

**BEFORE THE STATE OF NEW HAMPSHIRE**

**PUBLIC UTILITIES COMMISSION**

**In the matter of:** )  
**2010 CORE Energy Efficiency Programs** ) **DE 09-170**

## Rebuttal Testimony

of

**Kenneth E. Traum**  
**Assistant Consumer Advocate**

and

**Stephen R. Eckberg**  
**Utility Analyst**

**on behalf of  
the Office of Consumer Advocate**

**December 9, 2009**

1   **Q.    Please state your names, business address, titles, and experiences.**

2    A.    My name is Kenneth E. Traum. I am the Assistant Consumer Advocate for the Office of  
3          Consumer Advocate (OCA), which is located at 21 S. Fruit Street, Suite 18, Concord,  
4          New Hampshire 03301. I have been employed by the OCA for approximately 20 years.  
5          I include my resumé as Attachment A.

6          My name is Stephen R. Eckberg and I am a Utility Analyst with the Office of Consumer  
7          Advocate. I previously filed testimony in this docket on November 6, 2009, which  
8          included my biographical information.

9

10   **Q.    Mr. Traum, have you previously testified before the New Hampshire Public Utilities**  
11       **Commission (Commission)?**

12   A.    Yes, I have testified before the Commission on behalf of the OCA on many occasions,  
13          including cases involving electricity, natural gas, water and telecommunications.

14

15   **Q.    In Mr. Eckberg's testimony in this docket filed on November 6, 2009, he reserved**  
16       **comment on the NHPUC Staff Audits of the four CORE utilities as the Audit**  
17       **reports had only recently been provided to the OCA. Now that the OCA has had**  
18       **time to review the Audit Reports and conduct written and oral discovery, are there**  
19       **any issues you wish to raise related to the Audits?**

20   A.    Yes. First, we note, as Mr. Eckberg did in his direct testimony, that this was the  
21          first financial audit of the CORE programs since their inception in 2002. The  
22          OCA greatly appreciates the efforts of the Commission's Audit Staff, and we

1 believe that these programs should be audited more frequently, at least every two  
2 to three years.

3

4 **Q. What specific items related to the Audits will you cover in your testimony?**

5 A: We will address two items discussed in the Staff Audit: PSNH's violation of RSA 125-  
6 O:5, and the Company's failure to consistently accrue interest on ratepayer funds on  
7 behalf of customers.

8

9 **Q. Please explain PSNH's violation of RSA 125-O:5.**

10 A. By way of background, RSA 125-O:5, II, part of the Clean Power Act of 2002,  
11 allows PSNH to use unspent CORE program funds from a prior year for  
12 efficiency projects at its own facilities under certain circumstances. The law  
13 states:

14 PSNH may utilize SBC funds equivalent to the unencumbered amount,  
15 if any, rolled over from the prior program year for energy efficiency  
16 projects at facilities owned and operated by PSNH, provided that the  
17 company made a good faith effort in the prior program year to meet  
18 the goals approved by the public utilities commission for its core  
19 energy efficiency programs, and provided that the SBC funds used by  
20 PSNH shall not exceed 2 percent of all SBC funds collected in the  
21 prior program year.

22

23 The section goes on to require that PSNH submit a report to the PUC and to DES  
24 in any year that the company takes advantage of this provision, "detailing how  
25 these funds were utilized." However, as discussed on page 22 of the NHPUC  
26 Staff Audit report, which was provided as Appendix A to the November 6, 2009  
27 testimony of Staff witness James J. Cunningham, PSNH failed to file these reports

1 as required by RSA 125-O. As discussed in Audit Issue #5, “The statutory  
2 requirement to provide reports of the fund utilization to both the PUC and DES  
3 has not been met.” The Audit report goes on to explain that the statute provides  
4 for penalties of up to \$25,000 for each violation as well as administrative fines of  
5 up to \$2,000 for each offense. However, the report does not include any specific  
6 penalty recommendation.

7

8 **Q: Does the OCA recommend a specific penalty and fine?**

9 A: Yes. The Audit report also quotes the statutory requirement that: “In any year  
10 that PSNH utilizes SBC funds, PSNH shall submit a report to the public utilities  
11 commission and the department detailing how these funds were utilized, and will  
12 make the report available to interested parties.” The first of these reports was  
13 made on September 30, 2009 even though funds were spent as early as 2006.  
14 While it may reasonable to consider that the September 2009 report is a late filed  
15 report on expenditures that occurred in 2008, additional reports should have been  
16 filed for expenditures made in 2006 and 2007. This means PSNH was out of  
17 compliance for at least 2 years by failing to file reports. The OCA recommends  
18 that the Commission impose fines on PSNH of \$54,000, representing two \$25,000  
19 fines, one for each year of violation, and similarly two \$2,000 administrative  
20 fines.

21

1   **Q:    Does the OCA have any other recommendations regarding PSNH's use of**  
2       **this provision in RSA 125-O?**

3    A:    Yes. Generally, we believe that the way PSNH has been holding 2% of the  
4       funding for its own uses even in years when it overspends the CORE budget is  
5       contrary to the law. The OCA understands from prior CORE program dockets  
6       that in some years funding for programs like EnergyStar Homes and some C&I  
7       programs are oversubscribed. We believe that PSNH should be taking much  
8       more proactive steps to fund customer efficiency project prior to retaining any of  
9       those funds for projects at its own facilities. We do understand that projects at  
10      PSNH's facilities benefit ratepayers, but PSNH has access to much greater  
11      resources to fund energy efficiency projects, and ratepayers often rely on the  
12      CORE funding in order to invest in projects. It is our view that PSNH must  
13      change its approach to the use of these funds accordingly.

14

15   **Q:    Did Audit Issue #5 also indicate that as of December 31, 2008 PSNH had**  
16       **retained \$1,824,320 of the 2% funds deducted from the SBC and held an**  
17       **unspent balance of \$764,938?**

18    A:    Yes. While that unspent balance in itself is troubling, what is more problematic is  
19       that PSNH has not accrued interest to the benefit of ratepayers on these unspent  
20       balances that are funds held on behalf of ratepayers. According to PSNH's  
21       response to Audit-TS-01, Q-Audit-TS-004 (Attachment B), had interest been  
22       booked monthly on the balances of these funds at the same Commission-approved

1 interest rate that is used on the other SBC funds, an additional \$319,676 would  
2 have been available as of October 31, 2009 for CORE programs.

3

4 **Q. Should PSNH customers receive interest on the unused month end balances**  
5 **held by the Company?**

6 A. Yes, and our position seems to be consistent with PSNH's policy on SBC funds.  
7 PSNH's comment on Audit Issue #1 (page 15 of Audit report) states: "Since  
8 inception of the CORE programs, PSNH has paid interest on any collected but  
9 unspent System Benefits Charge funds. This is based on the principle that the  
10 interest pays back customers for the use of their funds, not unlike paying interest  
11 on customer deposits." The 2% funds are part of the SBC funds supplied by the  
12 customers. Therefore, the same rationale should apply.

13

14 **Q. What is your understanding of what PSNH would have done with the**  
15 **balance, which amounted to \$764,938 as of December 31, 2008?**

16 A. This balance would have been used to reduce PSNH's borrowings from the NU  
17 money pool or increase its positive balance in the fund. This means that PSNH  
18 would have either avoided interest costs or experienced additional interest  
19 revenues from SBC funds.

20

21 **Q. What should PSNH do regarding the calculated amount of \$319,676?**

1    **A.**     The amount of \$319,676 for interest should be credited to the CORE programs to  
2           the benefit of ratepayers.

3  
4    **Q.**     **In the future, should PSNH and the other CORE utilities accrue interest on**  
5           **all unspent SBC funds?**

6    **A.**     Yes.

7  
8    **Q.**     **Are there any related issues regarding interest on unspent balances?**

9    **A.**     Yes. According to PSNH Audit Issue #1 (See PSNH Audit Report pages 15-16)  
10          there is a similar issue related to Forward Capacity Market revenues and costs.  
11          As these FCM revenues were realized as a result of ratepayer funded CORE/SBC  
12          activities, all of the revenues as well as costs related to these programs should be  
13          booked monthly into the CORE fund balances, and should therefore accrue  
14          interest. According to the Audit Report, the Company properly included the  
15          expense portion of the monthly calculation, but the revenue portion was not  
16          included. The result is that monthly interest was not calculated on the revenue  
17          portion of the FCM activities. The unaccrued interest in 2008 was \$13,572. The  
18          OCA's position is that this amount is should also be credited to the CORE  
19          programs to benefit ratepayers.

20  
21   **Q.**     **Should this approach apply only to 2008 and only to PSNH?**

1 A. No. This should be the ongoing approach and should apply to all of the CORE  
2 utilities who participate in the FCM and have associated costs and revenues.  
3

4 **Q. Do you have any additional Audit related issues to raise at this time?**

5 A. No.  
6

7 **Q. Mr. Eckberg, do you have any issues that you would like to address on**  
8 **rebuttal?**

9 A. Yes, I have several. They include: 1) Staff's proposed formula and methodology  
10 for determining the Low Income HEA Budget; and 2) Staff's position regarding  
11 the proposed Home Performance with EnergyStar program for PSNH and UES.  
12 However, I unfortunately must note that the OCA received discovery responses  
13 on several issues as late as the day before this testimony was due. As a result, we  
14 have not had sufficient time to review and analyze those responses. Therefore, I  
15 must continue to reserve my rights to raise additional issues related to this  
16 information at the hearing.  
17

18 **Q. Please discuss your first issue regarding the proposed formula and**  
19 **methodology proposed by Staff for determining the Low Income HEA**  
20 **Budget.**

21 A. Based on amended data responses, Mr. Cunningham has recommended a  
22 downward revision to the HEA Budget from the level he proposed in his direct



1 testimony. His current recommendation appears to be \$2,253,371 for 2010, or  
2 approximately 11.7% of SBC revenues collected for Energy Efficiency. *See* Staff  
3 Response to OCA Question 1-9, Attachment C.  
4

5 **Q. Is this an increase or a decrease from the current 2009 HEA Budget?**

6 A. This represents a significant decrease from both the current 2009 HEA budget and  
7 the utilities' 2010 proposal. The current 2009 Program Year HEA Energy  
8 Efficiency budget is \$2,641,742. *See* page 80 of Appendix A to Settlement filed  
9 in DE 08-120 on 12/10/08. The 2010 proposal made by the utilities includes an  
10 HEA budget of \$2,870,141.  
11

12 **Q. What is the basis that Mr. Cunningham cites as his recommendation for this**  
13 **budget recommendation?**

14 A. In his Direct Testimony at page 14, Mr. Cunningham states that the utilities'  
15 proposed 14% budget level "is not supported based on any formula approach; but,  
16 rather is based on a negotiated approach among the parties and hence is not  
17 transparent."  
18

19 **Q. Do you agree with Mr. Cunningham's statement?**

20 A. No. I do agree that the current program year budget level and the proposed 14%  
21 level for 2010 are the result of a negotiated approach, similar to the general  
22 approach used since the inception of the CORE programs. However, I do not

1 agree that this number is “not transparent.” The Low Income Needs Assessment  
2 Group, consisting of members of CORE utilities, Staff, OCA, NHLA, last year  
3 expended considerable effort to research available New Hampshire-specific  
4 poverty and household data to determine the level of need for the HEA program  
5 services. As discussed in my Direct Prefiled Testimony in this docket beginning  
6 on page 5, that group presented its research and findings to the CORE  
7 Management Team so that an informed budget decision could be made that  
8 balances the needs of the HEA program with other programs serving other  
9 sectors. In addition, it is not my understanding that the budgets for any other  
10 CORE Energy Efficiency programs – either residential or commercial – are the  
11 result of applying any more “transparent” budget formulas which apply specific  
12 data or methodology to developing a budget. In addition, all budgets for the  
13 CORE programs, including the HEA budget, are developed through a public  
14 process that allows any interested party to participate. Those budgets are then  
15 presented to the Commission in open, public hearings, and are approved if the  
16 Commission finds that they are in the public interest. I believe that this is a  
17 transparent approach in which the parties strive to make the best possible  
18 decisions in light of very limited funding.

19  
20 **Q. Do you have any concerns about Staff’s proposed approach?**

21 A. Yes. In response to data requests, Mr. Cunningham has stated that “Staff’s  
22 formula approach does not address *participation* numbers; rather, Staff’s formula

1 approach addresses the HEA budget allocation *percentage* and HEA budget  
2 *amount.*” [Emphasis in original] See Staff Responses to 12-01-09 Technical  
3 Session Questions from The Way Home TS-3, Attachment D.  
4

5 **Q. Why does this concern you?**

6 A. Over the course of many years of discussion about the Low Income HEA budget,  
7 parties have been mindful when developing low income budgets of more than just  
8 the total dollar amount of the budget. There has also been concern about  
9 addressing the average cost per job and the total number of “weatherization” jobs  
10 that can be performed within the confines of the budget. It is troubling that Mr.  
11 Cunningham’s proposal appears to give no consideration to these aspects of the  
12 HEA Budget process. It is also not clear from Mr. Cunningham’s statement as  
13 quoted above whether Staff is also proposing a change to the way the Low  
14 Income Budget would be funded from the total SBC budget.  
15

16 **Q. Would you please elaborate on that issue related to how the HEA budget is**  
17 **derived from the total CORE budget?**

18 A. Yes. Until now, the Low Income budget has always been taken “off the top” of  
19 the CORE budget. That is, once the Low Income budget percentage level was  
20 established and approved, both sectors (Residential and C&I) contributed equally  
21 to that budget before the budgets for the programs in those sectors were  
22 developed. This has a history going back to the original Energy Efficiency

1 Working Group, as discussed in detail in Mr. Colton's Direct and Rebuttal  
2 testimony on behalf of The Way Home. Despite this, Mr. Cunningham's  
3 testimony and subsequent data responses show that his proposed formula  
4 approach develops an HEA budget that changes this long-standing Commission-  
5 approved approach. However, I am not clear as to what Mr. Cunningham  
6 proposes as the next step in funding the HEA budget. Will the low income  
7 program continue to be funded as it has up until now – equally from both sectors  
8 – or is Mr. Cunningham is also proposing a change in that part of the funding  
9 formula? I have not been able to determine that yet. It appears that Mr.  
10 Cunningham proposes funding the HEA budget by taking 62% of his proposed  
11 HEA budget from Residential, and 38% from C&I. *See* Attachment C, Staff  
12 Response to OCA 1-9.

13  
14 **Q. Why does this important issue remain unclear at this late point in the**  
15 **Docket?**

16 A. The extremely short timeline of this docket, combined that significant number of  
17 extra steps that parties have worked hard to fit into the compressed schedule –  
18 testimony, review of Audits, review of PSNH's RSA 125:O report, rebuttal – has  
19 made it very difficult to engage in as fully a productive manner as the OCA would  
20 like, and which the parties would do in a typical CORE docket.

21

1   **Q:    What do you recommend that the Commission do with respect to the HEA**  
2       **budget?**

3    A:    I respectfully request that the Commission approve the budget as proposed by the  
4           utilities. It is my understand that all parties to the Docket, other than Staff,  
5           support the 14% as a fair compromise in light of the high level of need for the  
6           HEA program and the overall funding limitations for all CORE programs. I also  
7           urge the Commission not to change the long-standing approach developed  
8           through nearly ten years of work on these programs as Staff suggests, I believe  
9           without basis.

10

11   **Q.    Please address your concerns regarding Staff's position on the Home**  
12       **Performance with EnergyStar program.**

13    A.    I am concerned that Mr. Cunningham's testimony suggests that the HPwES  
14           program is not as cost effective as other programs on a kWh basis. In doing so,  
15           he fails to consider information provided regarding the non-kWh savings  
16           predictions. *See* Cunningham Direct page 13 lines 15-18. Clearly, PSNH and  
17           UES, the two utilities proposing to continue the HPwES program, are including  
18           energy savings from heating fuels – not just electric related kWh savings. This  
19           must be taken into consideration when evaluating the HPwES program, but Mr.  
20           Cunningham fails to do that.

21

1   **Q.    Earlier you reserved your rights to cover additional issues at the hearing as a**  
2       **result of receiving information the day before this testimony was due. Can**  
3       **you provide a description of some of those issues at this time?**

4    A:   Yes, I can briefly describe a few issues that are of concern. First, in discovery it  
5       came to light that the utilities have been significantly underspending their  
6       marketing budgets. This is disappointing at best, and at worst calls into question  
7       basic issues about their management of the programs. For example, in response  
8       to Data Response USES-01-Q-USES-005 (Attachment E), PSNH provided a table  
9       showing that in every year of the CORE programs, the company has significantly  
10      underspent its marketing budget for the programs, in one year by a factor of  
11      twenty (see the data for 2006). Despite this ongoing significant underspending,  
12      PSNH proposes a marketing budget for 2010 of over \$330,000 (see p. 88 of 2010  
13      filing). The OCA certainly believes that it is preferable to spend CORE funds on  
14      programs rather than marketing, but this is an unreasonable pattern that again  
15      calls into question the utilities' overall strategic management of the CORE  
16      programs. As a result, we have sought additional information from the other  
17      utilities, as well as a marketing plan for 2010. It is our belief that this area  
18      warrants much more attention from the Commission and from the parties.  
19      Another issue relates to whether the utilities are meeting their goals in the overall  
20      CORE program budgets. We would like to investigate this further to ensure that,  
21      in light of the significant need for funding for energy efficiency, the funds are  
22      being fully expended to benefit ratepayers.

1

2   **Q:**    **Does that conclude your testimony?**

3   **A:**    At this time, yes.

4

**Kenneth E. Traum**  
**Qualifications**

My name is Kenneth E. Traum. I am the Assistant Consumer Advocate for the Office of Consumer Advocate (OCA). My business address is 21 S. Fruit Street, Suite 18, Concord, New Hampshire 03301. I have been affiliated with the OCA for approximately twenty years.

I received a B.S. in Mathematics from the University of New Hampshire in June, 1971, and an MBA from UNH in June, 1973. Upon graduation, I first worked as an accountant/auditor for a private contractor and then for the New Hampshire State Council on Aging. I then joined the New Hampshire Public Utilities Commission (NHPUC) in February, 1976. At the NHPUC I started as an Accountant III, advanced to PUC Examiner, and later become Assistant Finance Director. In my positions with the NHPUC I was involved in all aspects of rate cases, assisted others in the preparation of testimony and presented direct testimony, conducted cross examination of witnesses, directed and participated in audits of utilities, and performed other duties as required. While employed at the NHPUC, I was a member of the NARUC Regulatory Studies Program at Michigan State University.

In 1984, I joined Bay State Gas Company. There I was involved in various aspects of financial analysis for Northern Utilities, Inc., Granite State Gas Transmission, Inc., and Bay State Gas Company, as well as regulatory activities in Maine, New Hampshire, and Massachusetts and before the FERC. In early 1986, I returned to New Hampshire to join the EnergyNorth companies, where my areas of responsibility included cash management, regulatory affairs, forecasting and other financial matters. While with EnergyNorth, I was a member of the New England Utility Rate Forum and the New England Gas Association. I also represented the utility in the generic Commission docket (DE 86-208) which developed a methodology for conducting gas marginal cost studies.

In 1989 I joined the Office of Consumer Advocate with overall responsibility for Financial, Accounting, Economic and Rate Design issues which arise in the course of utility ratemaking or cases concerning determinations of revenue responsibility, competition, mergers, acquisitions and supply/demand issues. I assist the Consumer Advocate and the OCA Advisory Board in formulating policy, as well as with the implementation of that policy. In that role, I have testified before the NHPUC on many occasions. In early 2005, I was promoted to Assistant Consumer Advocate.

I am a member of the NASUCA (National Association of State Utility Consumer Advocates), Committee on Natural Gas. I am currently on the Board of Directors for Granite State Independent Living (GSIL) and formerly served as Chair as well as a member of GSIL's Finance and Audit Committees.



**Public Service Company of New  
Hampshire  
Docket No. DE 08-120**

**Audit Request AUDIT-TS-01**

**Dated: 11/10/2009  
Q-AUDIT-TS-004  
Page 1 of 1**

**Witness: Gilbert E. Gelineau Jr  
Request from: Office of Consumer Advocate**

**Question:**

If interest had been applied to the unused balance of the 2% funds deducted from the SBC, what would be the total accrued interest as of 10/31/09? Assume interest is calculated monthly using the then current rate, and that the fund balance is reduced as efficiency projects are completed.

**Response:**

Total accrued interest as of 10/31/2009 would be \$319,676.

**DE 09-170**

**OCA Data Requests on Staff Testimony**

9. **Refer to page 19 line 21 through page 20, line 9 and Schedule JJC-2 page 2 of 3. Is it correct that on JJC-2 page 2 of 3 that the “starting point” of Mr. Cunningham’s calculation – the \$9,349,535 Residential Sector Budget – already includes the proposed Home Energy Assistance (HEA) Budget of \$2,870,141? If yes, what is the rationale for including the proposed “14%” HEA budget in the development of a new “formula” based approach to calculate a proposed HEA budget? If not, please explain.**

Response

Yes, it is correct that my starting point was the \$9,349,535 Residential Sector Budget. Upon reflection, a more accurate starting point would be the budgeted kWh sales projection. See the attachment to this response showing the impact of the change in the “starting point”. Other than the starting point, there are no changes to framework of Staff’s recommended formula approach.

DE 09-170 2010 CORE Programs  
OCA Rebuttal  
Attachment C

DE 09-170  
2010 CORE Program

OCA Question 1-9  
Attachment  
Page 1 of 2

Recalculation of Starting Point - HEA Formula Approach

	Reference	Amount	Percent
<b><u>Calculation of HEA Low income Budget Allocation:</u></b>			
<b>Sector Level Budgets</b>			
Residential Sector	(1)	\$ 7,628,378	39.55%
C&I Sector	(1)	\$ 11,660,817	60.45%
Total CORE Budget		\$ 19,289,195	100.00%
<b>Low Income Budget Before C&amp;I Funding</b>			
Residential Sector Budget		\$ 7,628,378	
Percent of NH population below Federal Poverty Guideline	(2) (3)	18.41%	
Low Income Budget Before C&I Funding		\$ 1,404,384	
<b>C&amp;I Funding Amount:</b>			
Low Income Budget Before C&I Funding		\$ 1,404,384	
C&I Percent		60.45%	
C&I Funding Calculation:		\$ 848,987	
<b>Grand Total HEA Low Income Budget Allocation</b>		<b>\$ 2,253,371</b>	
<b><u>Percent HEA Budget Allocation to Total Budget:</u></b>			
Low Income Budget Allocation		\$ 2,253,371	
Total CORE Budget		\$ 19,289,195	
Percent to Total Budget		11.68%	
<b><u>Distribution of Remaining CORE Budget:</u></b>			
Total CORE Budget		\$ 19,289,195	
Less: HEA Low Income Budget Allocation		\$ (2,253,371)	
Remaining CORE Budget		\$ 17,035,824	
Residential Sector		\$ 6,737,228	39.55%
C&I Sector		\$ 10,298,596	60.45%

footnotes:

(1) Source: OCA Question 1-9, Attachment page 2 of 2

(2) Staff Recommendation based on 200 percent Income-To-Poverty level.

per US DOE Weatherization Program Notice 09-5, effective February 18, 2009:

NH Population	1,306,991
NH Population at 200% Income-To-Poverty level	240,671
Percent 200% to total NH Population	18.41%

(3) Source: [www.census.gov/hhes/www/cpstc/cps\\_table\\_creator.html](http://www.census.gov/hhes/www/cpstc/cps_table_creator.html)

(4) C&I Funding is required by Commission Order No. 23,574, dated November 1, 2000, page 6.

DE 09-170 2010 CORE Programs  
OCA Rebuttal  
Attachment C

DE 09-170  
2010 CORE Program

OCA Question 1-9  
Attachment  
Page 2 of 2

Summary of CORE Budget Funding Sources

	Overall Budget				Program Budget	
	Including Performance Incentives				Excl. Perf. Incent.	
	kWh's (2010 Projected)	SBC Rate	Amount	Percent	Amount	(Overall Budget / 1.08)
SBC Funding Source:						
Residential	4,277,774,000	\$ 0.0018	\$ 7,699,993	40.3%	\$ 7,129,623	
C&I	6,334,905,000	\$ 0.0018	\$ 11,402,829	59.7%	\$ 10,558,175	
Sub-Total	10,612,679,000		\$ 19,102,822		\$ 17,687,798	
FCM Funding Source:						
Residential		30%	\$ 461,220	30.0%	\$ 427,056	
C&I		70%	\$ 1,076,180	70.0%	\$ 996,463	
Sub-Total			\$ 1,537,400		\$ 1,423,519	
Carryover Funding/Other Sources: (1)						
Residential			77,435.49	40.3%	\$ 71,700	
C&I			114,673.31	59.7%	\$ 106,179	
Sub-Total			\$ 192,109		\$ 177,879	
Total All Funding Sources:						
Residential			\$ 8,238,649	39.5%	\$ 7,628,378	
C&I			\$ 12,593,682	60.5%	\$ 11,660,817	
Grand Total			\$ 20,832,331	(2)	\$ 19,289,195	(3)

footnotes:

(1) Derivation of Carryover Funding/Other Sources:

Total Budget per Filing, page 89	\$ 20,832,331
Less: SBC Funding	\$ (19,102,822)
Less: FCM Funding	\$ (1,537,400)
Net Carryover Funding/Other	\$ 192,109

(2) Source: Filing at page 89

(3) Source: Filing at page 88

**DE 09-170  
CORE Energy Efficiency Programs  
Staff Responses to The Way Home (TWH)**

**3. With respect to the low-income formula proposed by Staff, please indicate for 2010 what the annual goal for the number of low-income units to be served would be if the definition of “low-income” were set at:**

- a. Income at or below 150% of the Federal Poverty Level;**
- b. Income at or below 185% of the Federal Poverty Level;**
- c. Income at or below 200% of the Federal Poverty Level.**

**Provide all input numbers along with copies of the source documents for those input numbers.**

Response:

Staff’s formula approach does not address *participation* numbers; rather, Staff’s formula approach addresses the HEA budget allocation *percentage* and HEA budget *amount*. Following is the information pertaining to percentage and amount at the various Income-To-Poverty levels:

Income-To-Poverty Level	HEA % of CORE Budget	HEA Budget \$
150%	8.6% (TWH 1-3)	\$1,655,420
185%	11.8% (TWH 1-1)	\$2,282,255
200%	13.5% (TWH 1-3)	\$2,608,789

Please see attachments to this response and attachments to TWH Question 1-1 for source documents.

**Public Service Company of New  
Hampshire  
Docket No. DE 08-120**

**Data Request AUDIT-USES-01**

**Dated: 11/13/2009  
Q-AUDIT-USES-005  
Page 1 of 2**

**Witness: Gilbert E. Gelineau Jr  
Request from: US Energy Saver LLC**

**Question:**

Based on a review of the Quaterly Reports for the CORE program that are available on the PUC web site, it appears that PSNH has not been spending the entire marketing budget proposed in its CORE Docket Filings each year. Unfortunately, neither the CORE Docket Filings nor all of the Quarterly Reports are readily accessible via the PUC web site for each of the years that PSNH has been collecting funds from the CORE Program under RSA 125-O:5. Please provide a table noting the following for each year that the PUC has been collecting funds under RSA 125-O:5: (1) the budgeted amount to be spent on marketing for each CORE program submitted as part of its CORE Docket Filings (typically found in Attachment H); (2) the actual amount spent each year for each CORE program as reported on the final Quarterly report for each program year. For 2009, please report the amounts spent on marketing year-to-date for each CORE program.

**Response:**

Please see attachment for the Budget and Actual CORE marketing expenses for 2003 to June 30, 2009.

Public Service of New Hampshire  
 CORE Marketing Expenses

	2003		2004		2005		2006		2007		2008		2009*	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget (Jan - Dec)	Actual (Jan - June)
ENERGY STAR Homes	\$ 70,000	\$ 5,583	\$ 30,000	\$ 209	\$ 5,000	\$ 31,935	\$ 5,000	\$ 942	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ 67
Home Energy Solutions	66,000	36,151	10,000	0	10,000	0	10,000	45	10,000	12,713	10,000	750	10,000	0
Energy Star Appliances	103,000	14,396	25,000	0	25,000	0	25,000	0	25,000	10,917	25,000	1,587	25,000	0
Home Energy Assistance	116,000	43,286	30,000	3,842	30,000	0	30,000	595	30,000	4,000	16,667	1,148	30,000	0
ENERGY STAR Lighting	244,881	127,708	5,000	690	7,405	1,411	7,405	292	7,405	762	7,405	12,081	7,405	1,096
Other Residential Programs	3,500	1,050	3,800	6,499	5,800	960	5,800	606	5,800	328	5,800	0	5,800	0
New Equipment & Construction	23,750	31,558	3,000	1	3,001	0	3,001	0	3,000	3,923	3,000	5,522	3,000	230
Large C&I Retrofit	39,583	41,848	3,000	0	3,001	0	3,001	0	3,000	496	3,000	8,964	3,000	225
Small Business Energy Solutions	20,000	12,377	12,000	209	12,001	565	12,001	663	28,000	3,382	28,000	6,790	28,000	0
Other C&I Programs	<u>28,000</u>	<u>1,583</u>	<u>3,000</u>	<u>0</u>	<u>3,000</u>	<u>50</u>	<u>3,000</u>	<u>2,420</u>	<u>3,000</u>	<u>12,287</u>	<u>3,000</u>	<u>6,399</u>	<u>3,000</u>	<u>0</u>
	\$ 714,714	\$ 315,540	\$ 124,800	\$ 11,450	\$ 104,208	\$ 34,921	\$ 104,208	\$ 5,563	\$ 120,205	\$ 48,808	\$ 106,872	\$ 43,241	\$ 120,205	\$ 1,618

\*Budget for 2009 is for the entire year; actual is from January 1 to June 30, 2009.