



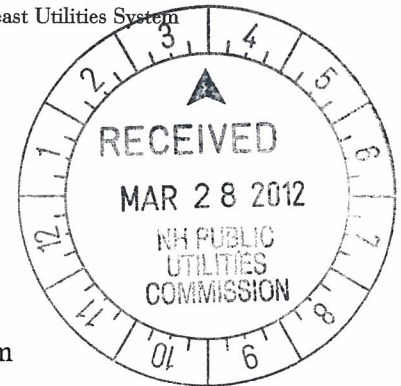
**Public Service  
of New Hampshire**

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March 28, 2012

The Northeast Utilities System



Debra A. Howland, Executive Director  
State of New Hampshire  
Public Utilities Commission  
21 S. Fruit Street, Suite 10  
Concord, New Hampshire 03301-2429

Re: 2011 – 2012 CORE Energy Efficiency Programs  
Public Service Company of New Hampshire's Customer Engagement Program  
Docket No. DE 10-188

Dear Ms. Howland:

In compliance with Commission's Order No. 25,315 dated January 9, 2012 in Docket DE 10-188 (Order Approving 2012 Energy Efficiency Program Updates), below is a description of the final details of Public Service Company of New Hampshire's Customer Engagement Pilot Program ("CEP") terms agreed upon by the parties in this docket.

On December 15, 2011, a Partial Settlement Agreement was filed with the Commission in Docket No. DE 10-188. In the Partial Settlement Agreement, the Commission's Staff ("Staff") and other interested parties agreed to meet with PSNH regarding the request for proposal process and the final design of the CEP. In addition, the Parties and Staff agreed to use reasonable efforts to reach an agreement on the CEP by March 31, 2012 so that PSNH may proceed with the CEP in 2012.

In its Order No. 25,315, the Commission approved the Partial Settlement Agreement filed with the Commission on December 15, 2011, and directed the Staff or a party to submit a description of the final terms of the CEP to the Commission by March 31, 2012. In addition, the Commission indicated there would be no need for further Commission approval of the CEP if an agreement is reached and the CEP would be authorized by the Commission to proceed in 2012.

The Staff invited all parties on the service list in this docket to a meeting held on March 5, 2012, to discuss the CEP. At the March 5<sup>th</sup> meeting, Staff met with representatives from PSNH, the Office of Consumer Advocate, the Office of Energy and Planning, National Grid and Unitil and reviewed PSNH's proposal regarding the request for proposal process, the final design of the CEP and the time-line for the CEP. The final details agreed upon by the representatives attending the March 5<sup>th</sup> meeting were then circulated to all parties on the service list. The description below represents the final details of the CEP agreed upon by the parties in this docket.

### **PSNH's Customer Engagement Pilot Program**

PSNH's Customer Engagement Pilot Program will be utilized as a tool to evaluate the effectiveness of using a behavioral-based energy efficiency program in New Hampshire before expanding the program to a larger audience of customers. The pilot program participants will receive personalized energy savings reports that will include information about the electric usage in their home and tailored tips and recommendations for energy savings. In addition, a program website containing energy savings tips will be available and the pilot program participants will have the option of setting individual goals and tracking their progress. The primary objectives, program design and time-line of the pilot program are described below.

#### **Primary Objectives**

- To measure the program effectiveness on: energy savings, enrollment in other energy-efficiency programs and customer satisfaction with the program.
- To test the effect of messaging on energy savings by utilizing two separate engagement methods: normative and rewards-based.
- To design the pilot program so that energy savings and costs from the pilot will be scalable to the residential customer population.
- To implement a cost-effective pilot program (benefit/cost ratio  $\geq 1$ ).

#### **Program Design**

- Target a group of up to 25,000 randomly selected residential customers.
- Personalized, printed energy savings reports will be mailed to the program participants.
- Customers will have access to a program website.
- An opt-out enrollment approach will be utilized (i.e. the randomly selected pilot program participants are automatically enrolled in the program and must contact PSNH to be removed from the program).
- The following two engagement approaches will be utilized to test the effect messaging has on energy savings:
  1. Normative - customers are compared to and ranked against similar customers to stimulate energy savings
  2. Rewards-based - customers receive reward points for saving energy that can be redeemed at local merchants
- Duration: 12 months
- The vendor will be required to complete at least 3 demographic fields for 80% of the pilot program participants (e.g. primary heating fuel type, square footage of home, type of residence).
- The following quality control checks will be utilized:
  1. If the vendor selects the sample, PSNH will reserve the right to review the sample chosen to ensure it represents PSNH's residential customer population based on kilowatt-hour usage patterns and geographic distribution.
  2. PSNH will review a sample of the energy savings reports to ensure the accuracy of the customer information.
- An independent third party will perform the program evaluation.

**Program Design (continued)**

- An outreach effort to PSNH's customers will be used to create awareness in the pilot program, such as bill inserts, press releases, social media and web-site materials (i.e. articles will be placed on PSNH's web-site and the NHSAVES web-site).
- An outreach effort to interested environmental, energy-efficiency and trade ally groups will be implemented to create awareness in the pilot program.

**Timeline**

<u>Date</u>	<u>Task</u>
May 1, 2012	Issue Request for Proposal (RFP)
May 29, 2012	RFP Responses Due from Vendors
By June 13, 2012	Checkpoint with Parties and Staff to Review Possible Updates
June 19, 2012	Vendor Chosen
September 4, 2012	Program Launch Date
August 31, 2013	Program Completion Date
December 31, 2013	Program Evaluation Due

**Budget**

As specified in Attachment C of the Partial Settlement Agreement in Docket DE 10-188, the planned program budget is \$250,000. PSNH will incorporate all of the program design elements agreed to by the parties and summarized above in the RFP. In order to implement this program within the planned program budget, the parties recognize that it may be necessary to reduce the number of program participants, to possibly update some of the program design elements or to change the time-line in order to implement this program within the program budget. The parties have incorporated a checkpoint within the project time-line and, if necessary, will meet to review any required updates to the CEP. The Parties and Staff have agreed to use reasonable efforts to reach an agreement on any required updates by June 18, 2012 so that a vendor can be chosen by June 19, 2012. If updates are required and agreed upon, the Staff or a party will submit a description of the changes to the CEP to the Commission for informational purposes. Although it is not anticipated, if an agreement is not reached, the Staff is responsible for submitting a memorandum to the Commission outlining the issues in disagreement and seeking Commission resolution.

**CORE Electric Energy Efficiency and Gas Energy Efficiency Program Years**

As noted in the timeline above, the CEP pilot will be implemented within the 2012 and 2013 program years. During the 2013 – 2014 CORE proceedings undertaken this Fall, the Parties will ensure that the CEP program will receive the necessary funding and support from remaining 2012 SBC funds or from 2013 funds to complete the CEP pilot during the 2013 program year. PSNH represents that all parties on the service list for this proceeding were provided an opportunity to attend the March 5th presentation and discussion either in person or by teleconference. PSNH made an abbreviated presentation of the

Debra A. Howland, Executive Director  
State of New Hampshire  
Public Utilities Commission  
March 28, 2012  
Page 4

proposed CEP at a meeting of the Energy Efficiency and Sustainable Energy Board on March 9, 2012. The following parties have expressed their consent or support to the description of the proposed Customer Engagement Program contained herein: The Way Home, Unitil, Office of Consumer Advocate, National Grid, NH Community Action Association, Office of Energy and Planning, New Hampshire Electric Cooperative and the Commission Staff. To the best of my knowledge, there is no active opposition to PSNH proceeding in the manner described herein. To minimize the potential for a delay in PSNH's proposed timeline, please let us know if there are any questions concerning this filing by April 13, 2012.

Very truly yours,

A handwritten signature in black ink, reading "Gerald M. Eaton". The signature is written in a cursive, flowing style with a long horizontal flourish at the end.

Gerald M. Eaton  
Senior Counsel

cc: Service List