



PUBLIC MEETING

Utah Committee of Consumer Services

May 20, 2010



Welcome & Business



Case Updates

Michele Beck



Case Updates

Telecom Cases

- Two longstanding telecom rate cases have settled: Carbon/Emery and Direct Communications
- All American
 - PSC Order denied revising the CPCN and revoked existing CPCN
 - Briefs due in front of Supreme Court on the earlier PSC Order



Case Updates

Electric Cases

- Major Plant Addition Case
 - Settlement filed with Commission
- ECAM
 - Parties discussed settlement, but positions were too varied
 - Next steps: testimony on hedging and appropriate reliance on market purchases
 - ECAM design testimony due early August
- Residential Rate Design (09 rate case)
 - Order expected anyday



Case Updates

Gas Cases

- General Rate Case Settlement Outcome
 - Rate increase \$2.9 M
 - Implemented tracker for Pipeline Integrity project
 - Agreed upon general terms for a new low-income assistance program
- Questar announced that the exploration and production companies would be spun off from the regulated business entities



Case Updates

Gas Cases, continued

- Amortization of 191, DSM and CET filed: rates expected to increase by \$24.9M
 - Natural gas commodity prices \$4.16/dth
 - Elimination of past 191 credit raises rates
 - DSM costs continue at approximately the same rate
 - CET is scheduled to return about \$7.5M to customers in the upcoming June filing
- Questar results of operations shows:
9.73% ROE for 2009



Case Updates

Summer Workload Planning

- Cases:
 - Major Plant Addition Case (2nd case filed Aug 1)
 - ECAM testimony and/or talks
 - Wireless Lifeline ETC cases
 - Other misc smaller cases
- Ongoing work:
 - PacifiCorp IRP
 - RMP COS task force
 - Questar COS data collection



Wireless Lifeline Providers: Issues and Analysis

Eric Orton



Wireless Lifeline Providers

Issues Raised by the Office in TracFone

- Recommended requirements:
 - The Company must pay their share of 911 and costs associated with income verification
 - The Company must ensure that no household receives Lifeline from more than one provider
 - The Company should have Commission review of communications to ensure that message is clear and not overly focused on advertisement
 - Deactivation after 60 days of non-use (TracFone has such policy in place)
- Other concerns:
 - Number of minutes and cost of additional minutes
 - Long-term impact on Federal USF fund
 - Use of minutes to call customer service



Wireless Lifeline Providers

Ongoing Discussions Re: TracFone

- Certification
 - How current Lifeline customers are certified
 - New certification needs because of wireless LifeLine options
 - Payment for certification services
- General discussion re: E911 and USF payment
 - TracFone view that they aren't legally required
 - FCC Order indicates that TracFone has misrepresented their offers to work on state legislation regarding E911 payment
- Discussions about proper communication with customers
- Generally applicable solutions need to be found because Virgin Mobile has also filed an application and others may follow



Wireless Lifeline Providers

Comparisons of TracFone and Virgin

	TracFone	Virgin
Free Minutes:	67	200
Cents per Extra Minute:	20	10
Must have new phone:	Yes	No
Coverage:	Larger	Smaller



Wireless Lifeline Providers

Focus of Additional Analysis and Work

- Funding of State Telecom programs
 - Payment into E911
 - Reimbursement for certification
- Certification
 - Self verification
 - Multiple providers
 - Address requirements
- Appropriate role of wireless Lifeline providers
 - Market saturation of Lifeline Providers
 - Financial effect on ILEC, especially rural
 - Appropriate service offerings
 - Oversight of communications
 - Total number of providers



Wireless Lifeline Providers

Timeline

- TracFone
 - Meeting among parties: May 25
 - Hearing: June 7
- Virgin
 - Nothing scheduled to date
 - There is no timeclock on this case yet, although the Company asked for ‘expedited approval’ in it’s application of 4/14/10



Discussion and Questions



Telecom Policy Discussion



Invited Guest Speaker:

Bill Duncan

Telecom Manager
Division of Public Utilities



Policy Objective: Basic Consumer Protections

Michele Beck



Other Business/Adjourn
