

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 16-777

STATEWIDE LOW-INCOME ELECTRIC ASSISTANCE PROGRAM

2016-2017 Program Administrative Budgets

Order *Nisi* Approving Budgets

O R D E R N O. 25,944

September 23, 2016

In this order, the Commission approves the EAP administrative budgets for the 2016-2017 program year. The budgets project a 1.13 percent decrease as compared to the budget approved last year. This order is being issued on a *nisi* basis to ensure that all interested parties receive notice and have the opportunity to comment or request a hearing prior to the date set forth in the ordering clauses below.

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 *Statewide Low-Income Electric Assistance Program*, Order No. 23,980 (May 30, 2002). *See also Statewide Low-Income Electric Assistance Program*, Order No. 25,805 (August 31, 2015) (order approving the 2015-2016 budget). The EAP is funded by the system benefits charge, which is paid by all ratepayers under RSA 374-F:VI, and is operated by the community action agencies (CAAs), Commission 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 Utilil Energy Systems, Inc. (together, the Utilities).

The EAP currently serves approximately 31,000 customers with no waiting list. The program, as currently designed, is projected to be able to provide benefits to about 33,500 customers. The Utilities, the CAAs, and the Office of Energy and Planning (OEP) submitted their budgets for the program year October 1, 2016, through September 30, 2017, which, together with all other filings in this docket, are posted to the Commission's website at

<http://www.puc.nh.gov/Regulatory/Docketbk/2016/16-777.html>.

Staff and OEP monitor, evaluate, and audit the EAP. OEP's proposed budget of \$7,000 is significantly lower than 2015-2016 because, in addition to the annual costs for its participation at the EAP Advisory Board, last year's budget included costs for a triennial evaluation of the EAP process. OEP will not perform such an evaluation during this budget year. The Utilities provide the EAP with support in the form of educational materials, customer service, legal services, and IT support. The Utilities bill and collect the system benefits charge, apply the EAP discounts to the bills of eligible customers, and add and remove customers as the CAAs direct. The Utilities' combined administrative budget of \$10,571 is 11.01 percent lower than last year and consists of the Utilities' incremental costs associated with the EAP.

The CAAs' proposed budget of \$1,839,005 is the same as 2015-2016 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, the Advisory Board members, and each CAA. The individual CAAs provide customer

education, intake services, certification and re-certification of eligibility, discount tier determination, and removal of ineligible customers.

Staff recommended approval of the proposed budgets by memorandum dated September 19, 2016. Staff compared the proposed budget for 2016-2017 with the prior year's budget. Overall, the 2016-2017 budget is 1.13 percent lower.

**2016 - 2017 EAP Program Year
Overall Budget**

	CAA Costs	Utility Costs	OEP Costs	Total
2016-2017	\$1,839,005	\$10,571	\$7,000	\$1,856,576
2015-2016	\$1,839,005	\$11,879	\$27,000	\$1,877,884
Change over 2015-2016 PY	0%	(11.01%)	(74.07%)	(1.13%)

Staff reported that the 2016-2017 budgets were reviewed by the EAP Advisory Board. An informal discovery process was available as part of this review. The Advisory Board concluded that the expenses budgeted for the upcoming program year are reasonable. Staff recommended that the Commission approve the 2016-2017 EAP program year budgets as filed.

II. COMMISSION ANALYSIS

Based on our review of the proposed 2016-2017 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, and we therefore approve them. The CAA budgets are flat and the utility costs and the OEP costs are projected to decrease. The only substantial change from last year is the removal of costs budgeted for OEP's triennial evaluation of the EAP process, an evaluation that will not be repeated this year. Staff will conduct a review

of actual expenses incurred following the completion of the 2016-2017 program year, as it does every year, and report the results to the Commission.

Our decision is issued on a *nisi* basis to provide any interested party the opportunity to submit comments or to request a hearing.

Based upon the foregoing, it is hereby

ORDERED NISI, that subject to the effective date below, the proposed EAP administrative budgets for the 2016-2017 program year (from October 1, 2016, through September 30, 2017) are hereby APPROVED; and it is

FURTHER ORDERED, that Commission Staff will conduct a review of the EAP's actual incurred expenses following the completion of the 2016-2017 EAP program year and report the results back to the Commission; and it is

FURTHER ORDERED, that the Executive Director shall cause a copy of this Order *Nisi* to be published on the Commission's website no later than September 26, 2016; and it is

FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than October 7, 2016, for the Commission's consideration; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than October 12, 2016; and it is

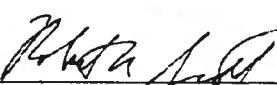
FURTHER ORDERED, that this Order *Nisi* shall be effective October 14, 2016, unless the Commission provides otherwise in a supplemental order issued prior to the effective date.

FURTHER ORDERED, that this Order *Nisi* shall be effective October 14, 2016, unless the Commission provides otherwise in a supplemental order issued prior to the effective date.

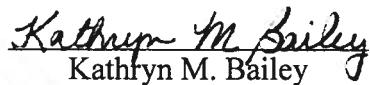
By order of the Public Utilities Commission of New Hampshire this twenty-third day of September, 2016



Martin P. Honigberg
Chairman



Robert R. Scott
Commissioner



Kathryn M. Bailey
Commissioner

Attested by:



Debra A. Howland
Executive Director