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December 10, 2014

Debra A. Howland  
Executive Director  
NH Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH, 03301

NHPLC DEC10'14 PM 1:57

RE: DE 14-337 Electric Assistance Program, Use of Low-Income SBC Funds to Provide Assistance Outside Existing Utility Programs  
EAP Advisory Board Comments

Dear Ms. Howland:

On November 24, 2014, the Commission issued an order of notice inviting written comments regarding the establishment of a one time, financial benefit for low income electric customers who would not otherwise receive assistance from the electric assistance program (EAP). The EAP Advisory Board welcomes the opportunity to comment on ways to provide those households with assistance during the upcoming winter.

By statute, funds collected through the low-income portion of the system benefits charge (SBC) shall be used to fund programs and mechanisms that enable residential customers with low incomes to manage and afford essential electricity requirements. *See* RSA 374-F:3, V(a). The EAP Advisory Board believes the Commission has the authority to define low-income more broadly and to have a portion of the SBC monies collected for low-income bill assistance be available to assist certain customers with incomes over 200% of the federal poverty guidelines, the current income eligibility ceiling for EAP. Specifically, the EAP Advisory Board recommends the Commission define low-income as: 1) at or below 60% of the state median income for New Hampshire; or 2) as determined by a social service agency. Use of an income threshold of 60% of state median income is consistent with the maximum eligibility threshold for the federally funded low-income home energy assistance program. Determinations by social service agencies would be based upon a review of the customer's financial circumstances and would be an appropriate means of determining income eligibility. In addition to meeting the income eligibility requirements above, the EAP Advisory Board recommends the customer also demonstrate financial need through evidence of a notice of disconnection from the electric utility.

The EAP Advisory Board recommends providing customers eligible under the guidelines described above with a lump sum benefit of \$200 to be credited to the customer's bill for electric

service with Liberty Utilities, New Hampshire Electric Cooperative (NHEC), PSNH or Unitil. The EAP Advisory Board has reviewed the current balance in the EAP fund along with projections for the next twelve to twenty four months. Based on that review, the Advisory Board believes \$100,000 could be made available to provide assistance described above without an immediate reduction in benefits to customers currently receiving benefits from the EAP.<sup>1</sup> Administration of the one-time program would be done through two already established bill assistance programs, Neighbor Helping Neighbor and Project Care.

Neighbor Helping Neighbor is funded by utility and customer contributions and provides bill assistance to customers of Liberty Utilities, PSNH and Unitil. The local Community Action Agencies administer the Neighbor Helping Neighbor program. Project Care is funded through contributions from customers (*i.e.*, members) of NHEC and provides bill assistance to NHEC customers. A volunteer board administers the Project Care program. Both programs provide bill assistance to eligible customers through a lump sum benefit. Eligibility for both programs is need based.

Using the Neighbor Helping Neighbor and Project Care programs to provide one-time bill assistance during the upcoming winter to customers with incomes below 60% of New Hampshire state median income, but who may be above 200% of the federal poverty guidelines, is cost-effective, efficient and administratively simpler as the benefit delivery structures and processes are already in place. These two programs are already known to low-income households, so very little outreach would need to be done. The application would be done at the same time as applications for other assistance programs for which the customer may be eligible. Finally, a process currently exists for delivering the funds to the electric utility for application to the customer's electric service account. To the extent this program creates additional administrative costs, the EAP Advisory Board anticipates those costs will be small and recommends the Commission allow the two programs to recover those costs from the funds made available.

The Neighbor Helping Neighbor program currently limits benefits to customers to once in a twenty four month period. The EAP Advisory Board recommends that the funds provided to Neighbor Helping Neighbor for the purposes of this temporary program have no such restriction. All other requirements for the Neighbor Helping Neighbor program and Project Care would remain in effect, however. For example, the Neighbor Helping Neighbor program limits eligibility to customers who have not received fuel assistance through LIHEAP. However, low-income customers who have not received fuel assistance through LIHEAP, but who may be receiving a discount on their electric bills through EAP, would remain eligible for assistance from the Neighbor Helping Neighbor program if all other requirements are met.

Funding for this program would come from the monies collected through the low-income portion of the SBC and would be allocated between the Neighbor Helping Neighbor program and Project Care as follows:

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<sup>1</sup> In March 2014, the Commission adopted recommendations from the EAP Advisory Board to increase benefit levels to EAP participants on a temporary basis. See Order No. 25,643 in DE 14-078. At that time, the EAP Advisory Board indicated that the increased benefits were sustainable for a 24 month period. The continued higher energy service prices are likely to shorten that time period and accelerate the need for a review by a few months; however, the use of \$100,000 of EAP funds as described herein does not have a significant impact.

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- Project Care allocation – number of NHEC residential customers divided by the number of total residential electric customers of PSNH, NHEC, Unitil, Liberty; and
- Neighbor Helping Neighbor allocation – number of PSNH, Liberty and Unitil residential electric customers divided by the number of total residential electric customers of PSNH, NHEC, Unitil, Liberty.

The utilities would transfer funds to Neighbor Helping Neighbor and Project Care as they do today (*i.e.*, for the voluntary donations received from customers and the public) and account for the one-time funding transfer on their monthly EAP reconciliation reports. Each utility would be reimbursed as required from the EAP account held by the State Treasurer.

Many customers may not find themselves facing a service disconnection until the spring as a result of protections provided by the Commission's rules relative to disconnections of service during the winter period, November 15 to March 31. In addition, the higher winter energy prices which prompted, in part, the Commission's order of notice are in effect through April 30, 2015 and May 31, 2015 for Liberty Utilities and Unitil customers respectively. Accordingly, the EAP Advisory Board recommends that qualifying customers may apply for and receive assistance from the program described herein through the earlier of July 31, 2015 or the exhaustion of the funds.

Sincerely,



Amanda O. Noonan on behalf of the  
EAP Advisory Board