

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 19-132

STATEWIDE LOW-INCOME ELECTRIC ASSISTANCE PROGRAM

2019-2020 Program Administrative Budgets

Order Approving Budgets

ORDER NO. 26,292

September 13, 2019

In this order, the Commission approves the administrative budgets for the statewide low-income electric assistance program for the 2019-2020 program year. The total program budget is 3.77 percent higher than the budget approved last year.

I. BACKGROUND

The purpose of this docket is to review the budgets for administering the statewide low-income electric assistance program (EAP) as required by prior orders of the Commission.¹ The EAP is funded by the system benefits charge, which is paid by all ratepayers as required by RSA 374-F:3,VI. The program is administered by the community action agencies (CAAs), Commission Staff (Staff), and the state's four electric distribution utilities: Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities; the New Hampshire Electric Cooperative, Inc.; Public Service Company of New Hampshire d/b/a Eversource Energy; and Unitil Energy Systems, Inc. (together, the Utilities).

The EAP currently serves approximately 28,300 customers and there is no waiting list to participate in the program. The program, as currently designed, is projected to be able to provide

¹ See *Statewide Low-Income Electric Assistance Program*, Order No. 23,980 (May 30, 2002); see also *Statewide Low-Income Electric Assistance Program*, Order No. 26,176 (September 26, 2018) (approving the 2018-2019 budget).

benefits to about 31,800 customers. The Utilities, the CAAs, and the Office of Strategic Initiatives (OSI) submitted their budgets for the program year October 1, 2019, through September 30, 2020. Those budgets and all other filings in this docket, other than any information for which confidential treatment is requested of or granted by the Commission, are available at <http://www.puc.state.nh.us/Regulatory/Docketbk/2019/19-132.html>.

Staff oversees the financial administration of the EAP, and along with OSI, monitors, evaluates, and audits the program. OSI's proposed budget of \$7,000 compares to a budget submitted last year of \$27,000. This year's OSI budget does not include funds for the triennial evaluation that was conducted by OSI during the past program year.

In support of the EAP, the Utilities provide educational materials, customer service, legal services, and IT assistance. The Utilities also bill and collect the system benefits charge, apply the EAP discounts to the bills of eligible customers, and add and remove customers from the program as the CAAs direct. The Utilities' combined administrative budget of \$10,383 is about \$1,200 less than last year and consists of the Utilities' incremental costs associated with the EAP.

The CAAs' proposed budget of \$1,930,954 is five percent higher than the 2018-2019 budget and includes the activities of the EAP program administrator and the six CAAs. Community Action Program Belknap-Merrimack Counties, Inc., the program administrator, is responsible for contracting with, monitoring, and performing annual compliance reviews of the other CAAs. The program administrator also compiles the CAAs' budgets, invoices the Utilities, allocates the administrative revenues to the respective CAAs, and prepares weekly enrollment reports for Staff, each CAA and the EAP Advisory Board (Advisory Board).² Among other

² The EAP Advisory Board includes representatives from the Utilities, the CAAs, OSI, New Hampshire Legal Assistance on behalf of The Way Home, the New Hampshire Municipal Welfare Directors Association, the Office of the Consumer Advocate, and Staff.

things, the CAAs provide customer education, intake services, certification and re-certification of eligibility, and authorize the removal of ineligible customers.

Staff recommended approval of the proposed budgets by memorandum dated August 15, 2019, as supplemented by another memorandum filed on August 23, 2019. The latter memorandum explained that CAA budgets estimate expected costs. Increases in the 2019-2020 program year budget are based on actual costs during the 2018-2019 program year, and reflect higher costs in the areas of personnel and associated benefits, supplies, equipment replacements, and utility costs. Staff compared the proposed budgets for 2019-2020 with the prior year's budgets, and determined that the total budget including CAA, Utility, and OSI costs is 3.77 percent higher.

2019 - 2020 EAP Program Year Total Budget

	CAA Costs	Utility Costs	OSI Costs	Total
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	5.00%	(10.28)%	(74.07)%	3.77%

Staff reported that the 2019-2020 budgets were reviewed by the Advisory Board. An informal discovery process was undertaken as part of that review. The Advisory Board concluded that the expenses budgeted for the upcoming program year are reasonable. Staff, on behalf of the Advisory Board, recommended that the Commission approve the 2019-2020 EAP program year budgets as filed.

II. COMMISSION ANALYSIS

Based on our review of the proposed 2019-2020 EAP administrative budgets, comparing those budgets to the prior year, and based on the recommendations of the Advisory Board and

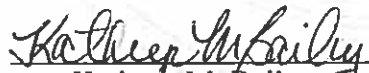
Staff, we find that the proposed budgets are reasonable. We therefore approve them. The 3.77 percent increase in the overall budget is attributed to the estimated personnel costs for the CAAs, and increases in supplies, equipment replacements, and utility costs. The CAAs state that the budget increase is needed to meet the current and expected demands of the program. Consistent with prior practice, Staff will conduct a review of actual expenses incurred following the completion of the 2019-2020 program year, and report the results to the Commission.

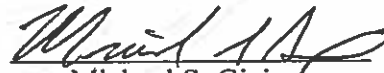
Based upon the foregoing, it is hereby

ORDERED, that the proposed Electric Assistance Program administrative budgets for the 2019-2020 program year from October 1, 2019, through September 30, 2020, are hereby APPROVED; and it is

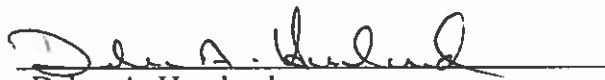
FURTHER ORDERED, that Commission Staff will conduct a review of the Electric Assistance Program's actual incurred expenses following the completion of the 2019-2020 program year and report the results back to the Commission.

By order of the Public Utilities Commission of New Hampshire this thirteenth day of September, 2019.


Kathryn M. Bailey
Commissioner


Michael S. Giaimo
Commissioner

Attested by:


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