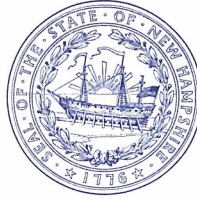


THE STATE OF NEW HAMPSHIRE

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Thomas B. Getz

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Clifton C. Below  
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EXECUTIVE DIRECTOR  
AND SECRETARY  
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October 29, 2010

Debra Howland  
Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, New Hampshire 03301-2429

Re: DG 09-049, Energy Efficiency Plan  
Request for Transfer of Funds  
Staff Recommendation for Approval



Dear Ms. Howland:

On October 13, 2010, EnergyNorth Natural Gas, Inc. d/b/a National Grid NH, ("Company") informed the Commission that pursuant to Section II (E)(1) of the Settlement Agreement approved by Order 24,995, the Company will be transferring funds into its Residential High-Efficiency Heating, Water Heating and Controls Program from other residential sector programs. Specifically, the Company will be transferring \$25,000 from its Building Practices and Demonstration Program and \$13,000 from its Energy Star Homes Program in 2010.

The Company advises that the transfers are necessary in order to continue funding the very successful 2010 Residential High Efficiency Heating, Water Heating and Controls Program through early November 2010. However, even with the budget transfers to this program, it will exhaust its 2010 budget on or around November 1. Further, the Company anticipates closing the program in November 2010, given the lack of further available funds; and, assuming the Commission approves the Company's proposed plan for 2011-2012 in Docket No. DE 10-188, the Company will reopen the High Efficiency Heating, Water Heating and Controls Programs on January 1, 2011.

With respect to this transfer, Staff conducted informal discovery with the Company. The Company advised Staff that there will be no disruption to the Residential Energy Star® Homes Program and the Building Practices and Demonstration Program since the remaining budget for 2010 will be sufficient to meet customer needs. In addition, with respect to the impact on 2010 overall lifetime MMBtu savings, the Company indicated

that the transfer will produce a favorable outcome; noting that there will be an estimated increase in savings for the High-Efficiency Heating, Water Heating and Controls Program, as compared to the 2010 budget; and, this increase will be only partially offset by a decrease in savings on the Residential Energy Star® program.<sup>1</sup> With respect to the temporary closure of the High-Efficiency Heating, Water Heating and Controls Program, Staff believes that the Company is proceeding in a deliberate manner: the Company is optimizing the number of customers it can serve by utilizing the flexibility allowed by the Commission with funding transfers while, at the same time, managing the programs within the overall budget levels already approved by the Commission; the company is planning to establish a waiting list of customers and serve these customers when the program reopens on January 1, 2011, and; the Company, subject to Commission approval in Docket No. DE 10-188, plans to increase participation in 2011 in the High-Efficiency Heating, Water Heating and Controls Program.

Staff has carefully considered the Company's plan and, given the specific circumstances as noted above, Staff believes that the Company's request is reasonable. Therefore, Staff recommends that the Commission approve the transfer of \$25,000 from the Building Practices and Demonstration Program and \$13,000 from the Energy Star® Homes Programs to the High-Efficiency Heating, Water Heating and Controls program; and, approve the temporary closure of the High-Efficiency Heating, Water Heating and Controls program.

Sincerely,



James J. Cunningham Jr.  
Utility Analyst IV

CC: Service List

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<sup>1</sup> With respect to the Building Practices and Demonstration Program, no savings goals were built into the 2010 budget; therefore, the transfer has no impact on savings for this program.