



2008 AARP Voters' Guide

Oklahoma Corporation Commission (2 yr. term)

How to use the AARP Voters' Guide:
Here's how this Voters' Guide works. AARP asked key questions about issues important to our members and their families of each major candidate for this race. Each candidate was allowed up to 125 words to answer each question. AARP did not edit or modify those answers. The candidates were asked to check the support or oppose circles. The candidates may have chosen not to check a circle.

AARP has provided a summary of our position for each of the issues.

- Pass this guide on to friends and family.
- Share your views with the candidates.
- Ask for clarification from any candidate whose answer seems unclear.

Be sure to vote on November 4.

www.aarp.org/elections

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The power to make it better.®

Low Income Energy Assistance

Q ■ *Do you support or oppose the Oklahoma Corporation Commission and the State Legislature doing more to help low income Oklahoma households afford their energy bills?*

AARP's Position:

Creation of utility bill payment assistance program for low-income persons



Support



Oppose

Jim Roth (D):

Creation of utility bill payment assistance program for low-income persons *



Support



Oppose

Dana Murphy (R):

Creation of utility bill payment assistance program for low-income persons *



Support



Oppose

* The candidate chose not to mark a circle.

* The candidate chose not to mark a circle.

Home energy costs make up a considerable portion of household budgets. Exceedingly volatile natural gas, electricity and fuel oil prices in recent years have significantly increased energy costs facing many consumers. Older Americans are particularly vulnerable to rapid increases in energy prices. Older low-income households spend a higher percentage of total income on energy costs than do other households.

AARP supports state programs to address energy affordability including bill payment assistance programs for low-income residential customers; automatic enrollment of electric and natural gas customers into assistance programs; and prohibitions on utilities from disconnecting or refusing to reconnect electric or natural gas service to low-income households during times when weather conditions threaten health and safety.

I support utility bill assistance program(s) for low-income Oklahomans and would encourage the state legislature to do more in this regard. I have been working to safeguard low-income Oklahomans the past 16 months as their Corporation Commissioner. I have and will continue to advocate for rate plans that protect the least of thee among us. In fact, as a County Commissioner (Oklahoma County) I initiated numerous programs to assist low-income Oklahomans, including: Beginning and funding a utility-assistance program for Oklahoma County's seniors, for the first time in history; and Initiating a Senior Summit in 2003 (and again in 2005) to bring focus to senior citizens and their life challenges; and Initiated Property Tax relief for low and middle class Oklahomans (SQ passed in 2004 with 85+%)

I support efforts by the Commission and the Legislature to do more. I support such programs as Low Income Energy Assistance if funded by voluntary contribution from customers. It is the role of the Commission to set rates based on the verified revenue requirement of the utility. The Commission should not set rates that create a subsidy for some customers based upon higher costs to customers within the same class. Other assistance would be public policy decisions decided by the Legislature after the opportunity for full public input. I would support more open forums and other opportunities for discussions with the public, the utilities, and the Commission concerning what actions can be taken to avoid and ease the impact of rising utility costs.

Q ■ *Do you support or oppose a requirement that utility cost recovery, including incentives and lost revenues, should be closely reviewed by regulators and linked to the verified performance of the utility in reducing energy use?*

AARP's Position:

Utility cost recovery linked to performance reviewed by regulators

Support **Oppose**

Jim Roth (D):

Utility cost recovery linked to performance reviewed by regulators *

Support **Oppose**

Dana Murphy (R):

Utility cost recovery linked to performance reviewed by regulators *

Support **Oppose**

* The candidate chose not to mark a circle.

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Increased electricity use will produce higher and more volatile prices. Everyone benefits from energy efficiency programs that lower both usage and monthly bills. The most controversial aspect of energy efficiency programs relates to paying utilities incentives and bonuses and even "lost revenue" in order to get them to offer such programs.

AARP supports affordable, cost-effective energy efficiency programs. Utility cost recovery, including incentives that are fair to consumers, should be closely reviewed by regulators and linked to the verified performance of the utility in reducing energy use. AARP supports an independent third party as an efficient means to deliver energy efficiency programs.

I support and have begun pushing for Energy Efficiency programs for Oklahoma because I agree with AARP that everyone benefits from programs that lower both usage and monthly utility bills. I support affordable, cost-effective energy efficiency programs and believe that Oklahoma's consumers deserve these investments so they can save on their energy bills. Our state's rank nears last because the Corporation Commission has not pushed hard enough in the past for these consumer-friendly programs. Since my appointment by Governor Henry last year, I am working hard to initiate this requirement on our utility companies and am working hard to make sure that these programs benefit our Citizens.

I support close review by regulators of all utility decisions involving cost recovery, incentives and lost revenues. I support requiring the utility to submit energy efficiency programs for regulatory review and recovery for costs for those programs which show true savings. Instead of an automatic pass-thru to customers, AARP and others appropriately supported legislation to have review by the Corporation Commission. Ratepayers should not be asked to pay for utility programs which do not show true benefits for the ratepayers.

Pre-payment of utility investments

Q: *Do you support or oppose legislation that would require utility customers to pre-pay for utility investments such as power plants and transmission lines, before those investments are built and serving customers?*

AARP's Position:

Require utility customers to pre-pay for utility investments

Support Oppose

Some electric utilities are seeking new laws permitting pre-approval and pre-payment of multi-billion dollar investments such as power plants and transmission lines. Electric bills would increase through higher rates or surcharges before the project ever provides service to customers, and even if construction is cancelled. Utilities, like other stockholder owned private companies, are responsible for raising their own money for investment. Shifting responsibility and risk to customers eliminates the utility's incentive to finance and manage investments efficiently.

AARP is opposed to cost recovery prior to a plant becoming operational. Utilities should not be allowed to shift risk to customers. The cost of power plants and other investments should not be included in rates until the plant is running and serving customers.

Jim Roth (D):

Require utility customers to pre-pay for utility investments *

Support Oppose

The candidate chose not to mark a circle.

I support the Corporation Commission being able to analyze the prudence of each request for Pre-Payment or Pre-Approval, before any customers' bills are affected first. I understand that uncertain credit markets and high costs of capital expenses can ultimately lead to unnecessary expenses being borne by the ratepayer, so we should work to achieve the lowest cost solution to afford necessary investments in generation, transmission and distribution of future electricity expenses.

Dana Murphy (R):

Require utility customers to pre-pay for utility investments *

Support Oppose

The candidate chose not to mark a circle.

While I am not in favor of "requirement" legislation for customers to pre-pay for utility investments before they are in service, I do support allowing the Corporation Commission to consider pre-payment options on a case-by-case basis. In some instances, it may result in overall savings if pre-payment is allowed during construction work in progress ("cwip") rather than waiting until construction costs are accumulated. Programs which have a short construction time might be best suited for pre-payment consideration as customers paying for cwip are most likely to still be customers of the utility and receive a benefit when the project is completed and in service.

Advanced Meters

Q: *If advanced metering is adopted in Oklahoma, do you support or oppose new consumer protections for vulnerable populations who cannot easily shift utility usage to off-peak, lower cost periods?*

AARP's Position:

Consumer protections if advanced metering adopted

Support Oppose

Jim Roth (D):

Consumer protections if advanced metering adopted *

Support Oppose

Dana Murphy (R):

Consumer protections if advanced metering adopted *

Support Oppose

* The candidate chose not to mark a circle.

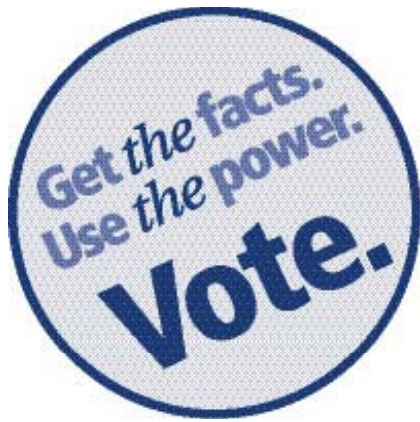
* The candidate chose not to mark a circle.

“Advanced Meters” (also called “smart meters” and “smart grid”) refers to new technology that allows kilowatt hours to be tracked based on time of usage. Such meters are connected to communications systems that enable remote meter reading, programming and disconnection. Advanced metering allows alternative pricing which typically charge more for electricity at times of peak demand (summer, daytime, evenings) and less at low-demand periods (nights, Sundays, holidays).

AARP believes advanced meters and “peak use” pricing plans pose a significant risk for older, disabled, lower-income and other vulnerable people who for health and safety reasons cannot easily shift usage to off-peak, lower cost periods. Protections must be adopted to protect these vulnerable people from excessive costs and potential loss of heating or cooling services

I support consumer protections for low-income citizens and vulnerable populations so that they are kept safe. I support smart-metering and advanced metering for Oklahoma so that we can have the benefits to : accurately predict energy needs (thereby lowering costs by not generating excessive electricity at customers’ expense); lower energy costs by allowing for remote, wireless meter reading; safeguard people’s homes and assets because the system could automatically report outages and more quickly reinstate electricity to the home; and provide price signals so consumers can make more informed decisions and ultimately lower their costs and usage when possible.

I would support consumer protections. Moreover, if a program is properly created, seniors should be among the most likely ones to benefit. Many seniors are home most of the day and better able to shift peak usage, by washing clothes and dishes earlier in the day, cooking earlier in the afternoon and taking other steps during off-peak time periods. If incentives were provided for charging less for off-peak usage, seniors should be more willing to shift their heaviest electricity usage and change their patterns of electricity usage to avoid 5:00 p.m. peak periods of higher costs. In a rising cost environment, it seems more important than ever to have dialogue and communication about cost savings among the public, the Corporation Commission and the utilities.



If you are not registered to vote, go to www.aarp.org/makeadifference/politics/ and look under Tools for a form to fill out and send to your local voter registrar (the address will be there). Go to the same website if you need an application for an absentee ballot or to find out if your state allows early voting and what dates that will occur.

Voter Information Inside



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