

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

January 27, 2011 - 10:16 a.m.
Concord, New Hampshire

RE: DE 10-192
ELECTRIC ASSISTANCE PROGRAM:
2010-2011 Annual Budget.

NHPUC FEB11'11 AM11:45

PRESENT: Chairman Thomas B. Getz, Presiding
Commissioner Clifton C. Below
Commissioner Amy L. Ignatius
Sandy Deno, Clerk

APPEARANCES: Reptg. Public Service Co. of New Hampshire:
Gerald M. Eaton, Esq.

Reptg. Unitil Energy Systems, Inc.:
Susan S. Geiger, Esq. (Orr & Reno)

Reptg. Granite State Electric Co., d/b/a
National Grid:
Patrick H. Taylor, Esq. (McLane, Graf...)

Reptg. The Way Home:
Alan Linder, Esq.
N.H. Legal Assistance

Reptg. the Community Action Programs:
Shannon Nolin

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

ORIGINAL

APPEARANCES: (C o n t i n u e d)

Reptg. the Office of Energy & Planning:

Joanne O. Morin, Director

Reptg. Residential Ratepayers:

Meredith Hatfield, Esq., Consumer Advocate

Christina Martin

Office of Consumer Advocate

Reptg. PUC Staff:

Edward N. Damon, Esq.

Amanda O. Noonan, Dir./Consumer Affairs Div.

I N D E X

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WITNESS PANEL: **GILBERT E. GELINEAU, JR.**
 AMANDA O. NOONAN

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E X H I B I T S

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1 P R O C E E D I N G

2 CHAIRMAN GETZ: Okay. Good morning,
3 everyone. We'll open the hearing in Docket DE 10-192. On
4 December 16, 2010, the EAP Advisory Board submitted
5 recommendations for changes to the design of the EAP in
6 anticipation of a reduction in funding on July 1, 2011.
7 And, the recommendations address how to continue to meet
8 program goals within the lower funding level. So, the
9 secretarial letter was issued on January 7 setting the
10 hearing for today.

11 Let's take appearances first, and then
12 discuss how we'll proceed.

13 MR. EATON: For Public Service Company
14 of New Hampshire, my name is Gerald M. Eaton. Good
15 morning.

16 CHAIRMAN GETZ: Good morning.

17 MS. GEIGER: Yes. Good morning,
18 Commissioners. I'm Susan Geiger, from the law firm of Orr
19 & Reno. And, I appear on behalf of Unitil Energy Systems,
20 Inc.

21 CHAIRMAN GETZ: Good morning.

22 MR. TAYLOR: Good morning. My name is
23 Patrick Taylor, from the McLane, Graf, Raulerson &
24 Middleton law firm. I'm here on behalf of Granite State

1 Electric Company, doing business as National Grid New
2 Hampshire. We had also intended to have somebody here
3 from the Company today by the name of Adam Sweeney. He
4 wasn't able to make it because the weather conspired to
5 keep him in Massachusetts. If the Commission should feel
6 that they need to speak to him, we can make him available
7 by phone.

8 CHAIRMAN GETZ: Thank you. Good
9 morning.

10 MR. LINDER: Good morning, Mr. Chairman
11 and Commissioners. My name is Alan Linder. I'm from New
12 Hampshire Legal Assistance. We represent The Way Home.

13 CHAIRMAN GETZ: Good morning.

14 MR. LINDER: Good morning.

15 MS. MORIN: Good morning. Joanne Morin
16 from the Office and Celeste Lovett from the Office of
17 Energy & Planning.

18 CHAIRMAN GETZ: Good morning.

19 MS. NOLIN: Good morning. Shannon
20 Nolin, from -- representing the Community Action Programs.

21 CHAIRMAN GETZ: Good morning.

22 MS. HATFIELD: Good morning,
23 Commissioners. Meredith Hatfield, from the Office of
24 Consumer Advocate, on behalf of residential ratepayers.

1 And, with me for the office is Christina Martin.

2 CHAIRMAN GETZ: Good morning.

3 MS. MARTIN: Good morning.

4 MR. DAMON: Good morning, Commissioners.

5 Edward Damon, for the Staff, and with me this morning is
6 Amanda Noonan.

7 CHAIRMAN GETZ: Okay. Good morning. Is
8 there a recommendation on how to proceed today? Is it
9 Ms. Noonan or someone else is going to be prepared to
10 address the proposals?

11 MR. EATON: Mr. Chairman, we're going to
12 place a panel in front of you, Amanda Noonan and Gilbert
13 Gelineau of Public Service Company. And, we may be joined
14 later by Diane Pitts, who works for The Way Home. And,
15 she was going to explain some of the customer effects of
16 this. But we can proceed with Ms. Noonan and Mr. Gelineau
17 to begin with.

18 CHAIRMAN GETZ: Okay. All right.
19 Please proceed.

20 MR. EATON: I call to the stand Edward
21 Damon and Amanda Noonan please. I'm sorry, Gil Gelineau.
22 Might have been a Freudian slip, wishing to cross-examine
23 another attorney.

24 (Whereupon ***Gilbert E. Gelineau, Jr.***, and

1 **Amanda O. Noonan** were duly sworn and
2 cautioned by the Court Reporter.)

3 **GILBERT E. GELINEAU, JR., SWORN**

4 **AMANDA O. NOONAN, SWORN**

5 **DIRECT EXAMINATION**

6 BY MR. EATON:

7 Q. Ms. Noonan, would you state your name for the record.

8 A. (Noonan) Certainly. My name is Amanda Noonan.

9 Q. And, for whom are you employed?

10 A. (Noonan) I'm employed as the Consumer Affairs Director
11 at the Public Utilities Commission.

12 Q. And, what are your duties in that position?

13 A. (Noonan) Well, I have a variety of duties. One of
14 which is the oversight of the Electric Assistance
15 Program.

16 Q. Have you ever testified before the Commission?

17 A. (Noonan) Yes, I have.

18 Q. Mr. Gelineau, would you please state your name for the
19 record.

20 A. (Gelineau) My name is Gilbert Gelineau.

21 Q. For whom are you employed?

22 A. (Gelineau) I'm employed by Public Service Company of
23 New Hampshire.

24 Q. What is your position and what are your duties?

1 A. (Gelineau) I am marketing support manager. And, in
2 that capacity, among my responsibilities are included
3 the oversight of the Electric Assistance Program as
4 it's implemented at Public Service Company.

5 Q. Have you testified before the Commission in the past?

6 A. (Gelineau) Yes, I have.

7 Q. And, did you participate in the discussions of the EAP
8 Advisory Board, which resulted in the submission that
9 the Chairman discussed?

10 A. (Gelineau) Yes, I did.

11 Q. Ms. Noonan, do you have in front of you a document that
12 was received by the Commission on December 16th, that
13 has a cover letter with your signature at the bottom?

14 A. (Noonan) Yes, I do.

15 Q. Do you recognize that document?

16 A. (Noonan) Yes, I do.

17 Q. Could you please explain on the record what that
18 document is?

19 A. (Noonan) Certainly. That document is recommendations
20 from the EAP Advisory Board that sets out some design
21 -- program design changes to the Electric Assistance
22 Program in anticipation of a reduction in funding on
23 July 1st, 2011.

24 Q. Do you have any corrections to make to that document?

[WITNESS PANEL: Gelineau~Noonan]

1 A. (Noonan) I do. On Page 5 of that document, in the
2 final paragraph entitled "Implementation", there are
3 two dates, "July 1st, 2010". Both of those dates
4 should read "July 1st, 2011".

5 Q. With those changes, is the document true and accurate
6 to the best of your knowledge and belief?

7 A. (Noonan) Yes, it is.

8 MR. EATON: Could that be marked as
9 "Exhibit 1"?

10 CHAIRMAN GETZ: So marked.

11 (The document, as described, was
12 herewith marked as **Exhibit 1** for
13 identification.)

14 BY MR. EATON:

15 Q. Ms. Noonan, could you -- could you describe the
16 background of how we have arrived here today,
17 considering these changes in the Electric Assistance
18 Program.

19 A. (Noonan) Yes. In January of 2010, the New Hampshire
20 State Legislature passed session law that changed the
21 System Benefit Charge allocation between the Electric
22 Assistance Program and the energy efficiency programs.
23 It was a temporary measure that was set to expire on
24 June 30th, 2011. As a result of that increase in

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[WITNESS PANEL: Gelineau~Noonan]

1 funding, the Electric Assistance Program was able to
2 serve approximately 35,000 households during 2010. In
3 the Summer of 2010, the Advisory Board began to look
4 forward to the sunset date for this session law, and to
5 ensure that the enrollment in the program and the
6 program itself would be sustainable on July 1st, 2011.

7 During the summer and fall, the Advisory
8 Board considered a number of different options for how
9 to manage the program and the program enrollment, so
10 that we could be at a sustainable level on July 1st,
11 2011. And, kept in mind, you know, the goals that had
12 been set out and established for the Electric
13 Assistance Program, the statutory framework that was
14 established in 374-F:3, V, about enabling residential
15 customers to manage and afford essential electricity
16 requirements. Some goals set out in the Commission's
17 restructuring order about bringing the bills of
18 customers of the program into the range of
19 affordability, encouraging conservation and the use of
20 energy efficiency mechanisms, and making the most
21 effective use of limited funding.

22 And, then, finally, some direction from
23 the Commission in Order 24,664, in docket DE 06-079,
24 that directed the Advisory Board and the utilities to

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1 explore the feasibility of offering a discount only on
2 an initial usage block. So, in other words, capping
3 the usage that the discount would apply to, so that the
4 Commission could consider that at a later point.

5 The various proposals that were looked
6 at fell generally into one of two groups. The first
7 group being proposals that kept the current program
8 design essentially the same, but adjusted the
9 percentage of income targets. So, instead of being 4
10 to 5 percent, they were perhaps 5 to 6 percent, and
11 eliminating one or more tiers, to see what that did, in
12 terms of numbers of households that could participate,
13 number of households on the waiting list, the average
14 benefit.

15 And, the second group of programs -- of
16 options that were considered were generally proposals
17 that would change the program design by incorporating a
18 cap on usage and thereby on benefits, and looking at
19 how that impacted the number of households the program
20 could serve, the number of households that conceivably
21 might be on a waiting list. Those proposals also
22 looked at eliminating one or more tiers, just to see
23 how we could best manage the limited funds.

24 Throughout the whole discussion, the

1 goal continued to be to provide a meaningful benefit to
2 as many households as possible within the limited
3 funding that was available.

4 Q. Do you have anything to add to your summary,
5 Ms. Noonan?

6 A. (Noonan) At this point, no.

7 Q. Mr. Gelineau, could you please explain what the new
8 design is being recommended here today in Exhibit 1.

9 A. (Gelineau) Certainly. As Ms. Noonan pointed out, we
10 had looked at a number of different alternatives. And,
11 in the end, we needed to make a decision based what we
12 felt was the best reasonable balance among some choices
13 that -- among the different alternatives that had been
14 generated. And, what we came up with was a program
15 that's essentially based on the current program, that
16 is the responsibilities of all of the implementers is
17 pretty -- there's really no change. The Community
18 Action Agencies will continue to do intake and qualify
19 customers. The utilities will continue to collect the
20 Systems Benefits Charge, apply those to the bills. The
21 OEP is still responsible for auditing the program.
22 Staff is responsible for overseeing the program. So,
23 those responsibilities stay the same.

24 From the standpoint of the program

[WITNESS PANEL: Gelineau~Noonan]

1 participants, the program mechanics are going to be the
2 same. They will still continue to receive their
3 benefits as a discount on their electric bill. And,
4 their intake process, the recertification process, all
5 of those things will be essentially the same. And, as
6 will be the discounts that will be applied for
7 participants. Participants will see no change in the
8 discount levels. And, those discounts or benefits will
9 continue to be based on their Federal Poverty Guideline
10 assessment, as far as where they fall in the Federal
11 Poverty Guidelines.

12 What is changing is that we are looking
13 to eliminate Tier 1. Now, Tier 1 is one of six
14 discount categories that are based, as I said earlier,
15 on the Federal Poverty Guidelines. And, Tier 1
16 represents customers who fall in the range between 176
17 and 185. So, that's the highest Poverty Guideline that
18 is currently eligible for the program. Those customers
19 currently receive a 5 percent discount on their overall
20 electric bill. That's the -- those are the customers
21 that, if this proposal is adopted, those customers
22 would no longer be eligible for the program.

23 The second change that we're proposing
24 is that the discount will only apply to the first 700

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1 kilowatt-hours used in any given month by a customer.
2 That change is going to change the overall discount,
3 the combination of those two changes is going to impact
4 the overall annual discount that the average customer
5 will see, from approximately \$470 to \$390. So, it's a
6 reduction of about \$80 over the course of the year that
7 the average customer is going to see.

8 Now, all of these projections and
9 everything that I'm talking about today is based on
10 averages. And, so, it's fair to say that a customer
11 whose average bill is, say, 750 kilowatt-hours, will
12 see some months where they see no change in the program
13 whatsoever, because they will fall below 700 and they
14 will continue to receive exactly the same discounts
15 that they do today. But, if their average is 750,
16 there are going to be some months when they'll be
17 considerably above that, so that is going to come --
18 that they will, in fact, see a difference in this
19 program, inasmuch as those kilowatt-hours above 750
20 will be charged at the standard rates. They will no
21 longer receive a discount on it if this proposal is
22 adopted.

23 I think that there are some, a couple of
24 pointers -- points that I would like to make about this

[WITNESS PANEL: Gelineau~Noonan]

1 proposal. First off, is that our analysis showed that
2 the average customer in the program in 2009 used about
3 588 kilowatt-hours. So, this proposal of adopting a
4 700 cap provides some leeway there for the average
5 customer. The average customer is going to be below
6 that number. And, in fact, the analysis that we did,
7 based on 2009 participants in the program, showed that
8 70 percent of all customers, on average, are below this
9 700 cutoff. So, on average, 70 percent of customers
10 will see no change whatsoever with this, if this
11 proposal is adopted. And, again, I want to caution
12 that this is, again, is on average. So, it will
13 probably -- individuals in that group are going to see
14 some months where they may well see some kilowatt-hours
15 charged at the full rate. But, as I say, on average,
16 70 percent of customers will see no change.

17 Another point that I'd like to make is
18 the fact that this particular proposal we would expect
19 that it's going to make a difference in the wait list.
20 If we maintain the *status quo*, we don't make any
21 changes, we're going to see a wait list of
22 approximately 10,200 customers. If this proposal is
23 adopted, the wait list is expected to fall to 2,500
24 customers. So, there's a difference of some 7,500

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1 customers that would be on the wait list if we consider
2 the *status quo*, as compared to this proposal that's in
3 front of you today.

4 I guess the next thing I would like to
5 address is the implementation of the program. It's the
6 intent of this proposal is that all participants would
7 be notified in writing of the changes and how it would
8 impact them. I further would like to clarify something
9 that's in the -- that's in the proposal that you have
10 in writing, on the last page there, under
11 "Implementation". There's a section or a portion of
12 that that I think is subject to clarification. I want
13 to make clear something that I don't think is
14 particularly clear in that particular write-up. And,
15 that's the handling of customers who would fall in a
16 situation where they might be recertified, from the
17 time, assuming that the Commission approves this
18 proposal, between the time the proposal is approved and
19 the start of this new implementation on July 1st.

20 Let me walk through it, as follows:
21 Customers who are currently on the wait list or new
22 applicants, if this proposal is approved, customers who
23 fall above 175 Federal Poverty Guidelines would be
24 removed from the wait list and we would not accept

[WITNESS PANEL: Gelineau~Noonan]

1 applications for the program from that group of
2 customers. So, customers that are above 175, we would
3 no longer take applications from those customers. And,
4 the customers who are currently on the wait list would
5 not be, would be taken off the wait list. I think the
6 point that has potential confusion are those customers
7 who are currently on the program, how would they be
8 treated? And, the proposal is this: Those customers,
9 upon their recertification, following approval by the
10 Commission, should this proposal be approved, if, upon
11 recertification, they are found to be at above 175,
12 they would be removed from the program. We would -- I
13 think that the proposal that you have in front of you
14 could be interpreted such that we would wait until the
15 recertification after July 1st. That's not the
16 proposal. The proposal is that, as soon as this
17 proposal is approved, should it be approved, then
18 customers, at their next recertification, following
19 approval of the program, would be, should they be above
20 175, they would no longer be eligible for participation
21 in the program.

22 CMSR. BELOW: And, just to clarify.

23 And, if their recertification was after July 1, 2011?

24 WITNESS GELINEAU: If their -- the

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[WITNESS PANEL: Gelineau~Noonan]

1 distinction there, if it's after July 1, 2011, they would
2 then be subject to the 700 cap, as would all other
3 customers. In other words, I think the way to interpret
4 this is the July 1 date is the date that this cap is going
5 to be put in place. And, the thing that is -- has the
6 potential I believe for confusion is to whether or not
7 customers who would be recertified, say, if this proposal
8 were approved April 1st, the status of a customer who is
9 recertifying on May 1st, they would be recertified on May
10 first. And, should they be above 175 at that time, they
11 would no longer be eligible for the program.

12 CMSR. BELOW: But, if they happen to
13 have been recertified on January 15th, then it wouldn't be
14 until January 15th of next year, if their income was over
15 175 percent of the Federal Poverty Guideline, that they
16 would be removed from the program?

17 WITNESS GELINEAU: That is correct.

18 CMSR. BELOW: Okay.

19 WITNESS GELINEAU: But, as with all
20 other participants in the program, starting July 1st, they
21 would be subject to the 700 maximum. Okay?

22 CMSR. BELOW: Okay.

23 WITNESS GELINEAU: I hope that -- it's a
24 small point, I guess in some respects, but I think I

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1 wanted to make sure that was clear.

2 **BY THE WITNESS:**

3 A. (Gelineau) I think that there are some other nuances
4 that I'd like to take a minute and go over. The first
5 of which is that it was our intention at the Advisory
6 Board that this 700 cap would be a very easy thing to
7 implement. Well, it turns out that there are customers
8 with multiple meters. And, so, we have customers that
9 have two or more meters. And, we did an analysis when
10 that was -- when we discovered that, to see just what
11 is the impact of that. And, the concern was that the
12 billing systems will really not accommodate the ability
13 to try and merge all of these meters, and then look at
14 700. It really has to be implemented in such a way
15 that each meter is capped at 700. And, so, what's the
16 impact of that?

17 If we look at the sample that we took,
18 and it was a sample that is of about 14,000 customers
19 of Public Service, and those customers we looked at and
20 we found that approximately 15 percent of them, or
21 3,900 customers, had multiple meters. And, given that
22 they had multiple meters, we took a look at, "well, how
23 many extra kilowatt-hours or how much extra is that
24 going to cost the program, if we allow that to go

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1 forward?" And, it turns out that that number is about
2 -- it's 2 percent of the total funding that Public
3 Service provides to all its EAP customers in the course
4 of a year. In dollars and cents, it's about \$275,000.
5 We tried to characterize those customers. Why does
6 this situation exist? And, the reason is that the bulk
7 of these customers, 90 percent of them, are so-called
8 QR water heater customers. They have a separate meter
9 for water heating. And, that represents about
10 90 percent of that group of customers that have
11 two meters. And, it's the bulk of the dollars that is
12 associated, I'd say probably \$250,000 out of the
13 \$275,000 of what I'll call the "premium", that is going
14 to be paid out as a result of not being able to
15 consolidate all 3 meters and cap the total usage at
16 700. The remainder is primarily space heating, they
17 are so-called HeatSmart customers, the bulk of those
18 that are in that remaining 10 percent.

19 So, in recap, we have approximately
20 15 percent of customers who are multiple meter
21 customers. They make up about, in round numbers,
22 there's probably, I'm going to say, overall, there's
23 probably 4,500 customers statewide that is -- that are
24 in that kind of a situation. And, the premium that

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1 would have to be paid in order to accommodate that
2 situation is approximately 2 percent.

3 CMSR. BELOW: And, to clarify, the
4 premium, is that, if you apply the 700 kilowatt-hours per
5 month limit to each of the accounts, and what you would
6 end up paying in benefit compared to if they were
7 consolidated?

8 WITNESS GELINEAU: If we only had one
9 meter, if all customers only had one meter, as compared to
10 having multiple meters, the differential is going to be --
11 is what we're talking about. So, for example, what we did
12 was we went through and looked at each customer in this
13 sample. And, where they had two meters, we found out,
14 "okay, well, we want to know how many kilowatt-hours are
15 between 701 and 1,400 kilowatt-hours. How many
16 kilowatt-hours is that?" So, we determined that amount,
17 and then we determined "how much does that cost us, based
18 on the particular rate that they're on?" And, going
19 through that analysis, we came up with this \$275,000
20 number that I gave you earlier.

21 CMSR. BELOW: For the PSNH sample or was
22 that --

23 WITNESS GELINEAU: Correct. That was
24 the -- that was the sample that we based this on.

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BY THE WITNESS:

A. (Gelineau) Okay. A couple other points that I wanted to make. I think that I also wanted to mention a couple of mitigating issues or issues at least that we are trying to use as mitigating factors. The first has to do with the criterion that we use to put customers in the energy efficiency programs, specifically, the Low Income Weatherization Program. And, what we are trying to do and trying to maximize the use of that program by looking for and placing into that Low Income Energy Efficiency Program customers with high electric usage that are also EAP customers. I will say that there are some challenges there. It's not as -- it's not as simple as one might think. And, I'll give you a sense of that, is that the criteria -- there are some conflicting goals as we deal with this. One of those goals is to try and maximize the amount of collaborative funds that we have in the efficiency arena. And, one of the ways that we do that is to take the funds that we have from Systems Benefits Charge collection and try to maximize their effectiveness by leveraging those with funds that we might get from the federal government through some DOE programs. It turns out that the DOE criteria for putting programs in their

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1 program are different from the criteria, for example,
2 for high electric usage. DOE does not have high
3 electric usage as one of their criteria. Their
4 criteria are that there are children under five, they
5 have elderly, or that they're disabled in the
6 household. And, so, those things don't match up
7 exactly. Given that situation, we're still trying to
8 work with the Community Action Agencies to maximize or
9 to focus attention on the group of customers that have
10 high electric usage and are EAP. I'm just trying to
11 give you a sense that it's not -- it's not as quite as
12 simple as we would have thought it would be. So, we're
13 making progress on that, but there are some issues. As
14 I say, we are working with the Community Action
15 Agencies to try and maximize that.

16 The other thing that I wanted to point
17 out is the fact that the Advisory Board is aware of --
18 that the electric heat customers, who are generally all
19 part of the same intake and are likely to be Electric
20 Assistance Program customers as well, their benefits
21 have not been fully utilized in recent years. So, they
22 are, if you are an electric heat customer, and you
23 receive the LIHEAP benefit from the federal government,
24 because of the way the Electric Assistance Program

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1 works, it applies the benefit to the electric bill as
2 the first, before anything else happens. So, the bill
3 is discounted. So that, when you go to take your
4 benefit for LIHEAP, that discount impacts the fact that
5 you may not need quite as much LIHEAP benefit as you
6 would otherwise if you were on the Electric Assistance
7 Program.

8 The point that I'm trying to make now is
9 that, for those customers who will be no longer
10 eligible for the Electric Assistance Program, they are
11 still eligible for this LIHEAP benefit. And, they will
12 be able to -- there will be funds there, in some cases,
13 so they are potentially going to be able to get relief
14 in some, in part, from those LIHEAP dollars. So, it's
15 a mitigating circumstance that I just wanted to make
16 you aware of.

17 And, that concludes the remarks that I
18 had.

19 BY MR. EATON:

20 Q. Mr. Gelineau, do you know how many customers are
21 currently enrolled in the EAP program in Tier 1?

22 A. (Gelineau) It's approximately 1,300 customers.

23 Q. And, do you have any information concerning how many
24 customers are currently on the wait list that are also

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1 in Tier 1?

2 A. (Gelineau) I believe it's 670. Let me check that.

3 MS. NOLIN: 698.

4 **BY THE WITNESS:**

5 A. (Gelineau) 698.

6 **BY MR. EATON:**

7 Q. Now, if a customer was last certified on September 15th
8 of 2010, would they be simply removed from the program
9 or could they apply and see if they're still eligible,
10 based upon changed circumstances, changed income
11 guidelines? They could still apply for the program
12 when their recertification date comes up, correct?

13 A. (Gelineau) Absolutely. And, it would only be that,
14 after recertification, should they be deemed to be
15 above 175 Federal Poverty Guidelines, that they would
16 be ineligible for the program.

17 Q. Do either of the witnesses have anything to add?

18 A. (Gelineau) Not at this point.

19 A. (Noonan) I don't have anything else to add either.

20 MR. EATON: Thank you. Mr. Chairman,
21 the witnesses are available for examination by other
22 parties.

23 CHAIRMAN GETZ: Ms. Geiger.

24 MS. GEIGER: No questions. Thank you.

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1 CHAIRMAN GETZ: Mr. Taylor?

2 MR. TAYLOR: I have no questions.

3 CHAIRMAN GETZ: Mr. Linder?

4 MR. LINDER: Just two questions for
5 clarification.

6 **CROSS-EXAMINATION**

7 BY MR. LINDER:

8 Q. What kind of time frame would we be looking at for
9 providing notice, notices to customers of this change?

10 A. (Noonan) Well, I don't know that I could give you a
11 precise date, but I would say it would be sometime in
12 the spring, following any order from the Commission,
13 but certainly in advance of July 1st, 2011.

14 Q. And, the second question I have is, if the program is
15 approved by the Commission, will there need to be any
16 changes made to any of the procedures manuals that we
17 currently operate under for the EAP program?

18 A. (Noonan) I would presume there would need to be some
19 minimal changes to reflect the elimination of Tier 1.
20 I don't believe that there would need to be any changes
21 made to the actual process in the field, but just to
22 reflect that, the elimination of that tier.

23 MR. LINDER: Okay. That's all I have.

24 Thank you very much.

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1 CHAIRMAN GETZ: Thank you. Ms. Morin?

2 MS. MORIN: No, I do not have any
3 questions.

4 CHAIRMAN GETZ: Ms. Nolin?

5 MS. NOLIN: No questions.

6 CHAIRMAN GETZ: Ms. Hatfield.

7 MS. HATFIELD: Thank you, Mr. Chairman.
8 Good morning, panelists.

9 WITNESS GELINEAU: Good morning.

10 WITNESS NOONAN: Good morning.

11 BY MS. HATFIELD:

12 Q. Ms. Noonan, I'd like to ask, could you just tell us who
13 currently serves or what organization serve on the EAP
14 Advisory Board?

15 A. (Noonan) Certainly. The four participating electric
16 utilities, PSNH, Unitil, National Grid, and New
17 Hampshire Electric Cooperative participate, as does the
18 Office of Consumer Advocate, the Community Action
19 Agencies, the Office of Energy & Planning, the New
20 Hampshire Municipal Welfare Directors, The Way Home,
21 through New Hampshire Legal Assistance, and the
22 Commission Staff.

23 Q. And, on Page 1 of the recommendation that you filed on
24 December 16th, at the end of that first paragraph, the

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1 end of that sentence states "This proposal is supported
2 by all members of the Advisory Board", and then earlier
3 in the sentence it says "with the exception of the
4 Office of Energy & Planning which takes no position",
5 is that right?

6 A. (Noonan) Yes.

7 Q. So, with that exception, this is a consensus proposal
8 of the Advisory Board?

9 A. (Noonan) Yes, that's correct.

10 Q. Mr. Gelineau, was one of the considerations of the
11 Advisory Board the fact that the Tier 1 customers, who
12 have been on the wait list, have had a very low chance
13 of being able to come off of the wait list due to
14 funding constraints?

15 A. (Gelineau) Yes, that's true. The priority, in terms of
16 moving customers from the wait list onto the program,
17 is based on their poverty level, and they are selected
18 on the lowest poverty level first.

19 Q. And, Mr. Gelineau, if we look at the attachment that's
20 in Exhibit 1, do you have that in front of you?

21 A. (Gelineau) I do.

22 Q. And, this is titled "EAP Options at a Glance."

23 A. (Gelineau) I have a copy of that.

24 Q. And, this shows all of the different iterations that

1 the Board considered in coming to its conclusion, is
2 that right?

3 A. (Gelineau) That's correct.

4 Q. And, just to be crystal clear, I think it's mentioned
5 on Page 4, but the proposal that the Board's putting
6 forward is Option Number 12A, is that right?

7 A. (Gelineau) That is correct.

8 Q. And, Mr. Gelineau, you spoke a little bit about some of
9 the Board's discussions about how to assist EAP
10 customers, especially the high-use EAP customers, with
11 efficiency and weatherization, is that right?

12 A. (Gelineau) Yes.

13 Q. And, is that reflected in the recommendation on Page 5,
14 in that second paragraph, where that issue is raised?

15 A. (Gelineau) Yes.

16 Q. And, in the prior paragraph, that final sentence, would
17 you just read that sentence please. The one that
18 starts with "The Board".

19 A. (Gelineau) "The Board will work with the Community
20 Action Agencies to ensure that educational materials
21 about conservation and energy efficiency" -- excuse me,
22 "and efficiency are available to be provided to all EAP
23 applicants."

24 Q. Thank you. And, Mr. Gelineau, is it your understanding

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1 that -- you mentioned the federal "LIHEAP Program", do
2 you recall that?

3 A. (Gelineau) Yes, I do.

4 Q. And, is it your understanding that EAP -- the current
5 Tier 1 EAP participants would qualify for LIHEAP,
6 because the Federal Poverty Guideline for LIHEAP is at
7 least 185 percent?

8 A. (Gelineau) Yes. It's my understanding that they would
9 qualify.

10 Q. And, Ms. Noonan, is it true that there is a somewhat
11 similar, but differently designed discount program for
12 natural gas customers?

13 A. (Noonan) There is a bill discount program for natural
14 gas customers. Although, you're correct in saying it's
15 designed differently.

16 Q. And, is the major difference that the gas discount is a
17 flat discount for all customers that qualify based on
18 their income?

19 A. (Noonan) Yes, that's correct.

20 MS. HATFIELD: Thank you. I have
21 nothing further.

22 CHAIRMAN GETZ: Thank you. Mr. Damon.

23 MR. DAMON: Thank you. Just a couple of
24 questions.

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1 BY MR. DAMON:

2 Q. Mr. Gelineau, you mentioned that the customers who
3 would become ineligible under the program redesign, who
4 are I think currently on the waiting list, would be
5 taken off. And, would that take effect immediately
6 upon or after -- or if, assuming that the Commission
7 approves it and before July 1?

8 A. (Gelineau) It's the recommendation of the Advisory
9 Board that those customers would be removed from the
10 wait list upon approval of this proposal by the
11 Commission.

12 Q. Okay. Also, you mentioned that there were 1,300
13 customers approximately on Tier 1, and Tier 1 had a
14 waiting list of approximately 698 customers. Is that
15 for just PSNH or are those statewide figures?

16 A. (Gelineau) Those are statewide numbers.

17 Q. And, one last question. Are there any bills pending in
18 the Legislature that would seek to extend the
19 allocation that was adopted in what, Senate Bill 300
20 past July 1?

21 A. (Noonan) There's none that I'm aware of.

22 MR. DAMON: Thank you.

23 CHAIRMAN GETZ: Thank you. Commissioner
24 Ignatius.

1 CMSR. IGNATIUS: Good morning. Thank
2 you.

3 BY CMSR. IGNATIUS:

4 Q. Mr. Gelineau, do you know if the other utilities are
5 capable of managing the cap and billing system? Do
6 their computer systems allow for that as well?

7 A. (Gelineau) Yes, they do. That was a consideration of
8 the Board.

9 Q. All right. So, other than the dual meter problem, you
10 don't see utilities having difficulty in implementing
11 this change?

12 A. (Gelineau) I guess I would just say that, to my
13 knowledge, all of the utilities have this issue. And,
14 they all have the same problem, in terms of not being
15 able to, without, in a reasonable fashion, being able
16 to do it any other way than to allow this to go forward
17 as a 700 kilowatt-hour cap on each meter, as opposed to
18 overall.

19 Q. And, setting aside the dual meter problem, do you
20 anticipate any of the utilities requiring any software
21 changes or upgrades or costs to implement the 700 cap?

22 A. (Gelineau) There are some changes. But all of the
23 utilities have reviewed that and have committed to
24 making those changes necessary in order to implement

1 this program, should it be approved.

2 Q. And, do you expect changes that are going to result in
3 a bill coming due as we saw a couple years ago with
4 other changes that were maybe more significant, but
5 sort of caught everyone by surprise after the fact?

6 A. (Gelineau) I am not aware of a situation like that, no.

7 Q. Good. On those with the dual meters, do you know what
8 percentage of those, with the water heater meter
9 separate from other usage, are in total above 700 per
10 month?

11 A. (Gelineau) I'm sorry, but I don't follow the question.

12 Q. All right. Let me try again. You gave us the number
13 of customers you think, based on your sample, are
14 eligible for the program and have the dual meter
15 situation.

16 A. (Gelineau) Uh-huh.

17 Q. And, you gave us a figure for what you thought the
18 impact of not imposing a cap on those customers would
19 be, correct?

20 A. (Gelineau) Correct.

21 Q. And, I guess the final piece of it I'm wondering is, of
22 those customers who are eligible for the program who
23 have the dual meter situation, do you know what
24 percentage of them tend to be above 700 in total, of

1 all of their billings, tend to be above 700
2 kilowatt-hours a month?

3 A. (Gelineau) No, I don't have a number for that. I don't
4 have a number for that. I can tell you that there are,
5 out of the 3,900 customers that we had in the sample,
6 3,500 of them are due to water heating. And, as I
7 said, that group of customer represents 250,000 out of
8 the 275,000 that, in total, that is what I have
9 identified as a "premium". So, it's the vast majority.
10 But I don't know, you know, for those who have water,
11 separately heated water heating, as to whether or not,
12 you know, what percentage is above 700, I am not sure
13 of that.

14 Q. Well, I was looking at, in the Staff recommendation,
15 Footnote -- Page 3, Footnote 2 references another
16 survey, or maybe it's the same survey with some other
17 data coming from it, "14,000 EAP households...in 2009",
18 and that "70 percent...would have usage below the 700
19 kilowatt-hour cap" that's in the filing.

20 A. (Gelineau) Correct.

21 Q. So, I'm wondering, for the dual meter customers, do
22 they run higher than that and they don't tend to match
23 that 70 percent below figure that are noted in the --

24 A. (Gelineau) They are included in that analysis. So, in

1 other words, they are in that, in that 1,400, they are
2 not counted as separately as dual meters, they are
3 counted as customers in that analysis. So, they are --
4 that analysis is valid for that group of customers as
5 well. And, so, on average, overall, it's -- there's
6 70 percent of customers are less than 700.

7 Q. So, the figure you gave of a premium, if you will, to
8 not worry about the cap in the dual meter customer
9 situations, is that based on actual customer data that
10 you know there are that many customers over 700 and you
11 calculated the additional amount over 700 for each of
12 those? Or, is that based on an assumption of a certain
13 percentage of ones who will be above the 700?

14 A. (Gelineau) That's based on an actual review of -- it's
15 based on an actual review of some 27,000 EAP customers
16 that we have on the program. And, it looks at their
17 actual bills. And, it looks at the same period in
18 time. And, it compares -- it essentially looks at the
19 usage that's between 701 and 1,400 kilowatt-hours, to
20 find out how much that is. And, that really is the
21 premium that we're paying for those customers above
22 700. So, it essentially is capturing an accurate
23 number for that sample.

24 CMSR. IGNATIUS: All right. Thank you.

1 Appreciate it.

2 CHAIRMAN GETZ: Thank you. Is there any
3 other questions for the panel?

4 BY CMSR. BELOW:

5 Q. Is it reasonable to expect that, if the economy
6 continues to improve and the unemployment rate in the
7 state goes down, that that would tend to reduce the
8 waiting list, because some households might gain
9 employment that would disqualify them upon
10 recertification?

11 A. (Noonan) I think, certainly, that that would have some
12 impact on the waiting list and the number of customers
13 that are applying for the program.

14 Q. I guess, conversely, as the economy deteriorated over
15 the past few years, and unemployment rates went up in
16 New Hampshire, did the demand for this program tend to
17 go up? More people applied and were certified?

18 A. (Noonan) It did significantly.

19 CMSR. BELOW: Okay. Thank you.

20 BY CMSR. BELOW:

21 Q. And, just to follow-up. So, there would be some hope
22 that, with this redesign of the program, even though
23 you're projecting a wait list of 2,500, that that might
24 -- might go down over time, if unemployment goes down

1 in New Hampshire?

2 A. (Noonan) Yes. That could certainly be the case.

3 CMSR. BELOW: Okay.

4 CHAIRMAN GETZ: Okay. Any other
5 questions?

6 MR. EATON: I have nothing.

7 CHAIRMAN GETZ: Hearing none, then
8 you're excused. Thank you. All right. Then, we'll give
9 an opportunity -- is there anything further before we give
10 an opportunity for closing statements and positions?

11 MR. EATON: No.

12 CHAIRMAN GETZ: All right. Then, let's
13 start --

14 (Chairman and Commissioners conferring.)

15 CHAIRMAN GETZ: Opportunity to address
16 the issues. Begin with Mr. Eaton, go around the room.

17 MR. EATON: Thank you, Mr. Chairman.
18 Public Service Company recommends that the Commission
19 adopt this proposal. It was a consensus, as Attorney
20 Hatfield put on the record, a consensus of all the members
21 of the Advisory Board, and it results in what we think is
22 a good compromise. The 698 customers who are on the wait
23 list would probably remain on the wait list going forward
24 in the *status quo* because of the lack of funding. And,

1 customers who were on higher tiers with lower incomes
2 would always be moved off the wait list first. So, it's
3 perhaps unfair to keep those customers on the wait list
4 under the *status quo*, if there is little likelihood that
5 they would ever be moved onto the program.

6 I think the parties will be very careful
7 in their design of the notice to these customers, so that
8 they are not discouraged from reapplying if their
9 circumstances had changed, so that they're not felt like
10 they're thrown off the program, but that they will have an
11 opportunity to reapply in case their circumstances have
12 changed and/or the income guidelines had changed, and they
13 were now eligible at the lower level of 175 percent of
14 poverty guidelines and below.

15 So, in summary, we ask the Commission to
16 adopt these, these changes, and order whatever relief is
17 just and equitable.

18 CHAIRMAN GETZ: Thank you. Ms. Geiger.

19 MS. GEIGER: Thank you, Mr. Chairman.

20 Unitil concurs with the recommendations contained in
21 Exhibit 1, and would respectfully ask the Commission to
22 approve it.

23 CHAIRMAN GETZ: Mr. Taylor.

24 MR. TAYLOR: Thank you. Granite State

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1 Electric and National Grid New Hampshire has a seat on the
2 Board and agrees with the proposed changes. I just -- I
3 did want to make a note, teeing off of something that was
4 said during the panel's testimony. And, that is regarding
5 the costs for implementing these. My understanding is
6 that there will be administrative costs, particularly on
7 the IT end, to make sure that this gets implemented. And,
8 that, you know, it won't be a minimal cost. I mean, it
9 will be -- I mean, I don't mean to say that it's going to
10 be a large cost, but that it is not going to be something
11 that is not going to need to be addressed. And, I just
12 want to put that on the record and make it known.

13 And, I just also wanted to let it be
14 known that those sorts of changes will likely require some
15 lead time to get them implemented. So, in advance of the
16 July 1st, if it is to be approved, for them to implement
17 those changes, it will require some time for the Company.

18 CHAIRMAN GETZ: Thank you. Mr. Linder.

19 MR. LINDER: Mr. Chairman and
20 Commissioners, The Way Home supports this proposal. And,
21 I would like to offer my apologies actually to the
22 Commissioners, because a witness from The Way Home was
23 scheduled to be on the panel, and was not able to be here
24 for that. The witness was going to fully support the

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1 consensus recommendation of the Advisory Board. The Way
2 Home has been sitting on the Advisory Board since at least
3 2006 and has been an active participant. And, The Way
4 Home, as the Commission probably knows, provides
5 counseling services and advocacy services for low income
6 customers on a daily basis, many of whom are participants
7 in the Electric Assistance Program and the energy
8 efficiency programs. And, would want the Commission to
9 know that The Way Home is fully supportive and hopes that
10 the Commission can approve this proposal. Thank you.

11 CHAIRMAN GETZ: Thank you. Ms. Morin.

12 MS. MORIN: Yes. Thank you,
13 Commissioner. I would just like to clarify that, in terms
14 of a consensus position, that the Office of Energy &
15 Planning actually did not have an opinion on the proposal
16 as it was submitted to the Commissioners. And, I want to
17 explain that position. The Board went through a very
18 thoughtful process. And, OEP definitely feels that this
19 is the best alternative, given the limited resources.
20 And, that the process was extremely thoughtful and
21 considered all of the different aspects that needed to be
22 evaluated.

23 The remaining concern that the Office of
24 Energy & Planning had was that, given that the economy is

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1 still very soft, and it's still going to be a while before
2 it comes back, is that those individuals above the cap,
3 that there could be circumstances that would be quite
4 compelling on why they needed a assistance with their
5 electric bill beyond that cap, and especially perhaps, you
6 know, even substantially above that cap. And, though a
7 formal waiver process would be very burdensome and
8 cumbersome, and we're not recommending that, I would hope
9 that you would consider that there may be some
10 consideration or identification that there could be some
11 flexibility by the CAP agencies that, if they identified
12 persons, such as with substandard housing, or some
13 circumstance where a benefit that they had received in the
14 past year extremely above the cap was really warranted.
15 That we're not -- we're making sure that there's some
16 safety net in this transition. And, that was the main
17 concern coming up from the Office of Energy & Planning and
18 from the Governor's Office, in terms of those people left
19 out. You can't -- it's very difficult to do a research
20 project and look at every single one of those cases. And,
21 if we could have looked at every single one of those
22 cases, then this could have been identified and determined
23 whether there should be exceptions or whether there were
24 some concerns there. That is impractical to do, to know,

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1 of all of those thousands of people, exactly why they're
2 above the cap and whether there are concerns there.

3 But that was the only reservation. This
4 is definitely the best alternative, given the limited
5 resources and for the long-term viability of the program,
6 we believe it is the right proposal for the long term.
7 There was just concern over the transition into a better
8 economy and making sure that there weren't some cases that
9 slipped through the cracks that, you know, might need
10 further consideration.

11 So, I'll end my comments there, if I've
12 made myself -- hopefully, I've made myself clear.

13 CHAIRMAN GETZ: Thank you.

14 MS. MORIN: Thank you.

15 CHAIRMAN GETZ: Ms. Nolin.

16 MS. NOLIN: Commission, the Community
17 Action Agencies agree that, given the funding constraints
18 imposed by the sunseting of Senate Bill 300, that this
19 proposal is the best solution for the EAP participants.
20 We are also mindful of the effects of the households that
21 will -- that are high-use customers that will be affected
22 by this cap, and we'll work with the utilities and the
23 weatherization programs to target these households, to try
24 to, you know, reduce their energy consumption. We are

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1 also planning to educate these participants in the changes
2 to the program, and also provide information to them on
3 how they can reduce their energy, and, therefore, the
4 affects of this change will be minimal. Thank you.

5 CHAIRMAN GETZ: Thank you.

6 Ms. Hatfield.

7 MS. HATFIELD: Thank you, Mr. Chairman.
8 The OCA also supports the recommendation that is before
9 you. And, we wanted to thank all of the participants,
10 and, in particular, I think Amanda Noonan has done a great
11 job of trying to lead the group through what really has
12 been a challenging process. Because we are all mindful,
13 as we say on Page 4 of the recommendations, that there
14 will be impacts from this program change. But we believe
15 that, on balance, this is the best option.

16 I also wanted to just thank PSNH,
17 specifically Cynthia Trottier and Gil Gelineau, for their
18 very responsive ability to provide all sorts of data and
19 information to the group as we were making the decision.
20 Thank you.

21 CHAIRMAN GETZ: Thank you. Mr. Damon.

22 MR. DAMON: Thank you. Yes. The Staff
23 as well supports the recommendation made to the Commission
24 this morning, and hopes it will be approved.

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1 CHAIRMAN GETZ: Thank you. Before we
2 close the hearing, let me just say, I know you all are all
3 too well aware that the need of the low income customers
4 in New Hampshire is great, and that the funds from the EAP
5 program are limited. And, I just want to say that we
6 appreciate your continuing efforts to ensure that
7 customers are provided with some meaningful assistance,
8 and that assistance goes to the highest number of the
9 neediest low income customers. And, we truly appreciate
10 your efforts in that regard.

11 So, with that, we'll close the hearing
12 and take the matter under advisement. Thank you,
13 everyone.

14 (Whereupon the hearing ended at 11:15
15 a.m.)

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