

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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TARIFF NAME: In compliance with )      TARIFF #  
Utah Code 54-17-13.6, the      )      11-035-T07  
proposed increase brings the      )  
Schedule 91 surcharge rate to      )  
approximately 0.35% of revenues      )  
for rate schedules that are not      )  
at the \$50/month cap. For      )  
residential customers the      )  
surcharge is proposed to      )  
increase by three cents per      )  
month, from \$0.23 to \$0.26.      )

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TRANSCRIPT OF HEARING PROCEEDINGS

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TAKEN AT:                      Public Service Commission  
   160 East 300 South  
   Salt Lake City, Utah

DATE:                              October 4, 2011

TIME:                              10:01 a.m.

REPORTED BY:                  Kelly L. Wilburn, CSR, RPR

APPEARANCES

Presiding:

**MELANIE REIF**, Administrative Law Judge

-oOo-

For PacifiCorp:

**DANIEL E. SOLANDER, ESQ.**

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For the Division of Public Utilities:

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Also Present:

CHERYL MURRAY, Office of Consumer Services

ELIZABETH WOLF, Salt Lake Community Action Program

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1 OCTOBER 4, 2011

10:01 A.M.

2 P R O C E E D I N G S

3 THE COURT: Good morning. This is the time  
4 and place for the hearing in Docket 11-035-T07: Rocky  
5 Mountain Power's proposed change to Schedule 91, the  
6 surcharge to fund the Low-Income Lifeline Program as  
7 part of its tariff filing.

8 My name is Melanie Reif, and I'm the  
9 Administrative Law Judge. For the record could we  
10 please have the appearances?

11 MR. SOLANDER: Good morning. My name is  
12 Daniel Solander. I'm senior counsel for Rocky  
13 Mountain Power. I have with me at counsel table David  
14 Taylor, Rocky Mountain Power's regulatory affairs  
15 manager for the State of Utah.

16 THE COURT: Very good. Ms. Schmid?

17 MS. SCHMID: Good morning. Patricia E.  
18 Schmid, with the Attorney General's Office, for the  
19 Division of Public Utilities. And with me is Carolyn  
20 Roll as the Division's witness.

21 THE COURT: Okay. Very good.

22 MS. MURRAY: Cheryl Murray with the Office of  
23 Consumer Services.

24 MS. WOLF: And I'm Betsy Wolf with Salt Lake  
25 Community Action Program.

1 THE COURT: Okay. Very good. And  
2 Ms. Schmid, just for clarification, are the last two  
3 individuals going to be testifying today?

4 MS. SCHMID: I believe they are, but I'm not  
5 sure. They are not represented by the Division's  
6 attorney.

7 THE COURT: Okay, very good. Okay.  
8 Mr. Solander, would you like to proceed?

9 MR. SOLANDER: Thank you. Good morning. As  
10 you know, we are here today on Rocky Mountain Power's  
11 proposed increase to Schedule 91, the surcharge to  
12 fund Low-Income Life -- the Low-Income Lifeline  
13 Program.

14 The proposal would increase the surcharge  
15 rate to approximately .35 percent of revenues for rate  
16 schedules that are not at the \$50-a-month cap.  
17 Mr. Taylor is here, Rocky Mountain Power's Utah  
18 regulatory affairs manager, and he is prepared to  
19 present the application and provide additional detail.

20 THE COURT: Good morning Mr. Taylor. Are you  
21 prepared to testify this morning?

22 MR. TAYLOR: I am.

23 THE COURT: Okay. Will you please raise your  
24 right hand?

25 (Mr. Taylor was duly sworn.)

1 THE COURT: Very good. Please proceed,  
2 Mr. Solander.

3 MR. TAYLOR: Thank you. My name is David L.  
4 Taylor. I'm the manager of regulatory affairs for the  
5 State of Utah for Rocky Mountain Power. Just like to  
6 briefly give an overview of the filing that we made  
7 the 1st of September.

8 For a number of years Rocky Mountain Power  
9 has collected funds from its customers to fund a  
10 low-income surcharge to help offset bills for, for  
11 eligible low-income customers.

12 In November 2009, in response to Senate  
13 Bill 75, the rules associated with that low-income  
14 surcharge and the low-income credit were changed. And  
15 at that time we filed for an increase in both the  
16 low-income surcharge, which -- and the low-income  
17 credit that's funded -- that's provided to customers  
18 through Rate Schedule No. 3, that that credit was  
19 raised to \$11 a month.

20 Since that time, participation from eligible  
21 customers has increased significantly. And it's  
22 reached a point in the last few months where the  
23 collections under Rate Schedule 91 are no longer  
24 adequate to support and to fund the credits being  
25 provided to low-income customers.

1           As a result of that, on the 1st of September  
2 we made this filing, requesting a change and increase  
3 to Rate Schedule 91. As Mr. Solander indicated, this  
4 change brings the surcharge to approximately  
5 .35 percent of revenues from customer classes. With  
6 the exception of those few classes which are at the  
7 \$50-a-month cap that was set by the legislation.

8           Just for reference, the legislation allows  
9 the surcharge to go up to one-half of one percent of  
10 annual revenues. And so we're about two-thirds of  
11 what the maximum allowed under the statute would  
12 provide.

13           We made this filing. We circulated it with  
14 interested parties. And the Division of Public  
15 Utilities and the Office of Consumer Services both  
16 filed comments in support of this action. And I  
17 suspect they will address those comments through their  
18 own witnesses.

19           So with that, I'm happy to answer any  
20 questions that you may have or that the parties may  
21 have. And we would encourage you to approve the  
22 requested filing. Thank you.

23           THE COURT: Thank you Mr. Taylor.

24           Ms. Schmid, do you have any questions of  
25 Mr. Taylor?

1 MS. SCHMID: No.

2 THE COURT: Okay. Are there any questions  
3 for Mr. Taylor?

4 MS. MURRAY: No, thank you.

5 THE COURT: Okay, thank you. Ms. Schmid?

6 MS. SCHMID: Thank you. The Division would  
7 like to call Ms. Carolyn Roll as its witness. May she  
8 please be sworn?

9 THE COURT: Ms. Roll, are you prepared to  
10 testify?

11 MS. ROLL: Yes, I am.

12 THE COURT: Will you please raise your right  
13 hand?

14 (Ms. Roll was duly sworn.)

15 THE COURT: Thank you.

16 CAROLYN ROLL,

17 called as a witness, having been duly sworn,  
18 was examined and testified as follows:

19 DIRECT EXAMINATION

20 BY MS. SCHMID:

21 Q. Good morning.

22 A. Good morning.

23 Q. Could you please state your name, by whom you  
24 are employed, and employment address for the record?

25 A. Yes. My name is Carolyn Roll, and I am a

1 utility analyst for the Division of Public Utilities.  
2 160 East 300 South, Salt Lake City, Utah.

3 Q. As a utility analyst with the Division have  
4 you participated in this docket?

5 A. Yes, I have.

6 Q. Did you prepare or cause to be prepared the  
7 memorandum filed September 23, 2011, referenced as:  
8 "Docket No. 11-035-T07. Advice No. 11-07 Low-Income  
9 Lifeline Program"?

10 A. Yes, I did.

11 Q. Do you have any changes to that memorandum?

12 A. I do not.

13 MS. SCHMID: With that, the Division would  
14 like to move for the admission of the memorandum dated  
15 September 23rd. This has been distributed to the  
16 parties, here including the Administrative Law Judge  
17 and the Court reporter, and premarked for  
18 identification as DPU Exhibit 1.

19 THE COURT: Mr. Solander, do you have any  
20 objection?

21 MR. SOLANDER: No objection.

22 THE COURT: Okay.

23 MS. SCHMID: Thank you.

24 THE COURT: Ms. Schmid, your exhibit is  
25 admitted. Thank you.

1 MS. SCHMID: Thank you.

2 (DPU Exhibit No. 1 was admitted.)

3 Q. (By Ms. Schmid) Ms. Roll, do you have a  
4 summary you'd like to give today?

5 A. Yes, just a brief summary. The Division of  
6 Public Utilities reviewed the application filed by  
7 Rocky Mountain Power in Docket No. 11-035-T07, Advice  
8 No. 11-07, the Low-Income Lifeline Program, for the  
9 proposed changes to Schedule 91.

10 As stated by Mr. Taylor, the passage of Utah  
11 Senate Bill 75 increased the low-income credit and the  
12 surcharge collection rate as of November 1, 2009. The  
13 number of qualifying residential customers receiving  
14 these credits has increased significantly, and the  
15 credits provided under Schedule 3 have exceeded the  
16 collections under the Schedule 91 surcharge, making it  
17 necessary to increase the Schedule 91 surcharge.

18 Rocky Mountain Power is estimating that the  
19 eligible residential customers will increase at a rate  
20 of 3 percent over the next 12 months. The Division  
21 will continue to review the reports provided by Rocky  
22 Mountain Power to assure that the collections remain  
23 approximately at the level of the credits that are  
24 provided to the customers qualifying for the  
25 Low-Income Lifeline Program.

1           For residential customers the surcharge is  
2 proposed to increase by \$0.03 per month, from \$0.23 to  
3 \$0.26. And as Mr. Taylor stated, the schedules that  
4 are at the 50-percent cap will not be changed.

5           These changes are in accordance with the  
6 parties' agreement to the rate design stipulation in  
7 Docket No. 08-035-38, and so the Division recommends  
8 that the Commission approve the proposed changes to  
9 Schedule 91. Thank you.

10          Q.    One clarifying question. You mentioned a  
11 50-percent cap, did you mean a \$50-per-month cap?

12          A.    Oh, I did. I am sorry.

13          MS. SCHMID: Ms. Roll is now available for  
14 questions from the Administrative Law Judge and the  
15 parties.

16          THE COURT: Thank you Ms. Schmid.

17          Mr. Solander, do you have any questions?

18          MR. SOLANDER: No questions, thank you.

19          THE COURT: Thank you. Are there any  
20 questions for Ms. Roll?

21          MS. MURRAY: No questions.

22          THE COURT: Is there any further testimony to  
23 be presented today?

24          MS. MURRAY: I'm just here to answer any  
25 questions. We submitted -- I guess I will say

1 something. So do you want to -- sorry.

2 THE COURT: Will you please raise your right  
3 hand?

4 (Ms. Murray was duly sworn.)

5 THE COURT: Thank you. Please proceed.

6 MS. MURRAY: Okay. On September 23rd the  
7 Office submitted comments supporting Rocky Mountain  
8 Power's request to increase the Lifeline tariff, along  
9 with our recommendation that the Commission approve  
10 that request. And today I would just reiterate that  
11 recommendation. Thank you.

12 THE COURT: Okay, thank you very much. For  
13 the record, could you state your name and the division  
14 you're with, please?

15 MS. MURRAY: Cheryl Murray, Office of  
16 Consumer Services, 160 East 300 South, Salt Lake City,  
17 Utah.

18 THE COURT: Thank you Ms. Murray.

19 Do you also wish to testify?

20 MS. WOLF: Yes, I would, please.

21 THE COURT: Okay. Will you also raise your  
22 right hand, please?

23 (Ms. Wolf was duly sworn.)

24 THE COURT: Thank you. Please proceed. And  
25 if you would identify yourself first.

1 MS. WOLF: Sure. My name is Betsy Wolf. I'm  
2 a utility ratepayer advocate. And I work for Salt  
3 Lake Community Action Program, which is located at  
4 764 South 200 West, in Salt Lake City. And we did not  
5 submit written comments so I just wanted to make a  
6 brief, brief statement today.

7 Salt Lake Community Action Program has worked  
8 with the Company on the proposed tariff changes. I've  
9 reviewed the details that were submitted on  
10 September 1st, and recommend that the tariff changes  
11 be approved by the Public Service Commission.

12 With the continuing difficult economy we have  
13 seen an increase in the number of households served by  
14 this program, and we believe it's important to ensure  
15 that the benefits to eligible households are  
16 maintained.

17 It is also important that the surcharge  
18 remains reasonable, as there are many in this state  
19 who are struggling with reduced household incomes who  
20 may not be eligible for the Lifeline program.

21 Therefore, Salt Lake Community Action Program  
22 believes that this is a balanced proposal which  
23 provides continued funding for eligible households  
24 with a minimal increase in the surcharge, and we  
25 recommend its adoption. Thank you.

1 THE COURT: Thank you Ms. Wolf. Is there  
2 anyone else who has any comments, questions, or  
3 objections?

4 Hearing none, we'll be in recess for ten  
5 minutes. Thank you.

6 (A recess was taken from 10:13 to 10:17 a.m.)

7 THE COURT: Thank you everyone. Hearing no  
8 objection on this matter, the filing is approved and  
9 an order will be forthcoming.

10 MR. TAYLOR: Just one question. Will that be  
11 effective today?

12 THE COURT: It will be effective today.

13 MR. TAYLOR: Thank you.

14 THE COURT: Thank you. Thank you everyone.

15 (The hearing was concluded at 10:18 a.m.)  
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