

**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of )  
PacifiCorp and Scottish Power plc for an )  
Order Approving the Issuance of )  
PacifiCorp Common Stock )

Docket No. 98-2035-04

**DIRECT TESTIMONY**

**OF**

**JEFFREY V. FOX**

**ON BEHALF OF**

**SALT LAKE COMMUNITY ACTION PROGRAM**

**AND**

**CROSSROADS URBAN CENTER**

**June 18, 1999**

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**In the Matter of the Application of** )  
**PacifiCorp and Scottish Power plc for an** ) **Docket No. 98-2035-04**  
**Order Approving the Issuance of** )  
**PacifiCorp Common Stock** )

**TESTIMONY**

**OF**

**JEFFREY V. FOX**

1 Q. Please state your name and business address for the record.

2 A. Jeffrey V. Fox, 149 South Windsor Street, Salt Lake City, Utah 84102.

3 Q. By whom are you employed and in what position?

4 A. I contract with Crossroads Urban Center for the position of utility analyst.

5 Q. Please describe your education and business experience.

6 A. I have a B.S. degree in Psychology from the University of Utah with an additional 50 hours in the

7 College of Business. I was the Director of Crossroads Urban Center for ten years, Director of Utahns

8 Against Hunger for three years and a State Representative in the Utah Legislature for six years. I

9 have sponsored and cosponsored utility related legislation as a State Legislator and worked on utility

10 issues, while I was employed at Crossroads Urban Center and Utahns Against Hunger. Crossroads

11 Urban Center, which I represent before these proceedings, is a non-profit, grassroots organization

1 which assists and organizes low income, disabled, and minority Utahns to meet their basic survival  
2 needs and to address essential issues affecting their quality of life. I have more than 15 years of  
3 experience working with low income people and over 10 years of experience working on utility  
4 issues.

5 Q. On whose behalf are you providing testimony in this proceeding?

6 A. I am providing testimony on behalf of the Salt Lake Community Action Program (“CAP”) and  
7 Crossroads Urban Center (“Crossroads”).

8 Q. What is the purpose of your testimony?

9 A. The purpose of my testimony is provide the perspective of low income customers as it relates to the  
10 merger between Scottish Power and PacifiCorp regarding benefits accruing to low income consumers  
11 as a result of the merger.

12 Q. What has been your history in relationship to Scottish Power?

13 A. I first met Alan Richardson at a presentation made by Scottish Power on December 18, 1998, and  
14 followed this up with additional meetings with Alan Richardson and various staff from Scottish  
15 Power and PacifiCorp.

16 Q. What was the purpose of these meetings?

17 A. The purpose of these meetings was to determine if we could negotiate some tangible benefits for low  
18 income consumers resulting from the merger.

1 Q. What were the result of these negotiations?

2 A. The negotiations resulted in a signed stipulation, which is attached as Exhibit 1, between the Salt  
3 Lake Community Action Program and Crossroads Urban Center and PacifiCorp/Scottish Power.

4 Q. What are the key terms of the stipulation?

5 A. The key terms of the stipulation include CAP and Crossroads recommending that the Public Service  
6 Commission approve the Application in this docket, in so far as low income issues are concerned, and  
7 include this recommendation in its prefiled direct testimony. In return for this recommendation  
8 PacifiCorp/Scottish Power agreed to support a lifeline rate with an extension to support additional  
9 discounts to disabled and other vulnerable customers. In addition Scottish Power committed to  
10 provide \$300,000 of shareholder funds per annum for a period of at least three years for low income  
11 programs in Utah that meet certain qualifications.

12 Q. What is CAP's and Crossroads position regarding the application in this docket?

13 A. CAP and Crossroads strongly support the application in this docket, in so far as low income issues are  
14 concerned.

15 Q. Why do CAP and Crossroads support this application, in so far as low income issues are concerned?

16 A. CAP and Crossroads support this because Scottish Power is willing to support new programs, such as  
17 a lifeline discount, and also is willing to provide stockholder funds for programs that would  
18 additionally benefit low income consumers. Scottish Power has indicated a willingness to negotiate  
19 in good faith, jointly develop initiatives targeted to vulnerable customers, and commit funding to

1 certain kinds of programs on a system-wide basis, as set out in the direct testimony of Jack Kelly  
2 filed on February 26, 1999. The stipulation states that a specific portion of the funds to which Mr.  
3 Kelly refers will go to Utah programs. Currently, while PacifiCorp spends approximately \$1,500,000  
4 on low income programs in its territory, very little is spent in Utah. CAP and Crossroads believe it is  
5 important to increase the commitment to low income customers in Utah which Scottish Power agrees  
6 to do.

7 Q. What are your concluding remarks?

8 A. I believe, from working with several representatives from Scottish Power over the last six months,  
9 that the company has demonstrated a sensitivity to the needs of vulnerable populations that would be  
10 very helpful in Utah. I appreciate the cooperative approach demonstrated in our negotiations and trust  
11 that we will be able to work with the company in the future to establish innovative programs to aid  
12 low income households in meeting their critical electric energy needs.

13

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In the matter of the Application of )  
PacifiCorp and Scottish Power plc for an )  
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PacifiCorp Common Stock )

Docket No. 98-2035-04

**EXHIBIT ACCOMPANYING**  
**THE DIRECT TESTIMONY OF**  
**JEFFREY V. FOX**

**ON BEHALF OF**

**SALT LAKE COMMUNITY ACTION PROGRAM**  
**AND**  
**CROSSROADS URBAN CENTER**

**June 18, 1999**

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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of	)	
PacifiCorp and Scottish Power plc for an	)	Docket No. 98-2035-04
Order Approving the Issuance of	)	Stipulation and Settlement of Issues Related
PacifiCorp Common Stock	)	to Low-Income Customers

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This Stipulation (“Stipulation”) is entered into among PacifiCorp, Scottish Power plc, Crossroads Urban Center (“Crossroads”), and Salt Lake Community Action Program (“CAP”) (together, the “Parties”).

The purpose of this Stipulation is to resolve all issues in this Docket relating to the impact of the merger of PacifiCorp and ScottishPower plc on low-income customers. PacifiCorp and ScottishPower have publicly committed to funding certain kinds of programs on a system-wide basis, as set out in direct testimony of Mr. Jack Kelly filed on February 26, 1999. In this Stipulation, ScottishPower and PacifiCorp agree to actions specifically applicable to the Utah jurisdiction in respect of those testimony commitments, as a negotiated resolution of issues between the parties.

**1. Terms of Stipulation**

The terms and conditions of this Stipulation are set forth below. Upon acceptance of these terms and conditions by PacifiCorp/ScottishPower, CAP and Crossroads will, as soon as possible within the procedural limits of this Docket, recommend that the Commission approve the Application in this docket, in so far as low income issues are concerned and shall not adversely comment on any other issue in this Docket. CAP and Crossroads will include this

recommendation in its prefiled direct testimony and will support its recommendation in this Docket.

## **2. Background**

In Utah PSC Docket No. 97-035-01, CAP and Crossroads proposed implementation of a lifeline rate for certain low-income customers and asked that the Utah Public Service Commission institute a Docket to address other issues related to low-income customers of PacifiCorp. In its Order, the Commission established a Low-Income Task Force to address a number of issues related to problems of low-income customers. The Commission also concluded that it had the authority to adopt a lifeline rate and identified four criteria that a lifeline rate would have to meet to satisfy the Commission that it was in the public interest. In addressing each of the four criteria, the Commission observed that there was no evidence that the proposed lifeline rate was not in the public interest and concluded that “a lifeline rate may be in the public interest.” However, it had several unanswered questions that were referred to the Low-Income Task Force to provide recommendations to the Commission.

## **3. Lifeline Rate**

As a participant on the Utah Low-Income Task Force, PacifiCorp will support the implementation of a lifeline rate in the Utah jurisdiction, either the rate proposed by Crossroads and CAP in Utah PSC Docket No. 97-035-01, or some appropriate rate agreed by the parties, to be funded by ratepayers. PacifiCorp will also support extension of the lifeline rate in Utah to provide an additional discount to disabled and other vulnerable customers, both in the Utah Low-Income Task Force and any future Utah PSC docket in which such an extension is introduced. ScottishPower shall support PacifiCorp in these regards.



**4. Low-Income Task Force**

PacifiCorp will be an active participant in the Utah Low-Income Task Force to seek means of initiating appropriate programs that will make electric utility service more affordable for low-income customers in Utah. ScottishPower shall support PacifiCorp in this regard.

**5. Low Income Programs**

PacifiCorp/ScottishPower are committed to working with the appropriate partners to identify innovative, cost-effective programs that provide sustained benefit to low income customers through decreasing energy usage and improving their ability to pay current and past electric bills.

To this end, PacifiCorp, supported by ScottishPower, will work with the Task Force to identify programs that incorporate a range of measures including:

- Energy Efficiency Advice
- Budget management & Debt Counseling plus
- Implementation of energy efficiency measures

The objective of PacifiCorp/ScottishPower, is to deliver real benefit (i.e. reducing the energy used; increasing comfort; lowering the total cost of energy and/or reducing debt burden) to Low Income and other vulnerable customers by accomplishing the following to the extent practicable:

- Helping to stimulate the provision of cost-effective programs.
- Identifying the objectives of each program and how achievement of objectives can be measured
- Identifying the customer groups who will benefit from each individual program.
- Identifying possible sources of funding which can provide additional leverage.

- Identifying the most effective method of funding, managing and delivering each program.
- Establishing pilot projects to prove the effectiveness of appropriate programs.
- Identifying the data required to confirm the effectiveness of pilot programs and whether they should be rolled out.

Provided the appropriate programs can be identified, developed and financially structured to ensure they are cost-effective and meet all regulatory and business requirements, PacifiCorp/ScottishPower will make additional funds available. This commitment of additional funding will be shareholder's funds to the value of \$300,000 per annum in Utah for three years after approval of the merger, over and above what was spent on similar programs in the State of Utah in 1998. After this 3 year period this funding shall be subject to review by the parties. All parties will use their reasonable endeavors to work together and identify appropriate programs for this funding as set out in this paragraph.

**6. General Terms and Conditions**

a. The Parties agree that this Stipulation represents a compromise in the positions of the Parties. As such, evidence or conduct or statements made in the negotiation and discussion phases of this Stipulation shall not be admissible as evidence in any proceeding before the Commission or a court. All negotiations relating to this Stipulation are privileged and confidential.

b. The Parties have negotiated this Stipulation as an integrated document. Accordingly, the parties recommend that the Commission adopt the Stipulation in its entirety.

c. The Parties shall cooperate in submitting this Stipulation promptly to the Commission for acceptance, and shall support adoption of the Stipulation in prefiled testimony submitted in this proceeding. If a hearing is scheduled for presentation of the Stipulation, each Party shall make available a witness in support of the Stipulation. At which time other parties to

the proceeding would have an opportunity to cross-examine such witness. In the event the Commission rejects all or any material portion of this Stipulation or imposes additional material conditions in approving the Application, each Party reserves the right, upon written notice to the Commission and all parties to the proceeding within 15 days of the date of the Commission's Order, to withdraw from this Stipulation. In such case, no Party to this Stipulation shall be bound or prejudiced by the terms of this Stipulation and each Party shall be entitled to seek reconsideration of the Commission Order, file any testimony it chooses, to cross-examine witnesses and in general to put on such case as it deems appropriate.

d. The Parties agree that this Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable.

e. No Party shall be bound by any position asserted in the negotiations, except to the extent expressly stated in this Stipulation. Execution of this Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory or principle of regulation, and no Party shall be deemed to have agreed that any method, theory or principle of regulation employed in arriving at this Stipulation is appropriate for resolving any issue in any other proceeding. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

Dated: June \_\_\_\_\_, 1999

**Community Action Program**

**Crossroads Urban Center**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**PacifiCorp**

**Scottish Power plc**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## CERTIFICATE OF SERVICE

This is to certify that on this 18<sup>th</sup> day of June, 1999 I caused to be filed with the Public Service Commission of Utah the first data request of The Salt Lake Community Action Program and the Crossroads Urban Center in Utah PSC Docket No 98-2035-04 and delivered by hand or First Class Mail copies to the following parties:

### Utah Power & Light Company

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Office of Energy & Resource Planning,  
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Alliant Techsystems, Inc.

Hexcell Corporation

Thiokol Corporation

Chevron

SF Phosphates

E.A. Miller, Inc.

IHC Hospitals, Inc.

Geneva Steel

Western Electrochemical Company

Utah Electric Deregulation Group

Utah Associated Municipal Power Systems

Gary A. Dodge  
Parr, Waddoups, Brown Gee & Loveless  
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Salt Lake City, Utah 84145-0898

Respectfully,



Betsy Wolf, Salt Lake Community Action Program

Utah League of Cities and Towns

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**The Salt Lake Community Action Program  
The Crossroads Urban Center**

1338 Foothill Blvd. #134  
Salt Lake City, Utah 84108  
June 18, 1999

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PUBLIC SERVICE COMMISSION

Julie Orchard, Commission Secretary  
Public Service Commission  
160 East 300 South, 4<sup>th</sup> Floor  
Salt Lake City, Utah 84101

Re: Docket No. 98-2035-04

Dear Ms. Orchard:

Enclosed are an original and 16 copies of the Direct Testimony of Mr. Jeffrey V. Fox on behalf of The Crossroads Urban Center and the Salt Lake Community Action Program in the above-referenced docket. Attached to the testimony, as Exhibit JVF-1, is a copy of a Stipulation pertaining to low income issues, the original of which has been signed by Salt Lake Community Action Program, Crossroads Urban Center, PacifiCorp and Scottish Power. The original signed Stipulation will be filed separately by PacifiCorp's attorney. Copies of our testimony have been provided to the parties as indicated on the attached service list. Please file as is your usual practice.

Thank you for your attention in this matter.

Sincerely,



Betsy Wolf  
Salt Lake Community Action Program