

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 13-212

STATEWIDE LOW-INCOME ELECTRIC ASSISTANCE PROGRAM

2013-2014 Program Administrative Budgets

Order *Nisi* Approving Program Budgets

ORDER NO. 25,570

September 6, 2013

I. BACKGROUND

The purpose of this docket is to review the budgets for administering the statewide low-income electric assistance program (EAP) as required by *Statewide Low-Income Electric Assistance Program*, Order No. 23,980 (May 30, 2002). *See, e.g., Statewide Low-Income Electric Assistance Program*, Order No. 25,414 (Sept. 19, 2012). The EAP, funded by the system benefits charge (SBC), is operated by Granite State Electric Company d/b/a Liberty Energy NH (Liberty), New Hampshire Electric Cooperative, Inc. (NHEC), Public Service Company of New Hampshire (PSNH), and Unitil Energy Systems, Inc. (UES) (together, the Utilities) in conjunction with the Community Action Agencies (CAAs) and the Staff of the New Hampshire Public Utilities Commission (Staff). Staff and the Office of Energy and Planning (OEP) monitor, evaluate, and audit the EAP. The Utilities, the CAAs, and OEP submitted their budgets for the program year beginning October 1, 2013. Staff recommended approval of the proposed budgets by memorandum dated August 29, 2013.

As program administrators, the CAAs conduct client outreach and intake, application processing, enrollment of participants, and periodic review of ongoing program eligibility. The CAAs also monitor compliance with program guidelines. The Utilities provide EAP with

support in the form of educational materials, customer service, legal services, and IT support. The Utilities bill and collect the SBC, apply the EAP discounts to the bills of eligible customers, and add and remove customers as the CAAs direct. The Utilities' budgets consist of the expenses that they would not otherwise incur absent their support of EAP. OEP's budget is based on its participation in the EAP advisory board meetings and related discussions and, every third year, a mandated evaluation of the EAP.

The EAP now serves approximately 32,000 customers, with no waiting list, roughly the same number of customers it served at this time in 2012. The program is currently designed to provide benefits to about 33,500 customers.

II. COMMISSION ANALYSIS

In its report, Staff compared the proposed budget for 2013-2014 with the prior year's budget. Overall the 2013-2014 budget is 2.84% lower.

2013 - 2014 EAP Program Year Overall Budget

	CAA Costs	Utility Costs	OEP Costs	Total
2013-2014	\$1,802,946	\$14,044	\$7,000	\$1,823,990
2012-2013	\$1,780,694	\$61,944	\$34,707	\$1,877,345
Change over 2012-2013 PY	1.25%	(77.33%)	(79.83%)	(2.84%)

Two reasons explain the decrease. First, OEP prepared its triennial evaluation of EAP report during 2012-2013, as required by Order No. 24,820, but does not have to do so this year. Second, the overall budget for the Utilities has decreased, largely due to organizational changes at PSNH resulting from its merger with NStar. PSNH's labor costs attributed to EAP are

markedly lower, leading to an 88% reduction in PSNH's administrative 2013-2014 budget. The budgets of the other EAP participants remain relatively flat.

Staff reported that the 2013–2014 budgets were provided to all members of the EAP Advisory Board, which reviewed the budgets and conducted an informal discovery process. The Advisory Board, according to Staff, concluded that the expenses budgeted for the upcoming program year are reasonable. Staff recommended that the Commission approve the 2013-2014 EAP program year budgets as filed.

Based upon our analysis of the proposed 2013-2014 administrative budgets, comparing those budgets to the prior year, Staff Audit reports, and the recommendations of the Advisory Board and Staff, we find that the proposed budgets are reasonable and we therefore will approve them. As in prior years, Staff will review actual expenses incurred following the completion of the 2013-2014 program year and report the results back to the Commission.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the proposed EAP administrative budgets for the 2013-2014 program year (from October 1, 2013 through September 30, 2014) are hereby APPROVED; and it is

FURTHER ORDERED, that Commission Staff will review the EAP's actual incurred expenses following the completion of the 2013-2014 EAP program year and report the results back to the Commission; and it is

FURTHER ORDERED, that the Executive Director shall cause a copy of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than

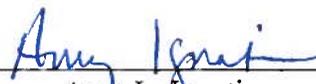
September 16, 2013, and to be documented by affidavit filed with this office on or before October 7, 2013; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than September 23, 2013, for the Commission's consideration; and it is

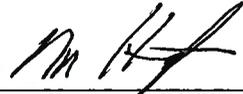
FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than September 30, 2013; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective October 7, 2013, unless the Commission provides otherwise in a supplemental order issued prior to the effective date,

By order of the Public Utilities Commission of New Hampshire this sixth day of September, 2013.



Amy L. Ignatius
Chairman

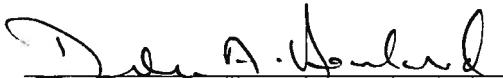


Michael D. Harrington
Commissioner



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director