

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 23-073

STATEWIDE LOW-INCOME ELECTRIC ASSISTANCE PROGRAM

2023-2024 Program Administrative Budgets

Order Approving Budgets

O R D E R N O. 26,891

September 28, 2023

In this order, the Commission approves the administrative budgets for the statewide low-income electric assistance program for the 2023-2024 program year. The total program budget is approximately 0.6 percent lower than the budget approved last year.

I. BACKGROUND AND PROCEDURAL HISTORY

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. *See* Order No. 23,980 (May 30, 2002); *see also* Order No. 26,693 (September 29, 2022). The EAP is funded by the system benefits charge, which is paid by all ratepayers as required by RSA 374-F:3, VI, and RSA 374-F:4, VIII(c). The program is administered by the community action agencies¹ (CAAs), the New Hampshire Department of Energy (DOE), and the State's four electric distribution utilities: Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty (Liberty); the New Hampshire Electric Cooperative, Inc.; Public Service Company of New Hampshire

¹ The New Hampshire CAAs are comprised of the following private, non-profit entities, serving a specific region of the State: Community Action Program Belknap-Merrimack Counties, Inc.; Community Action Partnership of Strafford County; Southern New Hampshire Services (serving Hillsborough and Rockingham Counties); Southwestern Community Services, Inc. (serving Cheshire and Sullivan Counties); and Tri-County Community Action Program (serving Coös, Carroll, and Grafton Counties).

d/b/a Eversource Energy (Eversource); and Unitil Energy Systems, Inc. (UES) (together, the Utilities).

The EAP currently serves approximately 30,000 customers and there is no waiting list to participate in the program. The Utilities submitted their initial budgets for the program year October 1, 2023, through September 30, 2024, in early August of 2023. The CAAs made their initial budget filing on August 2, 2023, with a revised CAA budget filing made on August 4, 2023. Subsequently, on August 9, 2023, the Commission issued Order No. 26,870 in Docket No. DE 22-043, which approved, on a *nisi* basis, certain modifications to the EAP structure as recommended to the Commission by the program's Advisory Board² in response to a technical report prepared by Mr. Roger Colton of Fisher, Sheehan and Colton (Colton Report). Interested persons may review these EAP changes, and the background that led to the filing of the Colton Report, within Order No. 26,870. (These changes centered on the re-allocation of EAP discounts to provide more benefits to those EAP recipients of lower income levels. Also, there is an ongoing Commission proceeding to consider further recommendations of the Colton Report, the EAP Advisory Board, and other potential EAP program changes for the 2024-2025 EAP program year and beyond within Docket No. DE 22-043).

As part of Order No. 26,870, the Commission required that the CAAs and the Utilities make all changes, as necessary, to their budget proposals in response to the program changes approved in that Order. The CAAs did not make further budget modifications in response to this directive, but three of the Utilities (Eversource, UES,

² The EAP Advisory Board is comprised of the following entities: the DOE; the Office of the Consumer Advocate (OCA); the Utilities; New Hampshire Legal Assistance; the CAAs; and the New Hampshire Local Welfare Administrators Association.

and Liberty) did each make amended EAP budget and compliance Tariff filings during mid-to-late August, 2023.

The OCA filed its letter of participation on August 15, 2023. On August 25, 2023, the Commission issued a Commencement of Adjudicative Proceeding and Notice of Hearing Order scheduling a hearing in this matter for September 21, 2023.

On September 14, 2023, the DOE filed a position statement requesting that the Commission approve the EAP budgets, as submitted and revised, by the CAAs and the Utilities. *See* Hearing Exhibit 9. The DOE also filed, with the stated concurrence of the Utilities, the CAAs, and the OCA, a proposed list of witnesses and exhibits (proposed Exhibits 1-11) on September 14, 2023. On September 15, 2023, the Utilities jointly filed a position statement in support of their budget proposals. The OCA also filed a statement of position in support of Commission approval of the various EAP budget proposals on September 15, 2023.

On September 19, 2023, the Commission issued a procedural order requesting that, in addition to the proposed sworn testimony by an executive of the Community Action Program Belknap-Merrimack Counties, Inc., Ms. Jeanne Agri (Chief Executive Officer) at the September 21 hearing, that representatives of the other CAAs attend the hearing via WebEx, to monitor the hearing and be available to answer Commissioner inquiries regarding their CAAs' specific EAP programs.

The DOE filed a letter on September 19, 2023 stating that the EAP Advisory Board collectively supported approval of the EAP budget proposals.

The hearing was held on September 21, 2023 as scheduled, where representatives of the Utilities, Community Action Belknap-Merrimack Counties, Inc., and the DOE provided sworn oral testimony in support of the EAP budget proposals before the Commission. Executives from the other four New Hampshire CAAs, as

requested by the Commission, appeared remotely via WebEx, and provided oral statements regarding their respective CAAs' budget petitions, and responses to Commissioner inquiries. The OCA also attended the hearing and provided an oral statement recommending Commission approval of the EAP budgets for the upcoming program year. There were no intervenors in this proceeding. The EAP 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 posted on the Commission's website at <https://www.puc.nh.gov/Regulatory/Docketbk/2023/23-073.html>

At the September 21 hearing, the OCA raised a procedural objection to the inclusion of the proposed Hearing Exhibit 11 (the Utilities' Statement of Position), the September 14 Joint Proposed Exhibit List notwithstanding, on the basis that the noticing of such material by the Commission as a formal hearing Exhibit was redundant and unnecessary. The Commission responded with a bench ruling taking matters relating to inclusion of Exhibits under advisement.

The DOE oversees the financial administration of the EAP, and monitors, evaluates, and audits the program. In support of the EAP, the Utilities provide educational materials and customer service. The Utilities also bill and collect the systems benefit 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 is \$17,088 for 2023-2024, which represents a 67 percent reduction from their 2022-2023 combined budget.

The CAAs' proposed 2023-2024 budget of \$2,091,664 is 1.11 percent higher than the 2022-2023 budget of \$2,068,761, as approved by Order No. 26,693, and includes the activities of the EAP program administrator and the five CAAs.

Community Action Program Belknap-Merrimack Counties, Inc., is the program administrator and in that role 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 enrollment reports for the DOE, each CAA, and the EAP Advisory Board. Among other things, the CAAs provide customer education, intake services, certification and re-certification of eligibility and authorize the removal of ineligible customers. The CAAs certified, and the DOE confirmed in its September 19, 2023 letter, that the CAAs provided their budget documents to the EAP Advisory Board for review.

The CAA executives appearing remotely via WebEx at the September 21 hearing also provided additional background information regarding the CAAs' internal administration of the EAP program and associated business costs. Mr. Ryan Clouthier, Chief Operating Officer of Southern New Hampshire Services, noted that each CAA's administrative loading expenses for EAP programming relating to personnel benefits and person-hour expenditures were grounded in the actual discrete personnel utilized by each CAA for EAP-related tasks, a statement that was supported by the other CAAs' executives present. Also, the CAA executives confirmed that their EAP-related activities were audited by their own internal auditors, and that each CAA is subject to overall audit oversight by agencies of the Federal government, due to the CAAs' role in administering numerous Federal programs at a regional/county level.

Eversource's representatives, including their hearing witness, Ms. Theresa Washington (Manager of Credit Hardship Program and Protections), provided additional clarification of an EAP budget line item presented by Eversource that has appeared in their past EAP budget presentations. Specifically, Eversource presented

\$111,855 in “Budget Non-Incremental Costs,” that, Ms. Washington confirmed, would not be charged to the EAP program directly, nor be recovered by Eversource through the system benefits charge. See Hearing Exhibit 6. As such, this line item, which Eversource explained was designed to capture certain ancillary costs associated with EAP administration, would not be approved by the Commission as part of this proceeding.

II. COMMISSION ANALYSIS

Based on our review of the proposed 2023-2024 EAP administrative budgets, in the context of the EAP program changes approved in Order No. 26,870, comparing those budgets to the prior year, and in light of the recommendations of the EAP Advisory Board, DOE, and other parties, we find that the proposed budgets are reasonable. We therefore approve them. We appreciate the Utilities’ and CAAs’ evident dedication to cost control in this EAP budget cycle, as evidenced by the small (1.11 percent) increase in CAA combined program costs during these inflationary times, and the reduction in the Utilities’ budgets. Furthermore, the CAAs’ responses to Commission inquiries regarding their administrative overhead structure for the EAP program provided satisfactory clarification of their business practices in this area. (We do expect to ask for clarifying information regarding the treatment of Eversource’s “Budget Non-Incremental Costs” in their next full distribution rate case, to precisely ascertain how these costs are booked and recovered by Eversource). Consistent with prior practice, DOE Audit Staff will conduct a review of actual expenses incurred following the completion of the 2023-2024 program year and report the results to the Commission. (We still await the DOE Audit Staff report for the 2022-2023 EAP program year, as ordered in Order No. 26,693). We also approve the compliance

Tariffs, implementing the recent EAP program changes, filed by Eversource, UES, and Liberty as compliant with Order No. 26,870.

We extend the Commission's special appreciation for the various CAA executives' participation in the September 21 hearing at our request, and the forthright and very helpful answers provided by them, the DOE, and the Utilities in this proceeding. The Commission expects that this paradigm of remote participation for CAA representatives outside of the central New Hampshire region will continue, as it facilitates their monitoring of our proceedings in real time, and enables "on-the-spot" clarification of Commission inquiries regarding CAA proposals without delay.

Regarding the Hearing Exhibits proposed for this proceeding, we note the OCA objection to the proposed Hearing Exhibit 11 (Utilities Joint Position Statement, September 15, 2023). Having reviewed the material in question, we note that it does not appear to implicate any prejudice against the position of the OCA in this proceeding. Nevertheless, for procedural efficiency, we will DENY the status of an Exhibit to this filing, and instead give it the weight that it is due. Having heard no objections to the remaining proposed ten Exhibits 1 through 10, we hereby mark them as such and enter them into evidence by this Order.

In conjunction with the ongoing proceeding in Docket No. DE 22-043, the Commission encourages the Utilities to explore the potential for applying Federal funding to the EAP program on an ongoing basis, to augment the resources available for serving EAP needs while helping to use the system benefit charge funds more effectively.


Based upon the foregoing, it is hereby

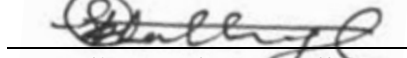
ORDERED, that the proposed Electric Assistance Program administrative budgets for the 2023-2024 program year from October 1, 2023, through September 30, 2024, are hereby APPROVED; and it is

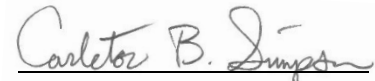
FURTHER ORDERED, that the compliance EAP Tariff pages filed by Eversource, UES, and Liberty in this proceeding related to the program changes approved by Order No. 26,870 are APPROVED, as compliant with said Order and the terms delineated therein; and it is

FURTHER ORDERED, that the jointly-proposed Hearing Exhibits 1 through 10 inclusive proffered at the September 21, 2023 public hearing by the parties are marked as such and entered into evidence.

By order of the Public Utilities Commission of New Hampshire this twenty-eighth day of September, 2023.


Daniel C. Goldner
Chairman


Pradip K. Chattopadhyay
Commissioner


Carleton B. Simpson
Commissioner

Service List - Docket Related

Docket#: 23-073

Printed: 9/28/2023

Email Addresses

ClerksOffice@puc.nh.gov
jagri@bm-cap.org
campbellm@unitil.com
jessica.chiavara@eversource.com
rclouthier@snhs.org
Michael.J.Crouse@oca.nh.gov
Tyler.Culbertson@libertyutilities.com
bdaniels@SCSHELPS.ORG
Energy-Litigation@energy.nh.gov
joshua.w.elliott@energy.nh.gov
Robert.Garcia@libertyutilities.com
sgeiger@orr-reno.com
hanksk@nhec.com
maureen.karpf@libertyutilities.com
James.King@libertyutilities.com
dlozeau@snhs.org
Alyssa.Maston@libertyutilities.com
Erica.Menard@libertyutilities.com
nawazelski@unitil.com
nhregulatory@eversource.com
elizabeth.r.nixon@energy.nh.gov
amanda.o.noonan@energy.nh.gov
ocalitigation@oca.nh.gov
bandrewsparker@straffordcap.org
jrobillard@tccap.org
mary.e.schwarzer@energy.nh.gov
michael.sheehan@libertyutilities.com
karen.sinville@libertyutilities.com
jswan@straffordcap.org
taylorp@unitil.com
theresa.washington@eversource.com
david.wiesner@eversource.com
Adam.Yusuf@Libertyutilities.com