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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**

1  
2 CHAIRMAN HONIGBERG: We are here this  
3 afternoon in Docket DE 14-337, on the Statewide Low-Income  
4 Electric Assistance Program. We're here for a public  
5 comment hearing. The Electric Assistance Program provides  
6 bill assistance to income-eligible customers of Liberty  
7 Utilities, the New Hampshire Electric Cooperative, Public  
8 Service Company of New Hampshire, and Unitil Energy  
9 Systems. There are five discount tiers that depend on the  
10 customers' income in relation to federal poverty  
11 guidelines. Those discounts are designed to reduce  
12 customers' electric bills, on average, to between  
13 4 percent and 5 percent of their income.  
14 Eligibility/discount level are both determined by gross  
15 household income and household size.

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

22 We're here to take comments on some  
23 specific issues that we asked for comments on, eligibility  
24 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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