

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In The Matter of the Division's Annual Review and Evaluation of the Electric Lifeline Program, HELP	DOCKET NO. 04-035-21
In the matter of: HELP, Electric Lifeline Program Evaluation	DOCKET NO. 04-035-21 Light and Truth Response and Request relative to the Parties' Motion for Approval of Stipulation

August 9, 2005

This is an initial response and request from Paul F. Mecham, Light and Truth and the Petitioners (collectively, Mecham) relative to the stipulation (Stipulation) proposed by the parties (Parties) to the Public Service Commission (Commission) on August 4, 2005. Mecham respectfully requests that the Stipulation be denied and a genuine, open evaluation of the HELP Program be completed.

EVALUATION

This Docket is an evaluation. The word, "evaluation" appears in the titles of both dockets that have been consolidated into this proceeding. The word, "evaluate" also appears in the Commission's Report and Order in Docket 00-035-T07 implementing HELP which stated, ". . . evaluate the effectiveness and success of the program against the determined standards and measures."

The Commission should note what the Stipulation proposes to delete. The stipulation does not quote the language to be deleted. It merely references paragraph numbers. Among other things, the stipulation proposes to delete the following from the Commission's implementing order:

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

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

"12. Division Audit Evaluation and Report: The Low Income Task Force recommended that a major review should be undertaken no

later than three years after implementation of this, or any program, to make sure the program is effective and to suggest changes or an end to the program. . .”

Remember that the above language is proposed to be deleted by the Stipulation with no replacement language. If the stipulation is accepted, there would never be any standards. There would never be any measures. There would never be any evaluation of effectiveness or success. There would never be any major review. This would be true in the current docket and forever more.

Nowhere in the Stipulation is there any demonstration or proof that the program will be successful in the future. This is at least consistent with the Parties’ past actions where they have never demonstrated program success.

Nowhere in the stipulation is there any demonstration or proof that the program will benefit non-recipient ratepayers in the future. This, again, is consistent with the Parties’ past actions where they have never demonstrated these benefits.

Nowhere in the stipulation is there any demonstration or proof that overall program benefits will exceed program detriments in the future. This, again, is consistent with the Parties’ past actions where they have never demonstrated a net positive to the program.

Nowhere in the Stipulation is there an **evaluation** of HELP. It appears that the Parties realize that HELP cannot be logically justified in a genuine evaluation and so are attempting to side-step the evaluation and continue the program without open discussion. The stipulation essentially says, “We can’t meet the rules so let’s just eliminate the rules.”

In its Order on Various Procedural Motions and Petitions dated August 1, 2005 in this Docket, the Commission stated:

*“We will not address the matters that go to the past aspects of the HELP program or disagreements on how the HELP program should have been conducted. **Review of the past, however, has value if it informs us of what the future may be.** The intended evaluation of the HELP program is to reach a forward looking decision, what should apply in the future. **On a going forward basis, the terms of the HELP program are subject to regulatory analysis and alteration to ensure that the program continues to be just and reasonable under Utah law.**”¹ (Emphasis added)*

If the Stipulation is granted, there will be no “regulatory analysis” possible. Only procedural audits could occur. No demonstration of “just and reasonable” will be required or even possible.

COMMISSION QUOTES FROM PARTIES AND MECHAM

¹ Commission order dated August 1, 2005

The Parties quoted and paraphrased a small portion of past Commission orders in paragraph 14 of their Stipulation as follows:

“. . .Specifically, the program satisfied and, with these changes, continues to satisfy the following criteria previously identified by the Commission: the program is efficient and simple to administer, the need for the program is real and unmet by direct-payment programs, the program targets only low-income households and does not raise rates for low-income households based upon electricity consumption and the program’s benefits continue to offset any impacts on the ratemaking objective because the Program results in just and reasonable rates based upon the economic impact of charges on a category of customers. . . .”

These above quotes are selective at best. Given the parts of those Commission orders that are ignored and proposed to be deleted, those quotes and paraphrases are not only selective but are probably deceptive.

The following are quotes from those same past Commission orders provided here by Mecham which are of far more substance and value in a genuine evaluation:

*“We conclude that **if the assumptions are correct**, then the benefits of an approximate 17 percent reduction in the average monthly utility bill for a residential customer (\$8.00 off the \$48.32 average bill) would exceed the detrimental effect of a very small increase in the bills of other customers.”² (Emphasis added) (Mecham note: These “assumptions” and this benefit to “exceed the detrimental effect” are not demonstrated in the Stipulation and never have been.)*

*“SLCAP/Crossroads expects the benefits of the program to include a reduction in uncollectible accounts, returned checks, and service shutoffs; spreading the recovery of fixed costs over more customers and therefore reducing the impact on each customer; and an increase in sales of electric appliances. Though un rebutted, we recognize the **speculative nature of this assertion**.”³ (Emphasis added) (Mecham note: Neither SLCAP/Crossroads nor any of the other Parties have proven or demonstrated these claims either in the Stipulation or anywhere else.)*

***“Measurements / Standards.** Finally, we charge this task force with proposing as detailed as possible a set of standards, measurements and criteria against which, if we approve implementation, we could judge whether the program were functioning as intended. We further ask it to consider whether a pilot-test period may be appropriate, or a*

² Commission order in 97-035-01

³ *ibid*

*sunset date, or criteria upon which to determine that the program ought to be modified or abandoned.*⁴ (Emphasis in original)

*“ . . . whether the program actually results in measurable benefits. . . .”*⁵
(Mecham note: No measurable benefits to anyone other than recipients have been demonstrated in the Stipulation or anywhere else.)

*“ . . . the benefits of the program should offset negative impacts on rate making objectives and should be sufficient to overcome the Commission’s reluctance to effectuate social policy by means of altered electricity rates. . . .”*⁶ (Mecham note: With what has been demonstrated since this order was issued, the Commission will be and, in fact has been, effectuating social policy by means of altered electricity rates.)

*“We find sufficient benefits to the intended beneficiaries, to the utility, and to utility customers in general through reduced cost to the utility of collections, terminations, reconnections, and arrearages.”*⁷ (Mecham note: Benefits to the utility and to utility customers are not demonstrated in the Stipulation or anywhere else. A benefit to the intended beneficiaries is the only benefit demonstrated and agreed upon by all players in this Docket.)

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

*“11. Division Monitor: The Division will evaluate the effectiveness and success of the program against the determined standards and measures.”*⁸

The quotes selected by the Parties, and actually the entire Stipulation, merely address procedures (surcharge, credit, cap, reporting, audit, etc) and ignore the substance (evaluation, measures, standards, benefits, etc.) in the quotes shown by Mecham.

PUBLIC INTEREST

In at least three places in the Stipulation, the Parties use the words, “public interest.” The “public” they appear to mean is the 3% of the PacifiCorp customers who receive credits. The other part of the “public” or 97% of the PacifiCorp customers are never mentioned except, perhaps, obliquely in the paragraph covering the amount of their surcharge. The parties have not demonstrated how 3% can be a majority of the whole. The Parties have

⁴ *ibid*

⁵ *ibid*

⁶ *ibid*

⁷ Commission order in 99-035-10

⁸ Commission order in 00-035-T07

not demonstrated how any of the changes proposed in the Stipulation will improve the situation for the 97% in any way. Nor have the Parties demonstrated how the continuing HELP program will benefit the 97% in any way.

To benefit 3% of the public to the detriment of 97% of the public and then pronounce that the action is in the overall public interest is preposterous. The Parties have shown no interest in these 97%. The Parties have demonstrated no benefits to them. The Parties have not obtained any input or approval from them. The Parties have not considered their rights or even considered the thought that they might have rights. The Parties have ignored them, have brushed them off and have even attacked them. This charade and self-righteous posturing of claiming to act in the public interest is more than preposterous. It's immoral. It's unconscionable. It's beyond words. No good end is worth means this bad.

CONCLUSION

Paragraph 14 of the Stipulation says, "The Parties agree that, with the changes identified in this Stipulation, the HELP Program continues to be in the public interest. ... Therefore, the Parties recommend that the Commission continue the Program as modified herein." The Parties provide no proof or demonstration that what they say is true. They just say it.

Given the Parties' failure to demonstrate HELP success (either future or past), the Parties' ignoring Commission directives on measures, standards and benefits and the Parties disregard for harm done to 97% of the customers, the proper statement should be, **"The HELP Program continues to violate the public interest. Therefore, the Commission should discontinue the Program immediately."**

Mecham respectfully requests that the Stipulation be denied and a genuine, open evaluation of the HELP Program be completed.