

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: April 28, 2010

AT (OFFICE): NHPUC


FROM: Tom Frantz, Director – Electric Division

SUBJECT: DE 10-059 – Re-Core Revolving Loan Fund Tariffs of Public Service Company of New Hampshire, Unitil Energy Systems, Inc. and Granite State Electric Company d/b/a National Grid

TO: Commissioners
Executive Director
General Counsel



On August 19, 2009, the Governor and Council approved a contract to grant regional Greenhouse Gas Emissions Reduction Fund (GGERF) moneys to the electric distribution utilities for purposes of expanding their offerings under the Core energy efficiency programs. The electric utilities are Public Service Company of New Hampshire (PSNH), Unitil Energy Systems, Inc. (UES), Granite State Electric Company d/b/a National Grid (National Grid) and the New Hampshire Electric Cooperative (NHEC). The expanded Core programs are known as Re-Core. Pursuant to the contract, the utilities agreed to offer financing options for customer co-payments through on-bill financing as part of the Re-Core programs through a \$1.5 million revolving loan fund.

In March, National Grid, UES and PSNH filed their respective tariffs to implement energy efficiency on-bill financing associated with the Re-Core programs¹. On March 26, 2010, Staff filed a recommendation regarding the PSNH, UES and National Grid tariff proposals. Staff recommended that PSNH's proposed tariff did not require further review and should be allowed to go into effect after some minor changes were made, but that the tariff filings of UES and National Grid should be suspended to allow for additional review.

¹ On March 29, 2010, NHEC made an informational filing regarding its RGGI funded residential energy efficiency loan program that included proposed language additions to the Terms and Conditions of its tariff not subject to Commission jurisdiction and NHEC also included copies of its Member Agreement that it intends to use in its Residential Energy Efficiency Loan Program. NHEC stated in its filing that the language changes to its tariff are non-jurisdictional; therefore, Staff has neither reviewed nor taken a position on NHEC's filing.

PSNH

On April 13, 2010, PSNH submitted the original and two copies of updated tariff pages for its energy efficiency loan program that removed language to the tariff as recommended by Staff in its March 26, 2010 letter to the Commission. The change to PSNH's tariff language was the removal of the following language:

Customer Loan Amounts not fully paid by the Customer will reduce the amount of future revolving loan funds available for financing of future Customer Loan Amounts. The revolving loan fund is funded through a grant from the Greenhouse Gas Emissions Reduction fund created pursuant to RSA 125-Q:23 as administered by the Commission.

The PSNH filing also included an updated Customer Loan Agreement that clarifies to customers that their electric service will not be disconnected for failure to pay the fixed monthly installment amount of the loan and that PSNH will pay the loan amount directly to the contractor after certification by the customer that the work has been completed to the customer's satisfaction.

Staff has reviewed the PSNH tariff and the updated Customer Loan Agreement. Based on that review, Staff recommends that the Commission approved the tariff pages as filed on April 13, 2010. The pages are incorporated in Supplement No. 7 to Tariff NHPUC No. 6 and replace the original tariff pages filed as Supplement No. 7 on March 16, 2010.

National Grid

On April 7, 2010, based on discussions with Staff and in consideration of the issues raised in Staff's March 26 recommendation letter, National Grid withdrew its tariff. On April 12, 2010, National Grid filed new tariff pages and customer loan agreements regarding its Energy Efficiency Loan program. The new filing included:

- (1) N.H.P.U.C. No. 17 – Electricity, Original Page 115;
- (2) Residential Customer Loan Agreement;
- (3) N.H.P.U.C. No. 17 – Electricity, Original Page 116; and
- (4) Municipal Customer Loan Agreement.

Staff has reviewed the new tariff pages as well as the customer loan agreements and believes that the new filing adequately addresses the concerns Staff described in the March 26 letter to the Commission. Staff notes that National Grid's loan amounts differ from the other utilities, a point Staff raised in its March 26th letter. National Grid correctly points out that its loan limits are different than those of the other utilities as filed and approved in the Re-Core grant so its April 12th filing does not change the loan limits. Staff recommends that the Commission approve the April 12, 2010 tariff submission.

UES

On April 19, 2010, UES filed tariff pages to N.H.P.U.C. No. 3 regarding its on-bill financing program associated with Re-Core. UES had withdrawn N.H.P.U.C. No. 3, Tariff Page 110, its original filing, on April 7, 2010. The April 19th filing also included a copy of the customer loan agreement for the on-bill financing program for both residential and municipal customers. Staff notes that the cover letter stated that submission included Tariff Pages 110-114, but the filing only contained Tariff Pages 110-113 which are the correct numbered pages.

Staff has reviewed the tariff pages and loan agreements submitted by UES on April 19 (dated April 15 on its cover letter) and believes the filing adequately addresses the concerns Staff raised in its March 26 letter and should be approved as filed. The tariff pages include:

NHPUC No. 3 – Electricity Delivery	Original Page 110
NHPUC No. 3 – Electricity Delivery	Original Page 111
NHPUC No. 3 – Electricity Delivery	Original Page 112
NHPUC No. 3 – Electricity Delivery	Original Page 113

Summary Recommendation

Staff recommends that the tariffs filed by National Grid, PSNH and UES on April 12, 13, and 19, 2010, respectively, be approved at the earliest possible date so the companies can begin providing on-bill financing programs to customers as part of the Re-Core programs.

If you have any questions concerning these filings, please let know.