

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

)	Docket No. 01-035-01
In the Matter of the Application of)	
PacifiCorp for Approval of its)	PRE-FILED REBUTTAL TESTIMONY
Proposed Electric Rate Schedules)	OF KELLY A. FRANCONI FOR THE
and Electric Service Regulations)	COMMITTEE OF CONSUMER
)	SERVICES

31 August, 2001

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2 Q: **PLEASE STATE YOUR NAME, JOB POSITION AND QUALIFICATIONS TO**
3 **APPEAR AS A WITNESS ON BEHALF OF THE COMMITTEE OF CONSUMER**
4 **SERVICES IN THIS PROCEEDING.**

5 A: My name is Kelly A. Francone. I am presently employed as a Utility Analyst with the
6 Committee of Consumer Services (Committee). My qualifications are included in
7 Appendix 1 to this testimony.

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9 Q: **PLEASE STATE THE PURPOSE OF YOUR REBUTTAL TESTIMONY.**

10 A: I provide the Committee's response to the Crossroads Urban Center (Crossroads)
11 proposal to expand the Home Electric Lifeline Program (HELP or Lifeline)
12 established in Docket No. 99-035-10. Crossroads recommends that Utah Power
13 customers who are designated "life support service" and are also eligible for the
14 Lifeline program be given an additional discount up to \$10 a month on their electric
15 bills. According to data provided by PacifiCorp, 128 customers are so designated
16 and are also on Schedule 3, the Low-Income Lifeline Tariff. Such customers would
17 qualify for the Life-Support Assistance Program (LSAP) recommended by
18 Crossroads.

19

20 Q: **DOES THE COMMITTEE SUPPORT THE LSAP PROGRAM PROPOSED BY**
21 **CROSSROADS?**

22 A: Yes. The Committee believes that customers with limited incomes and life-
23 threatening medical conditions have a very specific need which should be
24 addressed under the authority of this Commission. The Committee voted
25 unanimously in support of the Lifeline program proposed by the Three Parties in

1 Docket No. 97-035-01. In the subsequent rate case, Docket No. 99-035-10, the
2 Committee testified in support of the Lifeline program, which the Commission
3 approved in its Order. The Committee has recently voted to support this current
4 LSAP proposal.

5 Q: **PLEASE EXPLAIN WHY THE COMMITTEE SUPPORTS THIS PROGRAM.**

6 A: As explained in testimony by Mr. Jeff Fox, the program would help customers who
7 are burdened by both low incomes and life-threatening illnesses. When these
8 customers have their service terminated it is more than just an inconvenience - it is
9 a matter of life and death. With 100 percent participation, the program would cost
10 just \$15,360 annually. Mr. Fox recommends underwriting the program using
11 existing funds. No additional revenue would be collected from ratepayers.

12 According to the second quarter report from PacifiCorp, the HELP program has
13 unexpended funds of nearly \$800,000. These accumulated funds accrue interest
14 every month sufficient to pay for one-third of the annual cost of this proposed Life-
15 Support Program. The interest that has been earned since the HELP program's
16 inception would support LSAP for two years, thus the financial strain placed on it
17 would be negligible.

18 Other cities and states support this type of program through "public benefit
19 charges." In Glendale, California, the city council recently renewed its \$5-\$15
20 monthly rebate for customers who use household medical equipment. In a report
21 to the city council, staff members stated that most medical equipment is very
22 expensive to operate. For example, an oxygen concentrator operated every day for
23 12 hours can cost as much as \$180 annually in utility bills. In addition, health
24 conditions like multiple sclerosis may require keeping home temperatures very low
25 with air conditioning, which drives electricity costs up substantially.

26 In Burbank, California, under Burbank Water and Power, the life-support program
27 is based on kWh usage. Customers eligible for the program can receive a \$10

1 credit for use of under 400 kWh, and bigger consumers receive 50 percent off their
2 usage. Credits, therefore, can vary from \$10 to as much as \$50.

3 In Azusa, California, under Azusa Light and Water, life support customers are
4 charged a rate that is 2.3 cents per kWh less than the standard rate after reaching
5 a 250 kWh baseline. This saves customers between \$10 and \$50 a month.

6 In comparison to these initiatives in other areas, the proposed LSAP is fairly modest
7 but would still be meaningful to those who would receive the credit.

8 Finally, the Lifeline program helps only a fraction of the population that PacifiCorp
9 serves in Utah. While LSAP would assist only a few people within that fraction, both
10 programs act as a safety net for all of the Company's Utah residential customers.
11 Although no one ever plans to have a low income or a life-threatening medical
12 condition, any one may find themselves in one or both of these groups at any time.

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14 Q: **DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A: Yes, it does.

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Appendix 1

Name: Kelly A. Francone

Work Address: 160 East 300 South, Heber M. Wells Building, Room 408, Salt Lake City, Utah.

Work Telephone: (801) 530-6647

Education: B.S. Degree in Communications, University of Utah

Discipline: Broadcast Journalism

Professional

Experience: Utility Analyst, Utah Committee of Consumer Services, 160 East 300 South, Heber M. Wells Building, Room 408, Salt Lake City, Utah: June 2001 - Present. In this capacity I have participated in the oversight of the HELP program established in Docket 99-035-10.

Research Analyst, Utah Committee of Consumer Services, 160 East 300 South, Heber M. Wells Building, Room 408, Salt Lake City, Utah: October 1997 - May 2001. In this capacity I participated in the Low Income Task Force created by the Commission in Docket 97-035-01 and chaired the subcommittee on available programs. I also testified on behalf of the Committee in support of the Lifeline program proposed in Docket 99-035-10, which was subsequently put into place by the Utah Public Service Commission.

Newspaper Reporter, Ogden Standard Examiner, 455 23rd Street, Ogden, Utah. February 1992- March 1997

Newspaper Reporter, The Salt Lake Tribune, 101 South Main Street, Salt Lake City, Utah. May 1988 - February 1990

Regulatory

Seminars: Basics in Regulation Conference, New Mexico State University Center For Public Utilities, May 1998.

Y2K Utility Conference, Salt Lake City, Utah, August 1998.

National Association of Regulatory Utility Commissions' (NARUC) Subcommittee Conference on Consumer Affairs, Denver, Colorado, October 1999.

NARUC Winter Committee Meetings, Washington, D.C., March 2000.

NARUC Consumer Affairs Subcommittee Conference, Charleston, SC, September 2000.

Presentations: Report to the Utah Legislature on customer education in a restructured electricity market, August 1998.

Report to the Utah Legislature on issues related to the ScottishPower/PacifiCorp merger, May 1999.

Report to the Utah Legislature on the ScottishPower/PacifiCorp merger stipulations, August 1999.

