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September 13, 2023

Chris Parker
Director, Division of Public Utilities
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Re: *Rocky Mountain Power's Low-Income Lifeline Program Reports 2022*;
Docket No. 22-035-39

Dear Mr. Parker,

The Public Service Commission (PSC) reviewed the Division of Public Utilities' (DPU) Calendar Year 2022 Report ("Report") of the Home Electric Lifeline Program ("Program") filed on June 27, 2023. The Report was filed pursuant to the PSC's November 23, 2005 Report and Order in Docket Nos. 03-035-01 and 04-035-21 ("Order").[1] The PSC also reviewed Rocky Mountain Power's (RMP) comments on the Report ("Comments"), filed August 9, 2023.

The Report states the performance standards DPU adopted to evaluate the success and effectiveness of the Program provided mixed results (some passed and some failed).[2] DPU applies ten performance standards[3] in determining the

[1] In its Order, the PSC approved the continuation of the Program with certain modifications. The PSC also directed DPU to report annually to it on DPU's review, financial audit, cost-benefit analysis, and recommendations regarding the Program. *See* Order, at 17 ¶ 6.
[2] DPU asserts that these performance measures are categorized as those that are: (1) useful, (2) of limited value; and (3) not useful, in evaluating the success and effectiveness of the Program. DPU includes a table where these are listed under the "Standard Efficacy" column.
[3] The measures are: (1) administrative costs; (2) ending account balance; (3) processing program credits to recipients; (4) surcharge collection from ratepayers; (5) penetration of eligible households; (6) write-offs per customer; (7) recoveries per customer; (8) terminations per customer; (9) customer balances in arrears; and (10) accounts sent to collection agencies. The first four of these are categorized as "useful" and the remaining six are "of limited value."

effectiveness of the Program and states that the Program passed three of the "useful" standards and failed one, and passed three "of limited value" standards and failed three. DPU indicates the useful performance standard that failed was the "ending account balance" for CY 2022. The ending account balance for CY2022 was $1,097,772, or 169% of the average 3-month collections target approved by the PSC of $651,000.[4] Nevertheless, the Report states that based on DPU's data evaluation and audit, the Program is being administered "reasonably, with eligibility of applicants and the funds collected and disbursed in accordance with [the PSC's] order in Docket No. 00-035-T07."[5] In addition, "[DPU] further concludes that recipients are benefiting without overly burdening either the ratepayers or [RMP]."[6] And although the Program failed some standards, DPU recommends the PSC take no further action. DPU states it plans to monitor the Program to determine if results in the future necessitate a reassessment of the Program.

In its Comments, RMP reiterates that failure of a performance standard does not necessarily mean the Program is not useful and providing benefits to customers, and case-by-case judgement should be used to determine any necessary actions to address a failed standard. It explains that while the CY 2022 ending account balance is slightly above the threshold, RMP does not believe any actions should be taken to reduce the balance at this time. It states that it has taken actions jointly with DPU to reduce the account balance. RMP reiterates that the other failed standards are of limited value. Adjusting for the effective Schedule 91 collections schedule,[7] RMP recalculated the CY 2022 monthly average of $277,000, yielding a target balance of $831,000. RMP comments that this is less than one month of average Schedule 91 collections, and since the ending balance will always fluctuate, RMP prefers to err on the side of tolerating a slightly higher ending balance versus taking actions that may excessively reduce the ending balance. RMP believes the Program provides a valuable benefit to qualifying customers without unduly burdening other customers. It adds that while the Program is evaluated for stand-alone program effectiveness, it is a valuable component of the assistance provided by the Utah Department of Workforce Services. Finally, it states that while the data is inconclusive, RMP believes it continues to support the public interest.

The PSC appreciates DPU's efforts in the review of the Program to ensure it remains in the public interest and RMP's efforts in responding to DPU's valid questions

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[4] The DPU calculates the three-months' threshold based on the monthly average of calendar year 2021 and 2022 as $217,000 for a threshold of $651,000.
[5] Report, at 4.
[6] *Id.*
[7] RMP believes DPU's threshold $650,000 was based on an excessively low threshold because Schedule 91 was suspended two months during 2022 and three months during 2021, resulting in an artificially low average unreflective of the monthly collections going forward.

pertaining to the effectiveness of the Program. Based on the Report and the Comments, and there being no opposition, the PSC concludes the Report complies with the PSC's reporting requirements in this matter.

Sincerely,

/s/ Gary L. Widerburg
PSC Secretary
DW#329812