



1 This is a copy of order 00-035-T07 which contains additional
2 implementation details on the HELP program. The original of the order is
3 available at http://www.psc.state.ut.us/elec/00orders/Aug/00035T07ro.htm

4

5 - BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

6

In the Matter of the Revisions to PACIFICORP's ) DOCKET NO. 00-035-T07
Tariff P.S.C.U. No. 43, Re: The Addition of )
Schedules 3 and 91 for the Low Income Lifeline ) REPORT AND ORDER
Program and Surcharge for Funding )

7

8

ISSUED: August 30, 2000

9

SYNOPSIS

10 In the interest of initiating funding timely, the Commission approves the tariff changes
11 and the stipulation with some clarifications. The parties are requested to continue to meet
12 and resolve, through clarifying language, the issue of re-qualification requirements of
13 participants.

14

15 By The Commission:

16

PROCEDURAL HISTORY

17 In our Order in Docket 99-035-10, we ordered, with a deadline of 90 days, the
18 implementation of a Lifeline Electric Service Rate program ("the Program") within the
19 service territory of PacifiCorp. Details of the implementation of the Program were to be
20 negotiated among several interested parties, including the Utah Committee of Consumer
21 Services ("CCS"), Utah Division of Public Utilities ("DPU"), Salt Lake Community
22 Action Program("CAP"), large users' group, and others. The majority of the interested
23 parties achieved a stipulated implementation plan which was filed contemporaneously
24 with the subject tariff pages, which together represent both the funding mechanism for,
25 and the administration of, the Program. With the exception of the CCS, all interested
26 parties signed the stipulation. Subsequent to the filing, the CCS raised several objections
27 to the stipulation and tendered a revised draft which has not received the support of any
28 other parties.

29

There appears to be no controversy among the interested parties as to the qualifications to
30 be met for participants in the Program; nor does there appear to be controversy as to the
31 amount of surcharges to be imposed on other ratepayers to fund the Program. There does
32 appear to be some controversy as to the timing of re-qualification requirements, the
33 method of capping Program costs, reports on the Program, and on auditing and evaluating



34 the Program. We do not deem these controversies as sufficiently serious to justify  
35 delaying the start of the Program. Accordingly, **we choose to** approve the proffered tariff  
36 pages at this time and **accept the original stipulation.**

37 Nevertheless, the CCS's comments bring to light certain issues in the stipulation that we  
38 wish to clarify. With regard to capping Program costs, the Commission expects the  
39 Company to keep its collection of funds at or near the \$1,850,000 cap over a Program  
40 year. We acknowledge that the estimate of the number of customers who will help fund  
41 the Program will differ from the actual number. We order the Company to monitor its  
42 collections and periodically adjust the charge to approximate the stated cap. Any change  
43 in the cap or the charge per customer must be approved by the Commission.

44 The CCS's suggested language changes regarding the issuance of reports and the methods  
45 of auditing the Program are, with one exception, hereby denied because they make some  
46 substantive changes to the stipulation. Line 7 of paragraph 5 should state: "The interest  
47 accrued on the balance in the Lifeline Account."

48 Finally, we are not satisfied that the stipulation adequately addresses participant re-  
49 certification and, therefore, direct the parties to achieve a stipulation regarding the re-  
50 qualification requirement details. To that end, we expect all the parties to meet  
51 expeditiously to present us with mutually acceptable language to be appended to the  
52 stipulation as soon as possible, but no later than December 1, 2000.

53 ORDER

54 NOW, THEREFORE, IT IS HEREBY ORDERED, that:

- 55 • Original Sheet Nos. 3.1, 3.2, and 3.3, as well as First Revised Sheet B.1, all of  
56 PacifiCorp's Tariff P.S.C.U. No. 43, be, and they are, approved.
- 57 • PacifiCorp and the Utah Department of Community and Economic Development  
58 be, and they are, authorized to begin qualifying persons as to eligibility for the  
59 Lifeline rate in accordance with the terms of the stipulation dated July 20, 2000, a  
60 copy of which is annexed hereto as Appendix A, and incorporated by this  
61 reference.
- 62 • Parties will present clarifying language on re-qualification requirements of  
63 participants by December 1, 2000.
- 64 • Any person aggrieved by this Order may petition the Commission for review  
65 within 20 days of the date of this Order. Failure to do so will forfeit the right to  
66 appeal to the Utah Supreme Court.

67 Dated at Salt Lake City, Utah, this 30th day of August, 2000.

68 /s/ Stephen F. Mecham, Chairman

69 /s/ Constance B. White, Commissioner

70 /s/ Clark D. Jones, Commissioner

71 Attest:



72 /s/ Julie Orchard
73 Commission Secretary

74
75 APPENDIX A
76 From Docket No. 99-035-10
77 JOINT STIPULATION ON PACIFICORP'S LIFELINE RATE
78 -BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

79
80 In the Matter of the Investigation ) DOCKET NO. 99-035-10
81 Into the Reasonableness of Rates ) Joint Stipulation
82 and Charges of PacifiCorp, dba ) on PacifiCorp's
83 Utah Power and Light Company ) Lifeline Rate

84
85 Pursuant to the Commission's order in this Docket issued May 24, 2000, wherein the
86 Commission ordered the Division of Public Utilities (DPU), the Committee of Consumer
87 Services (CCS), Crossroads Urban Center (CUC) and the Salt Lake Community Action
88 Program (SLCAP) to work with the Company (PacifiCorp) to implement the Lifeline
89 program as proposed in the last case and discussed in the order. The Large Customer
90 Group (LCG) and the Department of Community and Economic Development (DCED)
91 also join this stipulation. The parties herewith submit this joint stipulation on program
92 implementation.

93 1. Lifeline Tariff: PacifiCorp will file a new Utah tariff Schedule 3 implementing a
94 Lifeline rate which includes a maximum \$8.00 per month credit for qualifying residential
95 households. To be eligible for this tariff, a customer's household income must be equal to
96 or less than 125% of the Federal poverty level, or the household must be eligible for the
97 Home Energy Assistance Target (HEAT) program. Only PacifiCorp's Utah residential
98 customers in its certificated service territory are eligible. Customers may remain on this
99 tariff for at least 12 consecutive months, but may continue on this tariff as long as they
100 are eligible (annual re-certification is required beginning June 1, 2002). The Lifeline
101 credit will appear as a separate line item on customers' bills.

102 2. Lifeline Tariff Rider: PacifiCorp will also file a new Lifeline tariff rider Schedule 91,
103 to collect approximately \$1,850,000 annually, to fund the costs of the Lifeline rate (the
104 Lifeline Account). Lifeline tariff rider charges will show as a separate line item on
105 customers' bills and be identified as Home Electric Lifeline Program (HELP) Surcharge.
106 PacifiCorp will hold these funds in a separate Lifeline tariff account.

107 3. Utah Tariff Rider Spread: The Lifeline tariff rider will apply to all customer classes,
108 except those customers under Utah Tariff Schedule 3 Lifeline rate. The tariff rider will be
109 spread to customers as a customer charge, with a different surcharge for each rate
110 schedule. The surcharge for each schedule is attached as an exhibit to this stipulation. The
111 Utah Lifeline tariff is capped at \$6.25 per customer (one location at one point of delivery)
112 per month (\$75.00 annually).

113 4. Amounts and Rates: PacifiCorp will use its best efforts to design the Lifeline tariff
114 rider to collect no more than \$1,850,000 annually for the Lifeline Account. This account
115 shall accrue interest at the Company's cost of debt determined in Docket 99-035-10. The
116 balance in the Lifeline Account may increase as fewer customers apply, or it may

117 decrease as more customers apply. In either case the Commission may adjust the Lifeline  
118 tariff credit, or the Lifeline tariff rider as it deems necessary. The Lifeline tariff rider may  
119 be revised annually with surcharge amounts recalculated to correct for any over or under  
120 collections, within the limits of the cap identified in paragraph 3. The goal is to collect  
121 \$1,850,000 annually.

122 5. PacifiCorp Accounting and Reporting: For purposes of filing tariffs and reports, and  
123 collecting data, the Public Service Commission will establish a new docket number to the  
124 Lifeline Program. PacifiCorp shall gather data on a monthly basis and issue a report  
125 quarterly during the first year, and semi-annually thereafter (showing monthly and semi-  
126 annual data) to the Utah Public Service Commission, the DPU, CCS, CUC, DCED and  
127 other interested parties, with, the following details.

- 128 1. The number of customers on Utah Tariff 1 and Lifeline Tariff 3.
- 129 2. The amount collected under the Lifeline tariff rider (HELP surcharge).
- 130 3. The amount credited to Lifeline tariff 3 customers' bills
- 131 4. The amount of any administrative charges from PacifiCorp
- 132 5. The amount of any administrative charges from DCED
- 133 6. The balance in the Lifeline Account at the end of the period
- 134 7. The balance in the Lifeline Account shall accrue interest.
- 135 8. For residential tariffs 1 and 3 , the monthly arrearage (an aging of accounts receivable)
- 136 9. For residential tariffs 1 and 3, the number of termination notices and actual  
137 terminations
- 138 10. For residential tariffs 1 and 3, the number and dollar amount of accounts turned over  
139 to collection agencies
- 140 11. For residential tariffs 1 and 3, the dollar amount of write-offs and recoveries

141 6. Statistical base: PacifiCorp will provide a report by December 31, 2000 of the data  
142 listed in the above Paragraph 5, to the extent available, for the 12 month period  
143 immediately preceding implementation of the Lifeline program.

144 7. Application process: The Utah State Department of Community and Economic  
145 Development (DCED), which administers the HEAT program, agrees to administer the  
146 Lifeline program. DCED will develop an application process to screen applicants and  
147 forward names and PacifiCorp customer account numbers of qualified applicants to  
148 PacifiCorp, on not less than a monthly basis. DCED agrees to print forms for non-HEAT  
149 applicants to apply for the Lifeline program. PacifiCorp will assist DCED in maintaining  
150 a database of applicants for and recipients of the Lifeline program. Their assistance will  
151 include positive confirmation of the status of each applicant.

152 8 Re-certification: DCED agrees to send each customer on the Lifeline tariff Schedule 3,  
153 who has not re-certified during the prior two heating seasons, a reminder notice by May 1  
154 of each year indicating they must re-certify by May 21 or be dropped from the tariff.  
155 DCED will forward the entire list of eligible customers to PacifiCorp by June 15 of each  
156 year beginning in 2002. PacifiCorp will remove all customers not included on the above  
157 mentioned list from the Lifeline tariff on the first billing date after June 30 of each year.

158 9. Administrative Charges: PacifiCorp may charge program startup costs on a one-time  
159 basis of up to \$25,000 against the balance of the Lifeline Account. DCED may also  
160 charge reasonable startup costs on a one-time basis of up to \$25,000 against the balance  
161 of the Lifeline Account. PacifiCorp may charge its ongoing direct costs associated with



162 administering the program against the balance in the Lifeline ~~tariff rider~~ Account, up to  
163 \$10,000 annually. DCED may submit statements to PacifiCorp for reimbursement of its  
164 ongoing direct costs associated with administering the program, up to \$40,000 annually.  
165 PacifiCorp agrees to pay the undisputed administrative charges submitted by DCED out  
166 of the balance of the Lifeline Account. Any disputed administrative charges will be  
167 submitted to the Utah Public Service Commission for resolution. Administrative charges  
168 will be prorated for any part of a year in which the program is implemented or  
169 eliminated.

170 10. Standards of Measures of Success: The Division, with the assistance of PacifiCorp,  
171 SLCAP, CUC, DCED, CCS and other interested parties, will attempt to develop a set of  
172 standards and measures against which to evaluate the effectiveness and success of the  
173 program.

174 11. Division Monitor: The Division will evaluate the effectiveness and success of the  
175 program against the determined standards and measures.

176 12. Division Audit Evaluation and Report: The Low Income Task Force recommended  
177 that a major review should be undertaken no later than three years after implementation  
178 of this, or any program, to make sure the program is effective and to suggest changes or  
179 an end to the program. Therefore, the DPU will monitor and audit the program, and  
180 submit, at a minimum, annual reports to the Commission, CCS and other interested  
181 parties over the initial three year period. The DPU's reports will include three parts: (1) a  
182 financial audit of funds received and expended including administrative costs and a  
183 review of administrative processes, (2) an analysis of the program's effectiveness and (3)  
184 any appropriate recommendations for changes. Interested parties may thereafter submit  
185 their comments to the filed report. This procedural sequence is not intended to preclude  
186 the participation of any interested party in the development of the report and the inclusion  
187 of their views and recommendations in the report.

188 13. General rates: For purposes of setting rates, neither the revenues nor the costs paid  
189 from the Lifeline fund in connection with this program will be included in the cost of  
190 service.

191 14. Income tax uncertainties: PacifiCorp will determine if the Lifeline program has any  
192 income tax impacts and report them to the parties within the first year of the program.

193 15. Taxes: Schedule 3 and 91 are subject to all applicable taxes.

194