

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 15-297

STATEWIDE LOW-INCOME ELECTRIC ASSISTANCE PROGRAM

2015-2016 Program Administrative Budgets

Order *Nisi* Approving Budgets

ORDER NO. 25,805

August 31, 2015

In this order, we approve the EAP administrative budgets for the 2015-2016 program year. The budgets project a 1.06 percent increase over last year. This order is being issued on a *nisi* basis to ensure that all interested parties receive notice and have the opportunity to comment or request a hearing prior to the date set forth in the ordering clauses below.

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. 25,707 (Aug. 26, 2014) (order approving the 2014–2015 budget). The EAP is funded by the systems benefit charge and is operated by the community action agencies (CAAs), Commission Staff (Staff), and the state’s four electric distribution utilities: Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities, New Hampshire Electric Cooperative, Inc., Eversource Energy, and Unitil Energy Systems, Inc. (together, the utilities).

The EAP currently serves approximately 34,000 customers with no waiting list, which is approximately 1,000 more customers than were being served at this time in 2014. The program was originally envisioned to provide benefits to about 33,500 customers. The utilities, the CAAs, and the Office of Energy and Planning (OEP) submitted their budgets for the program year October 1, 2015, through September 30, 2016, which, together with all other filings in this docket, are posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2015/15-297.html>.

Staff and OEP monitor, evaluate, and audit the EAP. OEP's proposed budget of \$27,000 is higher than 2014-2015 because every third year, in addition to its costs for participating in the EAP advisory board, OEP conducts a mandated evaluation of the EAP. OEP will perform such an evaluation this budget year. In addition, Staff is responsible for the fiscal management of the EAP. Staff does not receive payment from the EAP.

The utilities provide the 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, apply the EAP discounts to the bills of eligible customers, and add and remove customers as the CAAs direct. The utilities' combined budget of \$11,879 is 2.13% lower than last year and consists of the utility incremental costs associated with the EAP.

The CAAs' proposed budget of \$1,839,005 is the same as 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 18, 2015. Staff compared the proposed budget for 2015-2016 with the prior year's budget. Overall the 2015–2016 budget is 1.06% higher.

**2015 - 2016 EAP Program Year
Overall Budget**

	CAA Costs	Utility Costs	OEP Costs	Total
2015-2016	\$1,839,005	\$11,879	\$27,000	\$1,877,884
2014-2015	\$1,839,005	\$12,137	\$7,000	\$1,858,142
Change over 2014-2015 PY	0%	(2.13%)	285%	1.06%

The increase over last year's budget is due to OEP's additional costs for the triennial process evaluation which will be conducted during the upcoming program year.

Staff reported that the 2015–2016 budgets were provided to the EAP Advisory Board, which reviewed them 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 2015-2016 EAP program year budgets as filed.

II. COMMISSION ANALYSIS

Based on our review of the proposed 2015-2016 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, and we will therefore approve them. The CAA budgets are flat and the utility costs are expected to decrease modestly. The only substantial change from last year is the extra costs budgeted for OEP's evaluation of the program, an evaluation and associated costs that arise each third year. Staff will conduct a review of actual expenses incurred following the completion of the 2015-2016 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 2015-2016 program year (from October 1, 2015, through September 30, 2016) 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 2015-2016 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 10, 2015, and to be documented by affidavit filed with this office on or before September 28, 2015; and it is

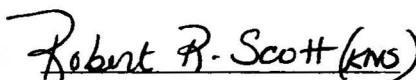
FURTHER ORDERED, that all persons interested in responding to this Order *Nisi* be notified that they may submit their comments or file a written request for a hearing which states the reason and basis for a hearing no later than September 17, 2015 for the Commission's consideration; and it is


FURTHER ORDERED, that any party interested in responding to such comments or request for hearing shall do so no later than September 24, 2015; and it is

FURTHER ORDERED, that this Order *Nisi* shall be effective September 30, 2015, unless the Commission provides otherwise in a supplemental order issued prior to the effective date.

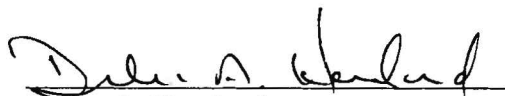
By order of the Public Utilities Commission of New Hampshire this thirty-first day of August, 2015.


Martin P. Horigberg
Chairman


Robert R. Scott
Commissioner


Kathryn M. Bailey
Commissioner

Attested by:


Debra A. Howland
Executive Director