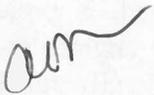


STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: September 19, 2016

AT (OFFICE): NHPUC

FROM: Amanda O. Noonan 

SUBJECT: DE 16-777 Electric Assistance Program

NHPUC 19SEP'16AM10:13

TO: Commissioners
Executive Director

CC: Paul Dexter
Rorie Patterson

Summary:

The Electric Assistance Program Advisory Board, comprised of representatives from the four electric utilities, the Office of Energy and Planning, the Office of Consumer Advocate, the Community Action Agencies, The Way Home, and Commission Staff, has reviewed the budgets 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, 2016 as submitted.

Background:

In accordance with Commission Order 23,980, New Hampshire Electric Cooperative (NHEC) filed its budgets and sales forecast for the upcoming EAP year on July 26, 2016, Unitil Energy Systems (Unitil) and Liberty Utilities (Liberty) filed their budgets and sales forecasts for the upcoming EAP year on July 29, 2016, Eversource (Eversource) filed its budget and sales forecast on August 1, 2016, and the Office of Energy and Planning (OEP) filed its budget for the upcoming EAP year on August 1, 2016. The Community Action Agencies (CAA) provided the Commission with a copy of its budget on July 29, 2016.

There are three components to the EAP budget: CAA administrative costs, utility administrative costs and OEP 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 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 OEP budget relate to OEP's participation in the EAP advisory board meetings and other EAP related discussions.

The EAP is currently serving approximately 31,000 customers with no waiting list for the program. The program, as currently designed, is projected to be able to provide benefits to approximately 33,500 customers. As income eligible residents in the state begin to plan for the winter heating season and apply for the federally funded low-income home energy assistance program, EAP enrollment is expected to increase. The current program design and funding level should allow the EAP to meet the need of NH residents without requiring further programmatic adjustments during the upcoming program year.

Analysis and Recommendation:

The proposed budget for the 2016-2017 EAP year is shown below. Overall, the 2016-2017 budget is 1.13% lower than the budget for the 2015-2016 program year budget.

**2016 - 2017
EAP 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%)

Budgets submitted by the utilities and the CAA changed very little as compared to the 2015-2016 budget submissions. The decrease in the overall budget for 2016-2017 reflects the decrease in the OEP budget. OEP conducted the EAP triennial process evaluation during the 2015-2016 budget period, with costs associated with conducting that evaluation reflected in the OEP budget for 2015-2016. As the triennial process evaluation was completed and submitted in April 2016, OEP's 2016-2017 EAP budget appropriately includes only those costs associated with its participation on the EAP Advisory Board.

Budgets for the 2016-2017 EAP program year were provided to all members of the EAP Advisory Board. The Advisory Board has reviewed the budgets, and an informal discovery process was available to ensure all members had an opportunity to ask questions regarding the budgets.

The Advisory Board expressed no concerns with the budgets as submitted by the utilities. Staff has reviewed the budgets and concludes that the expenses which comprise the 2016-2017 EAP budgets are those which would be reasonably incurred in the administration of the electric assistance program. Accordingly, Staff recommends the Commission approve the 2016-2017 EAP budgets as filed.

SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

Executive.Director@puc.nh.gov
amanda.noonan@puc.nh.gov
asbury@unitil.com
celeste.lovett@nh.gov
donald.kreis@oca.nh.gov
hansks@nhec.com
karen.keough@eversource.com
leszek.stachow@puc.nh.gov
mdean@mdeanlaw.net
paul.dexter@puc.nh.gov
pradip.chattopadhyay@oca.nh.gov
rlittlefield@bm-cap.org
Stephen.Hall@libertyutilities.com
tom.frantz@puc.nh.gov

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FILING INSTRUCTIONS:

a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.

c) Serve a written copy on each person on the service list not able to receive electronic mail.