

To: The DSM Task Force
From: Light and Truth
Subject: Weatherization Study
Date: 7 April 2004

Light and Truth submits this input to the DSM Task Force consistent with the Task Force Assignment, “The Demand-Side Resource Task Force shall study the program to consider the optimal level of state funding.” (PSC Order 02-057-02). Light and Truth reads this assignment to require enough study of the program to understand what the state funding should be. The prime focus is **funding**. The following are those inputs along with Light and Truth’s conclusion and recommendation. Attached is Light and Truth’s response to the weatherization portion of the GDS Report.

Bad Statistics There are several examples of bad statistics before us. Some compare Apples to Oranges. “Testimony indicates that … weatherization programs save an average of \$193 per **year**, and … \$976, over **life** … as its cost will be approximately \$.03 per **month**.” (PSC Order 99-057-20, Emphasis added) Benefits show annual or lifetime while costs show monthly.

Some compare Apples to Nothing. “… (DOE) estimates that more than five jobs are created by each \$100,000 of investment in weatherization. … multiplier effect…” (Advocates testimony in 02-057-02) Note that benefits are shown multiplying with no mention of the cost of that \$100,000 to the economy or its missed investment or its compounding.

To be good and useable, statistics must be: [1] Available (At the start, for a reference basis and later, for program evaluation), [2] Quantifiable and [3] Attributable. Statistics that are not all three of the above are bad and not useable.

Unsupported Claims “From the perspective of those ratepayers paying for the program … there will **be benefits to non-participants** such as reduced collection costs, reduced costs for disconnections and reconnections, etc.” (Advocates’ Testimony in 02-057-02, Emphasis added) No useable data or statistics supporting these claims have been provided by any party.

Benefits don’t offset Negative Impacts “We conclude that **if the assumptions are correct**, the … benefits … would exceed the detrimental effect of a very small increase in the bills of other customers.” (PSC Order 97-035-01 which was referenced in advocates testimony in 02-057-02. Emphasis added.) They are still assumptions. No benefits to other customers have been statistically demonstrated by any party.

Program is Overly Burdensome Comments abound in testimony **about** those paying. Only one party (Light and Truth) has comments on the record **for** those paying. The 700,000+ Questar customers have not spoken for themselves. Nor have they had the opportunity to speak. An indication of their sentiment can be seen in the small percentage of them that have “spoken” through their voluntary donations to REACH. The burden is more than mere money; it involves significant principles. (More on this follows.)

Cost is Regressive The charge is a flat dollar amount. Being a constant, it is a much greater percentage or burden on a low-income ratepayer than on a medium income or high income ratepayer. Unlike in the HELP program, all ratepayers, even the recipients and other low income ratepayers have to pay the charge.

Violates Third Party Billing In 03-057-02 the PSC said, “... weatherization is not a third-party charge ...” Paul Mecham said, “Beyond merely seeing it stated, I have seen nothing supporting this conclusion or countering the arguments and circumstances described above in any of the filings in this docket or in the Commission’s order itself.” The PSC let the request for review/rehearing die without further comment. (This problem is far from dead.)

Bad Charitable Contributions Without the “benefit to others” and other statistical justifications, the weatherization program is simply charity. The PSC has long prevented utilities acting on their own from making charitable contributions at ratepayer expense. L&T believes it is just as improper for the PSC to order its own charitable program at ratepayer expense.

Effectuates Social Policy “... the benefits of the program should ... be sufficient to overcome the Commission’s reluctance to effectuate social policy by means of altered electricity rates.” (PSC Order 97-035-01, Emphasis added) The absence of statistical support for the initial claims upon which the program was based reduces the weatherization program to simple social policy – against the PSC’s expressed desires.

Goes “Beyond the Meter” The PSC has only powers expressly granted or clearly implied by statute. It can “...regulate every public utility in this state ...” (UCA 54-4-1) Even the “public interest” authority of the PSC does not authorize the PSC to regulate citizens (ratepayers). L&T believes the PSC (or Questar) cannot go “beyond the meter” either directly or through another entity, into the private domain to force either private conservation or private charity.

Takes property without due process Ratepayers property is taken, not by an elected legislature but by a quasi-legislative administrative body. The action is hidden. No notice is in Questar’s bill. No public notice of the weatherization hearing was made by the PSC. Given the disappearance of the PSC’s justification, the program becomes essentially taxation without representation by a body not authorized to levy taxes.

Conclusion Light and Truth agrees with and supports the end goal of helping the poor. That intent is proper. The means used to reach that worthwhile end, however, is decidedly improper. It has no substantiated basis. It tramples on the rights of others. It uses force rather than persuasion. It is probably illegal. The Task Force assignment is to “... study the program to consider the optimal level of state funding.” Light and Truth believes that, considering ALL the factors, the optimal level is ZERO.