

DE 06-079

STATEWIDE LOW-INCOME ENERGY ASSISTANCE PROGRAM

Investigation into Program Design

Prehearing Conference Order

ORDER NO. 24,650

July 18, 2006

APPEARANCES: Gerald M. Eaton, Esq. for Public Service Company of New Hampshire; Leboeuf, Lamb, Greene & MacRae LLP by Maebh Purcell, Esq. for Unitil Energy Systems; Alexandra E. Blackmore, Esq. for Granite State Electric Co.; Devine, Millimet & Branch P.A. by Mark W. Dean, Esq. for New Hampshire Electric Cooperative, Inc.; New Hampshire Legal Assistance by Alan Linder, Esq. for The Way Home; Amy Ignatius, Esq. for the Office of Energy and Planning; Ralph Littlefield for the New Hampshire Community Action Association; Office of Consumer Advocate by Rorie Hollenberg, Esq. on behalf of residential ratepayers; and Edward N. Damon, Esq. of the Staff of the New Hampshire Public Utilities Commission.

I. PROCEDURAL HISTORY

The New Hampshire Public Utilities Commission (Commission) commenced this proceeding by Order of Notice entered on June 2, 2006, for the purpose of considering possible changes to the statewide low-income Electric Assistance Program (EAP) funded by ratepayers through the System Benefits Charge (SBC) authorized pursuant to RSA 374-F:3, VI. The Commission noted that (1) it had previously deferred a 2005 recommendation by the EAP Advisory Board to change the program eligibility level, (2) the Legislature conducted a special session in November 2005 and enacted N.H. Laws 2005, Chapter 298 (Senate Bill 228) that imposed certain temporary changes to the program and its claim on SBC funds for the purpose of making more assistance available during the winter of 2005-06, also establishing a Low-Income Electric Assistance Program Review Committee, and (3) the Commission received a letter on

May 19, 2006 from Governor Lynch urging the Commission to commence a proceeding to determine how best to provide assistance to low-income electric customers.

The Commission noted that the next EAP program year commences on October 1, 2006. Thus, it opened this proceeding to give timely consideration to consider possible changes to the program in advance of that date. The Order of Notice specified the issues to be considered as including but not necessarily limited to the extent to which it may be necessary to make short-term program revisions to account for impacts created by the temporary emergency low income program; the extent to which current program parameters should remain in place or be revised generally; whether the limited available assistance should be directed to a significantly larger target population, thereby reducing the average annual benefit; whether assistance should be provided for electric heating and, if so, to what extent; whether percentage of income targets should be maintained and, if so, what targets are appropriate in light of general inflation in energy costs relative to other costs and personal income; whether to introduce as a program parameter the concept of a basic service level for which assistance is available and the appropriate application of the provision in RSA 374-F:3, V(a) that restructuring should include “[p]rograms and mechanisms that enable residential customers with low incomes to manage and afford essential electricity requirements;” whether program benefit design should be utility specific or uniform; whether to limit program eligibility to customers at or below 150 percent of the Federal Poverty Guideline or otherwise; whether to maintain the SBC for low income program assistance at 1.2 mills per kWh or increase it up to the statutory limit of 1.5 mills per kWh; whether or to what extent energy efficiency program expenditures should be affected by any revisions to the low income program; and, the appropriate term of any program changes.

The Order of Notice scheduled a prehearing conference for July 11, 2006, and established a deadline for intervention petitions of July 6, 2006. The Office of Consumer Advocate (OCA) entered an appearance on behalf of residential ratepayers pursuant to RSA 363:28 II and, on June 30, 2006, filed a request that the Commission order an immediate moratorium on electric disconnections pursuant to N.H. Code Admin. Rules Puc 1203.11 on the ground of “imminent peril to the public’s health, safety or welfare” given the expiration of the temporary program authorized by Senate Bill 228. Timely petitions to intervene were submitted by The Way Home, a nonprofit organization that concerns itself with reducing homelessness in New Hampshire, and the Office of Energy and Planning (OEP).

At its meeting of July 6, 2006, the Commission denied OCA’s request for a disconnection moratorium, determining that the issues raised by the request are best resolved through the course of this proceeding. However, the Commission directed the state’s electric distribution utilities to send a letter to all customers who have been removed from the EAP on or after May 1, 2006, and not subsequently re-enrolled, advising them of their bill-payment options, the availability of energy efficiency measures that may help them reduce their electric bills, and resources that may be available to them for assistance. The only remaining issue is OCA’s proposal to apply the financial hardship provision from our rules on winter disconnections, Puc 1204, to customers on the EAP working list in July through October. In the circumstances before us, we are not persuaded that such a step is necessary and appropriate.

The prehearing conference took place as scheduled. At the prehearing conference, the Commission granted the pending intervention requests as consistent with RSA 541-A:32, I and heard the preliminary positions of the parties. Following the prehearing conference, Commission Staff convened a technical session for the purpose of discussing a procedural schedule to govern

the remainder of the docket. Staff submitted a proposed procedural schedule, agreed to by the participants at the technical session, on July 12, 2006.

II. PROCEDURAL SCHEDULE

The procedural schedule recommended by the participants in the technical session calls for a series of additional technical sessions (on July 21 and 28, and on August 4, 11 and 18) followed by the submission of a settlement agreement and/or individual program proposals on or before August 30, 2006. The participants recommended the scheduling of a hearing for September 6, 2006, with the preparation of an expedited transcript thereafter. They also requested that the Commission issue its order on the merits of the proceeding by September 30, 2006.

We share the preference, implicit in the proposed procedural schedule, for an approach to these issues that is collaborative and, where possible, consensus-based. However, we are concerned that the procedural schedule proposed by the participants in the technical session does not allow the Commission adequate time to formulate policy alternatives, to allow for their review by stakeholders and others concerned about the outcome, and ultimately to make a reasoned decision in time for the implementation of program changes at the commencement of the new program year on October 1, 2006.

Accordingly, we opt for an expedited and somewhat more structured approach than that which has been proposed, while still allowing for a full public discussion of alternatives as opposed to the Commission simply revising the program unilaterally. Specifically, we will, by July 27, 2006, circulate to the service list for this docket several distinct policy alternatives, reflecting different possible approaches to program design. We further adopt the suggestion to

schedule technical sessions on July 28, August 4 and 11 for the purpose of allowing the parties and Staff to discuss these alternatives and, if appropriate, to develop additional proposals. We will, on or before August 14, 2006, accept written comments consisting of assessments of the alternatives previously circulated and/or the submission of additional proposals for program design. Finally, we will conduct a hearing on August 17 at 10:00 a.m. for the purpose of giving the parties and Staff an opportunity to present any evidence and/or arguments they would like us to consider in making our decision.

By adopting this approach and timetable, it is our expectation that we will be able to make a decision in sufficient time to allow any program changes to be implemented as of October 1, 2006. While this process is somewhat more proactive from the decision makers' perspective than what we typically apply in a contested administrative proceeding, we believe that it will best move us forward on a timely basis and allow us to meet our statutory responsibilities to direct the use of the limited SBC funds available for low-income assistance in a manner that is most consistent with the public interest.

Based upon the foregoing, it is hereby

ORDERED, that the procedural schedule as proposed herein and as modified by the Commission is reasonable and hereby adopted.

By order of the Public Utilities Commission of New Hampshire this eighteenth day of
July, 2006.

Thomas B. Getz
Chairman

Graham J. Morrison
Commissioner

Clifton C. Below
Commissioner

Attested by:

Debra A. Howland
Executive Director & Secretary