

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: September 16, 2009

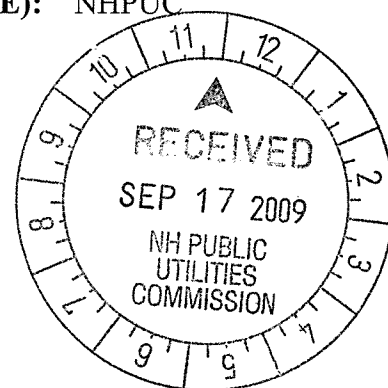
AT (OFFICE): NHPUC

FROM: Amanda O. Noonan 

SUBJECT: 09-135 Electric Assistance Program

TO: Commissioners
Executive Director

CC: Matthew Fossum



In accordance with Commission Order 23,980, Public Service of New Hampshire (PSNH), New Hampshire Electric Cooperative (NHEC), Unitil Energy Systems (UES), National Grid (NG), the Office of Energy and Planning (OEP), and the Community Action Agencies (CAA) filed their budgets for the upcoming Electric Assistance Program (EAP) program year on or before August 1, 2009. The EAP budget consists of the utilities' incremental costs to administer the EAP, the CAA administrative costs and OEP costs for program evaluation.

Utility incremental costs generally include expenses for the production and printing of educational materials such as posters and brochures, customer service, legal services and IT support and represent those expenses that would be reasonably incurred as part of the utility's administration of the EAP but would not be incurred absent EAP. Expenses included in OEP's budget relate to the triennial process evaluation which OEP will perform during this program year and OEP's participation in EAP advisory board meetings and other EAP related discussions. CAA costs are directly related to the administration of the EAP and include activities such as client outreach and intake, application processing, and monitoring compliance with program guidelines.

The proposed budget for the 2009-2010 EAP program year is shown below. Overall the 2009-2010 program year budget is 6.51% higher than the 2008-2009 program year budget.

Proposed EAP Utility Budgets 2009-2010 Program Year

	Utility and OEP Administrative Costs	CAA Administrative Costs	Total
PSNH	\$ 53,700.00	\$ 1,238,393.00	\$ 1,292,093.00
NHEC	\$ 3,500.00	\$ 149,154.00	\$ 152,654.00
NGRID	\$ 2,949.00	\$ 109,491.00	\$ 112,440.00
UNITIL	\$ 5,250.00	\$ 169,485.00	\$ 174,735.00
OEP	\$ 41,317.00	\$ -	\$ 41,317.00
TOTAL	\$ 106,716.00	\$ 1,666,523.00	\$ 1,773,239.00

The increase in the budget is attributable to the following: OEP's increased costs during this program year for performing the triennial EAP process review; cost of living wage increases and an increase in the cost of fringe benefits; increased program activity between PSNH and the CAAs; and software improvements planned for the 2009-2010 program year. The EAP advisory board had an opportunity to review and question the budgets. No objections to the budgets were raised by the advisory board.

2009/2010 program year

	Utility and OEP Administrative Costs	Change over 2008-2009 Program Year	CAA Administrative Costs	Change over 2008-2009 Program Year	Total 2009 – 2010	Change over 2008-2009 Program Year
PSNH	\$ 53,700.00	50.00%	\$ 1,238,393.00	4.48%	\$ 1,292,093.00	5.82%
NHEC	\$ 3,500.00	0.00%	\$ 149,154.00	3.90%	\$ 152,654.00	3.81%
National Grid	\$ 2,949.00	-6.35%	\$ 109,491.00	7.81%	\$ 112,440.00	7.39%
Unitil	\$ 5,250.00	0.96%	\$ 169,485.00	1.86%	\$ 174,735.00	1.84%
OEP	<u>\$ 41,317.00</u>	<u>101.45%</u>	<u>\$ -</u>	<u>0.00%</u>	<u>\$ 41,317.00</u>	<u>101.45%</u>
Total	\$ 106,716.00	56.57%	\$ 1,666,523.00	4.37%	\$ 1,773,239.61	6.51%

The increase in the budget is attributable to the following: OEP's increased costs during this program year for performing the triennial EAP process evaluation; cost of living wage increases and an increase in the cost of fringe benefits; increased program activity between PSNH and the CAAs; and software improvements planned for the 2009-2010 program year. The EAP advisory board had an opportunity to review and question the budgets. No objections to the budgets were raised by the advisory board.

Based upon my review and analysis, I recommend the Commission approve the 2009-2010 EAP program year budgets as filed.