

STATE OF NEW HAMPSHIRE**Inter-Department Communication****DATE:** August 15, 2019**AT (OFFICE):** NHPUC**FROM:** Rorie Patterson **SUBJECT:** DE 19-132 Low Income Electric Assistance Program**TO:** Commissioners
Executive Director**CC:** Paul Dexter
Amanda Noonan**Summary:**

The Electric Assistance Program Advisory Board (Advisory Board), comprised of representatives from the four electric utilities, the Office of Strategic Initiatives, the Office of Consumer Advocate, the Community Action Agencies, the New Hampshire Municipal Welfare Directors Association, The Way Home, and Commission Staff, has reviewed the budget for the upcoming Electric Assistance Program (EAP) program year. Based upon the review and recommendation of the Advisory Board, Staff recommends that the Commission approve the EAP budgets for the program year beginning October 1, 2019, as submitted.

Background:

In accordance with Commission Order 23,980 (May 30, 2002), the New Hampshire Electric Cooperative (NHEC) filed its budget and sales forecast for the upcoming EAP year on July 23, 2019, the Office of Strategic Initiatives (OSI) filed its budget on July 24, 2019, and the Community Action Agencies (CAA) filed its budget on July 26, 2019. Liberty Utilities (Granite State Electric) Corp. dba Liberty Utilities (Liberty) filed its original budget and sales forecast on July 29, 2019, and a revised budget and sales forecast on July 30, 2019. Eversource Energy (Eversource) also filed its budget and sales forecast on July 30, 2019, and Unitil Energy Systems, Inc. (Unitil) filed its budget and sales forecast on July 31, 2019.

There are three components to the EAP budget: CAA administrative costs, utility administrative costs, and OSI administrative costs. Costs associated with the Commission's administration of the EAP are not recovered from the EAP fund.

The EAP budgets submitted by the utilities consist of the utilities' incremental costs to administer the EAP and the CAA administrative costs allocated to each utility. Utility incremental costs generally include expenses for the production and printing of educational materials such as posters and brochures, customer service, legal services and IT support, and represent those expenses that would be reasonably incurred as part of the utility's administration of the EAP but would not be incurred absent the EAP. The CAA administrative costs cover activities such as client outreach and intake, application processing, enrollment of participants,

and periodic review of ongoing program eligibility. The CAA also conducts compliance monitoring to ensure program guidelines are being adhered to. Expenses included in the OSI budget relate to OSI's participation in the EAP advisory board meetings and other EAP-related discussions.

As of August 8, 2019, 28,301 electric utility customers were enrolled in the EAP, and there was no waiting list. The program, as currently designed, is projected to provide benefits to approximately 31,800 customers, including those customers who purchase energy from a competitive supplier. As income eligible residents in the state begin to plan for the upcoming winter heating season and to apply for the federally-funded, low-income home energy assistance program, the EAP enrollment is expected to increase from its current level to a level closer to the program design level of 31,800.

Analysis and Recommendation:

The proposed budget for the 2019-2020 EAP year and the budget for the 2018-2019 EAP program year are shown below. Overall, the total 2019-2020 budget is 3.77% higher than the budget for the 2018-2019 program year.

	CAA Costs	Utility Costs	OSI Costs	Total Budget
2019-2020	\$1,930,954	\$10,383	\$7,000	\$1,948,337
2018-2019	\$1,839,005	\$11,573	\$27,000	\$1,877,578
Change over 2018-2019 PY	5%	(10.28%)	(74.07%)	3.77%

Budgets submitted by the utilities changed very little, decreasing by \$1,190 from the 2018-2019 utility budget level. The CAA budget for the 2019-2020 program year increased by \$91,949 from the budget for the prior program year. That increase in the CAA budget for the 2019-2020 program year is offset somewhat by the \$1,190 and \$20,000 decreases in the 2019-2020 utility and OSI budgets, respectfully. The decrease in OSI's budget is related to completion of the triennial process evaluation during the 2018-2019 program year.

All members of the Advisory Board received the budgets for the 2019-2020 EAP program year. The Advisory Board has reviewed, and had an opportunity to ask questions about, the budgets. No member of the Advisory Board had questions or expressed any concerns about the budgets as submitted. At a meeting on August 9, 2019, the Advisory Board unanimously decided to authorize Staff to file a recommendation for the Commission's approval of the budgets as filed.

Staff has reviewed the 2019-2020 budgets and concludes that the expenses comprising the budgets are expenses that would be reasonably incurred in the administration of the EAP. Accordingly, and on behalf of the EAP Advisory Board, Staff recommends the Commission approve the 2019-2020 EAP budgets as filed.

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