

DE 01-210

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

Interim Energy Assistance Program

**Order Nisi Approving Increase
to Interim Energy Assistance Surcharge**

O R D E R N O. 23,856

December 3, 2001

On October 22, 2001, New Hampshire Electric Cooperative, Inc. (Cooperative) filed with the New Hampshire Public Utilities Commission (Commission) a proposal to increase its Interim Energy Assistance Surcharge (Surcharge) from the current rate of \$0.00071 per kilowatt-hour (kWh) to \$0.00087 per kWh, a 0.1 percent increase to the Cooperative's total average tariff revenue per kWh. The Surcharge would apply to all members served under tariff rates. The effect on a residential ratepayer's monthly bill with usage of 500 kWh is an increase of \$0.08, from \$70.58 to \$70.66.

The Cooperative proposes to continue its 70% discount of the customer's delivery charges. This equates to a discount of between 19.0% and 37.5% on the customer's overall bill, depending on the customer's usage and the residential rate under which the customer is served. This is substantially consistent with the Low Income Working Group's interim guidelines recommended range of 15-35%.

The Cooperative states that it must increase the surcharge because in 2002 the program will not have the benefit of the \$93,000 over-recovery brought into the 2001 budget from the year before, and because the 2001 program year is expected to end with an under-recovery of about \$10,500, as described below.

The Cooperative does not propose to change its methodology for applying the discount to income-eligible customers. The 70% discount will continue to be applied to the total of all delivery charges including the customer charge, the energy delivery charge and the meter charge (if applicable). The resulting credit will appear on the member's bill as a separate line. The amount charged for the other unbundled components (Stranded Costs, Conservation and Load Management, Restructuring, Interim Energy Assistance, Regional Access, Coop Power, and Consumption Tax/BET, as applicable) of the member's bill would not be included in the discount calculation. The dollar amount of the credit and the percentage of savings of the total bill will vary depending on the member's usage and on the billed rate.

The Cooperative expects to collect \$532,216 during 2002 from the Surcharge which is based on 2002 proforma kWh sales of 611,742,643 (excludes forecast sales from special contracts). Additionally, the Cooperative forecasts an under-recovery balance for the Surcharge of \$10,544 as of December 31, 2001. The net of these amounts less expected expenses of the program (education

and promotion costs of approximately \$1,200 during 2002) yields approximately \$521,000 to be utilized for the Interim EAP discounts to participating eligible members.

To develop the \$0.00087 per kWh Surcharge, the Cooperative stated it considered several factors. Based on the Cooperative's experience to date, it expects to have an average of 1,800 participating members during 2002. This amount multiplied by an estimation of those members monthly usage (600 kWh) multiplied by the Cooperative's current delivery rates results in total estimated participating members' delivery charges, before the discount, of \$745,502. The discount rate of 70% on delivery charges was utilized because it yields benefits as a percentage of the members' total bills which most closely reflects the recommendation of the Low Income Working Group.

The Cooperative proposes that the Surcharge will continue to be reconciled with interest. The Cooperative will continue to provide quarterly reconciliation reports to the Commission. The Cooperative will make its next annual filing in time for any rate change implementation to occur January 1, 2003 to coincide with the Cooperative's other rate filings or when full statewide EAP begins, whichever happens first.

The Cooperative has worked together with the Community Action Agencies and the New Hampshire Department of Health and

Human Services (H&HS) to make the enrollment and verification process simple and quick. Rather than the member providing the Cooperative with proof of eligibility, H&HS verifies the eligibility of those members who receive services from H&HS and have provided authorization for H&HS to release their information. The Community Action Agencies have brochures/applications with information regarding the Cooperative's program available for its Fuel Assistance clients.

The Cooperative states that members who are already on the Interim EAP who qualified because they also receive Fuel Assistance will be sent a letter from the Cooperative informing them that they need to provide the Cooperative with the new "letter of credit" they receive from the Community Action Agency when they re-qualify for Fuel Assistance. If the Cooperative does not receive a 2001/2002 Fuel Assistance "letter of credit" or other proof of eligibility by April 1, 2002, members will be dropped from the program. H&HS has agreed to assist the Cooperative by reviewing the list of its clients who are currently on the Interim EAP to verify that those members are still eligible for the H&HS' program, and therefore, eligible for the Cooperative's program. Those members who are denied the continuation of the benefit will be notified accordingly. The Cooperative states that utilizing H&HS' assistance has proved to be more cost effective for the Cooperative and less burdensome to

the participating members.

The Cooperative will continue to utilize its brochures, bill messaging and newsletter to inform its members of the availability of the Interim EAP. Also, the Interim EAP will be mentioned to members who are having difficulty paying their bills if the Member Service Representative believes there is a possibility the member qualifies for the program. Additionally, the Cooperative will continue to work with H&HS, the Community Action Agencies, and town welfare offices to inform the clients of those agencies.

The Commission approved the Cooperative's Interim Energy Assistance Program on June 28, 1999 (DR 98-097; Order No. 23,243) and most recently approved a change to the Surcharge on December 22, 2000 (DE 00-253; Order No. 23,606). The current filing is consistent with the approved Interim Energy Assistance Program and is similar to the filing in DE 00-253. The requested increase in the Surcharge is well below the limit specified in RSA 374-F:4, VIII(c).

Upon a careful review of the filing in this proceeding, we conclude that the Cooperative's proposal to increase the Surcharge is in the public interest and we will therefore approve it. The overall effective discount of approximately 19.0% to 37.5% percent is in line with similar programs we have approved in connection with Public Service Company of New Hampshire and Granite State Electric Company and is substantially consistent with the Low Income Working Group's interim recommended guidelines.

We encourage the Cooperative to continue to identify new methods of outreach. In our judgment, a proactive approach to identifying and qualifying participants in low income programs is an appropriate strategy for assuring the effectiveness of the Interim Energy Assistance Program.

Based upon the foregoing, it is hereby

ORDERED NISI, that the Cooperative's Interim Energy Assistance Surcharge of \$0.00087 per kilowatt-hour is APPROVED effective January 1, 2002 on a bills-rendered basis; and it is

FURTHER ORDERED, that the Cooperative shall cause a copy of this Order Nisi to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than December 13, 2001 and to be documented by affidavit filed with this office on or before

December 27, 2001; and it is

FURTHER ORDERED, that all persons interested in responding to this petition be notified that they may submit their comments or file a written request for a hearing on this matter before the Commission no later than December 20, 2001; and it is

FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than December 26, 2001; and it is

FURTHER ORDERED, that this Order Nisi shall be effective January 2, 2002, unless the Commission provides otherwise in a supplemental order issued prior to the effective date; and it is

FURTHER ORDERED, that the Cooperative shall file a compliance tariff with the Commission on or before December 17, 2001.

By order of the Public Utilities Commission of New
Hampshire this third day of December, 2001.

Thomas B. Getz
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Claire D. DiCicco
Assistant Secretary