

INTRODUCTION

1.1 Background and Purpose

In May 2000, the Utah Public Service Commission (Commission) ordered the implementation of the Home Energy Lifeline Program (HELP) for PacifiCorp's low-income customers in Utah. The program provides an \$8.00 credit to eligible recipients and is funded by monthly surcharges to donating ratepayers.

Before implementing the program, the Commission created a Task Force to study the benefits and negative impacts of the lifeline program. In December 1999, the Task Force presented their findings before the Commission, which included the needs of low-income utility customers, programs in other States, and information about the low-income population in Utah. The Task Force was also charged with proposing measures and standards to evaluate the program. They identified problems with establishing standards to measure the effectiveness of the program and recommended that the Utah Division of Public Utilities (Division) develop a set of measures against which to evaluate the lifeline program.

Parties involved in the Low-Income Task Force (Parties) include:

- Committee of Consumer Services (CCS)
- Crossroads Urban Center (CUC)
- Department of Community and Economic Development (DCED)
- Division of Public Utilities
- Large Customer Group (LCG)
- League of Women Voters of Utah
- Utah Power (PacifiCorp/Scottish Power)
- Questar
- Salt Lake Community Action Program
- Utah Energy Conservation Coalition
- Utah Gas

The Commission made the Division responsible for preparing annual reports that includes a financial audit of the program, an analysis of the program's effectiveness and appropriate recommendations for changes. In November 2001, R. W. Beck was retained by the Division to assist in the development of measures to evaluate the effectiveness of the lifeline program. The results compiled in this report will provide useful information and tools for the Division to use in developing its annual report to the Commission. To reach the project's goal, R.W. Beck accomplished the following:

Section 1

- Developed measures and standards that are quantifiable, attributable and determined the availability of the data required to support each measure.
- Considered the topics mentioned in the Commission's orders and those provided by interested parties on potential measures. Assessed each potential measure and identified applicable measures for the Division's evaluation. The measures are classified as readily available measures, or measures with current data challenges.
- Facilitate group interaction to obtain input on potential measures, including how to address challenges related to data and design.
- Performed the calculations necessary to apply the proposed measures for which data is available and described the steps to apply the data for those measures for which the information is not currently available.
- Determined the current impact the proposed measures have on program recipients, donors and the utility.
- Evaluated the program's current success and effectiveness against the selected measures.

To achieve these assignments, R.W. Beck completed the following work activities:

Task 1: Data Collection and Clarification of Project Objectives

To begin the study in a structured manner, a conference call was conducted with representatives from the Division and R.W. Beck's team. The objective of the call was to finalize the scope of services, agree on the project schedule, review the request for information and clarify respective roles, responsibilities and expectations.

Task 2: Measurement Review and Analysis

R. W. Beck's consultants reviewed the various documents provided by the Division and the interested parties. The purpose of this analysis was to review the existing standards and measures to evaluate the program and determine the appropriateness of each one.

Task ~~2~~3: Identifying Key Issues and Concerns

~~The interviews~~ R. W. Beck's consultants also reviewed the historical documents associated with this dialogue and focused on clarifying and refining our understanding of each party's central interests, concerns and issues related to the process of evaluating the Division's low-income lifeline program.

A draft report including the findings related to the standards and measures to evaluate the program (Task 2) and the points of divergent and common understanding of the project's objectives among the Group members (Task 3) was prepared in advance of the session. The Group members were invited to submit written comments to clarify their positions, issues and concerns within one week of the distribution of the draft report. In turn, the Facilitators reviewed the comments -to assess points for potential progress in facilitating additional agreement for the facilitated meeting.

Task 4: Determine the Measures and Standards to Evaluate the Low-Income Lifeline Program (Facilitated Session)

The objective of this one-day session was to facilitate a collaborative effort among the members of the Group to advance their previous dialogue by narrowing the list of **potential** measures and seek a means to address related data and design challenges. The Group is defined as the Division, PacifiCorp, Salt Lake Community Action Program (SLCAP), Crossroads Urban Center (CUC), Department of Community and Economic Development (DCED), Committee of Consumer Services (CCS) and other interested parties.

Task 5: Final Report

This final report is based, in part on the results from the Group's work session, including assessments for each of the measures and standards that were identified and considered, and the justifications and clarifications for why each measure was included or excluded from the final selection.

In addition to this introductory section, the final report includes:

- **Section 2: Issues and Concerns.** This section addresses the issues and concerns identified after an initial review of the available documentation provided by the Commission.
- **Section 3: Potential Measures.** This section lists all the suggested measures provided by the interested parties, the Commission and R.W. Beck.
- **Section 4: Measurement System.** This section includes a detailed review of each suggested measure and results obtained from applying those measures where supporting data was available. In particular, this section clarifies R.W. Beck's findings on applicable measures.
- **Section 5: Overall Evaluation.** In this section, the results of the proposed measures are discussed in an aggregate manner. That is, the results of the measures are not only individually considered, but the relationship among them is reviewed as well.
- **Appendices.** The appendices for this project include the list of the documentation reviewed, the HELP spreadsheet and other data that support the various measures.