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Division of Public Utilities

"To promote the public interest in utility regulation and work to assure that all utility customers have access to safe, reliable service at reasonable prices."

# MEMORANDUM

To: Utah Public Service Commission

Steve Mecham, Chair  
Connie White, Commissioner  
Ric Campbell, Commissioner

FROM: Division of Public Utilities

Lowell Alt, Division Director  
Judith Johnson, Manager, Energy Section  
Ron Burrup, Technical Consultant  
Tom Peel, Technical Consultant  
Artie Powell, Utility Economist

DATE: January 7, 2003

SUBJECT: HELP, Electric Lifeline Program Evaluation

Attached you will find several copies of the Division's first annual review and evaluation of the electric lifeline program, HELP. In general, the program appears to be in compliance with the Commission's prior orders. However, there are several areas of concern. First, many of the effects from the program on various parties are indistinguishable from more general macro-economic effects. In some respects, therefore, our evaluation is inconclusive and we can draw no general conclusion with regards to the overall effectiveness of the

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lifeline program. Second, the lifeline account balance was slightly less than \$1,000,000 at the end of the first year, and is currently slightly over \$1,000,000. In order to gradually reduce the account balance over the next two years, the Division recommends a one-third reduction in the amount collected under Schedule 91.

The time frame for this first evaluation covers the period from October 2000 through September 2001. During the process of establishing a set of measures and standards to evaluate the lifeline program, the Division has attempted to be as thorough and objective as possible. Defining an appropriate set of measures and standards, however, has proved more difficult than first anticipated. In addition, the process of hiring and working with a consultant (to define the measures and standards), and taking input from various parties has taken longer than anticipated. Thus, this first evaluation is somewhat belated. However, given our acquired experience and the foundation work of this first report, we anticipate a much quicker turn around on future evaluation reports.