

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 12-241

STATEWIDE LOW-INCOME ELECTRIC ASSISTANCE PROGRAM

2012-2013 Program Administrative Budgets

Order *Nisi* Approving 2012-2013 Program Budgets

ORDER NO. 25,414

September 19, 2012

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. 25,275 (Sept. 30, 2011). The EAP is operated by Granite State Electric Company d/b/a Liberty Energy NH (Liberty), 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) and the Staff of the New Hampshire Public Utilities Commission (Staff). In addition, monitoring and evaluation is performed by the Staff and the Office of Energy and Planning (OEP). As of August 1, 2012, the Utilities, CAAs, and OEP had submitted their estimated ongoing administrative costs to provide services associated with the EAP for the program year beginning October 1, 2012, and ending September 30, 2013. Amendments to OEP's budget and the CAAs' budgets were filed on August 10 and August 30, 2012, respectively. On August 31, 2012, 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 OEP's monitoring and evaluation responsibility, such as attendance at the EAP advisory board meetings and similar EAP matters, as well as OEP's required triennial EAP process evaluation, due April 1, 2013. 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, Liberty, New Hampshire Legal Assistance on behalf of The Way Home, the Municipal Welfare Directors Association, the CAAs, 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 budgets to the Commission. As noted in the August 31, 2012 memorandum, the advisory board did not object to the proposed budgets.

II. COMMISSION ANALYSIS

In its August 31, 2012 memorandum, 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:

2012-2013 EAP Program Year Overall Budget

	CAA Costs	Utility Costs	OEP Costs	Total
2011-2012	\$1,772,539	\$65,000	\$7,000	\$1,844,539
2012-2013	\$1,780,694	\$61,944	\$34,707	\$1,877,345
Change over 2011-2012 PY	.46%	(4.62%)	395.81%	1.78%

As noted by Staff, the 2012-2013 budgets are collectively 1.78% higher than those for 2011-2012. The increase in the CAAs' budgets is very slight, and the Utilities' budgets have decreased by 4.62%; however, this is offset by the 395.81% increase in the OEP budget attributable to OEP's required triennial EAP process evaluation costs in program year 2012-2013. Though a large increase over the 2011-2012 program year, the triennial review budget is lower than the last triennial review conducted by OEP. For 2012-2013 it is budgeted at \$34,707, which 16% or \$6,610 lower than the 2009-2010 triennial review budget of \$41,317. The EAP budgets presented accommodate expected increases in program caseload during the 2012-2013 program year, from the current caseload of approximately 32,000 customers served, to a projected caseload of 34,000 customers.

Based upon our analysis of the proposed 2012-2013 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. The OEP budgetary increase is reasonable in light of OEP's triennial process evaluation responsibilities for the 2012-2013 EAP program year. We note that the CAAs' budgets are essentially flat, compared to 2011-2012, and the Utilities' budgets have been reduced, despite the projected increase in EAP caseload. Staff will conduct a review of actual expenses incurred following the completion of the 2012-2013 EAP program year and report the results back to the Commission.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the proposed EAP administrative budgets for the 2012-2013 program year (from October 1, 2012 through September 30, 2013) 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 2012-2013 EAP program year and report the results back to the Commission; and it is

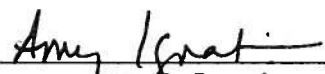
FURTHER ORDERED, that the Executive Director shall cause a copy of this Order *Nisi* to be published once in a statewide newspaper of general circulation or of circulation in those portions of the state where operations are conducted, such publication to be no later than September 24, 2012 and to be documented by affidavit filed with this office on or before October 1, 2012; 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 September 26, 2012 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 September 28, 2012; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective October 1, 2012, unless the Commission provides otherwise in a supplemental order issued prior to the effective date.

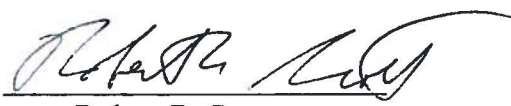
By order of the Public Utilities Commission of New Hampshire this nineteenth day of September, 2012.



Amy L. Ignatius
Chairman



Michael D. Harrington
Commissioner



Robert R. Scott
Commissioner

Attested by:



Debra A. Howland
Executive Director