

1 STATE OF NEW HAMPSHIRE
2 PUBLIC UTILITIES COMMISSION

3

4 September 23, 2008 - 10:06 a.m.
5 Concord, New Hampshire

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9 RE: DE 08-097
LOW INCOME ELECTRIC ASSISTANCE PROGRAM
BUDGET AND SALES FORECASTS.

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12 PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Graham J. Morrison
13 Commissioner Clifton C. Below

14

15 Connie Fillion, Clerk

16

17 APPEARANCES: Reptg. Public Service Co. of New Hampshire:
Gerald M. Eaton, Esq.

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Reptg. New Hampshire Electric Cooperative:
19 Mark W. Dean, Esq.

20

Reptg. National Grid:
21 Alexandra E. Blackmore, Esq.

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Reptg. Unitil Energy Systems, Inc.:
23 Gary Epler, Esq.

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COURT REPORTER: Steven E. Patnaude, LCR No. 52

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3 APPEARANCES: (C o n t i n u e d)

4 Reptg. the N.H. Community Action Agencies:
5 Shannon Nolin, Director, Electric Asst. Prog.6 Reptg. The Way Home:
7 Alan Linder, Esq. (N.H. Legal Assistance)8 Reptg. Residential Ratepayers:
9 Rorie Hollenberg, Esq.
10 Office of Consumer Advocate11 Reptg. PUC Staff:
12 Edward N. Damon, Esq.

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I N D E X

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PAGE NO.

4

WITNESS PANEL: GILBERT E. GELINEAU, JR.
SHANNON NOLIN
AMANDA O. NOONAN

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Direct examination by Mr. Damon

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7

Direct examination by Mr. Eaton

37

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Cross-examination by Mr. Linder

40

9

Cross-examination by Ms. Hollenberg

43

10

Redirect examination by Mr. Damon

46

11

Interrogatories by Cmsr. Below

47

12

Interrogatories by Chrmn. Getz

48

13

14

15

CLOSING STATEMENTS BY:

16

Mr. Eaton

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Mr. Dean

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Ms. Blackmore

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Mr. Epler

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Ms. Nolin

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Mr. Linder

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Ms. Hollenberg

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Mr. Damon

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{DE 08-097} (09-23-08)

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E X H I B I T S

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EXHIBIT NO.

D E S C R I P T I O N

PAGE NO.

4

1

Letter re: Electric Assistance
Program Funding and Benefit Level
(08-13-08)

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State of N.H. Inter-Department
Communication from Amanda O. Noonan,
to Commissioners & Executive Director
(09-19-08)

22

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8

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Complete budgets for PSNH, UES,
NHEC, National Grid, CAAs, and OEP
for the 2008-2009 EAP Program Year

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{DE 08-097} (09-23-08)

1 P R O C E E D I N G S

2 CHAIRMAN GETZ: Okay. Good morning.

3 We'll open the hearing in docket DE 08-097. The purpose
4 of this proceeding is to review the 2008-2009 Program Year
5 budget and sales forecasts, to review the EAP Advisory
6 Board's recommendation that the Commission increase the
7 low income portion of the Systems Benefits Charge to 1.5
8 mills per kilowatt-hour effective October 1, and to review
9 the status of implementation of various programmatic
10 recommendations approved in previous orders. An order of
11 notice was issued on September 4 setting the hearing for
12 today, and, among other things, that order indicated that
13 the electric utilities are mandatory parties.

14 I also note for the record that the
15 Consumer Advocate has filed its Notice of Participation.
16 And, the affidavit of publication has been filed. And, we
17 also have a Petition to Intervene from The Way Home.

18 So, if we can take appearances please.

19 MR. EATON: For Public Service Company
20 of New Hampshire, my name is Gerald M. Eaton. Good
21 morning.

22 CHAIRMAN GETZ: Good morning.

23 CMSR. MORRISON: Good morning.

24 CMSR. BELOW: Good morning.

{DE 08-097} (09-23-08)

1 MR. DEAN: Good morning. Mark Dean, on
2 behalf of the New Hampshire Electric Cooperative.

3 CHAIRMAN GETZ: Good morning.

4 CMSR. MORRISON: Good morning.

5 CMSR. BELOW: Good morning.

6 MS. BLACKMORE: Good morning. My name
7 is Alexandra Blackmore and I'm appearing on behalf of
8 National Grid.

9 CHAIRMAN GETZ: Good morning.

10 CMSR. MORRISON: Good morning.

11 CMSR. BELOW: Good morning.

12 MR. EPLER: Gary Epler, on behalf of
13 Unitil Energy Systems, Inc. Good morning.

14 CHAIRMAN GETZ: Good morning.

15 CMSR. MORRISON: Good morning.

16 CMSR. BELOW: Good morning.

17 MS. NOLIN: Shannon Nolin, on behalf of
18 New Hampshire Community Action Agencies.

19 CHAIRMAN GETZ: Good morning.

20 CMSR. BELOW: Good morning.

21 CMSR. MORRISON: Good morning.

22 MR. LINDER: Good morning. Alan Linder,
23 from New Hampshire Legal Assistance, representing The Way
24 Home. And, with me from The Way Home, is Diane Pitts, the

1 Director of Housing Services.

2 CHAIRMAN GETZ: Good morning.

3 CMSR. MORRISON: Good morning.

4 CMSR. BELOW: Good morning.

5 MS. HOLLENBERG: Good morning. Rorie
6 Hollenberg and Christina Martin, here for the Office of
7 Consumer Advocate.

8 CHAIRMAN GETZ: Good morning.

9 CMSR. MORRISON: Good morning.

10 CMSR. BELOW: Good morning.

11 MR. DAMON: Good morning, Commissioners.
12 Edward N. Damon, for the Staff. And, with me this morning
13 are Amanda Noonan and Robert Rohnstock.

14 CHAIRMAN GETZ: Good morning.

15 CMSR. MORRISON: Good morning.

16 CMSR. BELOW: Good morning.

17 CHAIRMAN GETZ: Is there any objection
18 to the Petition to Intervene by Mr. Linder?

19 (No verbal response)

20 CHAIRMAN GETZ: Hearing no objection,
21 and recognizing that the New Hampshire Legal Assistance
22 and The Way Home have demonstrated rights, duties,
23 privileges, or other interests that will be affected by
24 this proceeding, we'll grant the Petition to Intervene.

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 And, is there agreement on how we're
2 going to proceed this morning?

3 MR. DAMON: Yes, there is. We would
4 like to present, for the Commission's consideration, a
5 panel of three people to discuss the matters that were
6 noticed in the order of notice.

7 CHAIRMAN GETZ: Please proceed.

8 MR. DAMON: Okay.

9 (Whereupon Gilbert E. Gelineau, Jr.,
10 Shannon Nolin, and Amanda O. Noonan were
11 duly sworn and cautioned by the Court
12 Reporter.)

13 GILBERT E. GELINEAU, JR., SWORN

14 SHANNON NOLIN, SWORN

15 AMANDA O. NOONAN, SWORN

16 DIRECT EXAMINATION

17 BY MR. DAMON:

18 Q. Good morning.

19 A. (Noonan) Good morning.

20 A. (Nolin) Good morning.

21 Q. Could you each please state your name and business
22 association for the record please.

23 A. (Nolin) Shannon Nolin, New Hampshire Community Action
24 Agencies.

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

- 1 A. (Noonan) Amanda Noonan, Consumer Affairs Director at
2 the New Hampshire Public Utilities Commission.
- 3 A. (Gelineau) Gilbert Gelineau, Public Service Company of
4 New Hampshire.
- 5 Q. And, would each of you briefly describe for the record
6 your involvement with the Low Income Energy Assistance
7 Program.
- 8 A. (Nolin) I am the New Hampshire Electric Assistance
9 Program Director. And, I work at Belknap-Merrimack
10 Community Action Agency, which serves as the lead
11 agency for the statewide program.
- 12 A. (Noonan) I'm the Staff person at the Commission
13 responsible for overseeing the administration of the
14 Electric Assistance Program.
- 15 A. (Gelineau) I have been involved in the administration
16 and design of the program since its inception
17 representing Public Service Company of New Hampshire.
- 18 Q. I'd like to begin, Mr. Gelineau, with a couple of
19 questions for you. And, I would show you a document
20 dated August 13, 2008, and ask you if you could please
21 identify that document?
- 22 A. (Gelineau) This is the recommendations of the Advisory
23 Board after a review of the program in July of this
24 year.

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 Q. And, on what topics are covered in that recommendation?

2 What do the recommendations relate to?

3 A. (Gelineau) They relate to changes, a recommended change

4 to the program whereby the Systems Benefits Charge

5 would be increased from 1.2 mills per kilowatt-hour to

6 1.5 mills per kilowatt-hour, is the essence of the

7 recommendation.

8 MR. DAMON: And, just for the record,

9 that will be marked as "Exhibit 1"?

10 CHAIRMAN GETZ: It will be so marked.

11 (The document, as described, was

12 herewith marked as Exhibit 1 for

13 identification.)

14 BY MR. DAMON:

15 Q. And, could you please summarize the recommendations and

16 the reasons for the recommendation?

17 A. (Gelineau) Yes. Before I get to that, I just wanted to

18 just quickly review an order that was issued by the

19 Commission in January of this year. And, in that

20 order, there are three key points that were approved by

21 the Commission, actually, they were goals for the

22 program. And, those goals were that the program

23 should, to the best of its ability within the budgets

24 established, try and serve 30,000 participants. It

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 should attempt to minimize customers on any wait list.
2 And, it should attempt to provide the greatest benefits
3 to the most needy in the program. So, those goals were
4 the guide posts, if you will, that the Advisory Board
5 used in trying to assess "where is the program?" At
6 its meeting in July, the Advisory Board took a look at
7 the program and found that there were some 28,000
8 customers that were currently enrolled in the program,
9 and the wait list was at 3,000 customers. And, it had
10 grown to 3,000 customers over the period from October
11 of 2007, when it was approximately 1,200, to the
12 current -- to the then current in July of 3,000.

13 We also noted that, looking ahead, we
14 did some projections, in terms of the funding level,
15 and what could the funding level support at current
16 funding levels. And, we determined that the program
17 would only be able to support, on an ongoing basis,
18 about 25,000 customers. So, there would be, in effect,
19 we'd move from having 28,000 customers and a wait list
20 of 3,000, to serving 25,000 customers and a wait list
21 of 6,000 or so.

22 The Board also looked at -- so, those
23 are two of the criteria that we were failing to meet at
24 this particular point. We were trying to get to 30,000

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 customers, and we were below that. We also had a wait
2 list, and part of the -- the other criterion was to
3 eliminate the wait list. The third criterion was to
4 try and direct benefits to those most in need. And, we
5 reviewed the discount levels, and found that the
6 discount levels, as they were established after a
7 review of the program in 2006, still seemed to be
8 working. That is, if you examined the discount levels,
9 the different tiers, that, within each tier, customers
10 were still receiving on average a benefit of -- that
11 allowed their annual electric bill, as a percent of
12 their income, was between 4 and 5 percent. So, this is
13 a criteria that had been -- criterion that had been
14 established in this review in 2006. And, that part of
15 the -- that goal for the program seemed to be being
16 met. But, as I say, we had two goals that weren't
17 being met. We weren't serving 30,000 customers, and we
18 did have a wait list.

19 So, our assessment then moved onto, you
20 know, "well, why is that? What happened?" And, I
21 think what we looked at was the fact that electric
22 rates had been going up. And, if you looked at the
23 electric rates over the period over the prior year,
24 from July of '07 to July of '09 ['08?], electric rates

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 had gone up approximately 10 percent. So, that was one
2 factor leading to our inability to serve the number of
3 customers with the available funding.

4 Another factor was a shift in
5 participation of the customers from discount tiers.
6 And, in particular, we have six discount tiers. And,
7 what had happened was that the smallest two discount
8 tiers, the discount tier of 5 percent and 7 percent,
9 customers had shifted out of those discount tiers and
10 moved into the upper discount tiers, that is the larger
11 discounts, 18, 33, 48 and 70 percent. So, we've moved
12 people from the lower discount tiers, 5 and 7 percent,
13 into these other discount tiers, where they were
14 getting a larger discount. So, those two factors, the
15 increase in electric rates, along with a shift in the
16 participation levels, in the discount levels, such that
17 the average person was getting a slightly higher
18 discount, caused -- put pressure on the program in
19 terms of its funding and ability to serve the number of
20 customers that we had set out to have as far as our
21 goals were concerned.

22 Some other factors that the Board
23 considered was the current state of the economy, and,
24 in particular, energy. If we looked at energy prices,

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 we found that, over the current -- over the program
2 year, from October 2007 through July, when we did the
3 examination, we found that heating oil prices had gone
4 up 71 percent, propane had gone up 32 percent, gasoline
5 was up 50 percent. So, in terms of anticipated demand,
6 we would say that, you know, potentially customers are
7 going -- we're going to see more customers coming to
8 the program. So, we have a program that's stressed to
9 start with, in terms of being able to serve the number
10 of customers that we needed to serve. We also had an
11 issue with the anticipated demand might go up.

12 It turns out that, if we look at the
13 Fuel Assistance Program as a leading indicator, we can
14 find that, as of the end of last week, Fuel Assistance
15 applications are up more than 30 percent over the same
16 -- at this same point last year. So, if we look at the
17 weekend ending September 19th last year, as opposed to
18 this year, the applications are up more than
19 30 percent. The numbers of households that have been
20 approved for the program are up more than 20 percent.
21 So, our concerns were -- have, in fact, started to come
22 true, in terms of the demand for programs such as the
23 Fuel Assistance Program, as the Electric Assistance
24 Program, is there and it is increasing.

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 So, the next thing we looked at "well,
2 what can we do?" Well, one of the things we could look
3 at would be to change the discount level, but, as I
4 said, that's the only thing that seems to be working
5 right. The discount level is at the proper level,
6 because it's meeting the guidelines that had been
7 established in the 2006 review of the program and
8 agreed to in terms of or approved by the Commission in
9 its order in January of this year.

10 Another approach to try and relieve
11 pressure on the program might be to reduce the number
12 of participants, but that's contrary to what the goals
13 are. Again, we're already not meeting our
14 participation goals.

15 And, really, the only remaining avenue
16 seemed to be "Well, what can we do about funding?"
17 Well, the program funding is currently at 1.2 mills per
18 kilowatt-hour, and legislation is in place such that
19 the Commission has the wherewithal to increase the
20 Systems Benefits Charge, or the low income portion of
21 the Systems Benefits Charge, as high as 1.5 mills per
22 kilowatt-hour. Increasing the Systems Benefits Charge
23 from 1.2 to 1.5 mills per kilowatt-hour provides an
24 additional \$3.3 million across the state. And, if we

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 look at what the impact of that is, in terms of our
2 ability to serve additional customers, it would allow
3 us to serve upwards of 34,000 customers would be our
4 estimate. So, the additional, raising the System
5 Benefits Charge from 1.2 to 1.5 mills creates an
6 additional \$3.3 million, allowing us to serve upwards
7 of 34,000 customers. The 34,000 customers would
8 include the 28,000 that are currently on the program.
9 It would allow us to have participation of the 3,000
10 who are currently on the wait list. And, it would
11 provide room for an additional 3,000 customers to
12 participate in the program, in anticipation of this
13 seemingly additional demand that we can expect this
14 winter.

15 So, that's -- that's where the
16 recommendation is coming from. Certainly, one of the
17 things that is another factor that needs to be
18 considered, as the Commission weighs on its decision,
19 is, you know, "What is the impact on customers?" And,
20 in our recommendation, you'll see that the impact on
21 residential customers, on an annual basis, is \$2.16.
22 So, the average residential customer will see an
23 increase in their annual bill of \$2.16. The average
24 small business customer will see an increase in the

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 neighborhood of \$7.50. And, the average large
2 commercial/industrial customer will see an increase in
3 their bills of approximately \$3,400. So, that's the
4 other side of the equation that needs to be considered
5 as you weigh these recommendations.

6 In summary, the Advisory Board is
7 recommending that the Commission increase the Systems
8 Benefits Charge from 1.2 to 1.5 mills, providing an
9 additional \$3.3 million, and allowing us to serve an
10 additional -- well, to move from serving 28,000
11 customers today, to being to have the potential to
12 serve 34,000 customers after this change in the Systems
13 Benefits Charge level.

14 I'll pause there and see if there are
15 any additional questions.

16 Q. Thank you, Mr. Gelineau. That was a very thorough and
17 logical explanation. I only would ask one more
18 question on this point. And, that is, is the
19 recommendation of the Advisory Board a consensus
20 recommendation or some other form of agreement on the
21 recommendation?

22 A. (Gelineau) It is a consensus of the Advisory Board,
23 yes.

24 Q. I'd like now, Ms. Noonan, to turn to the question of

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 the budgets. And, --

2 CHAIRMAN GETZ: Actually, before we go
3 off that, so I don't lose track of this question, --

4 MR. DAMON: Okay.

5 CHAIRMAN GETZ: -- I just want to follow
6 up with Mr. Gelineau. In looking at the August 13 letter
7 that's been marked for identification as "Exhibit Number
8 1", to make sure I've got the correct numbers of the
9 waiting lists. So, the current waiting list is 3,000.
10 And, it says "the Board expects demand for EAP to continue
11 to increase" and "the wait list to grow beyond 6,000".

12 WITNESS GELINEAU: The current, the wait
13 list as of July, when we did this review, was 3,000.
14 Actually, today, it's a little bit higher than that. I
15 think it's more like 38-ish, something like that?

16 WITNESS NOLIN: 4,200.

17 WITNESS GELINEAU: 42, okay. So, it's
18 continuing to grow. And, this is what we had anticipated.
19 You had mentioned "6,000". I think that what the "6,000"
20 number comes from the idea that, from a financial
21 viability standpoint, we would need to move the program to
22 25,000 participants, which would increase the wait list by
23 3,000. And, using the numbers that we were using in July,
24 with a wait list of 3,000, and adding another 3,000,

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 that's where the "6,000" number comes from. Moving 28,000
2 to 25 creates 3,000 additional wait listed customers, you
3 already had 3,000 on the wait list. That's your total of
4 6,000.

5 CHAIRMAN GETZ: Okay. That gets you to
6 31,000.

7 WITNESS GELINEAU: Right.

8 CHAIRMAN GETZ: That's what I've been
9 trying to make sure I understand. If your -- Your
10 recommendation would serve 34,000 people?

11 WITNESS GELINEAU: Correct.

12 CHAIRMAN GETZ: And that substantially
13 takes care of the expected growth in the wait list?

14 WITNESS GELINEAU: It provides some
15 headroom. In other words, if we had people -- well, right
16 now, if we took the actual numbers of 42, and added it to
17 28, it's actually -- some of this headroom, if you will,
18 that will be created by increasing the Systems Benefits
19 Charge has already been used up. But it does still
20 provide some additional room for additional participation.

21 CHAIRMAN GETZ: Thank you.

22 CMSR. BELOW: And, I'd like to follow
23 up, just to understand the numbers a little better. If
24 you took -- you're saying the current program funding, at

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 1.2 mills, combined with current electric rates and this
2 shift towards a slightly higher average percentage
3 discount per participant, suggests that the current
4 funding level could only support about 25,000 households
5 on an ongoing basis, is that correct?

6 WITNESS GELINEAU: That's correct.

7 CMSR. BELOW: And, if we -- And, going
8 from 1.2 mills to 1.8 mills would be a 25 percent
9 increase, that --

10 WITNESS GELINEAU: 1.5 mills, not "1.8".

11 CMSR. BELOW: Right. I'm sorry. I was
12 looking at the "\$0.18 cents per month". Going from the
13 1.2 mills to 1.5 mills, that 0.3 mill increase is
14 25 percent of the current 1.2 mills, is that correct?

15 WITNESS GELINEAU: Yes, that's correct.

16 CMSR. BELOW: Okay. So, if the
17 additional participants had the same average discount on
18 the same average bill as existing participants, the 25,000
19 you're assuming you could support on a sustainable basis,
20 that would suggest a 25 percent increase over 25,000,
21 which is an additional 6,250, which would only be 31,250
22 total, compared to what you've said is maybe 34,000 that
23 it could support at 1.5 mills. And, just to also, in
24 contrast, if you took 28,000, which are being served now,

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 and increased that by 25 percent, that's an additional
2 7,000, which would be 35,000. Your 34,000 is between
3 those two numbers. Can you explain that? Is that due,
4 perhaps, to the fact that the average percentage discount
5 for people on the wait list and additional people would be
6 less than the current average participant?

7 WITNESS GELINEAU: Bingo. Yes. That's
8 the answer.

9 CMSR. BELOW: Okay.

10 WITNESS GELINEAU: Essentially, what's
11 happening is that, because the system is designed to or
12 one of the criterion is to serve the most needy first, the
13 wait list, over a period of time, will tend to have those
14 who would fall into the lowest discount level or the
15 highest percent -- the highest percent of poverty level,
16 so that their discounts would more likely be of a
17 5 percent or the 7 percent level, as opposed to the 33 or
18 70 percent level, for example. And, therefore, when we
19 did the calculations, we took that into account and came
20 up with the numbers that we did.

21 CMSR. BELOW: Okay. Thank you.

22 MR. DAMON: Thank you.

23 BY MR. DAMON:

24 Q. Ms. Noonan, I'm going to show you a document that's a

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 memorandum dated September 19th, 2008, and ask you if
2 you can identify that please?

3 A. (Noonan) This is a memo that was -- I submitted in
4 08-097, relative to the proposed budgets for the
5 2008-2009 EAP Program Year.

6 MR. DAMON: I'd like to over this as the
7 next exhibit. And, I'll give this to the Clerk.

8 CHAIRMAN GETZ: It will be marked for
9 identification as "Exhibit Number 2".

10 (The document, as described, was
11 herewith marked as Exhibit 2 for
12 identification.)

13 BY MR. DAMON:

14 Q. And, while I'm still up, let me show you also another
15 package of documents, which purport to be the complete
16 underlying budgets that have been submitted to the
17 Commission in this docket.

18 A. (Noonan) Yes. These are the budgets of the
19 participating utilities, Community Action Agencies, and
20 the Office of Energy and Planning for the 2008-2009 EAP
21 Program Year.

22 MR. DAMON: And, I'd like to offer this
23 as the next exhibit as a package.

24 CHAIRMAN GETZ: Okay. It will be marked
{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 for identification as "Exhibit Number 3".

2 (The document, as described, was
3 herewith marked as Exhibit 3 for
4 identification.)

5 BY MR. DAMON:

6 Q. Ms. Noonan, could you please summarize your memorandum
7 regarding the budgets and the recommendations regarding
8 them?

9 A. (Noonan) Certainly. Each year the participating
10 utilities, the Community Action Agencies, and OEP
11 submit their budgets for the upcoming program year, and
12 the EAP program year runs October 1 through
13 September 30th. These budgets, for the utility
14 budgets, consist of things such as production and
15 printing of educational materials, customer service,
16 legal service, IT support/computer support for the
17 Electric Assistance Program. OEP's budget consists of
18 its role within the Electric Assistance Program in
19 order to provide process evaluation services every
20 three years, to look at whether the program has met the
21 level of need within the limits of the available
22 Systems Benefits Charge, whether the program conforms
23 to program guidelines, and whether it operates
24 efficiently. And, then, the Community Action Agency

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 budget, their costs are directly related to their
2 administration of the Electric Assistance Program, such
3 as client outreach, intake, application processing,
4 monitoring and compliance reporting, those types of
5 activities.

6 The budgets for the 2008-2009 Program
7 Year, in total, are lower than those for the 2007-2008
8 Program Year. I would note, however, that the
9 2007-2008 EAP Program Year budgets had some items in
10 there that were one-time costs. You may recall, in
11 last year's proceeding, to look at the Electric
12 Assistance Program and the efficiency of the program,
13 were there ways to streamline it? There were a number
14 of IT initiatives identified, primarily for the
15 Community Action Agencies, to help streamline their
16 operation. And, the cost of achieving those were
17 included in the 2007-2008 budget. So, when you remove
18 those costs, and you look at the pure ongoing
19 administrative costs for the program, the 2008-2009
20 budget is slightly higher, 1.64 percent higher than the
21 prior year.

22 Looking at those costs in more detail,
23 they're primarily driven by increases that the
24 Community Action Agencies are experiencing in their

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 budget, increased benefit costs for their employees,
2 increased travel costs, outreach out to clients that
3 cannot or will not be able to make it into the office
4 this year, either for medical or for just cost reasons
5 of not being able to afford to drive to the office.
6 So, their costs have increased in terms of the cost of
7 traveling and the increased cost of gasoline. The need
8 to replace some aging computer equipment that was
9 purchased when the EAP was first started, in 2002, and
10 that equipment is now being phased out. So, there are
11 some portions of those costs in this year's budget.
12 And, increases in their own energy costs for their
13 facilities that house their staff that administer the
14 program.

15 Those are the primary drivers in the
16 approximately two percent increase in the CAP budget
17 and the overall 1.64 percent increase in the total
18 2008-2009 EAP Program Year budget. Clearly, what's not
19 said there is that the utility budgets have decreased
20 slightly to offset that increase in the CAP budget.

21 Q. And, as I understand it, the OEP's budget has stayed
22 the same as the last year?

23 A. (Noonan) Yes, that's correct. The Office of Energy and
24 Planning's budget has no change from its budget from

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 last year.

2 Q. Ms. Noonan, in your opinion are these proposed budgets
3 reasonable?

4 A. (Noonan) Yes. Reviewing the utility costs, these are
5 expenses that the utilities would not incur absent the
6 Electric Assistance Program, and they're all reasonable
7 costs associated with the administration of that
8 program. The same is true for the Community Action
9 Agency costs, they're all directly related to their
10 administration of the Electric Assistance Program.
11 And, OEP's proposed costs are also directly related to
12 their role in the Electric Assistance Program.

13 Q. And, I take it that you recommend the Commission
14 approve these proposed budgets as filed?

15 A. (Noonan) I do.

16 Q. Now, you had a technical session with the utilities and
17 the other participants presenting budgets. And, I
18 would ask you, were there any outstanding issues that
19 were discussed during those -- during that technical
20 session regarding the budgets?

21 A. (Noonan) No. There was general discussion about the
22 budgets, what was different from prior years, what some
23 of the drivers might have been, but there were no
24 outstanding issues after that technical session.

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 Q. And, were there any objections on the part of any
2 participant to the budgets as presented?

3 A. (Noonan) There were none voiced at the technical
4 session.

5 Q. Okay. Thank you very much. Ms. Nolin, I'd direct my
6 last questions to you. And, I think what I would do is
7 start off by asking you to give an update regarding the
8 items that were to be accomplished as a result of last
9 year's extensive review of the Energy Assistance
10 Program. I know there's a number of items, and let me
11 just clue you into what they are, and maybe you could
12 explain what the recommendation or what the plan as
13 announced last year was, and then address what has been
14 done, if anything, to implement those items.

15 A. (Nolin) Okay.

16 Q. Okay? And, I'd start off with the matter of the
17 recertification of program participants and
18 streamlining the notice process?

19 A. (Nolin) Okay. The streamlining of the notification
20 process is that previously we had contacted the
21 participants with two letters and a phone call; 97 days
22 out, 67 days out, and a phone call at 37 days. And, it
23 was recommended that we, as a cost-saving measure, go
24 to one letter and one phone call. And, so, we have

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 implemented that. We send one letter at 45 days out,
2 and this is for their recertification, to notify them
3 that their certification is coming up. And, we also
4 have changed and chosen to send that letter on yellow
5 paper, so that it gets their attention. And, then, 20
6 days out from their date of certification,
7 recertification, we call them, and remind them that
8 they need to come in to recertify or they will lose
9 their discount. And, that has resulted in some cost
10 savings, probably slightly less than what was
11 originally anticipated, which was around 22,000, simply
12 because of the cost of postage had increased when that
13 estimate was provided.

14 Q. Has the experience of the Community Action Agencies, in
15 implementing this change, been favorable as far as the
16 operation of the program itself goes?

17 A. (Nolin) Yes, it has.

18 Q. Okay. Next, there was an action item regarding a file
19 transfer format and the unique identifier, and could
20 you just identify what the Community Action -- what was
21 going to happen and what has happened?

22 A. Certainly. There were -- In the past, the files were
23 transmitted in a CSV format, which resulted in problems
24 when the utilities opened those files, they would be

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 opening them in Excel, and it would drop the leading
2 zero, creating a lot of transmission errors, problems
3 with getting people on the program. And, so, it was
4 recommended that the file format be changed, so that
5 those transmission errors would be reduced. And, that
6 has taken place, and we no longer have the problem with
7 the leading zeros in the opening of the files.

8 Q. Okay. Next, automating utility enrollment. And, I
9 don't know if that's perhaps a question for you or for
10 Gil, depending on how you want to handle that one.

11 A. (Nolin) Well, the recommendation was to look at
12 transmission errors over the 12 -- over a 12-month
13 period. And, that's something that we've done. Adding
14 the Excel format to the files has certainly decreased
15 the number of errors in that, so that we -- we've not
16 automated the utility enrollment process at this point.
17 But, looking at the error rate, it has been decreased.
18 And, so, therefore, part of the problem has been taken
19 care of. I think the automatic enrollment will
20 eventually, down the road, we can look to program that,
21 so that we can send -- we do daily enrollments to the
22 utilities, however, then they manually input these
23 participants in their system. So, in the future, we're
24 hopeful that we can work and -- work through getting

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 that to be an automated process.

2 One reason we didn't proceed this year
3 is we had two utilities that had major account number
4 conversions. And, not knowing, you know, exactly how
5 that was all going to play out, we wanted to wait on
6 some of these until after that happened. I'm happy to
7 report it happened, and we've done well with the
8 conversion.

9 Q. Okay. Now, the order that dealt with this, Order
10 Number 24,795, states that "The Advisory Board will
11 further consider the matter of automating the utility
12 enrollment process." Has that actually occurred yet or
13 are you still trying to obtain more data before you
14 decide what to do on this point?

15 A. (Nolin) We're still trying to obtain more data at this
16 point.

17 Q. Another item was the removal of participants from the
18 EAP, that is software to generate the removal list that
19 will be transmitted to the utilities?

20 A. (Nolin) Yes, that's something that, again, we did want
21 to wait until after we got through the PSNH conversion.
22 That's something that we will be having our IT people
23 looking at to proceed with the utilities, now that
24 those are complete.

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 Q. And, Mr. Gelineau, can you tell us when is that
2 conversion expected to be completed?

3 A. (Gelineau) I can address -- There were several
4 utilities that did conversions. I can address the one
5 that Public Service has undertaken. And, right now,
6 that conversion has already taken place. It was
7 initiated over the Fourth of July, and it is in place
8 now.

9 Q. So, is this an item that can move forward, now that
10 Public Service's conversion has taken place?

11 A. (Nolin) Yes.

12 A. (Gelineau) Yes, but I'm going to say "Yes, but". I
13 think that, at this point, this system that we're
14 working with, that we're using, is actually being used
15 not only by Public Service, but all of the operating
16 companies served by Northeast Utilities. So,
17 currently, we have two of those four operating
18 companies that are on the system. We have another two
19 that are going to be converted in October, mid October.
20 And, right now, we're not making any changes to the
21 system, because of trying to keep the system stable
22 during the times that other companies are being
23 converted to it. So, we are going to be in a position
24 I expect next year to make changes, but right now we're

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 in what I'll call a "lock down mode" on this system,

2 and not making any changes in it right now.

3 Q. Okay. By "next year", you're speaking about the next
4 calendar year or the next program year?

5 A. (Gelineau) Yes, could be both. But, I mean, it would
6 not take place until the next, until 2009. So, it's
7 not something that could take place, for example,
8 October 1st of this year.

9 Q. Okay. Okay, Ms. Nolin, going back to you. There were
10 a number, in fact, six changes suggested regarding the
11 EAP software and system platform measures. And, if you
12 could just sort of summarize what those are. Or, maybe
13 the better way to do that would be, perhaps from the
14 other way, of the six suggested changes to be
15 implemented, have all of them been implemented or are
16 there any that still remain to be implemented?

17 A. (Nolin) I'm not exactly sure on the six. I do have
18 some listed out myself. One of them being there was a
19 recommendation that the data from the utilities to the
20 EAP system be encrypted.

21 Q. Right.

22 A. (Nolin) And, that we have completed the process with
23 one utility, started the process with another utility,
24 and, again, wanting to wait until the conversion to get

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 through with PSNH, you know, before we started that
2 process. But that will -- we will initiate that
3 process with them.

4 Q. So, that's in progress?

5 A. (Nolin) Yes.

6 Q. Yes. Okay.

7 A. (Nolin) Another was that the daily enrollment files
8 that we send to the utilities, in the past, they had
9 just been sent as an e-mail attachment. And, we now
10 have a secure hyperlink where the utilities go to and
11 pick up their files. So, that's been secured. Also
12 discussed was e-mail communications between the
13 Community Action Agencies and the utilities being
14 encrypted. It was not a recommendation to do that,
15 however, it was discussed that we would look into the
16 cost of doing that and look at that in the future.
17 And, that's something that we do have on our agenda.

18 There was internally generated and
19 validated internet certificates. Those have been
20 installed and secured or secured and installed. There
21 was recommendations to convert to a single system
22 platform for data storage, and that process -- and
23 funds were provided to do that, and that equipment has
24 been purchased and installed. The data migration has

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 taken place and is being tested currently. We do have
2 -- also was recommended that daily backups were done
3 and off-site storage be secured, and that also has been
4 completed.

5 Q. Okay. Another item was the utilization of Microsoft
6 SQL Server 2005 reporting system, in order to perform
7 so called "ad hoc" reporting and information gathering.

8 A. (Nolin) Uh-huh.

9 Q. Could you update us on the status of that?

10 A. (Nolin) That is -- It is installed, it is useable.
11 It's -- I went to a couple of training sessions on how
12 to use it. My experience is not in computers, so it's
13 -- I'm able to develop simple reports. But we do have
14 someone on board that knows the software well and can
15 create ad hoc reports as needed.

16 Q. So, this new system appears to be working well, as far
17 as the Community Action Agency is concerned?

18 A. (Nolin) Yes.

19 Q. Now, there was another report, ad hoc reporting product
20 called "Report Mill", and the Community Action Agencies
21 were going to delay the final implementation of that in
22 order to concentrate on the Microsoft product. Is that
23 where that's at?

24 A. (Nolin) The Microsoft product replaced the Report Mill.

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 Q. Okay. And, the Community Action Agencies were also
2 going to establish three service level agreements, one
3 for software support, another for system management,
4 and a third for hardware support. Has that occurred?

5 A. (Nolin) We have service level agreements in place for
6 the system management and the hardware support. We do
7 not have one for the software support currently. We
8 did previously. We were notified that the former
9 software vendor was terminating the relationship with
10 us. And, we needed to get someone on board and in
11 place. So, we now have someone that is on a time and
12 materials basis. And, the RFP for the software support
13 will go out within the next quarter.

14 Q. Okay. Another item was eligibility referrals, and the
15 coordination of those with other agencies, in terms of
16 sharing income determination information for enrollment
17 purposes. And, that was perhaps a longer term project
18 than some of these other ones, but I understand that
19 there has been some work done on that in the last year?

20 A. (Nolin) The New Hampshire Community Action Agencies are
21 part of a group that is studying -- there's a project
22 called the "Front Door Access Project". And, the
23 Department of Health and Human Services is
24 investigating the -- looking at kind of one-stop

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 shopping, if you will. And, as a result of that, the
2 Community Action Agencies are on a working group.
3 There are community forums being held throughout the
4 state. And, part of that whole process is the sharing
5 of information. Basically, they are looking at using
6 the latest technology, being able to scan documents
7 that are needed by more than one social service agency
8 for the same participant. And, we -- a subcommittee
9 has been formed out of the EAP Working Group, that we
10 have not yet met, however, we were waiting to get
11 results and an update from the Community Action
12 Agencies, as far as where that whole process is. And,
13 that is something that, as Community Action Agencies,
14 we'll be looking to work with them on that. And, EAP
15 would certainly be a part of that.

16 Q. So, on that, no recommendations have been made to the
17 Advisory Board yet regarding the feasibility of
18 developing and implementing a system like that?

19 A. (Nolin) That's correct.

20 Q. But that still is an action item in progress?

21 A. (Nolin) Yes.

22 MR. DAMON: Okay. Thank you. I have no
23 further questions.

24 CHAIRMAN GETZ: Thank you. Mr. Eaton.

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 MR. EATON: Thank you, Mr. Chairman.

2 BY MR. EATON:

3 Q. Mr. Gelineau, what date have the utilities or the
4 Advisory Board proposed for the rate change to take
5 place?

6 A. (Gelineau) October 1st, 2008. This is the increase
7 from 1.2 to 1.5 that you're referring to?

8 Q. Yes.

9 A. (Gelineau) Yes.

10 Q. Are there any circumstances peculiar to PSNH concerning
11 the implementation of that rate change?

12 A. (Gelineau) Yes. In particular, Public Service is
13 seeking a waiver such that it would be able to
14 implement this rate change such that it would be done
15 on a bills rendered basis, as opposed to a service
16 rendered basis.

17 Q. And, what would the reason be for that?

18 A. (Gelineau) As the Company has discussed with Staff in
19 other venues, the system that we installed last July
20 has the capability to deal with bills on a service
21 rendered basis. However, the way the system was
22 initially set up, it is -- it's designed as a bills
23 rendered right now. Meaning that there are certain
24 billing modules that have tables in them, those tables

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 need to be changed, and the system needs to be retested
2 to operate on a service rendered basis. As it is right
3 now, we're unable to do a service rendered billing
4 adjustment. So, it needs -- So, we need to seek this
5 waiver until such time as these tables are modified.
6 It would be our intent, and it had been our intent to
7 be able to do this at the anticipated first billing
8 change in January of 2009. However, this, quite
9 frankly, this billing change wasn't anticipated when we
10 installed the system. And, consequently, we are in a
11 position, as I indicated earlier, where the system is
12 locked down because of the other operating companies
13 that are going to be moved into the system in mid
14 October. And, so, we come to a point where we are
15 seeking this waiver such that we would be able to offer
16 this or implement this rate adjustment October 1st on a
17 bills rendered basis.

18 MR. EATON: Specifically, Mr. Chairman,
19 that's New Hampshire Puc Rule 1203.05(b) and (c). We're
20 requesting that waiver herein.

21 CHAIRMAN GETZ: Thank you.

22 BY MR. EATON:

23 Q. Do you have anything to add to your testimony,
24 Mr. Gelineau?

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 A. (Gelineau) No, I don't. Thank you.

2 MR. EATON: Thank you. That's all I
3 have.

4 CHAIRMAN GETZ: Okay. I'm also going to
5 go around the room to give the opportunity to question the
6 witnesses. But, if any of the other utilities have issues
7 regarding "bills rendered" versus "service rendered", if
8 the counsel could address those issues at this point, that
9 would be helpful.

10 So, Mr. Dean, do you have questions or
11 an issue on the "bills rendered"?

12 MR. DEAN: I have no questions. And,
13 I'm unaware of any issue concerning the timing of the
14 billing, as far as the bills rendered or service rendered
15 basis.

16 CHAIRMAN GETZ: Thank you. Ms.
17 Blackmore?

18 MS. BLACKMORE: I have no questions of
19 the panel. And, I don't believe we have the same concern
20 about the billing.

21 CHAIRMAN GETZ: Thank you. Mr. Epler?

22 MR. EPLER: Yes. I have no questions.
23 And, we don't have any questions concerning the billing
24 matter.

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 CHAIRMAN GETZ: Thank you. Mr. Linder?

2 MR. LINDER: I do have a few questions,
3 and perhaps Ms. Nolin might be able to help us on this.

4 BY MR. LINDER:

5 Q. In the January 30th Order 24,820, that was referred to
6 earlier, on Pages 7 and 8, I think, Ms. Nolin, you have
7 a copy of that. And, I just wondered if you could
8 bring us up-to-date on the types of reports that we are
9 seeking to generate, so that those reports can be used
10 to help evaluate the EAP program. And, you may not
11 have an answer with respect to every report that's
12 listed on Pages 7 and 8 of the order. But, if you
13 could just kind of give us an overview of what kinds of
14 reports that are referenced in the Monitoring and
15 Evaluation Manual can now be produced and are being
16 produced and which ones we still need to work on?

17 A. (Nolin) Yes. Some of the reports listed on Page 8 of
18 this are "Ratio of Electric Bills to Income", and that
19 -- that I would have to check on, because I haven't
20 checked it in the recent past. "Program Participants
21 by Poverty Level", we do have that particular report.
22 "Participant Demographics" we have. "Program
23 Participation Reports" we have. "Timely Payment,
24 Complete Payments and Partial Payments and No

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 Payments", we do have reports, however, I would -- I
2 would not be able to verify their validity, simply
3 because we would need to -- one of the processes is to
4 check that against reports that may be generated by the
5 utilities, to have -- to be able to verify the results.
6 And, let's see, "Benefits Paid to Counties and Towns",
7 we have that information. We have "Denial and Waiting
8 List" information. I think that's those that are
9 listed there. Off the top of my head, I can't think --
10 there's a "Weekly EAP Status Report" that tracks the
11 number of participants by utilities. That's the one
12 that gets mailed out to all the parties. And, I can't
13 think of any others right now.

14 Q. And, the reports that can be produced now and that are
15 being produced, how frequently would you be looking at
16 them as the Statewide Administrator of the EAP?

17 A. (Nolin) Well, there are some that I look at daily, some
18 that I look at weekly and probably monthly, depending
19 how they fit into the program.

20 Q. And, are any ad hoc reports being produced at this
21 time?

22 A. (Nolin) Very simple ones. I've not tackled any big,
23 complicated ones yet.

24 Q. But would you expect that, by this time next year, that

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 basically all the reports that are referenced in the
2 order will be being produced on a regular basis and the
3 ad hoc reports will be being produced on a regular
4 basis by this time next year?

5 A. (Nolin) Yes.

6 Q. Okay. And, finally, you referenced the "Weekly EAP
7 Report" that shows the number of participants and the
8 number of folks on the waiting list and the number of
9 applications that have been denied, is that right?

10 A. (Nolin) Yes.

11 Q. And, currently, there's roughly about a little over
12 4,000 folks on the waiting list right now?

13 A. (Nolin) About 4,200.

14 Q. And, as the winter goes on, with the conditions that
15 Mr. Gelineau described in his testimony, would you
16 expect that waiting list to grow?

17 A. (Nolin) Yes. I would expect that we'll see many more
18 people this winter than in the past.

19 Q. And, Mr. Gelineau indicated that, compared to this time
20 last year, there are more applications for both Fuel
21 Assistance and EAP, would that be correct?

22 A. (Nolin) That is correct.

23 Q. And, you would expect the number -- you're expecting
24 the number of Fuel Assistance applicants to be a higher

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 number than last year?

2 A. (Nolin) Yes, definitely.

3 Q. And, are you seeing any particular -- are you seeing an
4 increase now in any particular categories of
5 applicants, such as elderly or any other category?

6 A. (Nolin) I think that, well, just to use a term in the
7 working force, people that are working, two-parent
8 households that are working coming in, they just can't
9 make ends meet, and so they're looking for assistance,
10 where, in the past, they never did.

11 Q. And, you're seeing much more of that now?

12 A. (Nolin) Yes.

13 MR. LINDER: Thank you very much.

14 WITNESS NOLIN: You're welcome.

15 MR. LINDER: I have no further
16 questions, your Honor.

17 CHAIRMAN GETZ: Thank you.

18 Ms. Hollenberg.

19 MS. HOLLENBERG: Thank you. Ms. Nolin,
20 I just have a few questions.

21 WITNESS NOLIN: Okay.

22 BY MS. HOLLENBERG:

23 Q. You mentioned, in terms of the three service level
24 agreements, that there was one not in place for the

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 software support, and that you "expect an RFP to go out
2 next quarter". Do you have a date specific when you
3 expect that RFP to go out?

4 A. (Nolin) No, I don't.

5 Q. When you say "next quarter", what do you mean by that?

6 A. (Nolin) Within the next quarter.

7 Q. Within the next quarter, which would be ending in
8 December?

9 A. (Nolin) Well, within the next three months.

10 Q. Within the next three months, okay. And, then, when
11 you talked "eligibility referrals", you discussed a
12 working group that the Community Action Agencies were
13 participating in, and that you're looking at scanning
14 documents to share between agencies, and then you
15 mentioned something about "waiting for an update from
16 the Community Action Agencies". Could you explain what
17 you meant by that?

18 A. (Nolin) That was to report back to the subcommittee of
19 the EAP Working Group, --

20 Q. And, what would --

21 A. (Nolin) -- for progress that the Community Action
22 Agencies have made with the HHS in that endeavor.

23 Q. To scan documents for sharing purposes or overall?

24 A. (Nolin) Overall.

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 Q. Okay. You just responded to some questions from The
2 Way Home about some reports, ad hoc reports. And, you
3 mentioned something about the "payment reports not
4 being valid". Could you explain what you meant by
5 that?

6 A. (Nolin) Well, without looking at them and being able to
7 reconcile them with utility reports, it's difficult for
8 me to verify the accuracy of them, is all I was trying
9 to say.

10 Q. So, you can -- So, you can run the reports, but you
11 would need to have a utility report to reconcile, in
12 order to confirm their validity?

13 A. (Nolin) Uh-huh.

14 MS. HOLLENBERG: Okay. If I could just
15 have one second please.

16 (Atty. Hollenberg conferring with Ms.
17 Martin.)

18 MS. HOLLENBERG: Thank you. I don't
19 have any further questions.

20 CHAIRMAN GETZ: Thank you. Mr. Damon?

21 MR. DAMON: Yes, I just have one
22 follow-up question I'd like to ask Ms. Noonan.

23 REDIRECT EXAMINATION

24 BY MR. DAMON:

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 Q. Public Service has requested a waiver so that it could
2 implement the rate increase on a bills rendered basis.
3 And, my question would be, if that waiver is granted,
4 does that somehow adversely affect how the EAP program,
5 as a whole, with respect to the other utilities,
6 operates?

7 A. (Noonan) No, I don't believe so. What it simply would
8 do is, if you applied the rate change on a service
9 rendered basis, customers that have usage in the month
10 of September and the month of October, on their bills
11 would only pay the higher System Benefit Charge on the
12 usage from October 1st forward, to whatever the end of
13 their bill cycle was. If you do it on a bills rendered
14 basis, your whole billing period, that rate change
15 would apply to your whole billing period. So, I guess,
16 in essence, it might even have a positive impact on the
17 Electric Assistance Program, because there would be
18 slightly more income coming into the program than if
19 you did it on a service rendered basis. So, I don't
20 think it would have an adverse impact on any of the
21 other utilities or the programs.

22 Q. So that it's possible and entirely feasible for Public
23 Service to go forward on a bills rendered basis, while
24 the other utilities go forward on a service rendered?

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 A. (Noonan) Yes.

2 MR. DAMON: Okay.

3 CHAIRMAN GETZ: So, I take it you're
4 saying that "there's no technical issue", but, to the
5 extent there is an issue, arguably it could be one of
6 equity with respect to PSNH customers versus other
7 customers?

8 WITNESS NOONAN: That's true, yes.

9 BY CMSR. BELOW:

10 Q. Yes, I have some questions on the budget, starting, I
11 guess, with Ms. Noonan. Are the budgets for the
12 utilities and the underlying CAP Agency budgets, in
13 effect, fixed, regardless of whether the revenue comes
14 from 1.2 mills or 1.5 mills?

15 A. (Noonan) Yes. There's no reflection within the
16 Community Action Agency's budget or that I'm aware of
17 within the utilities' budget of a higher EAP case load
18 if the System Benefit Charge were to be raised to 1.5
19 mills. So, there would be no adjustment upward or
20 downward.

21 Q. Okay. And, that's essentially because they take the
22 applications in any case and whether they're wait
23 listed or not doesn't affect the administrative costs
24 materially?

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 A. (Noonan) That's correct.

2 Q. And, you would agree, Ms. Nolin?

3 A. (Nolin) Yes.

4 Q. Okay. So, the effect of that is to say that an
5 incremental increase in the revenue, say from 1.2 mills
6 to 1.5 mills that's been recommended, all of that
7 incremental increase essentially goes towards benefits,
8 and not additional administrative cost, is that
9 correct?

10 A. (Noonan) That's correct.

11 Q. So, essentially, those additional dollars, that
12 additional 25 percent revenue, can also serve more
13 participants than the first set of dollars, because
14 there's not additional administrative cost from that?

15 A. (Noonan) Yes.

16 CMSR. BELOW: Okay. That's all.

17 BY CHAIRMAN GETZ:

18 Q. And, just following up, Ms. Noonan, on the question
19 about the PSNH bills rendered versus other companies
20 and service rendered, the incremental effect, I think
21 according to the recommendation, for a 600
22 kilowatt-hour bill is 18 cents a month. So, to the
23 extent that there is some differentiation, it would be
24 some portion of the 18 cents, and would you agree that

{DE 08-097} (09-23-08)

[WITNESS PANEL: Gelineau|Nolin|Noonan]

1 that is a negligible difference?

2 A. (Noonan) Yes, I would.

3 CHAIRMAN GETZ: Okay. Thank you. Any
4 other questions for the panel?

5 (No verbal response)

6 CHAIRMAN GETZ: Okay. Then, hearing
7 nothing, then you're excused. Thank you very much. Are
8 there any other witnesses to be tendered this morning?

9 (No verbal response)

10 CHAIRMAN GETZ: Okay. Then, is there
11 any objection to striking identifications and admitting
12 the exhibits into evidence?

13 (No verbal response)

14 CHAIRMAN GETZ: Hearing no objection,
15 they will be admitted into evidence. Is there anything
16 else to address, before we provide the opportunity for
17 closings?

18 (No verbal response)

19 CHAIRMAN GETZ: Hearing nothing, then
20 we'll start with Mr. Eaton.

21 MR. EATON: Thank you, Mr. Chairman. I
22 believe that the parties and the working group all believe
23 that this increase is needed in order to achieve the goals
24 that the Commission approved for no waiting list and to

{DE 08-097} (09-23-08)

1 serve the lower income tiers the best as possible. The
2 rate impact is minimal. I think we recommend that the
3 budgets are also reasonable, with very little change from
4 previous years. And, we'd also request that the
5 Commission grant the waiver that we've requested, so that
6 we could implement the increase on a bills rendered basis.
7 Thank you.

8 CHAIRMAN GETZ: Thank you. Mr. Dean.

9 MR. DEAN: Thank you. The Cooperative
10 fully supports the recommendations of the EAP Advisory
11 Group. And, I know that the Commission does not take
12 lightly the task of increasing electric rates, given the
13 current energy costs as they are. But I think that the
14 record here should reflect and I think your deliberations
15 be informed by the context of the past few years. Three
16 years ago, I guess it was, the Legislature met in an
17 emergency session to create an emergency sort of
18 augmentation of the Low Income Program. A year ago,
19 similar issues were before the Commission. And, it was
20 the Co-op's position at that time that the Systems
21 Benefits Charge, the low income portion, should rise to
22 1.5 mills. The Co-op, you know, didn't take that position
23 lightly, but it was concerned that the cost of energy and
24 the overall economic conditions warranted it. I think the

1 Advisory Group, the other parties, and the Commission, to
2 their credit, tried to figure out ways to still accomplish
3 the goals of the program without making that move. And,
4 so, the Commission did not make that increase, but instead
5 approved a fine-tuning of the tiers, so that benefits
6 could be more accurately targeted, so that, even though
7 the average benefit was reduced, which was something that
8 the Cooperative was arguing against at the time, it
9 appears that the program has continued with those
10 modifications to, for those that participate, meet that 4
11 to 5 percent threshold. In addition, the parties worked
12 and the Commission approved refinements, to attempt to
13 achieve even further efficiencies in the delivery of these
14 benefits over the last year.

15 So, while I know it is difficult to
16 contemplate even a small increase in the Systems Benefits
17 Charge, I think, from the context of the efforts that have
18 been made to try to make the program as efficient as
19 possible to try to avoid this increase as long as it could
20 be done under the circumstances, I think that you simply
21 reached the point where there really aren't any other
22 alternatives, if the goals that had previously been
23 annunciated are going to be achieved.

24 So, the Co-op urges you to adopt the

{DE 08-097} (09-23-08)

1 recommendations of the Advisory Committee.

2 CHAIRMAN GETZ: Thank you.

3 Ms. Blackmore.

4 MS. BLACKMORE: Thank you. National
5 Grid supports the Advisory Board recommendation to
6 increase the Systems Benefits Charge funding allocated to
7 the Low Income Electric Assistance Program. We believe
8 that it's appropriate at this time to increase funding for
9 the EAP, given the recent increases in heating costs,
10 gasoline, and other household expenses, and the increase
11 in the number of eligible households on the waiting list
12 for the EAP. Increasing the EAP funding is also
13 consistent with the goals for the EAP established in
14 Docket DE 06-079, in terms of the number of customers that
15 can be served on the program and the benefit levels that
16 can be provided. And, National Grid also supports the
17 2008-2009 EAP Program Year budgets as filed. Thank you.

18 CHAIRMAN GETZ: Thank you. Mr. Epler.

19 MR. EPLER: Yes. Thank you, Mr.
20 Chairman, Commissioners. Unutil, as well, supports the
21 recommendation to increase the low income portion of the
22 System Benefits Charge. And, we join in the comments of
23 our brethren utilities.

24 CHAIRMAN GETZ: Okay. Thank you. Ms.

{DE 08-097} (09-23-08)

1 Nolin.

2 MS. NOLIN: The New Hampshire Community
3 Action Agencies fully support the recommendation of the
4 EAP Advisory Board.

5 CHAIRMAN GETZ: Thank you. Mr. Linder.

6 MR. LINDER: Mr. Chairman and
7 Commissioners, The Way Home has been a member of the
8 Advisory Board for a number of years. We fully support
9 the recommendations of the Advisory Board to increase the
10 System Benefits Charge. I think the record supports the
11 fact that the -- the great need for the increase is shown
12 by the ever-growing number of applications. And, in order
13 to achieve the goals annunciated by the Commission in
14 prior orders, an increase up to the statutory maximum
15 allowed would be justified and in order.

16 We also support the proposed budgets of
17 the utilities and Community Action program and the OEP. I
18 think we have all worked over the years to streamline the
19 program to the maximum extent. And, I think the Community
20 Action Program have been doing an exemplary job of
21 administering the program with the limited funds that they
22 have. So, we do support the budget, the proposed budgets.

23 And, finally, we feel that the record
24 has shown that the Community Action Agency has been doing

{DE 08-097} (09-23-08)

1 its utmost to implement the recommendations and the action
2 steps that have been set forth in the prior Commission
3 order, and is continuing to fully implement all those
4 action steps. Thank you very much.

5 CHAIRMAN GETZ: Thank you.
6 Ms. Hollenberg.

7 MS. HOLLENBERG: Thank you. The Office
8 of Consumer Advocate supports the recommendation of the
9 EAP Advisory Board to increase the SBC to 1.5 mills. We
10 take no position on the budgets that have been filed.
11 And, we look forward to working with the other members of
12 the EAP Advisory Board Committee on the issues that were
13 identified in the last EAP docket and bringing those to
14 fruition. Thank you.

15 CHAIRMAN GETZ: Thank you. Mr. Damon.

16 MR. DAMON: Thank you. Staff certainly
17 supports the recommendation of the Advisory Board to
18 increase the level of the SBC rate. It also supports, as
19 Ms. Noonan has clearly testified, that the budgets
20 proposed for the next program year of 2008-2009 are
21 reasonable and should be approved. And, the Staff also
22 joins The Way Home in commending the Community Action
23 Agencies for continuing to make progress regarding
24 implementing the action steps that were outlined in prior

1 orders earlier this year and last year.

2 CHAIRMAN GETZ: Thank you. Is there
3 anything further from the parties?

4 CMSR. BELOW: I do have one question I'd
5 like to ask Mr. Gelineau. Is there a lag of a few days
6 between when meters are read, that is when service is
7 rendered, and when bills are rendered in your system?

8 MR. GELINEAU: Typically not. I mean,
9 typically, they would be -- they would be read on one day
10 and they would be billed that evening.

11 CMSR. BELOW: So, starting October 1st,
12 you would have bills rendered, bills rendered that include
13 service into October?

14 MR. GELINEAU: That's correct.

15 CMSR. BELOW: Okay. Thank you.

16 MR. GELINEAU: Depending on, you know,
17 yes, assuming they weren't read right at midnight, that's
18 correct.

19 CHAIRMAN GETZ: Okay. Then, I just
20 wanted to say in closing, thank you for all your hard work
21 and attention to this very important issue and coming
22 together on a recommendation. We'll close the hearing and
23 take the matter under advisement. Thank you, everyone.

24 (Whereupon the hearing ended at 11:17 a.m.)

{DE 08-097} (09-23-08)