In Its PUC No. 7 – Electric Tariff. Docket No. 03A-436E. (filed: March 2004)

Before the Wyoming Public Service Commission. Testimony on behalf of Wyoming Industrial Energy Consumers (WIEC) and AARP In the Matter of the Application of PacifiCorp for Approval of a Power Cost Adjustment Mechanism. Docket No. 20000- ET-03-205 (filed: January 2004).

Before the Colorado Public Utilities Commission. Testimony on behalf of the Colorado Office of Consumer Counsel Regarding The Unbundling Obligations Of Incumbent Local Exchange Carriers Pursuant To The Triennial Review Order – Initial Commission Review. Docket No. 03I-478T. (January 2004)

Before the Wyoming Public Service Commission. Testimony on behalf of AARP in the matter of The Application Of PacifiCorp For A Retail Electric Utility Rate Increase Of \$41.8 Million Per Year Docket No. 20000-ER-03-198 (January 2004).

Before the Wyoming Public Service Commission. Public hearings testimony on behalf of AARP in the matter of an application by Kinder Morgan to modify the provider selection process in its Choice Gas Program. (December 2003).

Before the North Dakota Public Service Commission. Testimony on behalf of AARP in the matter of In the Matter of the Notice of Montana-Dakota Utilities Co. for an Electric Rate Change. Case No. PU-399-03-296. (October 2003)

Before the Colorado Public Utilities Commission. Testimony in the matter of Public Service Company of Colorado's Advice Letter No. 598 – Natural Gas Extension Policy. Docket No. 02S-574G. (March 2003)

Before the Colorado Public Utilities Commission. Testimony in the remand hearings in the formal complaint case of the Homebuilders Association of Metropolitan Denver against Public Service Company. Docket 01F-071G. (January 2003)

Before the Wyoming Public Service Commission. Testimony on behalf of AARP in the matter of an application by PacifiCorp to increase rates, recover excess net power costs, and recover purchase power costs related to the Hunter Unit 1 outage. Docket No. 20000-ER-02-184. Testimony Concerning A Proposed General Rate Increase And Surcharge For Previous Power Costs. (November 2002).

Before the Wyoming Public Service Commission. Testimony on behalf of AARP in the matter of an application by PacifiCorp to increase rates, recover excess net power costs, and recover purchase power costs related to the Hunter Unit 1 outage. Docket No. 20000-ER-02-184. Testimony Concerning Hunter Unit 1 Issues. (November 2002).

Before the Colorado Public Utilities Commission.. Comments on behalf of the Colorado Energy Assistance Foundation. Docket No. 02R-196G. In the Matter of the Proposed Repeal and Reenactment of the Rules Regulating Gas Utilities. (November 2002)

Before the Colorado Public Utilities Commission.. Testimony on behalf of Colorado Energy Assistance Foundation and Catholic Charities of the Archdiocese of Denver. Docket No. 02A-158E. In the Matter of the Application of Public Service Company of Colorado for an Order to Revise its Incentive Cost Adjustment. (April 2002)

Before the Idaho Public Utilities Commission. Testimony on behalf of Astaris, in the matter of Case No. IPC-E-01-43 concerning the buy back rates under an electric load reduction program. (January 2002)

Before the Colorado Public Utilities Commission. Testimony in matter of the investigation of Advice Letters 579 and 581 of Xcel Energy on behalf of Homebuilders Association of Denver. Dockets 01S-365G and 01S-404G. (January 2002)

Before the Colorado Public Utilities Commission. Testimony in the formal complaint case of the Homebuilders Association of Metropolitan Denver against Public Service Company. Docket 01F-071G. (August 2001)

Before the Colorado Public Utilities Commission. Testimony in the matter of the investigation and suspension of Advice Letter No. 566 of Xcel Energy on behalf of the Homebuilders Association of Metropolitan Denver. Docket No. 00S-422G. (November 2000)

Before the American Arbitration Association. In the Matter of Univance Telecommunications, Inc. v. Venture Group Enterprises, Inc. Arbitration No. 77 Y 147 00099 00 (November 2000)

Testimony of Ronald Binz at FCC Public Forum on SBC/Ameritech merger (May 1999)

Docket No. 97-106-TC -- Testimony of Ronald Binz before New Mexico State Corporation Commission on Investigation Concerning US West's Compliance with Section 271(c) of the Telecommunications Act (July 1998)

Before the Colorado Public Utilities Commission. Testimony Concerning the Investigation of Telephone Numbering Policies. (March 1998)

Docket No. 6717-U □ Testimony before the Georgia Public Service Commission Concerning the Service Provider Selection Plan of Atlanta Gas Company. (January 1997)

Case 96-C-0603 and Case 96-C-0599--Testimony of Ronald J. Binz on behalf of CPI before the New York State Public Service Commission concerning the Bell Atlantic/NYNEX Merger (November 1996)

Docket No. 96-388 - Direct Testimony of Ronald J. Binz, CPI, On Behalf of the Office of the Public Advocate (October 1996) State of Maine, Public Utilities Commission Joint Petition of New England Telephone and Telegraph Company and NYNEX Corporation for Approval of the Proposed Merger of a Wholly-Owned Subsidiary of Bell Atlantic Corporation into NYNEX Corporation.

Before the Public Utilities Commission of the State of California Direct Testimony of Ronald J. Binz, CPI, On Behalf of Intervener, Utility Consumers Action Network. In the Matter of the Joint Application of Pacific Telesis Group (Telesis) and SBC Communications (SBC) for SBC to Control Pacific Bell (U 1001 C), Which Will Occur Indirectly as a Result of Telesis' Merger With a Wholly Owned Subsidiary of SBC, SBC Communications (NV) Inc. Application No. 96-04-038 (September 1996)

Presentation to Federal-State Joint Board on Universal Service (April 12, 1996)

Testimony before the Texas Public Utility Commission on the Integrated Resource Planning Rule (March, 1996)

Presentations

“Trends in Telecommunications Where are we going? Are we there yet?” The 2005 Regional Communications Law Forum 21st Century Telecommunications. Minneapolis. (May 2005)

“The Impact Of The Renewable Energy Standard In Amendment 37 On Electric Rates In Colorado.” Utah Wind Working Group. Salt Lake City. (April 2005)

“VoIP – Recent Developments” Presentation to CLE International, Telecommunications Law. Denver. (December 2004)

“The Impact Of The Renewable Energy Standard In Amendment 37 On Electric Rates In Colorado.” Colorado Renewable Energy Society. Denver. (September 2004)

"Looking Back on the 1996 Telecom Act." Presentation to CLE International, Telecommunications Law. Denver. (December 2003)

"How to Pay for Gas Line Extensions." Presentation to CLE International, Energy Regulatory Law. Denver. (October 2003)

"Are Telecommunications Customers Expecting Too Much Customer Service?" Presentation to the National Association of Regulatory Utility Commissioners (July 2003)

"Will We Need Regulatory Attorneys in Ten Years?" Presentation to CLE International. Denver, Colorado. December 2002.

"Section 271: Is it a '10' for Consumers?" Presentation to the National Association of State Utility Consumer Advocates. Chicago, Illinois. November 2002

"CLEC Market Share--What do the Numbers Say?" Presentation to the Regional Oversight Committee of Qwest state regulators. Santa Fe, New Mexico. April 2002

"Public Utility Regulation and Low Income Issues," Presentation of Ron Binz before the Colorado Public Utilities Commission on behalf of the Colorado Energy Assistance Foundation, December 5, 2001.

"Some Natural Gas Issues," Presentation by Ron Binz for the Western Conference of Public Service Commissioners, June 14, 2000.

"Consumer Issues in Natural Gas Unbundling" -- Presentation of Ron Binz before the National Association of Regulatory Utility Commissioners (November 9, 1999)

Ron Binz Presentation to the 25th Annual Rate Symposium on Competition for small customers in natural gas markets (April 27, 1999)

"Best Practices in Telecommunications Regulation"; Presentation before NARUC Communications Committee and National Regulatory Research Institute at NARUC Winter Meeting (February 1999)

Congressional Testimony

United States House of Representatives Judiciary Committee, November 1999. Testimony concerning H.R. 2533, The Fairness in Telecommunications License Transfer Act of 1999.

United States Senate Judiciary Committee; Antitrust, Business Rights and Competition Subcommittee, April 1999. Testimony concerning S.467, The Antitrust Merger Review Act.

United States Senate Commerce Committee, Telecommunications Subcommittee, May 1998. Testimony in oversight hearings concerning the performance of the Common Carrier Bureau of the Federal Communications Commission.

United States Senate Judiciary Committee, Washington, D.C., September 1996. Presented testimony on behalf of the Competition Policy Institute on the competitive impact of proposed mergers of Regional Bell Operating Companies.

United States House of Representatives Subcommittee on Telecommunications and Finance of the Committee on Commerce, May 1995. Testimony presenting NASUCA's position on H.R. 1555 by Representative Fields.

United States Senate Subcommittee on Antitrust, Washington, D.C., September 1994. Testimony presenting NASUCA's position on S. 1822 by Senator Hollings.

United States House of Representatives Subcommittee on Telecommunications and Finance of the House Energy and Commerce Committee, Washington, D.C., February 1994. Presented testimony on H.R. 3636.

United States House of Representatives Subcommittee on Economics and Commercial Law, Washington, D.C., October 1992. Supplemental testimony presenting NASUCA's position on legislation concerning the Modified Final Judgment introduced by Representative Brooks.

United States House of Representatives Subcommittee on Telecommunications and Finance, Washington, D.C., October 1991. Testimony on RBOC entry into telecommunications manufacturing and information services.

United States House of Representatives Subcommittee on Economics and Commercial Law, Washington, D.C., August 1991. Testimony presenting NASUCA's position on possible federal legislation concerning the Modified Final Judgment.

United States Senate Subcommittee on Energy Regulation and Conservation, Denver, Colorado, April 1991. Testimony presenting NASUCA's position on federal legislation concerning regulation of the natural gas industry, introduced by Senator Wirth.

United States Senate Communications Subcommittee, Washington, D.C., February 1991. Testimony on behalf of NASUCA concerning S.173, telecommunications legislation introduced by Senator Ernest Hollings.

United States Senate Communications Subcommittee, Washington, D.C., July 1990. Testimony on behalf of NASUCA concerning S.2800, telecommunications legislation introduced by Senator Conrad Burns.

United States House of Representatives Subcommittee on Telecommunications and Finance, July 1988. Testimony on the FCC Price Cap proposal.

Legislative Testimony

New Mexico State Legislature, Joint Oversight Committee on Regulation. November 2003. Testimony concerning the appropriate regulatory treatment of mid-sized telecommunications

carriers.

Wyoming State Legislature, Senate Committee on Corporations, Elections & Political Subdivisions. February 2003. Testimony on legislation to create a division of utility consumer advocate within the Wyoming Public Services Commission.

Colorado General Assembly. March 2004. Testimony on the impact on retail utility rates of a renewable energy portfolio standard.

Colorado State Senate and Colorado House of Representatives 1984-1995. Frequent witness on variety of energy and telecommunications issues.

Georgia State Legislature Interim Committee on Natural Gas Competition. Fall 1996. Testimony on the consumer impacts of restructuring the natural gas industry in Georgia.

Iowa General Assembly, Des Moines, Iowa, November 1992. Testimony on legislation concerning incentive regulation.

American Legislative Exchange Council, November 1999. "The Changing Role of Public Utilities Commissions"

American Legislative Exchange Council concerning Rights-of-Way and Competition in Telecommunications, July 1998.

American Legislative Exchange Council Committee on Rights of Way. Testimony on rights of way policies, taxation and telecommunications development. May 1998.

Publications

Mr. Binz has published two reports, funded by the Energy Foundation, of the impact of a renewable energy standard in Colorado:

***The Impact of the Renewable Energy Standard in Amendment 37 on Electric Rates in Colorado.* (September 2004)**

***The Impact a Renewable Energy Portfolio Standard On Retail Electric Rates In Colorado.* (February 2004)**

Mr. Binz is the co-author of two major reports on electric industry restructuring:

Navigating a Course to Competition: A Consumer Perspective on Electric Restructuring.

Addressing Market Power: The Next Step in Electric Restructuring.

In the telecommunications area, Mr. Binz published a major discussion paper entitled *Qwest, Consumers and Long Distance Entry: A Discussion Paper.*

These publications (along with copies of other testimony and reports) are available at the Public Policy Consulting website: www.rbinz.com.

State Supplements to LIHEAP 2004

| State | State Local | State System Benefit Funds | | Fuel Funds Church Comm | Utility | | Bulk Fuel Discount | Misc. | Rate Assistance Total | Energy Efficiency Total | Grand Total |
|--------|-------------|----------------------------|-------------------|------------------------|-----------------|-------------------|--------------------|------------|-----------------------|-------------------------|---------------|
| | | Rate Assistance | Energy Efficiency | | Rate Assistance | Energy Efficiency | | | | | |
| AL | - | - | - | 2,879,880 | 1,708,788 | - | - | - | 4,588,668 | - | 4,588,668 |
| AK | 6,217,406 | - | - | - | - | - | - | - | 6,217,406 | - | 6,217,406 |
| AZ | 3,493,434 | - | - | 1,787,246 | 10,301,330 | 821,069 | - | - | 15,582,010 | 821,069 | 16,403,079 |
| AR | - | - | - | 664,711 | 1,110,619 | - | - | - | 1,775,330 | - | 1,775,330 |
| CA | 59,837 | - | - | 7,429,307 | 453,339,228 | 120,000,000 | 43,895 | 6,577,176 | 467,449,443 | 120,000,000 | 587,449,443 |
| CO | 14,339,853 | - | - | 5,431,167 | - | 2,489,400 | - | - | 19,771,020 | 2,489,400 | 22,346,949 |
| CT | - | - | - | 703,153 | 13,878,010 | 1,819,007 | 2,047,767 | - | 16,628,930 | 1,819,007 | 18,447,937 |
| DE | - | 662,750 | - | 458,336 | - | - | - | - | 1,121,086 | - | 1,121,086 |
| DC | - | 1,635,000 | 1,200,000 | - | 836,000 | - | - | - | 2,471,000 | 1,200,000 | 3,671,000 |
| FL | 1,300,000 | - | - | 485,276 | - | - | - | - | 1,785,276 | - | 1,785,276 |
| GA | - | 6,086,546 | - | 2,673,418 | 13,020,000 | 1,100,000 | - | - | 21,779,964 | 1,100,000 | 22,879,964 |
| IL | - | 65,027,651 | 7,225,295 | 952,613 | - | - | - | - | 65,980,264 | 7,225,295 | 80,805,559 |
| IN | 7,030,661 | - | - | 4,305,965 | 135,000 | 343,679 | 107,024 | 39,620 | 11,618,270 | 343,679 | 11,961,949 |
| IA | 6,074,100 | - | - | 819,048 | - | 2,447,970 | - | 1,786 | 6,894,934 | 2,447,970 | 9,342,904 |
| KY | 386,039 | - | - | 1,008,679 | 499,821 | 205,649 | - | 5,811 | 1,900,350 | 205,649 | 2,105,999 |
| LA | - | - | - | 3,958,279 | 774,881 | 882,584 | - | - | 4,733,160 | 882,584 | 5,615,744 |
| ME | 725,619 | 7,341,342 | 1,100,000 | 331,713 | - | - | 1,530,374 | 1,284,817 | 11,213,865 | 1,100,000 | 12,313,865 |
| MD | 8,010,030 | 27,546,485 | 2,670,975 | 6,507,787 | 2,280,605 | 549,160 | 159,356 | - | 44,504,263 | 3,220,135 | 47,724,398 |
| MA | - | 48,268,150 | 17,040,510 | 257,770 | - | - | 2,772,280 | - | 51,298,200 | 17,040,510 | 68,338,710 |
| MI | 10,326,245 | 20,000,000 | 8,000,000 | 4,743,401 | 17,779,091 | - | - | - | 52,848,737 | 8,000,000 | 60,848,737 |
| MN | 44,044,274 | - | - | 6,031,580 | 4,921,019 | 4,229,322 | 147,947 | 24,925 | 55,169,745 | 4,229,322 | 59,399,068 |
| MS | - | - | - | 469,403 | 195,789 | - | - | 535,122 | 1,200,314 | - | 1,200,314 |
| MO | - | - | - | 8,370,208 | - | 500,000 | - | - | 8,370,208 | 500,000 | 8,870,208 |
| MT | 500,000 | 3,406,419 | 1,772,702 | 1,038,725 | 43,976 | - | 2,650 | 110,594 | 5,102,364 | 1,772,702 | 6,875,066 |
| NV | 153,238 | 3,350,212 | 2,605,640 | 288,856 | 25,053 | 337,400 | - | - | 3,817,359 | 2,943,040 | 6,760,399 |
| NH | 2,704,125 | 9,980,725 | 1,061,638 | 591,102 | - | - | 414,864 | - | 13,690,816 | 1,061,638 | 14,752,454 |
| NJ | - | 142,857,145 | 13,080,101 | 1,562,240 | 17,397,480 | - | - | - | 161,816,865 | 13,080,101 | 174,896,966 |
| NM | 400,000 | - | - | 308,762 | - | - | 1,726 | - | 710,488 | - | 710,488 |
| NY | 77,474,227 | - | 3,126,101 | 1,201,299 | 16,478,649 | 773,000 | - | 13,822,985 | 108,977,160 | 3,126,101 | 112,876,261 |
| NC | 810,856 | - | - | 2,776,613 | 153,923 | - | 1,272 | - | 3,742,664 | 773,000 | 3,742,664 |
| OH | - | 200,399,969 | 6,113,322 | - | - | - | - | 217,995 | 200,617,964 | 6,113,322 | 206,731,286 |
| OK | - | - | - | - | 2,111,518 | - | - | - | 2,111,518 | - | 2,111,518 |
| OR | - | 11,600,000 | 8,704,221 | 12,085,164 | 110,212 | - | - | 1,016,601 | 24,811,977 | 8,704,221 | 33,516,198 |
| PA | - | 212,545,027 | 21,786,380 | 6,559,519 | - | - | - | - | 219,104,546 | 21,786,380 | 240,890,926 |
| RI | - | - | 1,100,000 | 525,000 | 5,586,703 | - | - | - | 6,111,703 | 1,100,000 | 7,211,703 |
| SC | - | - | - | 485,276 | - | - | - | - | 485,276 | - | 485,276 |
| SD | 193,920 | - | - | 146,680 | - | - | 146,740 | 93,670 | 581,010 | - | 581,010 |
| TX | - | 66,400,173 | - | 4,294,240 | 1,845,221 | 2,203,235 | - | - | 72,539,634 | 2,203,235 | 74,742,869 |
| UT | - | - | - | - | 1,700,758 | - | - | - | 1,700,758 | - | 1,700,758 |
| VT | 5,007,411 | - | 2,100,000 | 245,488 | - | - | 237,689 | 2,326 | 5,492,914 | 2,100,000 | 7,592,914 |
| VA | 633,199 | - | - | 1,357,908 | 180,050 | - | - | - | 2,171,157 | - | 2,171,157 |
| WA | 4,266,240 | - | - | 12,587,896 | 16,066,036 | 6,173,422 | - | 2,330,357 | 35,250,529 | 6,173,422 | 41,423,951 |
| WV | 3,000,000 | - | - | - | - | - | - | - | 3,000,000 | - | 3,000,000 |
| WI | 28,333 | 18,196,161 | 40,995,060 | 1,728,490 | 8,408,315 | 337,693 | - | 155,858 | 28,517,157 | 41,332,753 | 69,849,910 |
| Totals | 197,179,047 | 845,303,755 | 121,579,797 | 107,938,849 | 590,974,604 | 165,839,738 | 7,613,584 | 26,219,643 | 1,775,229,482 | 287,419,535 | 2,062,649,017 |

Ranking of States on Per-Capita Supplemental Program Benefits

| State | Rate Assistance Total | Energy Efficiency Total | Grand Total | Total Residents (000) | Low-Income Residents (000) | State | Total \$ per capita | Rank | Rate \$ per capita | Rank | Total \$ per L-I person | Rank | Rate \$ per L-I person | Rank |
|--------|-----------------------|-------------------------|---------------|-----------------------|----------------------------|--------|---------------------|------|--------------------|------|-------------------------|------|------------------------|------|
| AL | 4,588,668 | - | 4,588,668 | 4,507 | 763 | AL | \$ 1.02 | 33 | \$ 1.02 | 33 | \$ 6.01 | 34 | \$ 6.01 | 34 |
| AK | 6,217,406 | - | 6,217,406 | 648 | 59 | AK | \$ 9.59 | 10 | \$ 9.59 | 7 | \$ 105.38 | 9 | \$ 105.38 | 7 |
| AZ | 15,582,010 | 821,069 | 16,403,079 | 5,763 | 830 | AZ | \$ 2.85 | 25 | \$ 2.70 | 24 | \$ 19.76 | 27 | \$ 18.77 | 26 |
| AR | 1,775,330 | - | 1,775,330 | 2,722 | 412 | AR | \$ 0.65 | 36 | \$ 0.65 | 36 | \$ 4.31 | 37 | \$ 4.31 | 37 |
| CA | 467,449,443 | 120,000,000 | 587,449,443 | 35,768 | 4,743 | CA | \$ 16.42 | 4 | \$ 13.07 | 4 | \$ 123.86 | 7 | \$ 98.56 | 8 |
| CO | 19,771,020 | 2,489,400 | 22,346,949 | 4,516 | 450 | CO | \$ 4.95 | 22 | \$ 4.38 | 22 | \$ 49.66 | 19 | \$ 43.94 | 16 |
| CT | 16,628,930 | 1,819,007 | 18,447,937 | 3,487 | 348 | CT | \$ 5.29 | 21 | \$ 4.77 | 20 | \$ 53.01 | 17 | \$ 47.78 | 15 |
| DE | 1,121,086 | - | 1,121,086 | 826 | 75 | DE | \$ 1.36 | 31 | \$ 1.36 | 31 | \$ 14.95 | 29 | \$ 14.95 | 28 |
| DC | 2,471,000 | 1,200,000 | 3,671,000 | 545 | 91 | DC | \$ 6.74 | 17 | \$ 4.53 | 21 | \$ 40.34 | 21 | \$ 27.15 | 22 |
| FL | 1,785,276 | - | 1,785,276 | 17,417 | 2,026 | FL | \$ 0.10 | 44 | \$ 0.10 | 44 | \$ 0.88 | 43 | \$ 0.88 | 43 |
| GA | 21,779,964 | 1,100,000 | 22,879,964 | 8,699 | 1,139 | GA | \$ 2.63 | 27 | \$ 2.50 | 25 | \$ 20.09 | 26 | \$ 19.12 | 25 |
| IL | 65,980,264 | 7,225,295 | 80,805,559 | 12,566 | 1,534 | IL | \$ 6.43 | 18 | \$ 5.25 | 18 | \$ 52.68 | 18 | \$ 43.01 | 17 |
| IN | 11,618,270 | 343,679 | 11,961,949 | 6,121 | 712 | IN | \$ 1.95 | 28 | \$ 1.90 | 27 | \$ 16.80 | 28 | \$ 16.32 | 27 |
| IA | 6,894,934 | 2,447,970 | 9,342,904 | 2,902 | 314 | IA | \$ 3.22 | 24 | \$ 2.38 | 26 | \$ 29.75 | 23 | \$ 21.96 | 23 |
| KY | 1,900,350 | 205,649 | 2,105,999 | 4,068 | 719 | KY | \$ 0.52 | 38 | \$ 0.47 | 38 | \$ 2.93 | 40 | \$ 2.64 | 40 |
| LA | 4,733,160 | 882,584 | 5,615,744 | 4,420 | 737 | LA | \$ 1.27 | 32 | \$ 1.07 | 32 | \$ 7.62 | 32 | \$ 6.42 | 33 |
| ME | 11,213,865 | 1,100,000 | 12,313,865 | 1,290 | 150 | ME | \$ 9.55 | 11 | \$ 8.69 | 9 | \$ 82.09 | 12 | \$ 74.76 | 11 |
| MD | 44,504,263 | 3,220,135 | 47,724,398 | 5,537 | 545 | MD | \$ 8.62 | 13 | \$ 8.04 | 11 | \$ 87.57 | 11 | \$ 81.66 | 10 |
| MA | 51,298,200 | 17,040,510 | 68,338,710 | 6,366 | 586 | MA | \$ 10.73 | 9 | \$ 8.06 | 10 | \$ 116.62 | 8 | \$ 87.54 | 9 |
| MI | 52,848,737 | 8,000,000 | 60,848,737 | 9,938 | 1,320 | MI | \$ 6.12 | 19 | \$ 5.32 | 17 | \$ 46.10 | 20 | \$ 40.04 | 19 |
| MN | 55,169,745 | 4,229,322 | 59,399,068 | 5,119 | 358 | MN | \$ 11.60 | 7 | \$ 10.78 | 5 | \$ 165.92 | 4 | \$ 154.11 | 4 |
| MS | 1,200,314 | - | 1,200,314 | 2,862 | 532 | MS | \$ 0.42 | 40 | \$ 0.42 | 40 | \$ 2.26 | 42 | \$ 2.26 | 42 |
| MO | 8,370,208 | 500,000 | 8,870,208 | 5,609 | 687 | MO | \$ 1.58 | 30 | \$ 1.49 | 30 | \$ 12.91 | 30 | \$ 12.18 | 30 |
| MT | 5,102,364 | 1,772,702 | 6,875,066 | 908 | 128 | MT | \$ 7.57 | 14 | \$ 5.62 | 16 | \$ 53.71 | 16 | \$ 39.86 | 20 |
| NV | 3,817,359 | 2,943,040 | 6,760,399 | 2,384 | 259 | NV | \$ 2.84 | 26 | \$ 1.60 | 29 | \$ 26.10 | 24 | \$ 14.74 | 29 |
| NH | 13,690,816 | 1,061,638 | 14,752,454 | 1,291 | 70 | NH | \$ 11.43 | 8 | \$ 10.60 | 6 | \$ 210.75 | 2 | \$ 195.58 | 2 |
| NJ | 161,816,865 | 13,080,101 | 174,896,966 | 8,655 | 692 | NJ | \$ 20.21 | 1 | \$ 18.70 | 1 | \$ 252.74 | 1 | \$ 233.84 | 1 |
| NM | 710,488 | - | 710,488 | 1,899 | 313 | NM | \$ 0.37 | 41 | \$ 0.37 | 41 | \$ 2.27 | 41 | \$ 2.27 | 41 |
| NY | 108,977,160 | 3,126,101 | 112,876,261 | 19,005 | 2,844 | NY | \$ 5.94 | 20 | \$ 5.73 | 15 | \$ 39.69 | 22 | \$ 38.32 | 21 |
| NC | 3,742,664 | - | 3,742,664 | 8,418 | 1,226 | NC | \$ 0.44 | 39 | \$ 0.44 | 39 | \$ 3.05 | 39 | \$ 3.05 | 39 |
| OH | 200,617,964 | 6,113,322 | 206,731,286 | 11,259 | 1,310 | OH | \$ 18.36 | 3 | \$ 17.82 | 3 | \$ 157.81 | 6 | \$ 153.14 | 5 |
| OK | 2,111,518 | - | 2,111,518 | 3,444 | 372 | OK | \$ 0.61 | 37 | \$ 0.61 | 37 | \$ 5.68 | 36 | \$ 5.68 | 36 |
| OR | 24,811,977 | 8,704,221 | 33,516,198 | 3,572 | 419 | OR | \$ 9.38 | 12 | \$ 6.95 | 12 | \$ 79.99 | 13 | \$ 59.22 | 12 |
| PA | 219,104,546 | 21,786,380 | 240,890,926 | 12,144 | 1,374 | PA | \$ 19.84 | 2 | \$ 18.04 | 2 | \$ 175.32 | 3 | \$ 159.46 | 3 |
| RI | 6,111,703 | 1,100,000 | 7,211,703 | 1,056 | 121 | RI | \$ 6.83 | 15 | \$ 5.79 | 13 | \$ 59.60 | 14 | \$ 50.51 | 13 |
| SC | 485,276 | - | 485,276 | 4,120 | 614 | SC | \$ 0.12 | 43 | \$ 0.12 | 43 | \$ 0.79 | 44 | \$ 0.79 | 44 |
| SD | 581,010 | - | 581,010 | 751 | 101 | SD | \$ 0.77 | 34 | \$ 0.77 | 34 | \$ 5.75 | 35 | \$ 5.75 | 35 |
| TX | 72,539,634 | 2,203,235 | 74,742,869 | 22,280 | 3,674 | TX | \$ 3.35 | 23 | \$ 3.26 | 23 | \$ 20.34 | 25 | \$ 19.74 | 24 |
| UT | 1,700,758 | - | 1,700,758 | 2,391 | 236 | UT | \$ 0.71 | 35 | \$ 0.71 | 35 | \$ 7.21 | 33 | \$ 7.21 | 32 |
| VT | 5,492,914 | 2,100,000 | 7,592,914 | 616 | 48 | VT | \$ 12.33 | 6 | \$ 8.92 | 8 | \$ 158.19 | 5 | \$ 114.44 | 6 |
| VA | 2,171,157 | - | 2,171,157 | 7,373 | 689 | VA | \$ 0.29 | 42 | \$ 0.29 | 42 | \$ 3.15 | 38 | \$ 3.15 | 38 |
| WA | 35,250,529 | 6,173,422 | 41,423,951 | 6,114 | 701 | WA | \$ 6.78 | 16 | \$ 5.77 | 14 | \$ 59.09 | 15 | \$ 50.29 | 14 |
| WV | 3,000,000 | - | 3,000,000 | 1,792 | 254 | WV | \$ 1.67 | 29 | \$ 1.67 | 28 | \$ 11.81 | 31 | \$ 11.81 | 31 |
| WI | 28,517,157 | 41,332,753 | 69,849,910 | 5,458 | 673 | WI | \$ 12.80 | 5 | \$ 5.22 | 19 | \$ 103.79 | 10 | \$ 42.37 | 18 |
| Totals | 1,775,229,482 | 287,419,535 | 2,062,649,017 | 276,626 | 35248 | Totals | \$ 7.46 | | \$ 6.42 | | \$ 58.52 | | \$ 50.36 | |