


STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: August 22, 2014

AT (OFFICE): NHPUC

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FROM: Amanda O. Noonan 

SUBJECT: DE 14-205 Electric Assistance Program

TO: Commissioners
Executive Director

CC: Michael Sheehan

Summary:

The Electric Assistance Program Advisory Board, comprised of representatives from the four electric utilities, the Office of Energy and Planning, the Office of Consumer Advocate, the Community Action Agencies, The Way Home, and Commission Staff, has reviewed the budgets for the upcoming electric assistance program (EAP) program year. Based upon the review and recommendation of the Advisory Board, Staff recommends that the Commission approve the EAP budgets for the program year beginning October 1, 2014 as submitted.

Background:

In accordance with Commission Order 23,980, New Hampshire Electric Cooperative and Unitil Energy Systems filed their budgets and sales forecasts for the upcoming EAP year on August 1, 2014, 60 days or more in advance of October 1, 2014, the start of the 2014-2015 program year. The Office of Energy and Planning (OEP) also filed its budget for the upcoming EAP year on August 1, 2014. Public Service of New Hampshire and Granite State Electric Company d/b/a Liberty Utilities (Liberty) filed their budgets and sales forecasts on August 4, 2014. An updated budget was filed by Liberty on August 15, 2014. The Community Action Agencies (CAA) provided the Commission with a copy of their budget on August 1, 2014.

There are three components to the EAP budget: CAA administrative costs, utility administrative costs and OEP administrative costs. The EAP budgets submitted by the utilities consist of the utilities' incremental costs to administer the EAP and the CAA administrative costs allocated to each utility.

As program administrator, the CAA performs activities such as client outreach and intake, application processing, enrollment of participants, and periodic review of ongoing program eligibility. The CAA also conducts compliance monitoring to ensure program guidelines are being adhered to. Utility incremental costs generally include expenses for the production and printing of educational materials such as posters and brochures, customer service,

legal services and IT support and represent those expenses that would be reasonably incurred as part of the utility's administration of the EAP but would not be incurred absent EAP. Expenses included in the OEP budget relate to OEP's participation in the EAP advisory board meetings and other EAP related discussions.

The EAP is currently serving approximately 33,000 customers with no waiting list for the program. The program as currently designed is projected to be able to provide benefits to approximately 33,500 customers. As income eligible residents in the state begin to plan for the winter heating season and apply for the federally funded low-income home energy assistance program, EAP enrollment is expected to increase.

Analysis and Recommendation:

The proposed budget for the 2014-2015 EAP year is shown below. Overall the 2014-2015 program year budget is 1.87% higher than the 2013-2014 program year budget.

**2014 - 2015
EAP 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 in the EAP budget for the 2014 – 2015 program year is primarily the result of increases in wages and benefits for the CAA.

The budgets for the 2014-2015 EAP program year were provided to all members of the EAP Advisory Board. The Advisory Board has reviewed the budgets, and an informal discovery process was used to ensure all members had an opportunity to ask questions and discuss the budgets.

Following its review, the Advisory Board concluded that the expenses included in the budgets submitted for the 2014-2015 EAP program year are those which would be reasonably incurred in the administration of the electric assistance program. Accordingly, Staff recommends the Commission approve the 2014-2015 EAP program year budgets as filed.

DE 14-205 - Service List

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