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November 4, 2015

**Via Electronic Mail and US Mail**

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

**Re: DE 14-216 Liberty Utilities (Energy North Natural Gas) Corp. d/b/a Liberty Utilities, 2015-2016 CORE NH Electric and Gas Energy Efficiency Programs**

Dear Ms. Howland:

On behalf of Energy North Natural Gas Corp. d/b/a Liberty Utilities ("the Company"), I am writing to inform the Commission that, as detailed in Section IV.C of the 2015-2016 New Hampshire Statewide CORE Energy Efficiency Plan approved by the Commission in its Order No. 25,747 dated December 31, 2014 in Docket DE 14-216, the Company seeks to transfer funds within the Residential and Commercial & Industrial sectors of its CORE gas energy efficiency programs in order to meet year-end demand for its ENERGY STAR Homes, ENERGY STAR Products and Small Business Energy Solutions programs.

A previous transfer from the ENERGY STAR Products program to the ENERGY STAR Homes program occurred on April 29, 2015 in the amount of \$12,160, which was 20% of the ENERGY STAR Homes budget, and is detailed in Table 1 below.

Table 1. **Budget Transfer – As of April 29, 2015**

Program	Original Budget	20% Cap	Amount Transferred To/(From)	% Transferred
ENERGY STAR Products	\$828,043	\$165,608	(\$12,160)	-1.6%
ENERGY STAR Homes	\$60,800	\$12,160	\$12,160	+20.0%

**ENERGY STAR Homes program**

The Company is requesting to transfer \$14,564 from the Home Performance with ENERGY STAR program into the ENERGY STAR Homes program because the budget transfer on April 29 did not cover the originally anticipated project costs. Table 2 below details the additional program budget transfer that the company is requesting.

Table 2. Budget Transfer – Home Performance with ENERGY STAR to ENERGY STAR Products				
Program	Original Budget	20% Cap	Amount Transferred To/(From)	% Transferred
Home Performance with ENERGY STAR	\$730,157	\$146,031	(\$14,564)	-2.0%
ENERGY STAR Homes	\$60,800	\$12,160	\$14,564	+24.0%

Table 3 below summarizes what the revised budget for the ENERGY STAR Homes program will be following the completion of the transfer.

Table 3. ENERGY STAR Homes – Revised Budget					
Program	Original Budget	Transfer from ENERGY STAR Products on April 29	Additional transfer request from Home Performance with ENERGY STAR	Revised Budget	Overall % of Budget Change
	A	B	C	D (A + B + C)	
ENERGY STAR Homes	\$60,800	+\$12,160	+\$14,564	\$87,524	+44%

Due to the struggling housing market in recent years, as well as the adoption of the ENERGY STAR Homes version 3.0 standard, the Company lowered its 2015 program budget for ENERGY STAR Homes relative to historical levels because of anticipated lower demand and difficulty forecasting projects. However, the company has experienced stronger demand for the program during the year than expected because of projects that did not close in 2014 that are now finalized in 2015. The ENERGY STAR Homes program is a very small program with a small budget in our portfolio and it is not flexible enough to address the large projects that recently became available. The additional budget transfer detailed will not place an undue burden on the Home Performance with ENERGY STAR program as several multifamily and single family weatherization projects have been deferred to 2016

#### **ENERGY STAR Products program**

As detailed in Table 1, the company previously transferred \$12,160 from the ENERGY STAR Products program to the ENERGY STAR Homes program on April 29. The Company is now projecting to overspend its ENERGY STAR Products program budget for 2015 due to higher than anticipated demand. Feedback from our contractor network indicates that the severe 2014-2015 winter season, along with the company's energy efficiency programs, has motivated more customers to consider upgrading to more energy efficient heating and water heating system installations. The Company has several multifamily and single family weatherization projects that are also now scheduled to be deferred to 2016 and therefore will be transferring funds from the Home Performance with ENERGY STAR program into the ENERGY STAR Products program.



Table 4 below details that the Company will be transferring \$72,000 from the Home Performance with ENERGY STAR program to the ENERGY STAR Products program. The budget transfer constitutes less than 10% of the respective program budgets.

Table 4. <b>Budget Transfer – Home Performance with ENERGY STAR to ENERGY STAR Products</b>				
Program	Budget	20% Cap	Amount Transferred To/(From)	% Transferred
Home Performance with ENERGY STAR	\$730,157	\$146,031	(\$72,000)	-9.9%
ENERGY STAR Products	\$828,043	\$165,609	\$72,000	+8.7%

Table 5 below summarizes what the revised budget for the ENERGY STAR Products program will be following the completion of the transfer since there was already a previous budget transfer out of the ENERGY STAR Products program.

Table 5. <b>ENERGY STAR Products – Revised Budget</b>					
Program	Original Budget	Transfer from ENERGY STAR Products on April 29	Additional transfer from Home Performance with ENERGY STAR	Revised Budget	Overall % of Budget Change
	A	B	C	D (A + B + C)	
ENERGY STAR Products	\$828,043	-\$12,160.00	+\$72,000	\$887,883	+7.2%

#### **Small Business Energy Solutions program**

The Company is also notifying interested parties of its intention to transfer funds within the C&I sector of its CORE gas energy efficiency programs in order to meet year end demand for its Small Business Energy Solutions program and balance a projected underspend with its Large Business Energy Solutions program.

The Company is projecting to underspend its Large Business Energy Solutions program budget for 2015 due to several anticipated projects being deferred and intends to redirect these program underspend funds to serve additional Small Business Energy Solutions program participants where there is an active queue of projects that could happen before the end of the 2015 program year.

Table 6 below reflects the approved budgets for the 2015 CORE New Hampshire Energy Efficiency programs and the planned transfer. As noted in the table, the Company intends to transfer \$149,000 from the Large Business Energy Solutions program into the Small Business Energy Solutions program. The budget transfer constitutes 14.4% or less of the respective program budgets.

Table 6. Budget Transfer – Large Business Energy Solutions to Small Business Energy Solutions

Program	Budget	20% Cap	Amount Transferred To/(From)	% Transferred
Large Business Energy Solutions	\$1,445,300	\$289,060	(\$149,000)	-10.3%
Small Business Energy Solutions	\$1,032,710	\$206,542	\$149,000	+14.4%

Thank you for your assistance with this matter. Please do not hesitate to call if you have any questions.

Sincerely,



Stephen R. Hall

cc: Service List