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STATE OF NEW HAMPSHIRE



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03/21/2016 10:00 AM

April 7, 2016

Debra A. Howland, Executive Director  
NH Public Utilities Commission  
21 S. Fruit St., Ste. 10  
Concord, NH 03301

**Re: DE 14-078 Electric Assistance Program  
Electric Assistance Advisory Board Recommendation**

Dear Ms. Howland:

On March 15, 2016, the Commission approved the Electric Assistance Program (EAP) Advisory Board's (Board) request for an extension of the temporary discount and eligibility levels and the timeframe for the filing of a recommendation regarding the aforementioned through June 30, 2016 and May 1, 2016 respectively. Through this letter, the Board files its recommendation for EAP eligibility and discount levels and recommends the income threshold for program eligibility remain at 200% of the federal poverty guidelines (FPG) and the discount levels be reduced by 1% across all five discount levels effective July 1, 2016.

The EAP assists eligible low-income electric customers through a discount on participant utility bills. The EAP results from, and fulfills a public-benefit requirement of, electric restructuring. *See* RSA 369-B:1, XIII, and RSA 374-F:3, VI. The Board assists the Commission with oversight of the EAP. The members of the Board include low-income advocates and service providers, representatives of the New Hampshire electric utilities and the Commission Staff.

The EAP delivers benefits to eligible customers through five discount levels or tiers. Customers in the lowest poverty levels qualify for the highest discount. Since April 2014, the EAP discounts have been set at the levels shown in the table below. Those discounts, which are higher than the previous discounts, are effective through June 30, 2016.

Current EAP Discount Levels					
Household Poverty Level	<= 75%	75% - 100%	101% - 125%	126% - 150%	151% - 200%
EAP Discount Tier	77%	53%	37%	23%	9%

The Commission is required to administer the EAP in a way that maximizes financial assistance to eligible customers and maintains a balance in the EAP fund of no more than \$1,000,000 absent certain circumstances.<sup>1</sup> The balance of the EAP funds collected as of January 31, 2016, was \$1,293,401. Based on current projections, continuing with the current discounts levels would deplete the EAP fund and result in a funding deficit within the next 24 months.

The Board analyzed 13 different tier modification scenarios as it considered program changes designed to support program sustainability while continuing meaningful benefits to participants. The Board considered the impact of various changes on EAP participants and the forecasted balance of the EAP fund in one and two years. Through its analysis and discussion, the Board sought to identify new discount levels that would maximize financial assistance within the bounds of funding while minimizing bill increases to customers and maintaining the health and sustainability of the EAP.

Based on its review, the Board recommends the Commission reduce each of the five tiers by 1%. As a result, the new discount tiers, effective July 1, 2016, would be as follows.

Proposed EAP Discount Levels					
Household Poverty Level	<= 75%	75% - 100%	101% - 125%	126% - 150%	151% - 200%
EAP Discount Tier	76%	52%	36%	22%	8%

The new discount levels are higher than the discounts that preceded the existing, temporary discount levels and allow the EAP to continue to provide a meaningful discount to program participants in a manner that is sustainable for the near-term based on the existing balance in the EAP fund and the Advisory Board’s projections for the next 12 months.

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<sup>1</sup> See RSA 374-F:4, VIII (c) and RSA 369-B:3, IV (b)(6) (commission shall suspend the collection of the SBC or reduce the amount of SBC collected, and refund unnecessary funds to customers, if the EAP fund “has accumulated an excess of \$1,000,000” that is “not likely to substantially reduced over the next 12 months”).

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Please feel free to contact me should there be any questions regarding the Board's recommendation.

Sincerely,

A handwritten signature in blue ink that reads "Amanda O. Noonan". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Amanda O. Noonan, Director  
Consumer Services and External Affairs

cc: Service list (electronically only)

DE 14-078 Electric Assistance Program  
Service List – April 7, 2016

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