

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Low Income Lifeline Program Reports 2020

DOCKET NO. 20-035-20

ORDER

ISSUED: August 26, 2021

On January 29, 2021, Rocky Mountain Power (RMP) filed its Quarterly Report of the Low Income Lifeline Program for the Quarter ended December 31, 2020 (“Lifeline Report”).¹ The Lifeline Report includes financial and customer participation information for RMP’s Home Electric Lifeline Program (HELP) for the year 2020. On June 30, 2021, the Division of Public Utilities (DPU) filed its annual audit of HELP (“2020 Audit”).² Under the PSC Report and Order in Docket No. 00-035-T07,³ and PSC Orders in Docket Nos. 03-035-01⁴ and 04-035-21⁵ (“HELP Orders”), RMP is required to report certain information about the HELP program on a semi-annual basis to the PSC. Also under the HELP Orders, DPU is required to annually audit the HELP program against several performance metrics and provide a report to the PSC.

In its Lifeline balancing account, RMP accrues HELP program funds that RMP collects via a surcharge (“Lifeline Surcharge”) to customer bills applied through Electric Service Schedule No. 91, Surcharge to Fund Low Income Residential Lifeline Program (“Schedule 91”),

¹ Rocky Mountain Power’s Quarterly Report of the Low Income Lifeline Program for the Quarter ended December 31, 2020 (Jan. 29, 2021), Docket No. 20-035-20, *Low Income Lifeline Reports 2020*.

² Comments from the Division of Public Utilities (Jun. 30, 2021).

³ The PSC Order approved, with revisions, a Joint Stipulation on PacifiCorp’s Lifeline Rate originally filed in Docket No. 99-035-10, *In the Matter of the Investigation into the Reasonableness of Rates and Charges of PacifiCorp, dba Utah Power and Light Company. See In the Matter of the Revisions to PacifiCorp’s Tariff P.S.C.U. No. 43, Re: The Addition of Schedules 3 and 91 for the Low Income Lifeline Program and Surcharge for Funding*, Docket No. 00-035-T07, Report and Order (Aug. 30, 2000) (approving the Joint Stipulation and requiring parties to present clarifying language), at 3.

⁴ *In the Matter of the Division’s Annual Review and Evaluation of the Electric Lifeline Program, HELP*, Docket No. 03-035-01, Report and Order (Nov. 23, 2005).

⁵ *In the Matter of HELP, Electric Lifeline Program Evaluation*, Docket No. 04-035-21, Order (Nov. 23, 2005).

and through the annual deposit of expiring unused credits accrued from customer generators (“Excess Generation Credits”) via Electric Service Schedule No. 135, Net Metering Service (“Schedule 135”).⁶ RMP distributes Lifeline Account funds in part through a credit (“Lifeline Credit”) applied to HELP participants’ bills via Electric Service Schedule No. 3, Low Income Lifeline Program - Residential Service Optional for Qualifying Customers (“Schedule 3”).

In its 2020 Audit, DPU states that the success and effectiveness of the HELP program is inconclusive because several program goals failed to meet standards determined by DPU based on program precedent.⁷ One such program measure that DPU states fails to meet the established standard/ is the Lifeline Account balance, which reached approximately \$1.7 million at the end of 2020, greater than the PSC’s established target of three months of collections.⁸ Though the 2020 Audit recommends no further changes to HELP to improve its performance, it does recommend that RMP reduce the Lifeline Account balance by setting the Lifeline Surcharge to zero for a period of six months. RMP responded to the 2020 Audit on July 30, 2021 agreeing with DPU that the Lifeline Account has a surplus balance of approximately \$1.7 million (“Surplus Balance”), but offering a revised version of DPU’s proposal to reduce the Surplus Balance. The Office of Consumer Services (OCS)⁹ and DPU¹⁰ both filed reply comments.

⁶ RMP is required by Utah Code Ann. § 54-15-104 and our October 30, 2014 Order in Docket No. 14-035-116, *In the Matter of the Disposition of Remaining Unused Credits Associated with Excess Customer-Generated Electricity Provided Under Utah Code Ann. § 54-15-104(4)* to credit the avoided cost value Excess Generation Credits as additional revenue to the Lifeline Account.

⁷ See, e.g., *In the Matter of HELP, Electric Lifeline Program Evaluation*, Docket No. 04-035-21, Report and Order (Nov. 23, 2005) at 10–17 (declining to adopt a stipulation that set forth several performance measures and program evaluation standards, but approving some evaluation measures in concept and directing DPU to annually conduct cost-benefit analysis and recommendations).

⁸ *Id.* at 16.

⁹ Office of Consumer Services’ Reply Comments (Aug. 16, 2021).

¹⁰ Comments from the Division of Public Utilities (Aug. 16, 2021).

I. POSITIONS OF THE PARTIES

A. RMP's Proposal

RMP proposes to reduce the Surplus Balance through a combination of short-term measures to reduce surplus related to past collections and longer-term measures to prevent a future surplus. Under its proposal, RMP would reduce the Lifeline Surcharge to \$0.00 for five months rather than six, while also increasing the value of the Lifeline Credit from \$13.47 per month to \$13.95 per month, a \$0.48 increase.

RMP proposes to increase the amount of the Lifeline Credit by a total of \$0.48 to provide incremental benefits to HELP participants from a portion of the Surplus Balance attributable to Excess Generation Credits.¹¹ A portion of that proposed increase is related to past accrued Excess Generation Credits that amount to \$227,000 of the Surplus Balance. RMP proposes to distribute that amount to Schedule 3 customers over a period of three years via an increase in the Lifeline Credit amount of \$0.29 per month to continue indefinitely.¹² RMP also proposes an additional Lifeline Credit increase of \$0.19 per month to reflect future annual Excess Generation Credit deposits, which RMP projects will increase from approximately \$150,000 to \$200,000 annually.

RMP agrees with DPU that the remainder of the Surplus Balance is attributable to historical Lifeline Surcharge collections via Schedule 91 and should be returned to those

¹¹ In our January 11, 2019 Order in Docket No. 18-035-39, *Investigation Re: Expiring Excess Generation Credits Under Schedule 135*, we determined that it was in the public interest to ensure the incremental value of Excess Generation Credits is provided to HELP participating customers under Schedule 3. Docket No. 18-035-39, Order (Jan. 11, 2019), at 9.

¹² RMP calculates this amount by dividing the surplus balance attributable to excess generation credits (\$226,723) by the average amount of Schedule 3 customers during 2021 (21,084), spread over 36 months.

customers through a temporary elimination of the Lifeline Surcharge. Accordingly, RMP proposes to return all but an approximately \$250,000 “buffer”¹³ to Schedule 91 customers by reducing the Lifeline Surcharge to \$0.00 for a period of five months.

RMP commits to monitoring the level of Schedule 3 credits over the three-year period, and agrees to make adjustments to the Lifeline Credit if necessary. Similarly, RMP commits to monitoring the Lifeline Account Balance and Lifeline Surcharge during the five months while the Lifeline Surcharge is eliminated, filing for adjustments as necessary. RMP also asks that the PSC require it to make a tariff compliance filing to implement its proposal.

B. DPU and OCS Support RMP’s Revised Proposal

In reply comments, DPU and OCS recommend that we approve RMP’s revision of DPU’s initial proposal. OCS comments in support of RMP’s proposal that it is important to ensure that low-income customers receive incremental value from expired Excess Generation Credits. DPU comments that RMP’s proposal will address both historical overcollections and RMP’s projected increase in annual Excess Generation Credit deposits. Accordingly, it comments that RMP’s proposal is reasonable and recommends that we require RMP to make a tariff compliance filing to implement its proposed changes.

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

RMP, DPU, and OCS all agree that RMP’s revised version of DPU’s proposal offers a reasonable method to reduce the balance in RMP’s Lifeline Account. Based on that consensus and our review of RMP’s proposal and the 2020 Audit, we find that RMP’s proposal reasonably

¹³ Rocky Mountain Power’s Comments on the Division of Public Utilities’ Calendar Year 2020 Report of the Home Electric Lifeline Program at 3.

further the HELP program's goals in accordance with statute and established program precedent. We approve RMP's proposal consistent with our authority to approve a low-income assistance program that features a customer surcharge and a billing credit for eligible customers under Utah Code Ann. § 54-7-13.6, and our authority to direct RMP to grant the avoided cost value of Excess Generation Credits to such a low-income assistance program under Utah Code Ann. § 54-15-104. We conclude that returning a portion of the Surplus Balance to Schedule 91 customers by temporarily eliminating the Lifeline Surcharge reasonably adheres to the historical program goal of maintaining approximately three months of Lifeline Surcharge Collections in the Lifeline Account.¹⁴ And increasing the Lifeline Credit accords with our established policy of providing HELP participants the incremental value of Excess Generation Credits deposited to the Lifeline Account.¹⁵

Based on those findings and conclusions, we acknowledge RMP's Quarterly Lifeline Reports and the 2020 Audit as meeting the relevant reporting requirements for the HELP program and approve RMP's proposal as just and reasonable, and in the public interest. As requested by RMP and DPU, we direct RMP to make a tariff compliance filing effecting its proposed changes to Schedule 3 and Schedule 91.

¹⁴ *In the Matter of the Division's Annual Review and Evaluation of the Electric Lifeline Program, HELP*, Docket No. 03-035-01 and *In the Matter of HELP, Electric Lifeline Program Evaluation*, Docket No. 04-035-21, Report and Order (Nov. 23, 2005), at 16.

¹⁵ *See Investigation Re: Expiring Excess Generation Credits Under Schedule 135*, Docket No. 18-035-39, Order (Jan. 11, 2019), at 9.

ORDER

1. We acknowledge the Lifeline Report and the 2020 Audit as complying with relevant HELP reporting requirements under the HELP Orders.
2. We approve RMP's proposed increase to the HELP credit from \$13.47 per month to \$13.95 per month.
3. We approve RMP's proposed decrease of the Lifeline Surcharge to \$0.00 for a period of five months.
4. We direct RMP to make a compliance filing to update Electric Service Schedule No. 3, Low Income Lifeline Program - Residential Service, to reflect a maximum monthly low income lifeline credit of \$13.95 and Electric Service Schedule No. 91, Surcharge to Fund Low Income Residential Lifeline Program, to reflect a monthly surcharge of \$0.00.

DATED at Salt Lake City, Utah, August 26, 2021.

/s/ Michael J. Hammer
Presiding Officer

Approved and Confirmed August 26, 2021, as the Order of the Public Service
Commission of Utah.

/s/ Thad LeVar, Chair
/s/ David R. Clark, Commissioner
/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
PSC Secretary
DW#320099

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this written Order by filing a written request with the PSC within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC does not grant a request for review or rehearing within 30 days after the filing of the request, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on August 26, 2021, a true and correct copy of the foregoing was served upon the following as indicated below:

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