

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

December 22, 2014 - 2:22 p.m.
Concord, New Hampshire

NHPUC JAN07'15 PM 3:17

RE: DE 14-337
ELECTRIC ASSISTANCE PROGRAM:
The Use of Low-Income SBC Funds to
Provide Assistance Outside Existing
Utility Programs.
(Hearing to receive public comments)

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Robert R. Scott

Sandy Deno, Clerk

APPEARANCES: (No appearances taken)

Court Reporter: Steven E. Patnaude, LCR No. 52

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P R O C E E D I N G

CHAIRMAN HONIGBERG: We are here this afternoon in Docket DE 14-337, on the Statewide Low-Income Electric Assistance Program. We're here for a public comment hearing. The Electric Assistance Program provides bill assistance to income-eligible customers of Liberty Utilities, the New Hampshire Electric Cooperative, Public Service Company of New Hampshire, and Unitil Energy Systems. There are five discount tiers that depend on the customers' income in relation to federal poverty guidelines. Those discounts are designed to reduce customers' electric bills, on average, to between 4 percent and 5 percent of their income. Eligibility/discount level are both determined by gross household income and household size.

The funding source of the Electric Assistance Program is the low-income portion of the Systems Benefit Charge that is on every electric bill in the state. By statute, the portion of the SBC that may be used for low-income assistance is limited to a maximum charge of 1.5 mills per kilowatt-hour.

We're here to take comments on some specific issues that we asked for comments on, eligibility funding and costs, in light of different economic

1 circumstances and different situations with the fund.

2 I'll ask Attorney Hollenberg in a moment to set the scene
3 for us, and then we'll ask the people who are here who
4 have signed up to speak to come forward and provide us
5 with their comments.

6 Attorney Hollenberg, would this be a
7 good time for you to set the scene for us?

8 MS. HOLLENBERG: Sure.

9 CHAIRMAN HONIGBERG: Thank you.

10 MS. HOLLENBERG: The EAP Advisory Board
11 filed a response to the Commission's Order of Notice on
12 December 10th, 2014. There was also comments filed by
13 Liberty Utilities, dated December 9th, 2014. I am
14 prepared, on behalf of Staff, to provide some comments in
15 support of the EAP Advisory Board's recommendation, and to
16 also present the Staff's position on Liberty's comments.
17 And, then, my proposal would be that we go through the
18 room with the other parties.

19 CHAIRMAN HONIGBERG: I have five -- no,
20 six who have signed up to speak -- no, five, I guess, in
21 addition to you, Attorney Hollenberg. We have Christina
22 Martin, from the OCA; we have Dennis Labbe, from Legal
23 Assistance; Susan Corson, from Unitil, that's you, okay; a
24 Meredith Hatfield, from OEP; and Heather Tebbetts, from

1 Liberty. There's a couple of other people here who have
2 not signed up to speak, and I assume that they know how to
3 change their mind, if they want to.

4 We will take them, I guess, in the order
5 that they appear here, although there may be a reason to
6 move Liberty up, if you're going to be responding to what
7 Liberty said, maybe we should hear from Liberty before you
8 do that. So, do you want to make your affirmative -- I'm
9 going to take liberties with the usual process here, no
10 pun intended. So, Attorney Hollenberg, why don't you
11 provide Staff's comments, affirmative comments first, and
12 then save your comments regarding Liberty until after
13 Liberty has had a chance to speak.

14 MS. HOLLENBERG: Sure. Thank you. The
15 Staff thanks the Commissioners for the opportunity to
16 provide these comments in support of the EAP Advisory
17 Board's recommendation, which, as I mentioned earlier, was
18 dated December 10th, 2014. Staff is a member of the EAP
19 Advisory Board, along with representatives from all the
20 New Hampshire electric utilities and certain social
21 service agencies, as well as others.

22 The proposed grant to Neighbor Helping
23 Neighbor and Project Care, as recommended by the Advisory
24 Board, will enable the quick and efficient distribution of

1 supplemental financial assistance to New Hampshire
2 electric customers at a time when electricity prices are
3 high. The administrative structure already exists, and
4 because the eligibility threshold is aligned with existing
5 thresholds used for other low-income programs, the
6 incremental cost of delivering this assistance is expected
7 to be minimal.

8 The EAP Advisory Board's recommendation
9 is consistent with the Commission's authority to
10 administer the low-income dedicated SBC funds. RSA
11 374-F:3, V(a) requires the existence of programs and
12 mechanisms that enable residential customers with low
13 incomes to manage and afford essential electricity
14 requirements.

15 The grants proposed by the Advisory
16 Board are conditioned upon the express requirement that
17 financial assistance be used only for individuals who
18 qualify under a Commission-determined threshold of low
19 income. This threshold is above the existing income
20 eligibility threshold used for the EAP program as it is
21 now. However, eligibility for the one-time program
22 assistance is open to all existing EAP recipients.

23 And, I just want to make clear that what
24 that means to the Staff is that, even if you already are

1 receiving assistance through EAP, you are eligible to
2 apply through Neighbor Helping Neighbor and/or Project
3 Care for the supplemental assistance.

4 In closing, in our affirmative
5 statement, in closing, I would like to say that we support
6 the EAP Advisory Board recommendation. It is just and
7 reasonable and represents the recommendation of a diverse
8 group of stakeholders making up the EAP Advisory Board,
9 including the New Hampshire electric utilities, and it was
10 following and based on vigorous explorations by the
11 stakeholders of potential issues related to the use of SBC
12 low-income dedicated funds.

13 We do have one request, which is, and I
14 would like to reserve just a moment to comment on
15 Liberty's proposal at a later time, but the one request,
16 affirmative request of Staff would be that the Commission
17 require the grant recipients, Neighbor Helping Neighbor
18 and Project Care, to keep separate records related to
19 their receipt and use of the grant funds. And, also
20 request that these entities have a reporting requirement
21 to the Commission following the closing of the program, as
22 recommended by the Advisory Board. Thank you.

23 CHAIRMAN HONIGBERG: Thank you. Thank
24 you, Attorney Hollenberg. Ms. Tebbetts, do you mind going

1 next?

2 MS. TEBBETTS: No. No problem.

3 CHAIRMAN HONIGBERG: All right. Why
4 don't you identify yourself and then proceed. Thank you.

5 MS. TEBBETTS: Okay. Thank you. Good
6 afternoon. My name is Heather Tebbetts, with Liberty
7 Utilities (Granite State Electric) Corp. The Company
8 filed comments in Docket DE 14-337, the use of low-income
9 SBC funds to provide assistance outside existing utility
10 program on December 9th in response to the November 24th
11 Order of Notice. In that letter, the Company provided
12 three recommendations, along with an attachment showing
13 the funding to the Electric Assistance Program by Granite
14 State Electric customers and the participation level of
15 those same customers.

16 The Company's first recommendation
17 requests that the Commission broaden eligibility
18 requirements to allow for more customers to take advantage
19 of any additional funds. With the 47 percent increase to
20 Granite State Electric's energy service rate this winter,
21 the Company is concerned that its customers, on the cusp
22 of receiving assistance this winter, will not be eligible
23 for assistance, and our customers could greatly benefit
24 from expanded eligibility.

1 The second recommendation is proposing
2 that any funds generated by Granite State Electric
3 customers for the low-income program should benefit
4 customers in its territory. Many of the Company's
5 customers do not qualify for EAP, yet they still may face
6 the same financial hardship this winter paying their
7 electric bill.

8 Historically, the Company's customers
9 have contributed more to EAP than they have received in
10 benefits from the Program. During the program year that
11 ended September 30th, 2014, Granite State Electric
12 customers paid into EAP \$1,349,396, and received only
13 \$478,718 in benefits. The same disparity occurred in the
14 previous program year.

15 The Company serves 6 percent of the
16 state's electric customers, according to the Commission's
17 website. The Company is concerned about the impact of
18 high electric prices on its customers, and views this as
19 an opportunity to take funds paid by its customers to
20 benefit its customers. As a result, we are recommending
21 that the Commission maintain the full 6 percent of funds
22 paid by the Company's customers to help Granite State
23 customers who are struggling with their electric bills
24 this winter.

1 The third and last recommendation is the
2 Commission require all funding to apply only towards the
3 customer's electric bill. The funds should be paid
4 directly to the utility to then be applied to that
5 customer's electric bill.

6 The Company takes no position as to how
7 much money should be used to temporarily provide
8 assistance. And, with regards to process, the Company
9 believes the same process to qualify customers for EAP
10 currently determined by the Community Action Agencies
11 should be used in any temporary program in the future.
12 Thank you.

13 CHAIRMAN HONIGBERG: Questions?

14 COMMISSIONER SCOTT: Yes. Just maybe
15 you can clarify some things for me. So, should I read
16 your December 9th filing as being -- well, let me back up,
17 I apologize. So, Liberty is part of the EAP Advisory
18 Board, is that correct?

19 MS. TEBBETTS: Yes.

20 COMMISSIONER SCOTT: Okay. So, given
21 that, should I read Liberty's December 9th comments as
22 additional to the EAP Advisory Board comments?

23 MS. TEBBETTS: Yes. Because Liberty is
24 supportive of the comments that the EAP Advisory Board put

1 forth, but our concern was that the funding currently just
2 goes into a general bucket for all electric customers to
3 then apply. And, so, our concern is that the funding
4 could dry up before either our customers have an
5 opportunity to go look for funding, we also have a concern
6 that, depending on the eligibility requirements that are
7 approved, whether our customers would meet that. We have
8 a lot of customers on the cusp of what the Advisory Board
9 has requested for eligibility. And, so, if they're even
10 just on that border, our customers were faced with the
11 highest increase this winter for their default service
12 rate, even though we went out to bid. And, we just have a
13 concern that those customers won't be served with this
14 benefit that the EAP Advisory Board is putting forth.

15 COMMISSIONER SCOTT: Okay. Thank you.
16 So, that addresses your Recommendation Number 2, I think.
17 Can you explain to me Recommendation 1 and how that
18 compares to the EAP Advisory Board?

19 MS. TEBBETTS: Well, our Recommendation
20 Number 1 is that we would like to see broadened
21 eligibility. And, so, I believe that in the letter they
22 had mentioned the "60 percent of the median income for New
23 Hampshire residents". And, so, you know, we support that
24 broadened eligibility, but we'd also like to see if there

1 is any over suggestions from other parties as to what
2 could be used as eligibility.

3 COMMISSIONER SCOTT: So, you don't
4 have -- you don't have a specific recommendation beyond
5 what the EAP Advisory Board recommended for eligibility,
6 is that correct?

7 MS. TEBBETTS: Yes. That's correct.

8 COMMISSIONER SCOTT: And, again, so --
9 and Recommendation Number 3 is that the additional funds
10 only be used for the electric bill, correct?

11 MS. TEBBETTS: Yes.

12 COMMISSIONER SCOTT: Well, I think I
13 understand, Mr. Chair.

14 CHAIRMAN HONIGBERG: Ms. Tebbetts, isn't
15 that just a fundamentally different EAP than we've had in
16 the past, where the money would stay within a utility's
17 own territory?

18 MS. TEBBETTS: Yes, it is fundamentally
19 different. And, we felt that this was a one-time
20 temporary opportunity for assistance. And, the energy
21 efficiency programs are -- the dollars are given out by
22 the utility. So, they're collected by the utility and
23 then assigned to the utility, unlike the EAP Program,
24 where they just go into a general bucket and all customers

1 then go and apply. So, we felt that there is opportunity
2 to retain those dollars for those in our territory based
3 on the amount of customers we have, we'd like to see
4 something along those lines happen.

5 CHAIRMAN HONIGBERG: Okay. Ms. Martin.

6 MS. MARTIN: Yes. Do you want me to
7 speak on Liberty's position at this point in time?

8 CHAIRMAN HONIGBERG: Yes. Why don't you
9 take all -- take all of your comments, affirmative and
10 responding to Liberty.

11 MS. MARTIN: Okay. Thank you.
12 Christina Martin, here on behalf of the Office of Consumer
13 Advocate.

14 CHAIRMAN HONIGBERG: Ms. Martin, just
15 before you begin. The reason I had Ms. Hollenberg go
16 first is because we often use Staff to kind of set the
17 scene for what the issues are. I'm actually going to give
18 Liberty a crack at responding to what people say, if they
19 want, at the end. But do your entire presentation now.
20 And, I apologize for seemingly inconsistent approaches to
21 everybody, but that's the reason today.

22 MS. MARTIN: That's okay. The OCA, at
23 this point in time, is agreeing with what Staff and I
24 think other parties of the Board, the EAP Advisory Board,

1 are here for today. We vetted out the recommendation that
2 we put forward. We talked about it. We, you know, made
3 recommendations. We all felt that that was the way to go.

4 Breaking the system up to the way that
5 Liberty would like to have it done is a very different
6 program, and the OCA would definitely not support that.
7 That is all I have.

8 CHAIRMAN HONIGBERG: Mr. Labbe.

9 MR. LABBE: Thank you. Dennis Labbe,
10 New Hampshire Legal Assistance. I just want to say that
11 we do support the Advisory Board's recommendations. In
12 terms of Liberty's proposal, I do think it would be a
13 fundamental alteration of what the EAP does currently.
14 And, I just think it would be too administratively
15 burdensome. I think you're kind of comparing apples and
16 oranges, when you look at the amount contributed to SBC
17 versus those who are eligible to receive low-income
18 assistance. You know, the two should not equal each other
19 necessarily. There can be, you know, less Liberty
20 customers, for example, who are low income than, you know,
21 PSNH customers. So, we would oppose Liberty's amendments
22 to the proposal that the EAP put forward.

23 CHAIRMAN HONIGBERG: Ms. Corson.

24 MS. CORSON: Thank you. My name is

1 Susan Corson. And, I'm here today on behalf of Unitil.
2 And, we do support the Electric Assistance Program
3 Advisory Board's recommendations. And, we are here today
4 to support the recommendations.

5 CMSR. HONIGBERG: Thank you. Ms.
6 Hatfield.

7 MS. HATFIELD: Thank you. Good
8 morning -- sorry, good afternoon, Commissioners. Meredith
9 Hatfield, for the Office of Energy & Planning. OEP is a
10 member of the EAP Advisory Board, and we did participate
11 in the discussions and the analysis of the options that
12 were considered. And, we do strongly support what the EAP
13 Advisory Board put forward, which we believed at the time
14 was a unanimous proposal.

15 Several of the things that Liberty
16 proposes could merit further discussion among the Board
17 members perhaps at a future time. I did want to just
18 touch on a few of them.

19 Number one, they proposed "broadening
20 eligibility". And, in the first paragraph of
21 Recommendation 1, they suggest that these benefits can be
22 open to people who qualify for "any of the social services
23 that the Community Action Agencies provide". I'm not
24 actually aware of all of the services they provide, but I

1 think they are quite a range of different types of
2 services. So, that would be, I think, something that the
3 Board would want to look at. I think that they do provide
4 services to the lowest income members of our community.
5 So, if we wanted to serve all of them, I think it would
6 take a significant amount of resources.

7 Recommendation 2 is actually an issue
8 that Granite State Electric Company has raised several
9 times over at least the last decade. And, I think that,
10 as others have pointed out, to change EAP so that it is no
11 longer a statewide program is a very significant change.
12 EAP is a quite complicated program, Mr. Chairman, as you
13 noted at the beginning, it has several tiers of benefits
14 that are available to people, depending on family size and
15 income.

16 So, it wouldn't be an easy thing to try
17 to change the program for these reasons. But I also
18 think, if the Company wanted to propose that in a larger
19 context, it would be something that other parties would
20 want to consider carefully.

21 Generally, we want to thank the EAP
22 Advisory Board for coming forward with this proposal. As
23 others have pointed out, this is going to be a difficult
24 winter for many electric customers. And, we think that

1 anything that we can do to provide additional assistance,
2 especially to those who are just above the eligibility
3 requirement is extremely important.

4 And, just as a note, a couple of numbers
5 I wanted to provide to you. OEP administers the Fuel
6 Assistance Program, it's a federally funded program that
7 provides fuel benefits to eligible people in New
8 Hampshire. It is available to families who are at or
9 below 200 percent of the federal poverty guideline. There
10 have been years, when we've had additional funding, that
11 we have been able to go up to 60 percent of the state's
12 median income. We're not able to do that this year. So,
13 this program really would be filling a gap that we see.
14 In the last couple of years, we have had about 41,000
15 people apply, and we've served about 35,000. So, there
16 definitely is -- I mean, those people often aren't served
17 for a variety of reasons, and certainly one of those
18 reasons is that they're over income. So, we certainly
19 believe that the need is there.

20 And, again, we thank the Advisory Board
21 for their work. And, we urge the Commission to approve
22 their proposal. Thank you.

23 CHAIRMAN HONIGBERG: Ms. Hollenberg, do
24 you want to comment on Liberty's proposals?

1 MS. HOLLENBERG: Sure. I generally
2 agree with Ms. Hatfield's response to Liberty's proposal.
3 I think, essentially, it's a -- their proposal at this
4 point in time is beyond the scope of the Commission's
5 notice, firstly. I think that this was a -- the
6 Commission solicited comments about a one-time program.
7 And, because of the fundamental nature of the allocation
8 issue, that it really is a broader issue and something
9 that should be discussed within the context of the
10 Advisory Board at the very first instance before coming to
11 the Commission.

12 One moment please. Again, you know, I
13 agree that it is a delicate and complex program, and that
14 really should -- changes to the policy should not occur
15 outside of a broader examination. Excuse me for one
16 moment.

17 (Atty. Hollenberg conferring with
18 Ms. Noonan.)

19 MS. HOLLENBERG: And, consistent with
20 that, I think that is one of the reasons that we're not
21 able to support the comments made by Liberty and their
22 proposal at this time was because it did not, that
23 discussion did not occur, it has not occurred yet within
24 the context of the Advisory Board.

1 CHAIRMAN HONIGBERG: Commissioner Scott.

2 COMMISSIONER SCOTT: Thank you. And, to
3 build on your last statement, my intuition would tell me,
4 but maybe you can help me, that if it was more apparent
5 that, you know, a couple days before Christmas we would be
6 discussing effectively overturning the way this has been
7 done in the past, as far as territories and statewide, do
8 you feel there would be more people at this hearing that
9 would have something to say on this issue?

10 MS. HOLLENBERG: I would say, and I will
11 ask Amanda if she wants to separately respond, but it is a
12 fundamental pillar of the Program at this point in time,
13 that it is a statewide program. And, I think that that is
14 something that has a long history. And, I think that the
15 most recent history related to that is that there is a
16 policy that supports the statewide provision of
17 assistance.

18 So, I do believe that there would --
19 that it would likely, especially if the Order of Notice
20 included notification that that would be in play, I think
21 that there may be more, more interested people here, yes.

22 COMMISSIONER SCOTT: And, my second
23 question, if you feel it's better directed towards
24 Liberty, just tell me, is I assume, being part of the

1 Advisory Board, Liberty could bring this issue up there
2 for further discussion?

3 MS. HOLLENBERG: Absolutely. And, I
4 think that Ms. Hatfield alluded to that. That, you know,
5 there may be parts of Liberty's comments that would merit
6 further exploration. Certainly, there isn't one way of
7 doing this Program, and that's why the Commission
8 solicited comments from all stakeholders. So, I think
9 that the Advisory Board, as I've seen through just vetting
10 the proposal you have before you, is very inclusive, and
11 there's plenty of opportunity for discussion about how
12 things work and the way things should work under the law.

13 COMMISSIONER SCOTT: Thank you.

14 CHAIRMAN HONIGBERG: Ms. Hatfield said
15 something about thinking that the recommendation was
16 "unanimous". Does Liberty have a seat at the table on the
17 EAP Board?

18 MS. HOLLENBERG: Yes, they do. My
19 understanding is that there have been some personnel
20 changes recently related to the individual who was filling
21 that role for Liberty. But they do -- they were a
22 participant in the discussions leading up to this Advisory
23 Board recommendation. And, we expect them to be a party
24 to the conversations in the future, given that they are,

1 you know, an important part of the Program, the utilities
2 themselves.

3 (Atty. Hollenberg conferring with Ms.
4 Noonan.)

5 MS. HOLLENBERG: Okay. And, my
6 understanding is that the personnel change didn't happen
7 until after the Advisory Board's recommendation was
8 submitted to the Commission.

9 CHAIRMAN HONIGBERG: Ms. Tebbetts, do
10 you want to say anything in response to what you've heard
11 from the other side of the room?

12 MS. TEBBETTS: Yes. The only thing I'd
13 like to add is that Liberty is willing to work with all
14 the parties to, in the future, come up with something that
15 can possibly target customers within the utilities'
16 territories, something more along the lines of how we
17 administer the energy efficiency program. And, I think
18 that's about it. Thank you.

19 CHAIRMAN HONIGBERG: Thank you. Is
20 there anyone else here who wants to say anything?
21 Mr. Fossum? Off the record.

22 (Brief off-the-record discussion
23 ensued.)

24 CHAIRMAN HONIGBERG: Back on the record.

1 MS. TEBBETTS:

2 MR. FOSSUM: No. Thank you,
3 Commissioners.

4 CHAIRMAN HONIGBERG: Mr. Licata?

5 MR. LICATA: No.

6 CHAIRMAN HONIGBERG: Does anybody else
7 have anything they want to add before we close the record?

8 (No verbal response)

9 CHAIRMAN HONIGBERG: Seeing none, thank
10 you all very much. We'll adjourn.

11 **(Whereupon the hearing was adjourned at**
12 **2:47 p.m.)**

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