

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 10-192

STATE-WIDE LOW INCOME ELECTRIC ASSISTANCE PROGRAM

2010-2011 Program Administrative Budgets

Order *Nisi* Approving 2010-2011 Program Budgets

ORDER NO. 25,145

September 15, 2010

I. BACKGROUND

The purpose of this docket is to review the administrative budgets related to the statewide low income electric assistance program (EAP). *See, e.g., Statewide Low-Income Electric Assistance Program*, Order No. 23,980 (May 30, 2002), *Statewide Low-Income Electric Assistance Program*, Order No. 25,015 (Sept. 22, 2009). The EAP is operated by Granite State Electric Company d/b/a National Grid (National Grid), New Hampshire Electric Cooperative, Inc. (NHEC), Public Service Company of New Hampshire (PSNH), and Unitil Energy Systems, Inc. (UES) (together, the Utilities) in conjunction with the Community Action Agencies (CAAs), the Office of Energy and Planning (OEP) and the New Hampshire Public Utilities Commission Staff (Staff). Between July 26 and August 6, 2010, the Utilities, CAAs, and OEP submitted their estimated on-going administrative costs to provide services associated with the EAP for the program year beginning October 1, 2010, and ending September 30, 2011. On September 3, 2010, Staff filed a memorandum recommending approval of the proposed budgets.

The budgets submitted by the Utilities identify the incremental costs projected for the administration of the EAP. The budgets show each utility's ongoing administrative costs

separately from the utility's allocation of the CAAs' ongoing administrative costs. Utility administrative costs include information technology (maintenance and support), customer service (administration as well as maintenance and support), and marketing support (which includes costs related to brochures and posters, as well as some employee expenses).

For each utility, the bulk of the incremental costs are the CAAs' ongoing administrative costs, paid for through contracts between each utility and the CAAs and recovered from the EAP Fund by the Utilities. The budget submitted by OEP includes expenses related to the EAP advisory board meetings and similar EAP matters. The CAAs' costs, in turn, are related to the administration of the EAP, including client outreach and intake, application processing, and monitoring compliance with EAP guidelines.

The EAP advisory board consists of representatives from PSNH, NHEC, UES, National Grid, New Hampshire Legal Assistance, the Municipal Welfare Directors Association, the Community Action Agencies, the Office of Consumer Advocate, OEP, and Staff. The board meets regularly, and the proposed budgets were provided to the advisory board coincident with the submission of the budget to the Commission. As noted in Staff's September 3, 2010 memorandum, the advisory board did not object to the proposed budgets.

II. COMMISSION ANALYSIS

In its September 3, 2010 recommendation, Staff compared the proposed administrative budgets for the coming year with those of the program year now concluded. The results of that comparison are set out below:

**2010-2011 EAP Program Year
Overall Administrative Budget**

	CAA Costs	Utility Costs	OEP Costs	Total
2010-2011	\$1,712,671	\$64,899	\$ 6,500	\$1,784,016
Change over 2009-2010 PY	2.77%	(14.29%)	(84.27%)	.61%

As noted by Staff, the 2010-2011 budgets are 0.61% higher than those for 2009-2010. The increase is attributable, in part, to the approximately 22% increase in EAP caseload over the past year. Additionally, the increase is also caused by increases in the cost of providing fringe benefits, as part of the CAAs' administrative costs.

Based upon our analysis of the proposed 2010-2011 administrative budgets in comparison to the budgets proposed for the prior period, we find that the proposed budgets are a reasonable projection of anticipated expenses and we will therefore approve them. OEP's budget has decreased markedly from the prior period because the 2009-2010 OEP budget reflected the cost of performing its triennial process evaluation, which was submitted to the Commission on April 1, 2010. Moreover, while the budgets are generally higher, we do not find that they are unreasonable given the increased program activity of the Utilities and the CAAs. Commission Staff will conduct a review of actual expenses incurred following the completion of the 2010-2011 program year and report the results back to the Commission. As noted in Order No. 23,945 (April 5, 2002), we will review legal expenses in particular to assure that they are properly allocated and not being recovered in base rates as well as through this program.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that the proposed EAP administrative budgets for the 2010-2011 program year (from October 1, 2010 through September 30, 2011) are hereby APPROVED; and it is

FURTHER ORDERED, that the Commission Staff will conduct a review of the EAP's actual incurred expenses following the completion of the 2010-2011 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 once in a statewide newspaper of general circulation, such publication to be no later than September 24, 2010 and to be documented by affidavit filed with this office on or before October 8, 2010; and it is

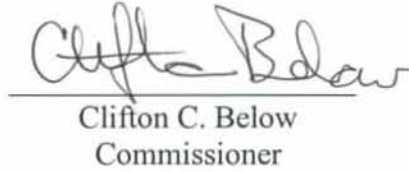
FURTHER ORDERED, that all persons interested in responding to this matter be notified that they may submit their comments or file a written request for a hearing that states the reason and basis for a hearing no later than October 1, 2010 for the Commission's consideration; and it is

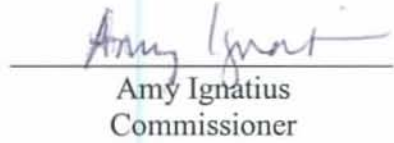
FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than October 8, 2010; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective October 11, 2010, 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 fifteenth day of
September, 2010.


Thomas B. Getz
Chairman


Clifton C. Below
Commissioner


Amy Ignatius
Commissioner

Attested by:


Debra A. Howland
Executive Director

