

1 STATE OF NEW HAMPSHIRE  
2 PUBLIC UTILITIES COMMISSION  
3

4 April 21, 2009 - 9:27 a.m.  
5 Concord, New Hampshire

6 RE: DG 09-053  
7 NORTHERN UTILITIES, INC. d/b/a UNITIL:  
8 Proposed Gas Energy Efficiency  
9 Program Proposal for the Period  
Beginning May 1, 2009 Through  
December 31, 2010.

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

13 Connie Fillion, Clerk

14 APPEARANCES: Reptg. Northern Utilities, Inc. d/b/a Unitil:  
15 Gary M. Epler, Esq.

16 Reptg. Mary Polcheis:  
17 Alan Linder, Esq.  
18 Daniel Feltes, Esq.  
New Hampshire Legal Assistance

19 Reptg. N.H. Community Action Assn.:  
Dana Nute  
Charles Wolfe

20 Reptg. N.H. Office of Energy & Planning:  
21 Eric Steltzer

22

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

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

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Reptg. Residential Ratepayers:  
Meredith Hatfield, Esq., Consumer Advocate  
Kenneth E. Traum, Asst. Consumer Advocate  
Stephen Eckberg  
Office of Consumer Advocate

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Reptg. PUC Staff:  
Marcia A. B. Thunberg, Esq.  
James Cunningham, Electric Division  
Stephen Frink, Gas & Water Division

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## I N D E X

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Mr. Epler

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7 WITNESS:

DEBORAH A. JARVIS

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16 CLOSING STATEMENTS BY:

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Mr. Linder

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## E X H I B I T S

3

EXHIBIT NO.

D E S C R I P T I O N

PAGE NO.

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1

Gas Energy Efficiency Program  
 Proposal for the period  
 May 1, 2009 - December 31, 2010  
 (03-16-09)

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Revised Gas Energy Efficiency  
 Program Proposal [clean version]  
 (04-07-09)

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Revised Gas Energy Efficiency  
 Program Proposal [redline version]  
 (04-07-09)

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RESERVED (Language regarding  
 reporting as suggested from NHLA)

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RESERVED (Record request to  
 clarify whether the audit will  
 identify all measures)

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RESERVED (Record request  
 regarding research on programmable  
 thermostats related to a study by  
 GasNetworks)

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RESERVED (Record request for a  
 breakdown of Table III-5 regarding  
 Savings Goal and Estimated  
 Participation)

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RESERVED (Record request  
 for additional information on  
 the cost/benefit test...)

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

2 CHAIRMAN GETZ: Okay. Good morning,  
3 everyone. We'll open the hearing in docket DG 09-0563.  
4 On March 17, 2009, Northern Utilities, doing business as  
5 Unitil, filed its Energy Efficiency Plan for the 20 month  
6 period May 1, 2009 through December 31, 2010. Northern's  
7 current Energy Efficiency Plan was approved in docket DG  
8 06-036, and expires on April 30th, 2009. And, the March  
9 17, 2009 filing proposes to extend many of the existing  
10 programs. An order of notice was issued on March 19  
11 setting the hearing for this morning. I'll note that we  
12 have notice that the Office of Consumer Advocate will be  
13 participating. We have Petitions to Intervene from  
14 Community Action Association, the Office of Energy &  
15 Planning, and New Hampshire Legal Assistance, on behalf of  
16 Mary Polcheis. And, we also have the affidavit of  
17 publication.

18 So, can we take appearances please.

19 MR. EPLER: Yes. Good morning, Mr.  
20 Chairman, Commissioners. Gary Epler, on behalf of Unitil  
21 Energy -- I apologize -- on behalf of Northern Utilities,  
22 Inc. And, with me today is Deborah A. Jarvis, who is the  
23 Project Leader - Energy Efficiency Policy, Planning and  
24 Evaluation.

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1 CHAIRMAN GETZ: Good morning.

2 MR. LINDER: Good morning, Mr. Chairman  
3 and Commissioners. My name is Alan Linder. I'm an  
4 attorney with New Hampshire Legal Assistance. And, with  
5 me at counsel table is Dan Feltes, from New Hampshire  
6 Legal Assistance. We represent Mary Polcheis, a customer  
7 of Northern, who lives in Somersworth, who was intending  
8 to be here this morning for the hearing, but,  
9 unfortunately, was unable to make it.

10 CHAIRMAN GETZ: Good morning.

11 CMSR. BELOW: Good morning.

12 MR. STELTZER: Good morning, Mr.  
13 Chairman and Commissioners. My name is Eric Steltzer, and  
14 I represent the Office of Energy & Planning.

15 CHAIRMAN GETZ: Good morning.

16 CMSR. BELOW: Good morning.

17 MR. NUTE: Good morning, Mr. Chair and  
18 Commissioners. My name is Dana Nute, representing the New  
19 Hampshire Community Action Association. And, with me  
20 today I have Charlie Wolfe, who is the Weatherization  
21 Director for the Strafford County Community Action.

22 CHAIRMAN GETZ: Good morning.

23 MR. NUTE: Good morning.

24 MS. HATFIELD: Good morning,

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1 Commissioners. Meredith Hatfield, from the Office of  
2 Consumer Advocate, on behalf of residential customers.  
3 And, with me today is Steve Eckberg and Ken Traum from our  
4 office.

5 CHAIRMAN GETZ: Good morning.

6 CMSR. MORRISON: Good morning.

7 CMSR. BELOW: Good morning.

8 MS. THUNBERG: Good morning,  
9 Commissioners. Marcia Thunberg, on behalf of Staff. And,  
10 with he today is Jim Cunningham and Steve Frink. Thank  
11 you.

12 CHAIRMAN GETZ: Good morning. And, are  
13 there any objections to any of the Petitions to Intervene?

14 MR. EPLER: No objections.

15 MS. THUNBERG: None.

16 CHAIRMAN GETZ: Okay. Hearing no  
17 objection, and recognizing that the intervenors have  
18 demonstrated rights, duties, privileges or other interests  
19 to be affected by this proceeding, we will grant the  
20 Petitions to Intervene.

21 And, how do you propose we proceed,  
22 Mr. Epler? We have the filing, but I take it there's no  
23 prefiled testimony. So, is there going to be a sponsor or  
24 --

1                   MR. EPLER: Yes, Mr. Chairman. Northern  
2 proposes to provide Ms. Jarvis as a witness to sponsor the  
3 filing, and also to provide an update, which I provided on  
4 the table in front of you, and be able to walk through  
5 that. I also request, on behalf of the Company, an  
6 opportunity to provide a brief opening statement that  
7 would give a procedural context for the documents in front  
8 of you, and to just advise you of some meetings we've had  
9 with the parties.

10                  CHAIRMAN GETZ: Okay. If everyone is  
11 fine with this procedure, then please proceed.

12                  MR. EPLER: Okay. Thank you, Mr.  
13 Chairman. Shortly after Unitil acquired Northern  
14 Utilities, we were contacted by Meredith Hatfield with the  
15 Office of Consumer Advocate requesting an opportunity to  
16 meet, noting that the deadline for the upcoming filing was  
17 approaching quickly, and she expressed a desire to try to  
18 meet to address that. And, as a consequence, we had a  
19 meeting with the Office of Consumer Advocate and the  
20 Commission Staff in mid February, where the Company and  
21 Staff and OCA discussed a number of options, given the  
22 tight time frame, and Unitil's recent acquisition.

23                  And, what we tentatively had agreement  
24 upon was to try to pursue what we call a "gap filing" to,

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1       instead of filing a full plan, to file a shortened plan,  
2       with minimal changes from what had been approved  
3       previously by the Commission, to take us to the point to  
4       be able to coordinate a new filing with the electric  
5       filing, to have both the electric and gas filings start at  
6       the same calendar period, in January of 2011.

7                       And, so, we provided a draft filing in  
8       early March, circulated that to the parties, got some  
9       feedback from that. And, as a result of that, we made our  
10      filing, that's -- the cover letter is dated "March 16th",  
11      but I believe it was filed on March 17th.

12                     Subsequent to that filing, the  
13      Commission issued its notice. And, there was a technical  
14      session held, where I believe all the parties who are  
15      present here today attended. And, from the Company's  
16      perspective, thought that that was a very productive  
17      technical session. A lot of good comments were received.  
18      And, as a result of that technical session, the Company  
19      went back and provided some clarification and revised its  
20      filing. And, those are the documents that you see before  
21      you.

22                     We provided this revised filing a little  
23      over a week ago to the parties. And, so, we are prepared  
24      to walk through that, walk through those revisions today.

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[WITNESS: Jarvis]

1 And, there may be some additional cross from some of the  
2 other parties on that revised filing. But I provided two  
3 copies to you; one is a clean copy and one is a redlined  
4 copy, so that the changes are apparent.

5 And, with that, the Company is ready to  
6 call Deb Jarvis.

7 CHAIRMAN GETZ: Anyone else want to be  
8 heard before we hear from Ms. Jarvis?

9 (No verbal response)

10 CHAIRMAN GETZ: Hearing nothing, then  
11 please proceed.

12 (Whereupon Deborah A. Jarvis was duly  
13 sworn and cautioned by the Court  
14 Reporter.)

15 DEBORAH A. JARVIS, SWORN

16 DIRECT EXAMINATION

17 BY MR. EPLER:

18 Q. Would you please state your name, title, and business  
19 address for the record.

20 A. Yes. My name is Deborah Jarvis. My business title is  
21 "Project Leader - Energy Efficiency Policy, Planning &  
22 Evaluation". And, I am at Unitil Service Corp., 325  
23 West Road, in Portsmouth, New Hampshire.

24 Q. And, can you please summarize your educational

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[WITNESS: Jarvis]

1 background and regulatory experience?

2 A. I graduated from Merrimack College with a Bachelor's of  
3 Science degree in Business Administration, with a  
4 concentration in Economics. I joined Unitil Service  
5 Corp. in 1986, November 1986, and have held various  
6 positions in the Power Supply, Regulatory, and Business  
7 Services Department. In my current position, I am  
8 responsible for coordinating energy efficiency policy,  
9 planning, and evaluation activities.

10 Q. And, have you testified previously before the  
11 Commission?

12 A. Yes, I have.

13 MR. EPLER: Mr. Chairman, I would  
14 propose, there are three exhibits that the Company would  
15 like to introduce. The first one would be the initial  
16 filing that was made, filed on March 17, propose to mark  
17 that as "Northern Exhibit 1".

18 CHAIRMAN GETZ: So marked.

19 (The document, as described, was  
20 herewith marked as Exhibit 1 for  
21 identification.)

22 MR. EPLER: And, then, there are two  
23 additional exhibits. The first would be the revised  
24 filing, the clean version, that's dated April 7th, I

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[WITNESS: Jarvis]

1 propose --

2 CHAIRMAN GETZ: We're just shuffling  
3 papers here to make sure everybody's got -- Okay. Please  
4 continue.

5 MR. EPLER: I propose to mark the  
6 document that's labeled in the lower right-hand corner  
7 "Revised", "April 7, 2009", as "Northern Exhibit 2".

8 CHAIRMAN GETZ: That's so marked.

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

12 MR. EPLER: And, then, there's a third  
13 document, that is a redline version of Northern Exhibit 2,  
14 that I would propose to mark as "Northern Exhibit 3".

15 CHAIRMAN GETZ: So marked.

16 (The document, as described, was  
17 herewith marked as Exhibit 3 for  
18 identification.)

19 BY MR. EPLER:

20 Q. Ms. Jarvis, could you please turn to what was marked as  
21 "Northern" -- actually turn to the two documents,  
22 Northern Exhibit 1 and Northern Exhibit 2. And, can  
23 you please describe your role with respect to these  
24 documents?

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[WITNESS: Jarvis]

1 A. Basically, my role was to oversee and coordinate  
2 development of these plans, including the budgets, the  
3 program goals, cost-effectiveness analysis, as well as  
4 the performance incentive calculations.

5 Q. And, were these prepared by you or under your  
6 supervision?

7 A. Yes, they were.

8 Q. Now, I previously indicated in my opening session that  
9 there was a technical session held in this docket on  
10 April 2nd, 2009. Were there changes or corrections to  
11 the March 17th filing that's noted as Exhibit 1 as a  
12 result of this technical session?

13 A. Yes, there were several that were made.

14 Q. Okay. Could you please turn then to Northern  
15 Exhibit 3, which is the redline version of the filing.  
16 And, could you please describe the changes that the  
17 Company made to its filing as a result of the technical  
18 session.

19 A. Okay. What I will do is I'm actually going to go by  
20 pages in the document itself. They're not necessarily  
21 going to be in order of the changes that were made. I  
22 think it would be easier to follow. There are a total  
23 of seven different changes made. The first was on --  
24 it was, unfortunately, Page 6 of Exhibit 1, which is --

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[WITNESS: Jarvis]

1 looks like it's on Page 5 of the Exhibit 3. This is --  
2 The Table II-2 is the "Summary of Total Resource Cost  
3 Test" results. And, on the Low Income Program  
4 benefit/cost ratio, it was originally at "1.4", and due  
5 to an increase in the budget that I will discuss in a  
6 few minutes, excuse me, it has increased from "1.4" to  
7 "1.8". That was the first one, the first change.

8 The second change was to -- it was on  
9 Page 6 of the initial filing, and it looks like it's on  
10 Page 6 of the Exhibit Number 2 as well. And, during  
11 the technical session, it became apparent that this  
12 table was somewhat confusing, the presentation. This  
13 Table II-3, "2009 Energy Efficiency Program Budgets",  
14 what it showed, in the initial filing, with the top two  
15 sections, were the program budgets, including  
16 shareholder incentives for each of the individual  
17 programs, which, when you added it up, did not total  
18 the line labeled "Total - Proposed Direct Program  
19 Budget", and then, underneath that, we included the  
20 "Design-Level Performance Incentive". So, what we did  
21 is I basically changed the top two sections to reflect  
22 the direct program costs, without shareholder  
23 incentive, just to make the flow a little bit more -- a  
24 little less confusing. That was change number two.

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[WITNESS: Jarvis]

1                   One of the bigger changes related to  
2                   Sections III.A.1 and III.A.2 of the filing. In the  
3                   initial filing, they began on Page 7. On Exhibit 3,  
4                   they also began on Page 7. It goes through looks like  
5                   Page 11. These two programs -- I'm sorry, actually  
6                   goes through Page 12 of the Exhibit 3. These two  
7                   programs were two residential programs, retrofit  
8                   programs, that we had put in the original filing. And,  
9                   the program descriptions were confusing. There was  
10                  some -- There was confusion as to where the overlap was  
11                  or how they interacted. What we did is we changed the  
12                  language and attempted to clarify what the individual  
13                  programs, the -- excuse me, the rebates and eligibility  
14                  for each of the programs. So, that was -- there were  
15                  some substantial changes to the text in here, and which  
16                  is indicated by the Exhibit 3, Northern Exhibit 3.  
17                  There were no changes to any of the numbers to my  
18                  recollection. Yes, there were no changes to any of the  
19                  numbers. It was primarily just text, trying to clarify  
20                  the two different programs. That was number three.

21                   The fourth change was also a large  
22                   change. During the discussion there was a lot of --  
23                   I'm sorry, during the tech session there was a lot of  
24                   discussion about the Low Income Program budget. And,

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1 the Company basically agreed to increase the budget.  
2 Originally, it was at 9 percent of the total Company  
3 budget. We agreed to increase the budget to 13 and a  
4 half percent, consistent with what's been going on in  
5 the Electric CORE Program side, where an agreement was  
6 reached for 13 and a half percent of the total budget.  
7 This -- The Company has agreed to do this, but it's  
8 basically a one-timer, until -- my understanding is, is  
9 that over the next few months or so we're going to be  
10 discussing this in further detail, how to allocate  
11 money to the Low Income Program, on both the electric  
12 and gas side. So, this issue was something that we  
13 agreed to do for this filing itself.

14 So, basically, the program increased  
15 \$54,000 over the 20 month period, for a total of  
16 \$176,000. And, this again is consistent with the 2009  
17 Energy Efficiency Program on the electric side, the  
18 allocation of the Low Income Program.

19 In addition, heating system replacements  
20 and health and safety measures were added to a list of  
21 programs available. These measures were included to be  
22 consistent with the Home Energy Assistance Program on  
23 the electric side, so that a customer can get them  
24 through both programs. That is number four.

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[WITNESS: Jarvis]

1 I'm sorry, I'm losing my place here.

2 Table III-8, which was on --

3 WITNESS JARVIS: Bless you.

4 CMSR. BELOW: Thank you.

5 BY THE WITNESS:

6 A. Table III-8, "Multifamily Custom Measures", which was  
7 on Page 22 of the original filing, and is on Page 23 of  
8 Exhibit Number 3. There was an error on this, a  
9 typographical error. The budget here has been replaced  
10 -- has been updated to reflect the true budget. It was  
11 "23,681"; it should be "\$236,282", as opposed to  
12 \$23,000. Appendix A, the Company added, at the request  
13 of Staff, the Company has incorporated two new programs  
14 -- I'm sorry, tables. They are referred to -- The  
15 Company has included, has added two tables to Appendix  
16 A, Tables A-2 and A-3.

17 MR. EPLER: If I could just interject  
18 here, for the benefit of the Commission. You'll find  
19 those revised tables attached to Northern Exhibit 2.

20 BY THE WITNESS:

21 A. If everybody has located the tables, these tables were  
22 provided in response to a request from Staff, who has  
23 had an opportunity to review the Company's program  
24 screens or, actually, I should say the electric

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[WITNESS: Jarvis]

1 company's program screens, which Northern used for the  
2 gas programs. These programs, if you could take a look  
3 at Table A-2, provides a summary of the TRC inputs, the  
4 benefits, costs, customer costs, evaluation, and  
5 shareholder incentive, by program, by sector. Table  
6 A-3, on the electric side, actually provides a little  
7 bit more information than it does on the gas side. But  
8 what it does do is it provides the documentation of the  
9 benefits, the total benefits for each of the individual  
10 programs, and by sector, again by company. This  
11 information was not included in the original filing  
12 that we made. I, to be honest, thought that Table A-3  
13 did not provide enough information. So, I had actually  
14 created Table B-2. But I didn't actually source the  
15 benefit, dollar benefit associated with it. So, we  
16 added it in here, so now we have a trail. And, then,  
17 those -- that was number six.

18 And, then, finally, all of the tables in  
19 Appendices A, B, and D have been updated to reflect the  
20 revisions to the Low Income Program budget. The table  
21 provided in Appendix C were not updated. And,  
22 basically, the reason was that we originally provided  
23 them as illustrative tables, to show how the cost  
24 recovery mechanism would work. And, we're not asking

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[WITNESS: Jarvis]

1 recovery -- I mean, we're not asking approval of the  
2 information that's in there. It was only, as I said,  
3 illustrative. We will be updating these numbers in, I  
4 believe, our fall filing, our fall gas filing, the LDAC  
5 filing.

6 BY MR. EPLER:

7 Q. So, that would be where the conservation charges would  
8 be included for the Company?

9 A. Yes.

10 Q. In the fall LDAC filing?

11 A. Yes.

12 Q. Thank you.

13 A. And, those are -- that's a summary of the changes that  
14 were made between Appendix -- I'm sorry, Exhibits 1, 2  
15 and 3.

16 Q. Do you have anything further to add at this time?

17 A. No, I don't think so. No.

18 MR. EPLER: Thank you. Mr. Chairman,  
19 I've completed my direct.

20 CHAIRMAN GETZ: Mr. Linder.

21 MR. LINDER: Good morning, Ms. Jarvis.

22 WITNESS JARVIS: Good morning.

23 MR. LINDER: Just a couple of questions  
24 for clarification.

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[WITNESS: Jarvis]

1 CROSS-EXAMINATION

2 BY MR. LINDER:

3 Q. You referenced Table II-3. And, I'm looking at the one  
4 that appears on Page 6 of Exhibit 2, which is the clean  
5 version of the revised filing.

6 A. Yes. I have it.

7 Q. Okay. And, in that table, under "Residential", there's  
8 a line for "Residential Low Income" that you referenced  
9 earlier had a budget of 163,000. And, my question is,  
10 that is without the shareholder incentive?

11 A. Yes. Originally, I had I think referenced "176,000".

12 Q. Yes.

13 A. The difference between the two would be the shareholder  
14 incentive.

15 Q. Okay. Thank you. And, I just wanted to direct your  
16 attention to Page 38 of the Exhibit 2, that's the clean  
17 version of the revised filing of April 7. And,  
18 actually, if I'm correct -- if I'm correct, Pages 37  
19 and 38 deal with program evaluation and reporting, to  
20 some extent. On Page 38, at the top, it says "Unitil  
21 will track, monitor, evaluate and assess progress",  
22 etcetera?

23 A. Yes.

24 Q. You see that? Okay. And, are you familiar with the

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[WITNESS: Jarvis]

- 1 fact that a few days ago I had sent an e-mail to the  
2 Company asking if the Company would be willing to  
3 consider providing a report on a periodic basis with  
4 respect to certain items regarding the Low Income  
5 Program?
- 6 A. Yes, I am.
- 7 Q. Okay. And, I believe that the Company, through its  
8 counsel, indicated that the Company would be willing to  
9 provide such a report?
- 10 A. Yes, we --
- 11 Q. Okay.
- 12 A. We will do that, yes.
- 13 Q. And, specifically, we had asked, and I'm just asking  
14 for confirmation, that's all, --
- 15 A. Okay.
- 16 Q. -- we had asked that, for the Low Income Program, that  
17 the Company provide a Quarterly Progress Report and a  
18 Final Report after the close of the program period,  
19 setting forth the following information: Showing for  
20 expenditures that actual, in process, and proposed, and  
21 expressed as a percent of budget. Do you recall that?
- 22 A. Yes, I do.
- 23 Q. Okay. And, the answer was "yes"?
- 24 A. Yes.

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[WITNESS: Jarvis]

- 1 Q. And, similarly, similar reporting with respect to  
2 participation, the number of jobs, and similarly  
3 reporting on energy savings?
- 4 A. Yes.
- 5 Q. Okay. And, finally, reporting on administrative costs?
- 6 A. Yes.
- 7 Q. Do you recall that? And, the Company's answer was  
8 "yes"?
- 9 A. Yes, we are able to do that.
- 10 Q. Okay. I did briefly discuss this with counsel for the  
11 Company, and perhaps you can confirm this. That, in  
12 lieu of again revising the filing, or -- and in lieu of  
13 having to file a supplemental filing, that perhaps  
14 Legal Assistance could just send a confirming letter to  
15 the Company confirming this agreement to provide a  
16 periodic report on the Low Income Program?
- 17 A. That would be fine.
- 18 Q. Okay. And, then, and that perhaps that could be filed  
19 with the Commission, so that it could be included in a  
20 final order on the program, is that --
- 21 A. The letter or the report? I'm a little confused.
- 22 Q. Just to memorialize the agreement. I'm trying to --
- 23 A. Okay.
- 24 Q. -- basically figure out a convenient way and the least

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[WITNESS: Jarvis]

1       problematic way of doing that. And, so, one suggestion  
2       would be, instead of the Company having to file an  
3       amended or supplemental filing to incorporate that new  
4       paragraph, would it be acceptable for a confirming  
5       letter to be filed, and that that would be -- and that  
6       the Company would be agreeable that that would be  
7       considered by the Commission in issuing a final order?

8   A.   I believe so. I think that will be fine.

9                   CHAIRMAN GETZ: Okay.

10                  MR. LINDER: We haven't discussed this  
11       with the other parties, but it was just trying to come up  
12       with a way of --

13                  CHAIRMAN GETZ: Well, I take it that  
14       you're proposing that there be a provision with respect to  
15       reporting, rather than --

16                  MR. LINDER: Yes.

17                  CHAIRMAN GETZ: -- add it to the various  
18       revisions, that it be reflected in the final order. And,  
19       Mr. Epler, the Company's position on that?

20                  MR. EPLER: We have no objection to  
21       that. And, one simple way of doing it is I'll memorialize  
22       that in a letter, state what the criteria are, and file  
23       it, provide it to all the parties and file it. It was  
24       contained in an e-mail that I circulated yesterday.

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[WITNESS: Jarvis]

1 CHAIRMAN GETZ: Is there any objection  
2 to that concept?

3 MS. THUNBERG: Mr. Chairman, Staff would  
4 request, since we don't have prefiled testimony, and we're  
5 trying to keep track of official exhibits, that this come  
6 in as a record request, and that we reserve Exhibit 4 for  
7 this proposed addition to the program. And, other than  
8 that, Staff has no objection to seeing this document.

9 CHAIRMAN GETZ: Okay. That's fine.  
10 Let's reserve Exhibit 4 for that language on reporting.

11 (Exhibit 4 reserved)

12 MR. LINDER: Okay. Thank you very much.  
13 That's all the questions we have.

14 CHAIRMAN GETZ: Okay. Thank you.

15 MR. LINDER: Thank you, Ms. Jarvis.

16 CHAIRMAN GETZ: Mr. Steltzer.

17 MR. STELTZER: Yes.

18 BY MR. STELTZER:

19 Q. Ms. Jarvis, could you explain the RHEAP Program and the  
20 relationship it has with the Home Performance with  
21 ENERGY STAR Program, specifically discussing a little  
22 bit about the purpose of the RHEAP Program.

23 A. The -- I'll move this back a little bit. I'll try to  
24 speak up. Okay. The RHEAP Program was initially

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1 proposed by Northern. They had called it the  
2 "Residential Conservation Services Program". And, it  
3 was intended, I believe, as an educational program,  
4 whereby audits were done on customers' homes to  
5 indicate where the customer may spend their own money  
6 to perform energy efficiency improvements in the home.  
7 What we've done is we've tried to incorporate it a  
8 little bit closer into our Home Performance with -- I  
9 should actually back up. The Home Performance with  
10 ENERGY STAR was another program that -- it was  
11 originally called the "Residential Custom Measures",  
12 and we've made some changes to that, versus what  
13 Northern had offered.

14 What we're trying to do with both of  
15 these programs is to more closely align them to the  
16 electric programs, in anticipation of trying to  
17 incorporate the two of them. Under the Home Energy  
18 Assessments Program, which Mr. Selzer -- Steltzer  
19 referred to as the "RHEAP Program", this offers a home  
20 energy assessment, a comprehensive home energy  
21 assessment, including blower door. Under the program,  
22 a customer -- Under the program, the way that we  
23 anticipate looking at it is that we will contract with  
24 various vendors to offer these home energy audits at a

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1 specific price. The reason we can do that is, if the  
2 customer goes forward, the vendor would probably then  
3 be assigned to that home, so that they would be able to  
4 make, you know, make sure that they were -- recovered  
5 their costs.

6 But, under the program, the way that it  
7 would work is a customer would come in that requests  
8 this, the audit. The audit would be provided up to  
9 \$215 to the customer, for a whole-house energy  
10 assessment. The customer would then get a report, a  
11 detailed report of the -- of the opportunities that are  
12 in the home. And, if the customer chooses to go their  
13 own way and find their own vendor, we will provide them  
14 up to \$215 towards the cost of their audit.

15 You know, the customer would then be --  
16 it would then receive, as I stated, would receive a  
17 comprehensive report of what's available in the home.  
18 And, they would be able to either move forward and  
19 participate in our other -- the Home Performance with  
20 ENERGY STAR Home, or they can take the audit and, you  
21 know, the results, and go forward on their own. We do  
22 have a Self-Install Rebate Program, which is described  
23 further on, where they can get some small rebates  
24 towards home energy improvement materials.

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1                   So, the RHEAP Program is primarily the,  
2           I guess I would say, the gateway into, yes, into both  
3           programs. And, what we've intended to do was set it up  
4           so that we have a relatively inexpensive audit, that  
5           part of the problem with an audit program is -- the  
6           biggest cost is getting out to the customer's home.  
7           So, what we're trying to do is get out to the  
8           customer's home, inform them of what's available, and  
9           encourage them to actually make the improvements,  
10          because that's where we're going to see the savings.

11                   You know, as stated earlier, it is  
12          intended to be primarily an educational program. We  
13          will provide small, low cost/no cost installations  
14          during the audit. And, then, you know, a customer  
15          would be given the options coming out of the audit.  
16          And, then, they would hopefully choose to participate  
17          under the Home Performance with ENERGY STAR Program,  
18          where we will provide, excuse me, up to 70 -- yes, what  
19          is it, 75 percent of the cost of energy improvements,  
20          up to I believe in this one there is a cap of \$4,000.  
21          No, on this one, actually, this one is up to a cap of  
22          \$4,500. And, the products that are available through  
23          this will be similar to what's available through the  
24          electric, the Fuel-Blind Home Energy Solutions Program

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1       that has been proposed. That piece of it has not yet  
2       been approved. I apologize, it is -- The rebate is  
3       75 percent, up to \$4,000.

4   Q.   And, I just want to have a clarification, at one point  
5       you mentioned that it was "up to 75 percent", but  
6       that's incorrect, in that it's --

7   A.   That was -- That was incorrect. Yes.

8   Q.   -- 75 percent of the cost, up to \$4,000. Could you --  
9       it's my understanding, from what you just said, too,  
10      that, underneath the audit program, in the Residential  
11      Home Energy Assessment Program, that that audit would  
12      include a blower door test?

13  A.   Yes. The initial audit would include a blower door  
14      test.

15  Q.   Could you -- Could you further explain the difference  
16      between an audit that is conducted underneath the  
17      Residential Home Energy Assessment Program,  
18      understanding that that's the educational component,  
19      and then the audit that is offered underneath the Home  
20      Performance with ENERGY STAR Program, and the  
21      differences between the two? They're both offering a  
22      blower door test, to my understanding. Is it just the  
23      recommendations, is it?

24  A.   Actually, the -- I'm on the wrong page.

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[WITNESS: Jarvis]

1 CHAIRMAN GETZ: Ms. Jarvis, I think  
2 you're going to have to focus on speaking up.  
3 Mr. Patnaude is having a tough time.

4 WITNESS JARVIS: I'm sorry. Is there a  
5 volume on this?

6 (Brief off-the-record discussion  
7 ensued.)

8 BY THE WITNESS:

9 A. My understanding is that the audit between the two will  
10 actually be the same audit. And that, once -- once, I  
11 mean, the initial audit will be done under, I guess I  
12 would say, the RHEAP Program, the Residential Home  
13 Energy Assessment Program. And, then, customers that  
14 choose to move forward with any implementation would be  
15 -- would then participate under the Home Performance  
16 with ENERGY STAR Program. So, it is essentially the  
17 same audit.

18 BY MR. STELTZER:

19 Q. Okay. And, is it my understanding then that, in order  
20 to participate in the Home Performance with ENERGY STAR  
21 Program, you first must be -- you first must go through  
22 the Residential Home Energy Assessment Program?

23 A. You first must receive the audit.

24 Q. Which is --

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[WITNESS: Jarvis]

1 A. Yes.

2 Q. Which is offered underneath that. So, a customer could  
3 not go directly into Home Performance with ENERGY STAR  
4 Program and receive an audit underneath that program,  
5 to make itself avail of those services?

6 A. No.

7 Q. Okay.

8 A. The intent -- I mean, the intent is, is that the Home  
9 Performance -- the audit has to be performed first  
10 before the customer can do any work in the home.  
11 Whether the -- technically, whether the audit is  
12 considered part of the first program or the second,  
13 depends on the customer's participation.

14 Q. Right. And, where I'm going with this is that, is it,  
15 to your knowledge, is it a unique -- is the Residential  
16 Home Energy Assessment Program a unique program that is  
17 not offered by other utility companies or being  
18 proposed by other utility companies?

19 A. I have no idea. I mean, I'm assuming you're referring  
20 to National Grid/KeySpan, the gas company?

21 Q. I'm referring to that, and that, as I've been looking  
22 through these, it appears that the Residential Home  
23 Energy Assessment Program is an additional step to go  
24 through. And, as you're explaining it now, it's

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1       essentially what your -- that program is having a name  
2       to receive the audit, while people underneath National  
3       Grid's program or underneath the proposed Home Energy  
4       Solutions Program through the electric utilities, it's  
5       -- there isn't a name associated to the audit, it's  
6       just part of the Home Performance with ENERGY STAR  
7       Program. So, I'm just trying to understand the  
8       distinction between the two. And, if this residential  
9       -- the RHEAP Program is a unique aspect that other  
10      programs aren't doing towards educational efforts.  
11      That's where I'm going.

12    A.   Okay. The RHEAP Program, the reason we've pulled it  
13      out separately is that we believe that there is a  
14      benefit to the customers to just have that audit. If  
15      they, you know, some customers don't want to move  
16      forward with it, they don't have the money, you know,  
17      because there is a 25 percent co-pay if they move  
18      forward. So, what we're doing is we're pulling this  
19      out and we're saying "Okay. Regardless of who you are,  
20      you can at least get that audit. And, you can get the  
21      results and you can find out what you need to do."  
22      And, you know, as part of this process, there is the  
23      educational component, walking through the house,  
24      discussing the different appliances and so forth. So,

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- 1 a customer that chooses not to continue would, I guess  
2 I would say, stay under the RHEAP Program. Customers  
3 that would continue would move forward into the other  
4 program. It's basically, just like I said, it's a way  
5 to offer customers, who aren't ready to make that  
6 commitment, an analysis of their home. So that they  
7 can -- they're more informed as to what they can do.
- 8 Q. As you describe it then, I do see it as, and correct me  
9 if I'm wrong, but I do see it as being a unique program  
10 that you all are offering that might not necessarily be  
11 included, or at least it hasn't been expanded to the  
12 extent that you all are proposing. Is there -- Is  
13 there any plans to evaluate the effectiveness of that  
14 program and the educational components that you're  
15 doing, so that other parties might be able to, when the  
16 electric programs are looking to go in synch with the  
17 gas programs, that we might learn from your experience  
18 of the RHEAP Program and its effectiveness?
- 19 A. To the best of my knowledge, I don't believe we have  
20 any specific plans. The Company is considering looking  
21 at the Self-Install Program, the Residential  
22 Self-Install Program, which is sort of an offshoot of  
23 this program, if you will. But there is no, not at  
24 this point, there is no intent to look specifically at

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1           this aspect of the program.

2   Q.   And, I did see the Self-Install Rebate, and I  
3        appreciate that evaluation being included into that.

4                   MR. STELTZER:  I don't know the correct  
5        procedure to have here, but I'd be interested to see if  
6        the parties would be interested in having some sort of  
7        evaluative process of this RHEAP Program included into the  
8        -- into the final document, since, as it's been described,  
9        it does have unique characteristics to it that other  
10       programs do not offer or other programs that are being  
11       proposed do not offer, and that there might be benefit in  
12       how those two programs, between the gas and electric, as  
13       they're combined, that there could be some lessons learned  
14       from the Unitil proposal.

15                   WITNESS JARVIS:  Well, a couple of  
16        things I will point out, is that the Company has a  
17        relatively small monitoring and evaluation budget.  We  
18        only get I think 58,000 this year.  So, the kind of  
19        analysis you're talking about could actually cost some  
20        money, some -- more than what we've got available.  I  
21        think the second thing is is that I'm not sure that I  
22        would see this as being -- I guess it is separate, and,  
23        you know, I guess I'm questioning whether it could not be  
24        something that would be evaluated as part of the Home

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1 Performance with ENERGY STAR Program, kind of as a broader  
2 review or analysis.

3 I guess, again, I would just, you know,  
4 bottom line is, this year I just don't think we have the  
5 money to do the kind of analysis that you're talking  
6 about.

7 CHAIRMAN GETZ: And, in terms of  
8 procedure, Mr. Steltzer, I guess that, to the extent that  
9 you intend to propose something that's different from the  
10 filing, you can make that recommendation in your closing  
11 statement.

12 MR. STELTZER: Okay. Thank you.

13 BY MR. STELTZER:

14 Q. Continuing on with this, I just do want to bring up the  
15 question of BPI certification. And, I noticed in the  
16 questions that are dated April 9th, 2005 [2009?], and  
17 it was emailed out, specifically Question Number 12,  
18 states "The Company will clarify BPI contract  
19 qualification requirements". In there, it's noted that  
20 "contractors participating in the Unitil Residential  
21 Home Energy Assessment Program or the Home Performance  
22 with ENERGY STAR Program are required to be BPI  
23 certified and demonstrate significant weatherization  
24 experiences." I'll note that. And, then, the

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1 distinction on Page -- in Exhibit 3, Page 7, second  
2 paragraph, second sentence, it states "Only contractors  
3 with Building Performance Institute training or  
4 similar", just making note of "or", "similar industry  
5 expertise and pre-approved by Unitil will be allowed to  
6 participate in the program." Could you just have some  
7 clarification that BPI certification will be required  
8 of the contractors that you'll hire to be auditors for  
9 the Residential Home Energy Assessment Program, as well  
10 as the Home Performance with ENERGY STAR Program?

11 A. Yes. The footnote on that page that you referred to,  
12 Footnote 6, is basically that "Contractors are required  
13 to be BPI-certified and demonstrate significant  
14 weatherization experience."

15 MR. STELTZER: Okay. I'm all set.

16 Thank you, Chairman.

17 CHAIRMAN GETZ: Thank you. Mr. Nute?

18 MR. NUTE: No questions, Mr. Chair.

19 CHAIRMAN GETZ: Okay. Ms. Hatfield.

20 MS. HATFIELD: Thank you, Mr. Chairman.

21 Good morning, Ms. Jarvis.

22 WITNESS JARVIS: Good morning.

23 BY MS. HATFIELD:

24 Q. I believe, in the beginning of your testimony this

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1 morning, you walked us through some of the changes made  
2 in the revised filing. Do you recall that?

3 A. Yes, I do.

4 Q. And, one of the things that you pointed us to was  
5 changes made in two residential programs beginning on  
6 Page 7, and those are the two programs that you have  
7 been discussing in response to questions. I'm  
8 wondering if you could just, at a high level, for  
9 anything that you haven't covered already, just talk a  
10 little bit about how these two new programs are a  
11 change from what Northern had been delivering.

12 A. Well, I guess I will be, you know, perfectly honest, we  
13 didn't deliver Northern's program. So, I don't have  
14 hands-on expertise, if you'd call it that. But I think  
15 one of the things that we're trying to do with our  
16 programs is to recognize that -- is trying to achieve  
17 savings. I'm not -- From what I understand, savings  
18 was not necessarily the goal of some of the programs  
19 that were being provided by Northern. And, that's not  
20 to say, you know, they had a different philosophy as to  
21 how they were delivering their programs. But, you  
22 know, the Residential Home Energy Assessment Program,  
23 the RHEAP, is intended to be educational. But the big  
24 program, I mean, you know, there is going to be a big

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1 push from or there is a big push for customers that are  
2 participating there to get them into the Home Energy  
3 Performance -- I'm sorry, the Home Performance with  
4 ENERGY STAR. There's too many acronyms and names  
5 flying around.

6 So, you know, I mean, the big thing is  
7 is to try to do the whole-house comprehensive, blower  
8 door, sealing the house up, and, as much as possible,  
9 to be consistent with and to integrate with the  
10 proposals that have gone through on the electric side  
11 with the Home Energy -- Home Performance with ENERGY  
12 STAR, the Fuel-Blind Program that was just recently  
13 proposed, as well as the Low Income Program. That this  
14 document is very much intended to mesh with the other  
15 programs on the electric side. I think that's probably  
16 one of the bigger differences that are proposed here.

17 Q. On Page 1 of Exhibit 2, the revised filing, near the  
18 bottom of the page, the Company states that it's  
19 "committed to working with other New Hampshire gas and  
20 electric utilities to streamline and coordinate  
21 delivery of the electric and gas EE Programs across the  
22 state." And, then, the next sentence you talk about a  
23 "seamless" approach to program delivery. Can you talk  
24 about what the Company is doing to "streamline and

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- 1 coordinate" and make the process "seamless" from the  
2 customer perspective?
- 3 A. Well, from the customer perspective, we are working  
4 with the electric utilities. I mean, we, of course,  
5 are an electric company, and so we have those  
6 relationships already established. We're also very  
7 close with the other gas company in the state, KeySpan.  
8 So, what we are trying to do is to ensure that the  
9 program offerings are the same or as consistent as  
10 possible. And, we have been working with the other  
11 companies to work out strategies of how to basically  
12 streamline it so that the customer only, you know, has  
13 to come through one door, rather than having to go to  
14 the electric companies, the gas companies, and that gas  
15 company, and maybe an oil company or whatever, we're  
16 trying to streamline it. You know, it will take time.  
17 You know, and we're still struggling to get our hands  
18 on, "we" being Unitil, on the programs and where they  
19 stand and, you know, how they can be improved, if they  
20 can be improved. You know, this is, to some extent, a  
21 Gap Plan to get us through to the final or the next  
22 step, which would be the full integration of the  
23 electric and gas.
- 24 Q. And, would you see that desire to coordinate and

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1 streamline to also include coordination with efficiency  
2 programs that might be funded by federal Stimulus  
3 dollars or the Regional Greenhouse Gas Initiative or  
4 other programs?

5 A. Yes.

6 Q. If you would turn to Page 7 of the filing.

7 A. Which version, I'm sorry?

8 Q. I'm going to be asking questions from Exhibit 2.

9 A. Okay.

10 Q. In the second full paragraph, about halfway down,  
11 there's a sentence that states that "Contractors must  
12 use an approved energy modeling software tool". Do you  
13 see that?

14 A. Yes.

15 Q. It's right between Footnotes 5 and 6 there in the text.  
16 Do I understand correctly that this means that you  
17 allow the contractor to decide which software tool to  
18 use?

19 A. No. I think the intent is that the Company is -- will  
20 review what they use. And, if it is acceptable, we  
21 will let them use it. In other words, I mean, the  
22 intent to make sure that we can fully document the  
23 savings. So, we will have the right to refuse savings  
24 being proposed by, you know, a software being -- that

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1 doesn't have some sort of, you know, documentation  
2 behind it or that, you know, that we aren't sure is  
3 going to provide clear, accurate, and defensible  
4 savings results.

5 Q. And, is that a similar approach to the one that you  
6 take on the electric side?

7 A. Yes.

8 Q. And, in the paragraph above that, on Page 7, you  
9 discuss the fact that "customers will receive a \$215  
10 incentive toward a whole-house energy assessment". Do  
11 you see that?

12 A. Yes.

13 Q. How was that figure determined by the Company?

14 A. That was basically devised by our program manager.  
15 And, it was just based on his experience, what he was  
16 seeing out in the field.

17 Q. And, will the customer be required to pay an additional  
18 amount for the audit?

19 A. If the customer goes through a vendor that we have  
20 approved for delivery of this program, there will not  
21 be any extra cost for the audit. If the customer  
22 chooses, they can go through a list of -- we're going  
23 to have a list of pre-qualified customers who meet our  
24 standards, they will -- the customer will be

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1 responsible for anything over and above the 215.

2 Q. Thank you. Do you know how many BPI-certified  
3 contractors there are in the Northern service  
4 territory?

5 A. No, I do not.

6 Q. Is the Company concerned that there will be enough  
7 trained auditors to deliver the program?

8 A. My understanding is, is that the Program Manager is not  
9 concerned.

10 Q. Will the audit that is provided to the customer address  
11 and identify potential savings measures that are not  
12 related to natural gas?

13 A. I don't actually know for sure whether that will be --  
14 I don't -- well, as you're looking at this, the audit  
15 will include inspection of heating and cooling,  
16 windows, insulation, air infiltration, etcetera. So,  
17 there -- and there's a safety check of combustion  
18 zones. So, I believe that, number one, I will say  
19 this, the customer has to be a gas customer. So, we're  
20 not going to go into an oil space heating home. But  
21 any electric savings that may, as a result of this  
22 audit, electric savings may be identified. I don't  
23 believe that we'll be identifying lights and so forth.  
24 I'm not sure that's part of this audit, or

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1       refrigeration, replace your refrigerator or stuff that  
2       like.

3    Q.    Would you agree, though, that, if the customer is doing  
4       a comprehensive audit, it would be helpful for the  
5       customer to have all potential measures and projects  
6       identified, so that, if they do choose to be  
7       comprehensive and work with all of their utilities,  
8       they could use that one audit?

9    A.    Actually, I think that they -- I think that it would be  
10       a comprehensive audit. As I'm looking at this, because  
11       it talks about "water savings", etcetera. I can  
12       provide more detail over what the audit would actually  
13       entail. I don't know off the top of my head.

14                   CHAIRMAN GETZ: Mr. Epler, did you have  
15       something?

16                   MR. EPLER: Yes, Mr. Chairman. I will  
17       just say, we will be willing to provide as a response to a  
18       record request, you know, to clarify whether the audit  
19       will identify all measures and clarify this question.

20                   CHAIRMAN GETZ: Okay. Then, let's  
21       reserve Exhibit Number 5 for the response to that  
22       question.

23                   (Exhibit 5 reserved)

24                   MS. HATFIELD: Thank you.

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[WITNESS: Jarvis]

1 BY MS. HATFIELD:

2 Q. Looking at your budgeted participation for the RHEAP  
3 and the Home Performance with ENERGY STAR, it looks  
4 like, in the Assessment Program, you're planning for  
5 193 participants, is that correct?

6 A. Yes.

7 Q. And, then, 85 for the Home Performance with ENERGY  
8 STAR?

9 A. Yes.

10 Q. And, so, your expectation, it looks like you're  
11 expecting that less than half of the people who go  
12 through the Assessment Program would actually move  
13 forward into the Home Performance with ENERGY STAR?

14 A. Yes, that is. What I will say, that the 85 was based  
15 on an assumed average cost. It may be higher or lower,  
16 depending on what the customers actual see or what they  
17 actual do in their home.

18 Q. And, if you have better than expected response to the  
19 Home Energy Assessment Program, so that more than 85  
20 people, closer to the full number of people who do the  
21 assessment want to move forward and make changes, would  
22 you put them on a waiting list for the next program  
23 year or how would you handle that demand?

24 A. Well, we would have two ways. I mean, I think that the

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1       Company would prefer not to put them on a waiting list,  
2       but would prefer to service them as quickly as  
3       possible.  There -- Right now, on the residential side,  
4       there is a small cushion.  We have a cushion, about  
5       \$200,000 overcollection that we're projecting at the  
6       end of this period.  The reason we -- We have a very  
7       large overcollection right now.  It's double that,  
8       \$400,000, that we're starting this period with.  We did  
9       not fully vet that whole amount.  We did not put it  
10      into the budget, because we're trying to keep the  
11      budget a little bit stable.  But I guess what I would  
12      say is that, if we ran into a situation where the  
13      demand was higher than we would anticipate, one option  
14      would be to dig away at that cushion a little bit.

15                   I don't recall, to be perfectly honest,  
16      whether there is a 20 percent.  Under the electric  
17      programs, I believe there is a 20 percent guideline.  
18      Where, if we would spend more than 20 percent or  
19      anticipate going over 20 percent, we would notify the  
20      Commission.  I don't know if we have that in the gas,  
21      to be perfectly honest.  I don't recall.  But we will  
22      anticipate treating that, you know, if we, in fact,  
23      ended up having to go over the 20 percent, we would  
24      anticipate having, you know, filing a letter with the

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1 Commission, letting them know that it was necessary.

2 The same as we would with the electric.

3 Q. And, the place where we can see the overcollection at  
4 the beginning and at the end of the period is in  
5 Appendix C, Schedule 2, is that correct?

6 A. Yes.

7 Q. And, that shows that, in January 2009, the  
8 overcollection was "\$392,336". And that, at the end of  
9 the period, in December 2010, you're forecasting that  
10 it would be "\$205,743"?

11 A. Yes.

12 Q. And, so, it sounds like the Company would be willing to  
13 work with the parties and Staff to potentially use some  
14 of that residential overcollection to serve more  
15 customers in the Home Performance with ENERGY STAR  
16 Program?

17 A. As need be. But there is \$50,000 or \$54,000 increase  
18 for the Low Income Program is being funded from this  
19 bucket. We're not taking money from the -- or, we  
20 don't propose to take money from the commercial and  
21 industrial class at this point. But that is still a  
22 good chunk of money after that that we could use as  
23 necessary to, you know, beef up the programs, if it's  
24 necessary. We're, to some extent, we are -- we're, you

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1 know, we're new at this a little bit, so --

2 Q. On Page 11, in the second full paragraph, the Company  
3 makes a reference to the fact that the measures offered  
4 in Home Performance with ENERGY STAR "advance the goal  
5 of "Deep Energy Retrofits"." Do you see that?

6 A. Yes, I do.

7 Q. Can you define what the Company means by a "Deep Energy  
8 Retrofit"?

9 A. That is -- That refers to the new technologies, high  
10 performance energy savings improvements. Where it is  
11 appropriate, the Company would seek to incorporate, you  
12 know, solar paneling, renewable resources, and other,  
13 the CHP, the Combined Heat Power equipment, and other  
14 new technologies that may prove to be cost-effective.  
15 All measures that are installed will be -- must be  
16 cost-effective before they are installed.

17 Q. If the Company were to look to those types of measures,  
18 would it still be within the \$4,000 maximum investment  
19 in a home?

20 A. Yes. Yes, on this program there is a definite cap.

21 Q. And, in the filing, the Company talks about the fact  
22 that it is still working to attain the "Home  
23 Performance with ENERGY STAR" designation, is that  
24 correct?

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1 A. Yes, it is.

2 Q. Are you familiar with what the process is to get that  
3 designation?

4 A. I personally have not been involved in the process, but  
5 our Program Manager has explained to me a little bit  
6 about what's involved. My understanding is, is that  
7 the electric utilities have filed the necessary  
8 paperwork, or whatever it is that they need to do.  
9 Unitil has also filed the necessary paperwork for its  
10 proposed gas programs. And, our Program Manager is  
11 expecting that we should have some response back within  
12 a month to six weeks, we should get some -- from what I  
13 understand, it's not a huge, lengthy process. But we  
14 have not received it yet. We should see it between,  
15 you know, four to six weeks is what I was told.

16 Q. And, are you required to have approval in order to call  
17 it that or what are the benefits of having that  
18 designation or certification?

19 A. I think the benefits include just the name recognition,  
20 of course, is one, but also the requirements that that  
21 -- that the participating home must meet, that the  
22 standards that the home must meet in order to be  
23 certified. I do not know whether we could officially  
24 call it the "Home Performance with ENERGY STAR". But I

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1 do know that the program is underway, you know, pending  
2 results of the hearing, of course. But, you know, we  
3 are moving towards that.

4 Q. Turning to the ENERGY STAR Homes Program that begins on  
5 Page 13, if you would look on Page 14, at Table III-3,

6 A. Yes.

7 Q. And, there's a "Lifetime Savings Goal" that's measured  
8 in MMBtu. Do you see that?

9 A. Yes, I do.

10 Q. Does that figure include just thermal energy savings or  
11 does it also include electric savings that are  
12 converted to MMBtus?

13 A. I believe it's just thermal, but I would have to check  
14 that.

15 MS. HATFIELD: We'd like to have a  
16 record request reserved for that, Mr. Chairman.

17 CHAIRMAN GETZ: Okay. We'll save  
18 Exhibit Number 6 for that response.

19 (Exhibit 6 reserved)

20 MS. HATFIELD: Thank you.

21 WITNESS JARVIS: Actually, I think I can  
22 respond to it, because Staff requested a new table in the  
23 back, which actually breaks out the benefit. There is a  
24 small amount of electric savings associated with that

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1 program. The majority of the savings, though, I'm looking  
2 at Table A -- Appendix A, Table A-3, and at the line  
3 that's labeled "ENERGY STAR Homes", "A02a ENERGY STAR  
4 Homes". That line shows the benefit for the ENERGY STAR  
5 Homes Program. And, if you look at this, "\$145,238" is  
6 what -- is under the "Non Electric" column as a resource.  
7 But the total benefit, over on the second column, of  
8 "145,267" is the total benefit. That difference between  
9 the two is the electric. So, there is a minor amount.

10 MS. HATFIELD: Thank you. That answers  
11 that question.

12 CHAIRMAN GETZ: So, we'll strike Exhibit  
13 6 for the time being.

14 (Exhibit 6 no longer reserved at this  
15 time.)

16 MS. HATFIELD: Thank you.

17 BY MS. HATFIELD:

18 Q. Looking back on Page 14, the "Estimated Participation"  
19 for the ENERGY STAR Homes Program shows that your goal  
20 is "25" homes, do you see that?

21 A. Yes, I do.

22 Q. And, does the Company believe that there is enough  
23 building activity that you'll be able to meet that  
24 goal?

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1 A. Yes.

2 Q. And, do you know how many homes that you did in 2008?

3 A. No, I don't, off the top of my head.

4 Q. And, has the Company filed it's 2008 Final Report, do  
5 you know?

6 A. No, I don't know. I would have to do that as a record  
7 request.

8 MS. HATFIELD: Mr. Chairman, because the  
9 program year doesn't end until April 30th, I think what we  
10 can do is just wait and see what the results are when the  
11 Company does file that.

12 CHAIRMAN GETZ: Thank you.

13 BY MS. HATFIELD:

14 Q. Turning to Table III-4, on Page 15, which describes the  
15 residential heating equipment that a customer can get  
16 rebates for, do you see that?

17 A. Yes, I do.

18 Q. And, do you know, are those different types of  
19 equipment, are those all -- do they comply with the  
20 current ENERGY STAR standards?

21 A. I believe they are intended to. But I think there  
22 might be one or two of them that do not. I want to --  
23 I want to say that the boilers, the AFU is actually 80  
24 -- the AFU, I'm sorry, the percent is 85, but I'm not

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1       sure. This table is intended to reflect what  
2       GasNetworks is currently offering. "GasNetworks" being  
3       the regional collaboration of gas companies. So, it  
4       may not be 100 percent, but the intent is that it  
5       should be.

6   Q.   And, will the Company provide information to customers  
7       about the Federal Income Tax credits that are available  
8       for different energy efficiency measures?

9   A.   Yes, I believe so. I believe, as part of the program  
10       delivery, there will be some discussions about it. I  
11       don't -- I'm not really sure what's part of our  
12       marketing materials. But I can find that out for you.

13                   MS. HATFIELD: Mr. Chairman, I have  
14       further questions later about marketing, so I think I'll  
15       hold off on asking for another record request at this  
16       time.

17                   CHAIRMAN GETZ: Okay.

18   BY MS. HATFIELD:

19   Q.   On Page 16, where the Company describes the ENERGY STAR  
20       programmable thermostats, you reference, just  
21       generally, that "research has shown that turning back  
22       thermostats" results in particular savings. Are you  
23       personally aware of that research?

24   A.   I personally am not aware of the research. This was a

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1 reference to a GasNetworks study.

2 Q. Could the Company provide that to the parties?

3 A. I believe so.

4 MS. HATFIELD: I would like a record  
5 request for that.

6 CHAIRMAN GETZ: Okay. We will reserve  
7 Exhibit 6 for that response.

8 (Exhibit 6 reserved)

9 BY MS. HATFIELD:

10 Q. On Page 17, the Company provides general budget savings  
11 and participation goals for all of the GasNetworks  
12 programs in Table III-5. Do you see that?

13 A. Yes, I do.

14 Q. And, could the Company provide more of a detailed  
15 breakdown showing the participation and savings by each  
16 of the different technologies, rather than putting them  
17 altogether?

18 A. I believe so, yes. We would have problems, I think,  
19 trying to allocate the total budget. But I think the  
20 savings and the participation we'll be able to do.

21 MS. HATFIELD: Okay. Thank you. I'd  
22 like to have a record request for that item.

23 CHAIRMAN GETZ: Okay. So, you're  
24 looking for a breakdown, can you --

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1 MS. HATFIELD: Yes. Right now, if you  
2 look at Table III-5, it gives a "Savings Goal" and a  
3 "Participation" for all of the different types of measures  
4 within that program area. And, we were just looking for a  
5 breakdown among the heating, thermostats, hot water  
6 heating, and windows.

7 CHAIRMAN GETZ: Okay. So, we'll save  
8 Exhibit 7 then for that, the breakdown of Table III-5.

9 (Exhibit 7 reserved)

10 BY MS. HATFIELD:

11 Q. Turning to Page 18, the Company describes the  
12 Self-Install Rebate Program, do you see that?

13 A. Yes.

14 Q. And, in this program, the Company offers up to \$25 in  
15 rebates for basic weatherization and other, as you call  
16 them, "simple energy saving measures", is that correct?

17 A. Yes.

18 Q. And, I believe on Table A-2, the Company states that  
19 there is a cost-effectiveness measure for this program  
20 of "1.6".

21 A. A-2 or A-1?

22 Q. I have it in Supplemental Table 1, Appendix A, Table  
23 A-2.

24 A. Oh. Okay. Yes. Sorry, I was looking on the wrong

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1 line.

2 Q. Does the Company have any data on any specific  
3 evaluations or studies that support that  
4 cost-effectiveness number?

5 A. We have information that was provided to us by GDS  
6 Associates, who performed the benefit/cost ratios for  
7 Northern Utilities. We have not had a chance to really  
8 dig into those numbers, which is one of the reasons  
9 that we would like to do -- use some of the evaluation  
10 funds that we do have and take a look at that. I think  
11 that we need to look a little deeper.

12 Q. Would the Company be willing, perhaps not as a record  
13 request, but perhaps as just a conversation with the  
14 parties and Staff to discuss cost-effectiveness and  
15 monitoring and evaluation generally, and share some of  
16 those studies and information with the parties and  
17 Staff?

18 A. To the best of my knowledge, at this point we do not  
19 have any company-specific evaluations. You know, we  
20 asked Northern specifically for what they had, and  
21 there was nothing. If you're talking about going  
22 forward, certainly.

23 Q. Did the Company consider increasing the amount that  
24 customers could get a rebate for in this program, so

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1           that it would be over \$25?

2    A.    I don't believe that we actually considered it, no.

3    Q.    Would you be willing to consider it in the next  
4           program?

5    A.    I would, yes. I think that the next program, I think  
6           pretty much everything's open.

7    Q.    Turning to the Low Income Programs, which begin on Page  
8           20, in response to Mr. Linder's questions, you gave us  
9           some information about the new or this revised budget  
10          number. Is this, this "80" participation goal, is that  
11          also a revised number? I don't have the redline in  
12          front of me, I'm sorry. Actually, looking at  
13          Exhibit 3, the redline, it shows that participation  
14          went from "45" to "80", is that correct?

15   A.    Yes, it is.

16   Q.    And, then, previously you had testified I believe that  
17          the cost-effectiveness of the program had increased to  
18          "1.8", is that correct?

19   A.    Yes, it is.

20   Q.    I think we can see that for all of the programs on  
21          Table A-1 Revised. And, do you have that table in  
22          front of you?

23   A.    Yes, I do.

24   Q.    And, that shows the Low Income as "1.8"?

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- 1 A. Oh, I'm sorry. No, I don't have it. Yes, the Low  
2 Income here is shown at "1.8".
- 3 Q. Can you speak to why the Low Income cost-effectiveness  
4 is "1.8", but the Home Performance with ENERGY STAR is  
5 only "1.1"?
- 6 A. Well, I think that part of the increase that we just  
7 had proposed in this revised version, most of that did  
8 go to the -- it did not go to administrative costs, it  
9 went to the, sorry, rebate bucket. The Home  
10 Performance with ENERGY STAR, I think part of that has  
11 to do with the audit. It is going to be a costly  
12 endeavor.
- 13 Q. But wouldn't the audit, though, show up in the  
14 Residential Home Energy Assessment Program, which has a  
15 cost-effectiveness of zero?
- 16 A. Part of the audits will, and part of the audits will  
17 move forward into the other program. That's what I was  
18 talking to Mr. Steltzer about earlier. That the Home  
19 Energy Assessment is sort of the gateway into the two  
20 programs. But, once a customer has decided that they  
21 will, in fact, install the measures, the whole project  
22 will move into the second program.
- 23 Q. So, it sounds like some of the audit costs would -- say  
24 I'm a customer and I do both. Some of my audit costs

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1 would be in the RHEAP and some of my audit costs would  
2 go with me and carry over into the Home Performance  
3 with ENERGY STAR?

4 A. No, your total audit cost would. So, what's going to  
5 happen is we're going to get a bill, and that bill is  
6 going to have the cost of the audit and any measures  
7 that are installed. That bill will go with you into  
8 the second program. Any customers that stay within the  
9 first program, their bill is going to stay there. It's  
10 not going to move with them, you know.

11 Q. But isn't it true, though, that, if you're a low income  
12 customer, do you also get an audit that's similar to  
13 the one that's offered to non-low income customers?

14 A. Yes, you do.

15 Q. Okay. And, don't the non-low income customers  
16 contribute 25 percent of the cost of the total project?

17 A. Yes, they do.

18 Q. So, I'm not sure, if the customer is contributing to  
19 the cost, why the cost-effectiveness of that program is  
20 actually lower than on the low income side, where the  
21 customer doesn't contribute anything?

22 A. Whether the customer contributes something or not, in  
23 the total TRC test, really doesn't matter, because  
24 we're looking at the whole -- the whole cost of the

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1 project. We're not just looking at the utility cost.  
2 I would have to take a look at the Home Performance  
3 with ENERGY STAR. I don't know why, what may be going  
4 on. If you look at the -- yes, without having this  
5 screen in front of me, I would have to do a record  
6 request on that.

7 MS. HATFIELD: I'm not sure what to ask  
8 for in the record request, Mr. Chairman. But it sounds  
9 like the Company is willing to work with the interested  
10 parties to discuss that further.

11 CHAIRMAN GETZ: Well, I guess I have a  
12 question, towards what end are these record requests going  
13 to go? If the program expires April 30, we're going to  
14 have to take some kind of action. So, I'm wondering, is  
15 there, and I think Mr. Steltzer raised a question earlier  
16 about making some proposal to change what's going on. So,  
17 certainly, any information for further purposes, I guess  
18 would certainly be helpful to the parties and to the  
19 Commission. But is there some expectation that we're  
20 going to get some next step to do something different with  
21 what's being proposed? I'm just trying to keep track of  
22 this.

23 MS. HATFIELD: Thank you, Mr. Chairman.  
24 The challenge in this docket, as I'm sure the Commission

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1 is well aware, is that the parties have had just a month,  
2 and not really an opportunity for discovery. So, our  
3 intent was to try to make sure that the Commission had the  
4 information that you need to find that the programs are in  
5 the public interest for the 20 month period. And, also,  
6 to facilitate what we see as, like on the electric side,  
7 an ongoing dialogue between the parties and Staff, to  
8 track the programs, do some evaluation, and to help us  
9 plan better for when the companies do come back in.

10 So, in our closing, we will have -- we  
11 will state our position with respect to different aspects  
12 of the proposal. But we certainly don't have an  
13 expectation that there would be any further revisions. It  
14 really is an attempt to strike the right balance between,  
15 understanding this is a short docket, for only 20 months,  
16 but also trying to get enough information out.

17 CHAIRMAN GETZ: And, I think that's part  
18 of where I was going. Is that, unless there's some notion  
19 of extending the current, whether there's an expectation  
20 that we would be able to get this, these record requests  
21 answered and incorporate that into our deliberations. But  
22 I guess, in this regard, though, with Exhibit -- record  
23 request, Number 8, looking for some more definition of the  
24 cost/benefit test, is that --

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1 MS. HATFIELD: One moment please. We do  
2 think it would be helpful to have additional information  
3 on the cost/benefit test, especially for the Home  
4 Performance with ENERGY STAR, because that is a critical  
5 number for the overall program, the Company's incentive,  
6 and really the parties ability to test whether the program  
7 has been successful.

8 WITNESS JARVIS: One of the things that  
9 I will point out is, for the Low Income Program, a lot of  
10 the projects are leveraged by the DOE funding, which would  
11 help to reduce our costs associated with that. We're not  
12 -- We're not showing the CAP contributions in here. So,  
13 that probably has quite a bit to do with why it's so high.  
14 But I certainly don't mind providing more information on  
15 it.

16 CHAIRMAN GETZ: Okay. We'll reserve  
17 Exhibit 8 for that response.

18 (Exhibit 8 reserved)

19 MS. HATFIELD: Thank you.

20 MS. THUNBERG: Mr. Chairman, if I can  
21 just interject. On the issue of the intent of these  
22 record requests, I'd just, while we're talking on the  
23 subject, I'd like some clarification. It's my  
24 understanding that Record Request -- or, that's been

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1 reserved for Exhibit 4 is the only one that is actually  
2 changing the program document itself. And, I just want to  
3 get the parties' consensus, that the other ones, the other  
4 record requests are merely for additional information to  
5 aid in the Commission's evaluation. Is that accurate?

6 MS. HATFIELD: I think that's fair to  
7 say.

8 MS. THUNBERG: Thank you for letting me  
9 pause for that clarification.

10 BY MS. HATFIELD:

11 Q. Ms. Jarvis, turning back to the Low Income Programs, is  
12 there a cap on the amount that can be spent on a single  
13 home?

14 A. It is the Company's intent not to cap the amount of  
15 money. We anticipate that the average -- we anticipate  
16 that the majority of customers are going to be less  
17 than \$5,000. However, we want to be able to, in  
18 certain circumstances, and I'm thinking specifically of  
19 a "no heat" situation or something, we want to be  
20 responsive to, you know, the customer's needs and  
21 provide what's necessary to ensure their health and  
22 safety.

23 Q. You also -- You previously testified that the Company  
24 is proposing to increase the Low Income budget by

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1       \$54,000, and you're proposing to fund that from the  
2       residential overcollection, is that correct?

3   A.   Yes, it is.

4   Q.   Does the Company agree that there is a high level of  
5       need for low income efficiency services at this time?

6   A.   Yes, I believe so.

7   Q.   Would you agree that, typically, under long-standing  
8       Commission policy, that Low Income Programs have been  
9       funded equally from commercial and industrial customers  
10      and low income -- excuse me, and residential customers?

11  A.   Yes, we have.

12  Q.   And, would you agree that the Company's proposal in  
13      this case is not intended to be a precedent for future  
14      funding of Low Income Programs?

15  A.   No, it is not.

16  Q.   Thank you. Turning to Page 33, this is where the  
17      Company sets forth what it's calling "Additional Market  
18      Transformation Activities". Do you see that?

19  A.   Yes, I do.

20  Q.   And, at the end of the first paragraph, you state that  
21      the "plan incorporates multiple strategies that promote  
22      market transformation with the intent of achieving this  
23      goal." Could you just outline for us briefly where we  
24      might find those strategies or what particular programs

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1       you view as "promoting market transformation"?  
2     A.   Well, there are several that are actually referred to  
3       in here.  There's the GasNetworks Program, which is a,  
4       as I mentioned earlier, is a collaborative of regional  
5       gas companies that are -- that are attempting, you  
6       know, are working towards changing the marketplace for  
7       various heating, cooling -- well, not so much cooling,  
8       but heating and water heating equipment, such that the  
9       higher efficiency equipment becomes the norm.  Another  
10       program that is -- will do such things includes the  
11       Home Energy -- I'm sorry, too many names, the ENERGY  
12       STAR Homes Program is also another market  
13       transformation program that -- with the goal of  
14       changing building practices and, you know, improving  
15       the standards by which homes are built.  We also have  
16       our -- the website that we have is the GasNetworks,  
17       which provides an online information source for  
18       customers, as well as vendors.

19               We also, to some extent, are  
20       participating in the education and training programs.  
21       Primarily, we're focusing on training the behavioral  
22       issues, you know, behavior -- we're not psychologists,  
23       no, but the behavior of the customer, as far as their  
24       energy efficiency -- or, their energy usage.  And, I

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- 1 think those pretty much are the -- underlying all  
2 programs are the efforts to improve the building stock  
3 and so forth, or the business environments and the --  
4 that the customer or the, you know, employees of  
5 customers are working within.
- 6 Q. So, does the Company have a budget for this area or is  
7 it incorporated into the different program budgets?
- 8 A. This year it was, actually, it was incorporated into  
9 the individual programs.
- 10 Q. On Page 37, the Company discusses "Program Evaluation".
- 11 A. Yes.
- 12 Q. And, I think earlier you referenced that the total  
13 budget for monitoring and evaluation was around  
14 \$57,000, is that correct?
- 15 A. I believe it's 58, but, yes, that's --
- 16 Q. I think Table B-1: Revised shows it as "\$57,962"?
- 17 A. Okay.
- 18 Q. What specific studies or activities is the Company  
19 proposing to conduct over the 20 month period for  
20 monitoring and evaluation?
- 21 A. As I alluded to earlier, the Company has a very small  
22 budget. One of the things that we are planning to look  
23 at this year, though, would be to continue to review  
24 the GDS Associates Report, the additional opportunities

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[WITNESS: Jarvis]

1       for energy efficiency in New Hampshire, which was a  
2       technical potential study that was just completed I  
3       believe this last -- I think it was this last fall. We  
4       need to take a, you know, an in-depth look at it to see  
5       how or, you know, where opportunities to incorporate  
6       different technologies and so forth into the gas  
7       studies and gas programs would be appropriate.

8                       There is -- GasNetworks is currently  
9       looking -- they're currently doing an update for a  
10      Massachusetts Market Transformation Scoping Study,  
11      which is basically a technical potential study for gas  
12      measures. That's currently underway. I believe that  
13      this program or this project is -- I think that it's  
14      going to be completed within the next six months. It  
15      certainly will be done by the end of the year. As  
16      indicated on Page 37, the intent is to identify  
17      cost-effective existing and emerging natural gas  
18      technologies, and also to identify the most promising  
19      technologies, new technologies, additions --  
20      initiatives and opportunities for deploying over the  
21      next five years.

22                      And, as part of the discussion that came  
23      through on the technical session, the Company is also  
24      planning on taking a look at the savings and underlying

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1       assumptions associated with the Self-Install Program.  
2       As I discussed earlier, the numbers were derived from  
3       the screening process that was done by GDS for the  
4       program -- I'm sorry, Northern. And, we really haven't  
5       had a chance to dig into what they are, how good they  
6       are and so forth. So, we want to take a look at that  
7       this year as well.

8   Q.   And, in that process, does Northern and Unitil intend  
9       to work with the other gas and electric companies?

10  A.   I don't know if we've actually had any discussions.  
11       We're certainly welcome to do so. I mean, we do work  
12       quite closely with the gas companies in Massachusetts.  
13       We also have a gas company, and through the  
14       GasNetworks, there is a lot of collaboration that goes  
15       on, and that would include KeySpan. So, I think that,  
16       just by virtue of being, sitting in -- each of us  
17       sitting in each other's pockets, there will be quite a  
18       bit of collaboration going on.

19  Q.   I believe Mr. Steltzer previously referred to a  
20       discussion at one of -- at the technical session that  
21       we had, where the Company stated that it was  
22       "considering conducting an initial analysis of the  
23       Residential Self-Install Program". Are you familiar  
24       with that?

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[WITNESS: Jarvis]

- 1 A. Yes, that's -- yes.
- 2 Q. Can you just talk about what that analysis might  
3 include?
- 4 A. That's what I was referring to earlier. We had the  
5 savings assumptions associated with the program, the  
6 Self-Install Program, were sort of -- they were -- we  
7 used the same numbers and underlying assumptions that  
8 were from GDS that they had used in Northern's last  
9 program plan. And, we want to take a better look at  
10 those numbers.
- 11 Q. Thank you. In terms of marketing your programs to gas  
12 customers, I believe that Table B-1 shows that your  
13 overall marketing budget is just over \$122,000, is that  
14 correct?
- 15 A. Yes. That's correct.
- 16 Q. And, what is the Company planning to do to promote the  
17 programs?
- 18 A. Specifically, I don't know what the marketing plans  
19 are. I do know that we have had to or we are in the  
20 process of doing a lot of printing for the collateral  
21 material. There is -- We could not take the Northern,  
22 I think it was "Energy" -- or, "Partners in Energy"  
23 logo. So, we have to basically produce the marketing  
24 materials specific for Unutil. So, I do know that that

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1 is an expense. I do not know what the individual  
2 programs specifically, you know, I would have to take  
3 that as a record request.

4 Q. Well, maybe instead of that, would the Company be  
5 willing to work with the CORE group that I think  
6 intends to look more closely at marketing and outreach  
7 and education?

8 A. Certainly we would be, yes.

9 Q. Thank you. My last question, I think, is would the  
10 Company agree to work with the parties and Staff in  
11 advance of the next filing, to try to develop what I  
12 think it sounds like your goal is, which is to create  
13 integrated gas and electric programs, I guess that  
14 would be in 2010?

15 A. That would be -- Well, it would be for effect  
16 December 2011 -- I'm sorry, January 2011. Yes, we  
17 would we. Would anticipate doing so.

18 Q. And, would the Company agree to meet with the parties  
19 and Staff by the summer of that year, so that a filing  
20 could be made by August 31st of 2010, to give the  
21 parties and Staff sufficient time to review the  
22 proposals?

23 A. The Company would have no problem with doing so.

24 Q. I'm sorry, I do have just one or two more questions.

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[WITNESS: Jarvis]

1 I'm being reminded. In Exhibit -- or, Appendix C, on  
2 the first page, Schedule 1, it's a "Summary of  
3 Projected Energy Efficiency Charges".

4 A. Okay.

5 Q. Do you see that?

6 A. Yes.

7 Q. Why is the Residential Conservation Charge higher than  
8 the Commercial/Industrial Charge?

9 A. I do not know. These numbers are basically, I believe,  
10 were developed by Northern. I might be incorrect.  
11 What I will say, though, is that this exhibit was  
12 intended for illustrative purposes only, and we are not  
13 seeking approval of these numbers. But I would have to  
14 check into that.

15 Q. I guess, in light of the fact that, as we discussed  
16 previously, that the residential class is going to  
17 continue to have an overcollection, the OCA would like  
18 to get updated numbers, understanding that they're just  
19 illustrative. Would the Company be agreeable to that?

20 A. I'm not sure what the difference would be. The reason,  
21 I mean, there would be a change to the Low Income  
22 budget, which would be coming out of the residential.  
23 But I'm not sure -- I guess I'm not sure what else  
24 would change.

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1 Q. And, perhaps this is better addressed in the cost of  
2 gas case this fall. But, if the residential class, you  
3 know, continues to have an overcollection, we just want  
4 to look more closely at why the Conservation Charge is  
5 higher on the residential side.

6 A. No, I agree. The programs began with a large  
7 overcollection. This rate, I believe, is the same that  
8 has been charged for the -- for the last program year.  
9 What we have done is we have increased the budget  
10 \$200,000. You know, again, I kind of spoke about this  
11 earlier. We were a little bit concerned with bumping  
12 up the budget to completely wipe out the balance,  
13 because what that would tend to do is you would see  
14 program activity go up, and then it would naturally  
15 have to come back down again, because the programs --  
16 the customer class can't support the higher level of  
17 spending. So, we have been trying to keep it spread  
18 out, you know, to keep a lower -- I mean, a flatter  
19 activity level. We will be changing these as part of  
20 the fall filing. But, you know, we -- I guess I'm not  
21 sure what question I'm answering now.

22 Q. No, I think you've answered it.

23 A. Okay. Thank you.

24 Q. Thanks. And, then, just finally, has the Company

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1 explored or analyzed any potential customer financing  
2 options or similar tools to assist customers with  
3 addressing the up-front costs of participating in these  
4 programs?

5 A. We have not within the context of the Northern filing.  
6 As a company, we have been looking at other  
7 opportunities. But we have not specifically to this  
8 docket.

9 Q. Okay. And, that sounds like this might be something we  
10 could continue to discuss in advance of the next  
11 filing?

12 A. Definitely, yes.

13 MS. HATFIELD: Thank you. I have no  
14 further questions.

15 CHAIRMAN GETZ: Thank you. Ms.  
16 Thunberg.

17 MS. THUNBERG: Thank you, Mr. Chairman.  
18 Ms. Jarvis, Staff only has about a dozen questions, just  
19 to give folks a sense of our time here. It has been very  
20 informative this morning.

21 BY MS. THUNBERG:

22 Q. There was a time when you were testifying earlier, and  
23 I'm looking at Exhibit 3, on Page 8, if you could.  
24 And, in the middle of the page, it references a

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1       "\$4,000" figure. And, I believe in testimony you were  
2       referring to "4,500". And, I just wanted to clarify  
3       for the record which, which is the number? Is it  
4       "4,000" that's represented in this document?

5     A.   This is the Home Energy -- I'm sorry, the Home  
6       Performance with ENERGY STAR? No, this is the HE. I'm  
7       sorry, now I'm confused.

8     Q.   Well, if I can rephrase the question. I believe there  
9       was a time that you were, and I thought I was following  
10      along correctly, when you were referring to a \$4,500  
11      figure as the total project costs cap. Maybe I am  
12      misspeaking and thinking it was this cap that you were  
13      referring to?

14    A.   I think the "\$4,500 cap" that we were talking about had  
15      to do with the Low Income Program. As I recall, the  
16      initial discussions that we had on the Low Income  
17      Program, we started at 4,000, and KeySpan or National  
18      Grid was proposing 4,500. And, the question was  
19      whether we would be willing to go up to that 4,500.  
20      Now, I may be recalling this completely wrong, but I  
21      thought that's what it was. And, then, as I brought it  
22      back to our company, we discussed it, and we decided,  
23      on the low income side, we really didn't want to impose  
24      a cap. Am I confused?

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[WITNESS: Jarvis]

- 1 Q. Well, I just want to talk about the Low Income Program.  
2 There is no cap proposed in the present program,  
3 correct?
- 4 A. No, there isn't.
- 5 Q. Okay.
- 6 A. But there was a question, during the technical session,  
7 there was a question as to what we were planning on  
8 doing, and the request was that we would go to the  
9 4,500. The Home Energy Assessment Program and the Home  
10 Performance with ENERGY STAR, the cap in here is listed  
11 at "4,000".
- 12 Q. Will it be staying at 4,000, as the Commission -- or,  
13 as the Company seeks the Commission to approve?
- 14 A. I think that, since it is not changed in here, I guess  
15 I would say that that was the intent of the Company.  
16 However, we certainly would not be opposed to  
17 increasing it to 4,500, if that was -- if my confusion  
18 has led to more confusion.
- 19 Q. I guess I will just ask one final time. Presently,  
20 there is no change to these \$4,000 figures that are  
21 represented in this document -- in the Exhibit 2 and  
22 Exhibit 3, is that correct?
- 23 A. For the non-Low Income Program, no.
- 24 Q. Thank you. Ms. Jarvis, if I can have you use Exhibit

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[WITNESS: Jarvis]

- 1           3, and turn to Page 8 please, at the very bottom. And,  
2           this is the redlined version. And, there's reference  
3           to a fuel-blind proposal, and that it's being discussed  
4           in the context of the CORE energy efficiency programs.  
5           Do you see that reference?
- 6    A.    Yes, I do.
- 7    Q.    And, are you involved in those CORE energy efficiency  
8           discussions?
- 9    A.    Yes, I am.
- 10   Q.    And, you are aware that they are considering a  
11          fuel-blind proposal?
- 12   A.    Yes, I am.
- 13   Q.    Are you aware of whether the Commission has approved  
14          any fuel-blind program yet?
- 15   A.    I am not aware, no.
- 16   Q.    Now, turning to Footnote 9, it states "As filed in  
17          Docket DE 08-120." So, is it correct to characterize  
18          that the Company will be offering this if it is  
19          approved in this docket 08-120?
- 20   A.    If the Commission approves the fuel-blind proposal,  
21          yes.
- 22   Q.    Thank you. I'm sorry, I --
- 23   A.    No, I just -- I'm fine. That's fine.
- 24   Q.    Okay. I'd like the turn to Page 10 of Exhibit 3. And,

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1 in the third paragraph, it states -- it references the  
2 "EPA and DOE", and says "the program is not yet  
3 certified". Do you see that language?

4 A. Yes, I do.

5 Q. And, I have a two-part question. If the program is not  
6 yet certified, do you know what the cost of  
7 certification will be? And, also, will it have an  
8 impact on the cost/benefit ratio that I believe is on  
9 Page 5, which -- or, the Total Resource Cost Test ratio  
10 is 1.1? So, do you understand my two-part question?

11 A. Yes, I do. I am not aware that there are any costs  
12 associated with this. My understanding is, is that we  
13 just need to get the -- the programs need to be  
14 certified by, I've forgotten the -- by the EPA. And,  
15 we have already -- we are in process of that  
16 certification now. I do not believe that it would have  
17 any impact on the benefit/cost ratio of the program.

18 Q. Okay. Thank you. Moving onto Page 13 of Exhibit 3,  
19 third paragraph down, third line down, it states that  
20 "The program will also seek to incorporate renewable  
21 technologies such as solar thermal, solar domestic hot  
22 water or combined heat and power equipment." Do you  
23 see that reference?

24 A. Yes, I do.

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1 Q. And, can you tell me whether the Company has conducted  
2 a benefit/cost test for these technologies or these  
3 measures?

4 A. The Company has not at this point. What the Company is  
5 referring to here is, where the application would be  
6 cost-effective, we would consider installing these  
7 things. But the bottom line would be that they would  
8 have to be cost-effective before they could be  
9 implemented.

10 Q. And, do you know at what point the Company will be  
11 reviewing cost-effectiveness of these measures?

12 A. They're going to be on a case-by-case basis. I am not  
13 aware of any that are in the queue at this point.

14 Q. Would the Company be willing to, understanding that  
15 there is no date certain that these measures will be  
16 evaluated for cost-effectiveness, but, to the extent  
17 the Company does look at the cost-effectiveness of  
18 that, would the Company be willing to provide the Staff  
19 of the Commission with a report on the  
20 cost-effectiveness?

21 A. On the cost-effectiveness of an actual project going  
22 in?

23 Q. Correct. Because, I believe, if I understand you,  
24 that's what -- you're going to be looking at the

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[WITNESS: Jarvis]

- 1 cost/benefit at the --
- 2 A. At that point.
- 3 Q. -- individually as they're implemented.
- 4 A. Yes. Yes, we could do that.
- 5 Q. Thank you. Ms. Jarvis, have you reviewed Northern's
- 6 past program that was approved for energy efficiency?
- 7 A. Yes.
- 8 Q. So, my question is, are you generally familiar with
- 9 what's the so-called "Staff template"?
- 10 A. With the -- As it relates to the -- I think it was the
- 11 shareholder incentive calculation?
- 12 Q. Perfect. Thank you. Yes.
- 13 A. Yes.
- 14 Q. That Staff template is not recreated in the present
- 15 Unitil filing, is that correct?
- 16 A. That is not, correct. Yes. It was not included, yes.
- 17 Q. For the ease of Staff's understanding of the filing,
- 18 would the Company be willing to provide such a
- 19 template?
- 20 A. I'll try. Yes, it was just -- at the time I was trying
- 21 to pull this together, I was a little confused as to
- 22 what that was. So, yes, I will provide that.
- 23 Q. Are you still confused as to what the Staff template
- 24 is?

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1 A. No, I think Mr. Cunningham had provided me with a copy  
2 that was a little clearer than what I was looking at.  
3 The documents that I had from Northern were a little  
4 confusing.

5 Q. Thank you. You're going to allow me to test your  
6 knowledge further. Did you participate in the  
7 acquisition docket, which was docket number DG 08-048?

8 A. No, I did not.

9 Q. Okay. Are you at all familiar with a commitment by  
10 Unitil to assess improvements and expansions of the  
11 energy efficiency programs?

12 A. Yes, I was aware of that.

13 Q. And, in looking at the improvements and expansions, is  
14 it the Company's intent to also look at the cost of  
15 doing the improvements and expansions?

16 A. I'm sorry. Are you referring to energy efficiency?

17 Q. I'm sorry. In particular, yes, energy efficiency, and  
18 this commitment was with the low income and energy  
19 efficiency programs.

20 A. Yes. The cost/benefit analyses that are provided  
21 within these documents have taken a look at the costs.  
22 I mean, maybe I'm misunderstanding your question.

23 MS. THUNBERG: I may be miss-asking the  
24 question. If I can defer to Mr. Cunningham, if I need to

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[WITNESS: Jarvis]

1 clarify.

2 BY MR. CUNNINGHAM:

3 Q. Yes. I'd like to clarify, in terms of allocation of  
4 the budget for the low income portion. Just by way of  
5 background, the Commission has asked that a fresh look  
6 be taken at the allocation of the budget, energy  
7 efficiency budget for the CORE residential sector to  
8 the Low Income Programs. And, there is a working group  
9 that has been set up to review that pursuant to the  
10 Commission's order. The question that Staff is  
11 interested in at this point is, in the context of  
12 reviewing the Low Income Energy Efficiency Program  
13 expansion, would the Company also be willing to discuss  
14 the percent allocation of the budget that should be  
15 related to the Low Income Programs?

16 A. The change that we made to the Low Income budget was  
17 done specifically to reflect the Electric CORE Program  
18 percentage. So, in that context, I would say "yes",  
19 the Company would consider -- well, yes, actually, if  
20 you think about it, we're trying to combined the two of  
21 them anyway for the next go-around. So, I think that  
22 it would all be part and parcel of that discussion.

23 MR. CUNNINGHAM: Thank you.

24 MS. THUNBERG: Thank you, Mr. Chairman.

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[WITNESS: Jarvis]

1 Staff has finished with its questions.

2 CMSR. BELOW: Yes, I have a few  
3 questions.

4 BY CMSR. BELOW:

5 Q. I'm going to work from Exhibit 3, Page 7. If the  
6 negotiated price you retain one or more contractors to  
7 perform the Home Energy assessments comes in at more  
8 than \$215, would you still provide that at no  
9 additional cost to the customers, if they use your  
10 vendor under contract?

11 A. Yes, that would be the intent.

12 Q. Okay. Would it be safe for me to presume that, at an  
13 estimated cost of \$215, you don't anticipate including  
14 any thermography with the basic Home Energy assessment?

15 A. "Thermography", meaning the blower door test?

16 Q. No. Thermography, infrared imaging, to detect gaps or  
17 missing insulation?

18 A. I honestly don't know. I would have to check on that.

19 Q. Okay. On Page 11, at the bottom of the page there's a  
20 new insertion "All such projects must be  
21 cost-effective." What do you mean by the word  
22 "project" there?

23 A. I'm sorry, I don't see where you're referring?

24 Q. Bottom of Page 11, last line.

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[WITNESS: Jarvis]

1 A. Oh. This is in reference to the installation of the  
2 solar thermal or combined heat, you know, the new  
3 technologies, the untested technologies. They would  
4 have to be -- The project would have to be  
5 cost-effective.

6 Q. Okay. So, when you're looking at the package, in the  
7 first sentence of that paragraph, a package of  
8 measures, if that package of measures on the home  
9 overall has a cost-effectiveness, but there might be  
10 one particular subset that may not be cost-effective,  
11 you might still do that as part of a package?

12 A. Yes. My understanding is that they actually do try to  
13 look at them on a measure-by-measure basis. But the  
14 goal is to make sure that the overall project is  
15 cost-effective.

16 Q. Okay. On Page 15, and following onto Page 16, at the  
17 top of Page 16 there's a reference to a "rebate  
18 structure" for "\$300" for a energy efficient high  
19 efficiency water heating. But the specific reference  
20 is to "indirect fired water heaters and on-demand  
21 tankless water heating systems", with a "0.82 Energy  
22 Factor or greater". And, on the previous page is a  
23 discussion of residential heating equipment. If  
24 somebody had a -- if you had a Deep Energy Retrofit,

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1       such that they had a low heating load and could use a  
2       high efficiency, you know, 90 percent plus condensing  
3       hot water heater for both space heating and hot water,  
4       what program would it fall under? Would it be  
5       considered a boiler or combined boiler and water  
6       heating unit or just a high efficiency water heater?

7    A.   I honestly don't know.

8    Q.   Okay.

9    A.   I would have to follow up with that.

10   Q.   Well, that might be something to look at, as there's an  
11       increasing trend to use high efficiency condensing  
12       water heaters for space heating and hot water heating.

13   A.   I don't believe that they're actually rebated through  
14       the GasNetworks, though. I think that that might be  
15       something that we would anticipate doing under the  
16       other program.

17   Q.   Okay.

18   A.   I'm not sure. I would have to check on that.

19   Q.   On Page 16, under the Residential ENERGY STAR Window  
20       Program component, have you or have you considered  
21       providing consumers with educational materials about  
22       solar heat gain coefficients? Such as the notion that  
23       a high solar heat gain coefficient might be appropriate  
24       on south-facing windows where there's appropriate

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1 summer shading, and the homeowner might benefit from  
2 passive solar heat gain. And, a low solar heat gain  
3 coefficient might be appropriate on west or east  
4 windows, where a homeowner might want to avoid  
5 excessive summer heat gain?

6 A. I would -- I would have to defer that to the program  
7 implementer. I really don't know.

8 Q. Okay. And, the \$10 rebate is pretty low, but maybe  
9 that reflects the market trend for ENERGY STAR windows  
10 with a U-factor of 0.35 is becoming more the norm than  
11 the exception. Have you considered doing anything with  
12 incentives to get to a lower U-factor than 0.35?

13 A. Not that I'm aware of, no.

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

15 CHAIRMAN GETZ: Any redirect, Mr. Epler?

16 MR. EPLER: No, Mr. Chairman.

17 CHAIRMAN GETZ: Okay. Then, the witness  
18 is excused. Thank you, Ms. Jarvis.

19 WITNESS JARVIS: Thank you.

20 CHAIRMAN GETZ: Is it anticipated that  
21 there will be other witnesses this morning?

22 (No verbal response)

23 CHAIRMAN GETZ: Okay. Then, is there --  
24 well, any objection to striking identifications and

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1 admitting the exhibits into evidence?

2 (No verbal response)

3 CHAIRMAN GETZ: Hearing no objection,  
4 they will be admitted into evidence. Is there anything  
5 else we need to address before providing an opportunity  
6 for closing statements? Commissioner Below.

7 CMSR. BELOW: I have a question for  
8 Mr. Epler. As we're discussing energy efficiency, does  
9 Unitil have photocopiers that have automatic duplexing?  
10 And, would you consider providing such documents  
11 double-sided in the future?

12 MR. EPLER: Absolutely, Commissioner. I  
13 was actually, while copying these last night on our  
14 machine, I anticipated that question. And, I attempted to  
15 do it, but it was a new machine, and was unsuccessful.  
16 So, I figured, after one attempt, I'll do this. But, yes,  
17 we will endeavor to do it.

18 But, if I could clarify, as a general  
19 rule is the Commission requesting that for paper filings  
20 or just for exhibits?

21 CMSR. BELOW: We encourage it. And, I  
22 think that's reflected in our rules, it at least allows  
23 it. But we do try to encourage it, both to conserve paper  
24 and to conserve filing space, because we're constantly

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1       trying to clean out our files to make room.

2                   MR. EPLER:   Okay.   So noted.   I will  
3       take that back, and we'll try to move ahead with that.

4                   CHAIRMAN GETZ:   And, you'll do the  
5       training?

6                   MR. EPLER:   And, I'll take the training.

7                   CMSR. MORRISON:   Paper training.

8                   MR. EPLER:   Paper training.

9                   CHAIRMAN GETZ:   Okay.   Then, let's begin  
10      with closings.   So, Mr. Linder.

11                   MR. LINDER:   Yes.   Thank you.   Thank  
12      you, Mr. Chairman.   Our client appreciates the efforts of  
13      the Company in this area and the Company's sensitivity to  
14      the need for the energy efficiency services to be provided  
15      for the low income community, and appreciates the  
16      Company's willingness to increase the budget to that  
17      effect.   And, we do support the Company's filing and  
18      support the proposed budgets.   We believe the program is  
19      in the public interest.   And, we would recommend that the  
20      Commission approve the filing.   And, that the Commission  
21      consider, as part of its order, the letter that is to be  
22      filed by Mr. Epler, agreeing, in essence, to supplement  
23      the filing by the periodic reports on the Low Income  
24      Program.

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1                   We thank you very much.

2                   CHAIRMAN GETZ: Thank you.

3                   Mr. Steltzer.

4                   MR. STELTZER: OEP's interest here is  
5                   not only from the residential perspective, but also from  
6                   the business perspective, and how these programs are being  
7                   made available to both of those end users. We're looking  
8                   for consistency between the programs, and we're also  
9                   looking for evaluation of the programs. Looking  
10                  specifically at how the programs are being reviewed for  
11                  their effectiveness. We talked a little bit today about  
12                  the evaluations and what's noted in here is that \$58,000  
13                  will be spent to review the documents, not only the energy  
14                  -- the GDS report, but also the GasNetworks report as  
15                  well.

16                  We have some concerns about the amount  
17                  of money that's going into reviewing the documents. We  
18                  certainly appreciate that they have -- the Company has  
19                  extended that to include also the evaluation of the  
20                  Residential Self-Install Program, and would certainly be  
21                  interested, to the extent possible, that the Residential  
22                  Home Energy Assistance Program, which has been identified  
23                  as a unique component to this proposal, is evaluated in  
24                  some sort of capacity, to see that, in future years, if

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1       this is an effective program that is being offered here,  
2       that other future programs, not only at the electrical  
3       level, but also within National Grid's gas level, could  
4       potentially take part in the educational component that is  
5       offered here.

6                       And, so, we'll continue to be interested  
7       in consistency, as well as evaluation, as we go forward.  
8       Thank you.

9                       CHAIRMAN GETZ: Thank you. Mr. Nute.

10                      MR. NUTE: Yes. The Association is in  
11       support of this agreement here. I'd just like to echo  
12       Attorney Linder's request for the quarterly meetings,  
13       where this is currently being done in another gas docket.  
14       It's very efficient, it works very well, and it works as  
15       well for the company, as it does for all the interested  
16       parties.

17                      In the non-low income, it's very  
18       interesting, this new procedure, the new programs we're  
19       getting into here. But we just feel that, although we  
20       support it, we'd like to watch it carefully as it goes  
21       through the docket, and perhaps help, and just see what  
22       comes out of this, and combining with the electric also.

23                      CHAIRMAN GETZ: Thank you.  
24       Ms. Hatfield.

1 MS. HATFIELD: Thank you, Mr. Chairman.  
2 The OCA would like to begin by thanking the parties and  
3 Staff for all of the work that has been done in this quick  
4 docket. We do support and very much appreciate the  
5 Company's willingness to file this 20 month gap proposal.  
6 We look forward to working with this company and others to  
7 try to integrate the gas and electric programs. So, we  
8 really appreciate the Company's willingness to not propose  
9 another three year program that would have continued that  
10 mismatch.

11 The OCA hasn't really had sufficient  
12 time to thoroughly review the proposal, I think as  
13 evidenced by some of our questions today and our many  
14 record requests. But we do believe that it is important  
15 to continue offering cost-effective gas efficiency  
16 programs to Northern's customers.

17 We support the increased funding for Low  
18 Income Programs that the Company has proposed. And, we  
19 appreciate the Company's -- that the Company agrees that  
20 there is a very high level of need for energy efficiency  
21 programs for low income customers. But we are troubled  
22 and are watching very carefully this proposal that the  
23 Company has made to fund the Low Income budget increase  
24 solely from the residential side, because we think that

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1       does go against long-standing Commission policy and  
2       precedent regarding how Low Income Programs are funded,  
3       because of the recognition that goes back quite some time  
4       now that providing energy efficiency to low income  
5       customers really does provide benefits to all customers,  
6       both residential, commercial/industrial, and others. And,  
7       we appreciate the Company's agreement that this funding  
8       approach, as currently proposed, will not be a precedent  
9       for the future funding of Low Income Programs.

10                       We agree with OEP's concerns about  
11       monitoring and evaluation. We understand this is a  
12       smaller company, with a small budget for M&E, and, you  
13       know, we're always sensitive of spending money on things  
14       other than measures. But we do think that measuring and  
15       verifying and reviewing programs is an important thing  
16       that we all do need to do. So, we will be looking to work  
17       with the Company in that area going forward. We also  
18       believe that this filing could use more detail in the  
19       areas of marketing, outreach, and education, coordination  
20       with the electric utilities, and as evidenced by some of  
21       the questions that we asked today.

22                       And, with respect to Mr. Linder's  
23       request for the low income reporting, we do support that.  
24       But I'm actually starting to wonder if maybe we don't need

1       that a little bit more on the non-low income residential  
2       side. We're looking forward to working with Unitil. And,  
3       we think we can work out a system where the parties talk  
4       more often than maybe once a year, or even less in the  
5       past. So, we hope that that's going to be a practice that  
6       they will be open to.

7                       And, finally, we did want to just touch  
8       on what we think is a real opportunity for Northern and  
9       for other companies to provide a critical educational  
10      piece of information to customers, who may not fully  
11      understand all of the opportunities that they have, and  
12      the differences between ENERGY STAR versus what qualifies  
13      for a rebate, versus what qualifies for a Federal Income  
14      Tax credit. So, we really urge the Company to ensure that  
15      their energy audit reports, educational materials, show  
16      people that there are a range of things that they can do,  
17      so that people understand that maybe it's a long-term  
18      process to get your house to that Deep Energy Retrofit  
19      point. And, we'd be happy to work with the Company on  
20      ways that they might do that. Thank you very much.

21                   CHAIRMAN GETZ: Thank you. Ms.  
22      Thunberg.

23                   MS. THUNBERG: Thank you, Commissioners.  
24      Staff recommends the Commission approve Unitil's filing,

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1 as represented by Exhibits 2, 3, and 4. Staff believes  
2 this 20 month proposal sets the appropriate stage for  
3 combining the programs with the CORE -- or, synchronizing  
4 the programs with the CORE energy efficiency filings.  
5 Staff believes that this synchronization will aid in the  
6 development of the programs, and that better coordination  
7 between the natural gas companies and electric companies  
8 will provide administrative efficiencies. Staff  
9 appreciates the Company's consideration of providing the  
10 simplified template, so that Staff can easily review the  
11 performance incentives.

12 Staff appreciates the Company's  
13 agreement to discuss possible program improvements and  
14 expansions for 2010, along with the Company's agreement to  
15 discuss the Low Income budget allocations. Staff  
16 recognizes that these discussions may increase  
17 administrative costs, but Staff will keep an eye toward  
18 making these efficient.

19 Staff also appreciates the Company's  
20 willingness to provide a report to Staff and the  
21 Commission on the cost-effectiveness of any solar or  
22 combined heat installations, if they are done. And, with  
23 that, thank you for your time.

24 CHAIRMAN GETZ: Thank you. Mr. Epler.

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1                   MR. EPLER: Yes, Mr. Chairman. Thank  
2     you. Mr. Chairman, Commissioners, admittedly this filing  
3     is a little bit of a compromise that attempts to thread  
4     the various constraints that were presented to the  
5     Company, one, being the recent acquisition of Northern and  
6     the somewhat lack of familiarity with the ongoing  
7     programs. The other being the tight time frame that we  
8     were under. And, then, a desire, I think by all parties,  
9     to try to do -- to coordinate these, this plan, with the  
10    electric plans on a going forward basis, to try to achieve  
11    greater economies of scale, greater efficiencies, to be  
12    able to spread certain costs for measurements and  
13    marketing, so on, among a greater base.

14                   But, with that, we believe it is a good  
15    compromise. It does -- It will help to bring us to that  
16    point of being able to coordinate the programs between gas  
17    and electric. And, we do intend to -- we are taking  
18    seriously the comments that have been made, in terms of  
19    more precise and better measurements of the activities,  
20    getting -- being able to coordinate the marketing  
21    activities. And, in addition, we will also take back the  
22    recommendations regarding information regarding income tax  
23    credits and rebates and being able to provide that to  
24    customers. We'll see if we can try to get that in our

1 customer information.

2 So, with that, we believe this is a good  
3 program and request approval by the Commission.

4 CHAIRMAN GETZ: Okay. All right. Then,  
5 we will close the hearing and take the matter under  
6 advisement. Thank you, everyone.

7 (Whereupon the hearing ended at 11:39  
8 a.m.)

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