

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 14-205

STATEWIDE LOW-INCOME ELECTRIC ASSISTANCE PROGRAM

2014-2015 Program Administrative Budgets

Order *Nisi* Approving Budgets

ORDER NO. 25,707

August 26, 2014

In this order, we approve the EAP administrative budgets for the 2014-2015 program year. The budgets project a 1.87 percent increase over the prior year in costs to administer the EAP program. This order is being issued on a *nisi* basis to ensure that all interested parties receive notice of the Commission's order and have the opportunity to request a hearing prior to its effective date.

I. BACKGROUND

The purpose of this docket is to review the budgets for administering the statewide low-income electric assistance program (EAP) as required by *Statewide Low-Income Electric Assistance Program*, Order No. 23,980 (May 30, 2002). *See Statewide Low-Income Electric Assistance Program*, Order No. 25,570 (Sept. 6, 2013) (order approving the 2013-2014 budget). The EAP is funded by the systems benefit charge and is operated by the community action agencies (CAAs) and the state's four electric distribution utilities: 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).

The EAP serves approximately 33,000 customers with no waiting list, which is approximately 500 more customers than were served at this time in 2013. The program is currently designed to provide benefits to approximately 33,500 customers. The Utilities, the CAAs, and the Office of Energy and Planning (OEP) submitted their budgets for the program year October 1, 2014, through September 30, 2015.

Commission Staff (Staff) and OEP monitor, evaluate, and audit the EAP. OEP's proposed budget of \$7,000 is the same as 2013-2014. It is based on OEP's participation in the EAP Advisory Board and includes funds for a mandatory evaluation of the EAP every third year. OEP is not scheduled to conduct an evaluation in the 2014-2015 program year. Staff costs associated with the program are not charged to the EAP fund.

The Utilities provide EAP with support in the form of educational materials, customer service, legal services, and IT support. The Utilities bill and collect the system benefits charge, which is the funding source for the EAP, apply the EAP discounts to the bills of eligible customers, and add and remove customers as the CAAs direct. The Utilities' combined budget of \$12,137 is 13.58% lower than the prior year and consists of the expenses that they would not incur absent their support of EAP.

The CAAs' proposed budget is \$1,839,005, which is 2.0% higher than 2014-2015 and includes the activities of the EAP program administrator and the six CAAs. Community Action Program Belknap-Merrimack Counties, Inc., the program administrator, is responsible for contracting with, monitoring, and performing annual compliance reviews of the other CAAs. The program administrator also compiles the CAAs budgets, invoices the utilities, allocates the administrative revenues to the respective CAAs, and prepares weekly enrollment reports for

Staff, the Advisory Board members, and each CAA. The individual CAAs provide customer education, intake services, certification and re-certification of eligibility, discount tier determination, and removal of ineligible customers.

Staff recommended approval of the proposed budgets by memorandum dated August 22, 2014. Staff compared the proposed budget for 2014-2015 with the prior year's budget. Overall the 2014-2015 budget is 1.87% higher.

**2014 - 2015 EAP Program Year
Overall Budget**

	CAA Costs	Utility Costs	OEP Costs	Total
2014-2015	\$1,839,005	\$12,137	\$7,000	\$1,858,142
2013-2014	\$1,802,946	\$14,044	\$7,000	\$1,823,990
Change over 2013-2014 PY	2.0%	(13.58%)	0.00%	1.87%

The increase over last year's budget is due primarily to the increase in wages and benefits in the CAAs' budget.

Staff reported that the 2014-2015 budgets were provided to the EAP Advisory Board, which reviewed the budgets and conducted an informal discovery process. The Advisory Board concluded that the expenses budgeted for the upcoming program year are reasonable. Staff recommended that the Commission approve the 2014-2015 EAP program year budgets as filed.

II. COMMISSION ANALYSIS

Based upon our review of the proposed 2014-2015 administrative budgets, comparing those budgets to the prior year, and based on the recommendations of the Advisory Board and

Staff, we find that the proposed budgets are reasonable. We therefore approve them. The Utility and CAA budgets are essentially flat given the small amount involved. The budgets for the CAAs present a modest increase. Staff will conduct a review of actual expenses incurred following the completion of the 2014-2015 program year, as it does every year, and report the results to the Commission.

Our decision is issued on a *nisi* basis to provide any interested party the opportunity to submit comments or to request a hearing.

Based upon the foregoing, it is hereby

ORDERED *NISI*, that subject to the effective date below, the proposed EAP administrative budgets for the 2014-2015 program year (from October 1, 2014, through September 30, 2015) 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 2014-2015 EAP program year and report the results back to the Commission; and it is

FURTHER ORDERED, that the Executive Director shall cause a summary 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 5, 2014, and to be documented by affidavit filed with this office on or before September 22, 2014; and it is

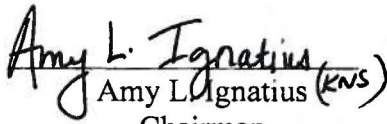
FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states

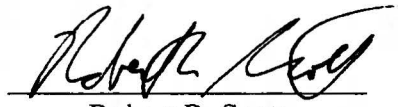
the reason and basis for a hearing no later than September 12, 2014, for the Commission's consideration; and it is


FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than September 19, 2014; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective September 25, 2014, unless the Commission provides otherwise in a supplemental order issued prior to the effective date.

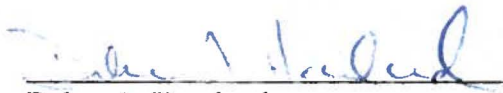
By order of the Public Utilities Commission of New Hampshire this twenty-sixth day of August, 2014.


Amy L. Ignatius (kns)
Chairman


Robert R. Scott
Commissioner


Martin P. Honigberg
Commissioner

Attested by:


Debra A. Howland
Executive Director