New Hampshire
Electric Assistance Program
Process Evaluation

Final Report

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New Hampshire Public Utilities Commission

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1. __INTRODUCTION__

This report summarizes the activities completed in the process evaluation of the New Hampshire Electric Assistance Program (EAP). The New Hampshire Office of Energy and Planning (OEP) conducted the evaluation as required by the Public Utilities Commission (Commission) as part of Commission Order No.24,820. The evaluation focuses primarily on the processes in place during the 2008-2009 program year, which includes major program changes implemented during the 2006-2007 program year and minor changes incorporated in the 2007-2008 program year.

1.1 __PROCESS EVALUATION OBJECTIVES__

In Order No. 24,820 issued January 30, 2008 the Commission specified that OEP perform a process evaluation of the EAP once every three years and that the evaluation focus on the following three relatively broad focus areas:

1) Whether the EAP has met the level of need, within the limits of the available Benefits Charge (SBC) funds;

2) Whether the EAP conforms to program design guidelines; and

3) Whether the EAP operates efficiently.

The primary purpose of this evaluation is to assess the various aspects of the program from a process perspective in the context of the three areas above. This is the first process evaluation performed by OEP and since neither the Order nor Monitoring and Evaluation Manual provide specific guidance relative to the intended scope or format, this evaluation is intended to serve as a baseline. This first process evaluation provides a program process overview, which describes generally how the process currently works and a summary of recent program history.

The evaluation is roughly organized into three sections: 1) Program Process Overview, 2) Recent Program History Relating to Process, and 3) Study Findings and Recommendations. Study Findings and Recommendations are organized based on the three broad focus areas listed above.

1.2 EVALUATION/STUDY METHODS

This evaluation consisted primarily of three activities: 1) Verbal and written interviews with staff involved in program implementation and administration; 2) Review of Commission orders, existing procedural manuals, and other reports and program materials relating to the EAP; and 3) general review of software features/reporting information.

The first step in the evaluation was to more fully understand the EAP by reviewing any materials available related to the program including Commission orders and associated

supporting documentation, procedural manuals, EAP Advisory Board Minutes, Community Action Agency (CAA) compliance review reports, Commission audit reports, enrollment reports, sample reconciliation reports, etc.

Informal meetings/interviews were conducted with Commission staff, the EAP Program Administrator, and the NH Fuel Assistance Program Manager. In addition, a questionnaire was sent to the EAP Directors at each of the CAAs, and telephone interviews were conducted with utility staff involved in program implementation. These meetings, interviews, and questionnaire were intended to gain a more thorough understanding of the program and to identify any opportunities that might exist for program improvements.

2. PROGRAM PROCESS OVERVIEW

The EAP, which began in 2002 as part of electric utility deregulation, provides electric discounts to qualifying low-income households through the SBC assessed on all electric customers throughout the state. The program operates through a coordinated effort between NH's six Community Action Agencies (CAAs), the four electric utility companies (Unitil, Public Service of New Hampshire, National Grid, and NH Electric Coop), and the Commission staff with regulatory oversight by the Commission. The Commission oversees all aspects of the program and budget and all changes are reviewed and approved by the Commission through a formal proceeding. The EAP Advisory Board provides advice and recommendations. The EAP Advisory Board, which meets quarterly, has members representing various parties involved in the program. The Board's responsibilities include periodic/on-going review of the EAP, the drafting of policy recommendations and the provision of clarification and guidance to the parties responsible for administering the program. Decision making authority rests with the Commission. The EAP is currently in its eighth operating year.

The various roles of the parties involved in program administration are outlined in four procedural manuals: Fiscal Procedures Manual, CAA Procedures Manual, Utility Procedures Manual, and a Monitoring and Evaluation Manual. Each of these manuals describes procedural guidelines and requirements as they apply specifically to the various administrative aspects of the program. These manuals, in addition to Commission Orders, document the design guidelines for the program.

The CAAs are the primary liaison between potential customers and the program. They collect and evaluate applications/recertifications, enroll, deny, or wait-list potential customers and assign a discount tier based on established criteria approved by the Commission. They also determine when a participant should be removed from the program. The specific criteria for determining eligibility or termination are detailed in the CAA Procedures Manual. Customers are enrolled throughout the year on a continual basis. This is different from similar assistance programs such as the NH Fuel Assistance Program (FAP)[1], which enrolls customers once a year during the heating season. EAP customers are eligible to receive their approved discount for 12 months (or 24 months if all members of the household are over 65) from the date that their utility company first applies the discount. They can be removed from the program if they have not

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[1] This program is also known as the Low Income Energy Assistance Program (LIHEAP)

applied for recertification prior to their renewal date, if they are determined ineligible during recertification, or if they move without notifying the CAA. Enrolled customer and discount tier information (or termination information) is sent to the individual utility company where the customer resides.

The utilities are responsible for applying discounts to enrolled customer's bills and for collecting the SBC from all ratepayers as established by the Commission. The program is designed so that individual utilities reconcile the difference between the SBC they receive and the EAP benefits they pay out in any given month. Any net surplus in a given month, less administrative expenses approved by the Commission, is transferred to the EAP Fund held by State Treasury. In the case where utilities pay out more benefits in any given month than they collect, they submit an invoice to the Commission, and Treasury reimburses them out of the fund.

The Commission is responsible for fiscal oversight of the program. Commission staff reviews monthly reconciliation information from the utilities to ensure accuracy and authorizes the Treasury to make payments back to the utilities if necessary. The program provides additional fiscal oversight through annual fiscal audits of the utilities and the CAAs. Commission staff also analyzes projected and actual revenues and current and projected expenditures to advise the EAP Program Administrator of the amount of funds remaining to be obligated in any given month or to implement a wait list. The EAP Program Administrator then disseminates this information to the individual CAAs and determines which wait-listed customers to enroll.

Total enrollment in the program is managed to provide benefits to approximately 30,000 customers as specified by the Commission. This target is maintained through attrition, meaning that as people are removed from the program (on average 700 per month) new customers are enrolled as funds become available. Managing total enrollment in this manner is intended to result in the least amount of disruption to the customer.

When a wait list is implemented, customers are certified as eligible but notified via letter that they have been placed on the list. Wait-listed customers must be re-certified every 12-24 months as appropriate. Enrollment is determined from a statewide wait list with the lowest Federal Poverty Guideline (FPG) households being enrolled before higher FPG households. This policy is intended to promote the Commission's desired outcome to "target the greatest benefit to those customers most in need, with need being determined by the customer's FPG ranking." This can result in some eligible customers remaining on the wait list for a significant length of time.

Implementation of the program requires continuous communication and data/information exchange between the CAAs and the utilities. The CAAs send a daily "Certification Notification Transaction" to each of the individual utilities that provides newly enrolled customer information or discount tier changes for re-certified customers. This information is accessed by the utilities by email via a security-protected hyperlink. CAAs also send "Removal Notifications" that lists customers to be removed from the program. When the utilities receive these notifications they manually[2] update their customer's information and the changes are generally updated on their

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[2] Unitil is an exception as their company has developed a customized computer program that electronically imports the CAA enrollment data into their own computer system. Any inconsistent data between the CAA and the utility can be immediately identified through an exception report. This provides information that can be used to identify and correct data inconsistency problems on a continual basis rather than at the end of the month through the Utility Transmission File.

next billing cycle. The utilities send a Utility Transmission File back to the CAAs on a monthly basis. This transmission file provides data that is stored in the EAP database and includes customer information, utility enrollment date, actual bill amount, bill to income percent, and actual benefit, etc. CAAs scrutinize these transmissions utilizing various reports to identify inconsistencies between the utility's data and the CAA's data and work with the utilities to correct the errors. Timely correction is critical since these errors often result in errors on the customer's bill. Corrections are not verified until after submission of the next month's Utility Transmission File.

The customer's re-certification date is determined based on the date that the individual utility company first applies the discount. The CAA is notified of this date through the Utility Transmission File that is sent to the CAAs from the utilities on a monthly basis.

Customers may be removed from the program following manual review if they fail to apply for recertification, if they are determined to be ineligible at the time of recertification, or if they disconnect utility service and don't reconnect at another location elsewhere within 60 days. The process utilizes two missed monthly Utility Transmissions as the trigger for potentially removing customers from the program. Missed monthly Utility Transmissions are intended to indicate that the customer has moved and the utility is no longer sending them a bill. CAA and utility staff coordinate on all potential removal cases that have been triggered by missed monthly Utility Transmissions to ensure that customers are not removed from the program in error.

3. RECENT PROGRAM HISTORY RELATING TO PROCESS

2006:
On September 1, 2006 multiple EAP program changes were approved by the Commission as part of Order No. 24,664 including the following:

- Making the EAP a uniform statewide program;
- Redesigning to provide benefits to approximately 30,000 customers;
- Retaining a tiered discount design but modifying the benefit criteria level to use % of FPG rather than household income alone. Multiple potential tier discount scenarios were presented and evaluated by the Commission. The Commission opted to approve discount tier scenario #6, which has six benefit levels ranging from at or below 75% of FPG to 185% of FPG (applying the discount to the entire bill) with an average annual benefit of approximately $400/year;
- Redesigning the EAP to target benefits to the neediest households according to FPG with the largest percent discount going to lowest FPG group and lowest discounts going to the highest FPG group and with no discount less than 5% of bill; and
- Changing the expected household contribution to be between 4% and 4.5% of gross household income and no longer distinguishing between discount levels for electric heat vs. non-electric heat customers.

The Commission staff and the Advisory Board were directed to monitor expenditures and adjust enrollment to balance income and expenses during the course of the program year. The Advisory

Board was also requested to review all assumptions behind program design changes and recommend changes if necessary and to review program manuals and recommend revisions.

2007:

On April 5, 2007 the Commission issued an order (No. 24,738) that was part of a proceeding to evaluate ways to streamline the EAP administrative process and reduce administrative costs. The Commission directed involved parties to develop recommendations for streamlining the administrative processes based on their past experience with the program. They indicated that they did not expect the review to result in any significant redesign of the basic tiered discount structure or significant program design changes since this was recently done and significant changes would likely result in an increase in administrative and implementation costs.

On October 24, 2007 the Commission issued Order No. 24,795, which again looked at ways to streamline the EAP administrative processes with recommendations of the parties in hand. The Commission approved multiple process changes including the following:

- Streamlining recertification process by limiting the time frame and number of times that a customer is sent a letter reminding them to re-apply for certification;
- Modifying the file format for data transfer between CAAs and utilities to an Excel format to eliminate data errors that were occurring;
- CAA's manually identifying participants to be removed from the program and transmitting this information electronically to utilities;
- Evaluating possible automation of the enrollment process by the utilities;
- Implementing several software and system platform measures to improve data security, hardware, and data storage;
- Utilization by the CAAs of the existing Microsoft SQL Server 2005 reporting system or utilization of Report Mill to develop ad hoc reports and identifying individuals to be trained;
- Establishment of service agreements for software support, system management, and hardware support;
- Evaluating the feasibility of developing and implementing a system of having other social service agencies share their income determination information with CAAs;
- Updating program manuals to reflect current practices; and
- Requiring all CAAs to have an OMB Circular A-133 audit once every 3 years in addition to the OMB Circular A-122 audit performed each year, with copies to be submitted to the Advisory Board and Commission in addition to Staff auditors.

As part of this proceeding, the Commission requested that the Advisory Board keep the Commission informed regarding the parties' progress implementing the recommendations. There was also discussion of completing both a process evaluation and an impact evaluation of the EAP but the Commission deferred ruling on evaluation recommendations until they had the opportunity to consider report findings that would be submitted by the parties. This report was to address the expected cost and recommended start date of a process evaluation, the goals and outcomes to be reviewed in an impact evaluation, the start date for impact evaluation, and how impact evaluations were to be conducted.

2008:

On January 30, 2008 the Commission issued Order No. 24,820 approving a specific program goal and measurable outcomes as well as procedures set forth in the EAP Monitoring and Evaluation Manual dated November 20, 2007. The purpose of developing this goal and outcomes was to establish a benchmark for measuring program results. The approved program goal and outcomes were approved as follows:

Program Goal: "The goal of the EAP is to enable residential customers with low incomes to manage and afford electricity, within the limits of available SBC funds and the program design established by the Commission."

Outcomes:

> 1) The program will provide benefits to approximately 30,000 households;
> 2) The program will target the greatest benefit to households in the lowest percentage of poverty brackets;
> 3) The program will minimize the number of households on a waiting list for the program;
> 4) The program will appropriately balance the need for electric bill assistance with the need for administrative efficiency; and
> 5) The program will deliver any other outcomes as from time to time will be determined by the Commission.

The goal and outcomes listed above were developed to provide measurable outcomes against which the EAP could be evaluated to assess the impact of the program. As part of this proceeding, the Commission determined that a costly formal impact evaluation of the EAP was not necessary since data and reports outlined in the Monitoring and Evaluation Manual could provide the necessary information for evaluating the effectiveness of the program as well as information to inform future decisions.

This order also documented that the OEP was to conduct a process evaluation once every three years and that the first process evaluation coordinated by OEP should take place no later than 2009 with a final report of the evaluation submitted to the Commission no later than April 1, 2010.

On September 30, 2008 as part of Order No. 24,903, the Commission reviewed, and after significant deliberation, approved the EAP Advisory Board's recommendation to increase the low-income portion of the SBC from 1.2 mills per kilowatt-hour (kWh) to 1.5 mills per kWh (1 mil per kWh = $.001). Increasing the funds available for the EAP program was necessary in order to meet the program outcomes established above. The Commission also reviewed the status of implementation of EAP administrative efficiency improvements. All were being implemented or were in progress except for automation of the utility enrollment and removal processes, which were still being evaluated.

2010:

On January 14, 2010, Senate Bill (SB300) was enacted into law, effective immediately. This legislation expanded coverage of the EAP by shifting a portion of the SBC from the Low Income Energy Efficiency Program to EAP through the end of fiscal year 2011. This provided additional

revenue that was used to move a significant number of qualified customers from the wait list into the program.

4. STUDY FINDINGS AND RECOMMENDATIONS

The following section highlights evaluation findings and provides suggested recommendations as appropriate. Findings and recommendations are organized based on the three study focus areas identified by the Commission in Order No. 24,820.

4.1 WHETHER THE EAP HAS MET THE LEVEL OF NEED WITHIN THE LIMITS OF THE AVAILABLE BENEFITS CHARGE FUNDS

Finding #1: This evaluation indicates that the EAP has met the level of need within the limits of the available benefits charge funds, at least through the end of the 2008-2009 program year. Some of the key objectives of the program are to provide benefits to approximately 30,000 customers, to target the greatest benefit to households in the lowest percentage of poverty brackets, and to minimize the number of customers on a waiting list. Enrollment data indicates that the approximately 30,000 customer goal was achieved. However, maintaining this goal required increasing the benefits charge funds available to the program. This increase in funds was implemented on October 1, 2008 as part of Commission Order No. 24,903 when the Commission approved an increase in the SBC for the EAP from 1.2 mills per kWh to 1.5 mills per kWh. This is the maximum increase allowed by the Commission per statute.

Even with the additional funds, a wait list had to be implemented in March 2009 and by the end of the 2008-2009 program year there were almost 8,000 customers on the wait list. In January 2010, SB300 was enacted into law effective immediately. This legislation expanded coverage of the EAP by shifting a portion of the SBC from the Low Income Energy Efficiency Program to the EAP through the end of fiscal year 2011. These additional funds allowed for a mass enrollment from the wait list and by the end of January 2010, the wait list was reduced from over 8000 to approximately 400. Unfortunately enrollment data as of March 16, 2010 show that the wait list has increased to almost 3,500 people even with approximately 35,300 customers already receiving benefits. Although it is difficult to pinpoint the causes of this significant increase in need, it is likely related to current economic conditions.

> **Recommendation (4.1.1):** *If enrollment data continues to show an increasing demand for the program, the Advisory Board and the Commission should immediately begin evaluating whether it is possible to meet the current program objectives listed above. In addition, the administrative burden of reviewing and enrolling more potential customers and maintaining a significant wait list with existing resources should also be considered. Alternative strategies for achieving these desired outcomes should be evaluated, including consideration of recommending a permanent increase to the SBC for the program as opposed to shifting funds between the programs. This is important not only to address the immediate significant increase in need for the program but also to address*

the intended reduction in funds at the end of fiscal year 2011 when the SBC returns to 1.5 mills per kWh.

Finding #2: The current tier structure and associated discount percentages were approved by the Commission on September 1, 2006 as part of Commission Order No. 24,664. The discount percentages are designed and calculated to provide a benefit of approximately 4.0% - 4.5% of the gross household income for each tier level as agreed upon by the Commission. It was determined that this percentage was a reasonable target for low-income affordability of electric bills. The current percentage discounts in the table are based on assumptions relating to FPG, electric bill average kWh/month, and kWh cost/month using 2006 data. Assumptions and data associated with the current percent discount table are being periodically assessed on an informal basis.

> **Recommendation (4.1.2):** *Although the evaluation found that the assumptions and data associated with the current percent discount table are being periodically assessed on an informal basis, we recommend that the Advisory Board develop a more formal schedule to review the assumptions and percent discounts using current data on FPG, electric bill usage, and cost to ensure that the 4 to 4.5% target intended by the current program design continues to be maintained.*

Finding #3: The evaluation indicates that the program outcome to target the greatest benefit to households in the lowest percentage of poverty brackets is being achieved. The table of discount percentages was designed with this concept in mind with a 70% discount being given to the lowest income tier and 5% being given to the highest. If changes are required in order to meet other program outcomes, such as continuing to provide benefits to approximately 30,000 customers or minimizing the number of customers on a wait list, then the percentage discounts will likely need to be re-evaluated as well.

Finding #4: The program guidelines allow enrolled customers to re-apply prior to their annual or biennial re-certification when there has been a decrease in income but they don't allow re-evaluation if the CAAs know that there has been an increase in household income (for example, when a household applies for FAP after they've been enrolled in the EAP).

> **Recommendation (4.1.3):** *The Advisory Board should consider evaluating whether it is a more responsible use of ratepayer dollars to remove a customer from the program if their household income increases prior to their re-certification date, especially given the current overwhelming demand for benefits. Implementing this change would require modification of the enrollment letter so as not to guarantee enrollment for a year if household income increases.*

4.2 WHETHER THE EAP CONFORMS TO THE PROGRAM DESIGN GUIDELINES

Finding #5: Overall OEP's evaluation indicates that for the most part the EAP is conforming to the program design guidelines.

Finding #6:   Program design guidelines are documented in four procedural manuals: Fiscal Procedures Manual, CAA Procedures Manual, Utility Procedures Manual, and the Monitoring and Evaluation Manual. These manuals are periodically reviewed and updated to reflect the current program design as approved by the Commission. The evaluation found that manuals with various, sometimes older, revision dates were in circulation and that the CAA Procedures Manual had no revision date so there was no way to determine if it was the most recent version.

> **Recommendation (4.2.1):** *We would recommend that the final version of each of the procedural manuals have the latest revision date clearly displayed on the front page and, if a particular manual was approved as part of a Commission order (such as the EAP Monitoring and Evaluation Manual), the order number and approval date be displayed on the front page as well. We would also recommend that only the final versions as submitted to the Commission be made available to staff involved in program implementation and that they be distributed in PDF format only so that interim draft word versions aren't circulated.*

Finding #7: Program design guidelines require that the CAAs, utilities, and OEP be audited annually to assure compliance with program parameters and, in the case of OEP, to assure compliance with a Memo of Understanding. The evaluation found that this aspect of the program was working well and conforms to the program design guidelines. In addition, the audit report itself fully documents that design guidelines relating to fiscal management and oversight of the EAP are being met by all involved parties, except as specifically noted in the "Audit Issues" section of the report. The EAP design guidelines requiring annual auditing of essentially all financial aspects of the program help to ensure that financial accounting is accurate and that appropriate controls are in place.

Finding #8: In addition to the auditing procedures noted above, the program design guidelines require that the Program Administrator perform annual compliance monitoring of each of the CAAs to assure that the CAA staff is following all EAP policies and regulations. These requirements are outlined in the EAP Monitoring and Evaluation Manual. The Program Administrator also performs desk monitoring at least weekly via online review of the records of each CAA. This allows the Program Administrator to monitor compliance with timeframes and to contact agencies that have exceeded time limits. OEP reviewed CAA compliance monitoring reports for program years 2007/2008 and 2008/2009 and found that compliance monitoring of the CAAs is being performed in accordance with the design guidelines. In addition, the compliance monitoring reports document that each of the CAAs are conforming to the evaluation criteria specifically outlined in the Compliance Monitoring Section of the Manual.

> **Recommendation (4.2.2):** *The annual CAA evaluations, as well as the ongoing desk auditing, are important components of the program since they provide a formal mechanism for assuring consistency amongst the multiple CAA offices throughout the state. The CAA Compliance Monitoring evaluation criteria however, seem to focus primarily on evaluating only the intake and initial enrollment aspects of the program. Consideration should be given to expanding the CAA Compliance section of the*

Monitoring and Evaluation Manual to include an annual systematic review of other aspects of the CAA's implementation of the program such as Recertification, Customer Relocation (Moves), Withdrawal or Removal from the Program, and enrolling from the wait list. As discussed later in this report, OEP's evaluation found that some aspects of program implementation that occur after initial enrollment seem to be administratively problematic. While informal evaluation of these areas may be currently occurring, annual systematic evaluation and reporting by the Program Administrator may help to identify causes and possible solutions to some of these problematic areas of the program, which are discussed later in the evaluation.

Finding #9: The EAP Monitoring and Evaluation Manual requires that data be collected and reported on a periodic basis to provide continuous feedback on the achievement or lack thereof of intended program results and to inform future decisions regarding the EAP (see Section 3 of the Monitoring and Evaluation Report for specific data and reports). In January 2008 (Order No. 24,820) the Commission adopted a formal written goal of the EAP and approved specific measurable outcomes against which the EAP would be evaluated. This goal and associated measurable outcomes were incorporated into the EAP Monitoring and Evaluation Manual. The intent of establishing this goal and associated measurable outcomes was to provide a framework for future evaluation of the impact of the program. At that time, the Commission was evaluating the need for completing a formal impact evaluation. The Commission determined that a costly formal impact evaluation of the EAP was not necessary since the data and reports outlined in the Monitoring and Evaluation Manual, and specified in the Order, could provide the necessary information for evaluating the impact of the program as well as provide information for future decision-making.

OEP's process evaluation found that many of the reports listed in the Monitoring and Evaluation manual are not being generated on a periodic basis and some of these reports, as currently designed, may not be providing the appropriate information necessary to assess the program's achievement or lack thereof or to inform future decision making. In addition, the data used to generate many of these reports may have a certain level of inaccuracy due to multiple data transmission problems that have occurred over the years between the utilities and CAAs. Data transmission problems between the utilities and the CAAs still continue to be a problem.

> **Recommendation (4.2.3):** *We would recommend that the Advisory Board consider creating a sub-committee to evaluate the content of each of the reports listed in Section 3 of the Monitoring and Evaluation manual to determine whether they are necessary to assess the measurable outcomes of the program, the impact and costs of the program, and whether they provide information necessary to inform future decision making. We also recommend that the sub-committee determine whether the data included in each report is appropriate and if it is presented in a useful format. For example, in some cases it would be most beneficial to see information summarized over a specific period of time. OEP would also recommend that the Advisory Board establish a routine schedule to review these reports (or trends that the reports may show), possibly annually at the end of a program year. The sub-committee should consult with the EAP Administrator regarding any potential software programming changes that may be necessary to develop*

useful evaluation and future decision-making reports. Section 3 of the Monitoring and Evaluation Manual would need to be updated if changes are made to the list of reports.

Recommendation (4.2.4): *In addition, OEP would recommend that the Program Administrator continue working with the utilities and the EAP software contractor to determine mechanisms for eliminating data transmission errors between the utilities and EAP database. If the accuracy of data transmitted from the utilities to the EAP database cannot be consistently received, the Advisory Board may want to explore the possibility of obtaining summarized information in report format directly from each individual utility on a monthly basis. Some report information contained in the Monitoring and Evaluation Manual currently comes to the Commission in this format (e.g., total number of accounts for non-EAP vs. EAP, total revenue for non-EAP vs. EAP, arrearage report for non-EAP vs. EAP).*

Finding #10: In addition, one utility reported that they received removal information for other utility's customers in addition to their own as part of the CAA's transmissions to them. Although this is not likely typical, there is potential concern about customer confidentiality.

4.3 WHETHER THE EAP OPERATES EFFICIENTLY

Finding #11: This process evaluation seemed to indicate that the fiscal oversight and fiscal management aspects of the EAP operate efficiently. Implementation of other aspects of the program by design requires daily communication and data/information exchange between the individual CAAs and the individual utilities. This combined with the fact that the program is designed to enroll and remove customers on a continuous basis throughout the year, makes the process administratively complex. This process evaluation identified several potential areas where administrative inefficiencies could be improved as further discussed below.

Finding #12: The existing software used to implement the program appears to have caused, and continues to cause, administrative inefficiencies. During fiscal year 2008, the CAAs were able to enter into a contract to provide software and hardware support. Some software changes have been incorporated, and others are in process, that has improved several aspects of the program (e.g., applying notes to both FAP and EAP cases so that double entry is not required, new removal button/spreadsheet, and new reports that can be accessed by CAA staff). However, CAA staff raised multiple administrative efficiency issues relating to software. Of particular concern are significant administrative inefficiencies caused by the software's Unique ID that impact multiple aspects of the process and result in a significant amount of extra administrative time.

Other software related issues that were mentioned include (but are not limited to):
- Difficulty of removing an individual from the household especially if they are the customer of record
- Desire to provide a "pre-application" feature similar to FAP software;
- Ability to edit wait-listed applications;
- Ability to move denied applications;

- Lack of reporting capability for CAA staff (e.g., tracking number of customers in the program at any given date, providing information broken down by towns and information relative to customer dollar savings); and
- General slowness and increase in software bugs

In addition, ad hoc reporting capability for end users continues to be limited.

Recommendation (4.3.1): *We would recommend that the Program Administrator, Advisory Board, and software programmers fully evaluate the potential cost of re-designing the database to remove the Unique ID vs. the true administrative costs to the CAAs of retaining it. This evaluation should also assess whether removal of the Unique ID will truly improve the administrative issues that users are currently experiencing related to the Unique ID. EAP Directors at each CAA should be informed of evaluation results as they relate to removal or retention of the Unique ID and additional training should also be provided to all software users to limit complications involving the Unique ID.*

Recommendation (4.3.2): *We would recommend that the Program Administrator and software programmers continue to work collaboratively with the EAP Directors and their staff at each of the CAAs to identify, document, and prioritize software and reporting improvements, including ad hoc reporting capability for end users, that are necessary to improve administrative efficiency.*

Recommendation (4.3.3): *The Program Administrator and Program Directors should continue working with all CAA staff involved in program implementation to ensure that they understand how to use the software effectively, especially as new reports and software enhancements are developed.*

Finding #13: The data information transfer process is complex and involves daily data exchange between the CAAs and the utilities. CAAs transmit enrollment and tier changes to the utilities via enrollment transmission reports and removal transmission reports. Utilities enter updated customer information into their systems manually and send a monthly Utility Transmission file to the CAAs, which contains data that is incorporated into the EAP system.

This process is inefficient in that a significant amount of CAA and utility staff time is spent trying to identify and correct errors on both ends that occur in data transmission (or transmissions not going through) resulting from data entry errors, old account number information, incorrect Unique ID numbers or inconsistent customer of record information. CAA staff must scrutinize monthly Utility Transmission files through a Transmission Error Report and other administrative reports, research to find the source of the errors, and then communicate with the individual utility to correct them. They also scrutinize each month's withdrawal reports and communicate with utility staff to verify why customers are on the list. The software automatically changes a customer's status to "withdrawn" if there are two missed utility transmissions. This was originally intended to notify CAAs that a customer is no longer receiving electrical service from the utility but cases can be triggered as "withdrawn" because of other data inconsistency problems as well.

This process is also particularly inefficient because it can take up to 60 days from the date the transmission error to verify that identified problems have been corrected and incorporated into the customer's bill. Verification that corrections have been made can only occur after receiving the next month's Utility Data Transmission file.

Information exchange and efficiency as it relates to customer moves appears to have been improved now that utilities are routinely providing CAAs with a list of client moves.

Finding #14: Our evaluation found that the removal process is administratively burdensome and time consuming because, unlike the FAP where the program year ends on a specific date and all customers are no longer enrolled, EAP customers are removed on a rolling basis throughout the year depending on their re-certification date. Customers are removed from the program if they don't apply for recertification or if they no longer qualify for the program. They can also be removed if they move from one utility to another without notifying the CAA and the CAA receives two missed transactions from the utility. Because there are multiple factors affecting whether a customer should be removed from the program or not, such as whether they have scheduled an appointment for recertification or complicating factors of moving from one utility to another, or customers being flagged as "withdrawn" in error, removals require manual evaluation to assure that customers are not being removed from the program in error.

Reducing the administrative complexity of removals may be difficult because continual enrollment and termination is an integral part of this program's design. In the EAP, new customers are only able to be enrolled as funds are made available through attrition when customers leave the program.

Software improvements have recently been implemented including development of a removal button and associated new Excel spreadsheet, which have helped to streamline portions of the removal process and improve efficiency.

> **Recommendation (4.3.4):** *If the Advisory Board and Commission ever opt to consider an entire redesign of the EAP, the concept of mirroring the EAP after the FAP should be evaluated in terms of closing out the program year.*

Finding #15: The EAP is similar in many ways to the FAP and clients sometimes apply for both programs at the same time of the year.

> **Recommendation (4.3.5):** *We would recommend that the Advisory Board and Commission continue evaluating mechanisms for making the FAP and EAP as administratively similar as possible to improve efficiency. For example, intake documentation and program rules for both programs (e.g., income qualification criteria) could be evaluated. FAP software features that would be beneficial in the EAP portion of the database should be evaluated for potential use in EAP. Some features such as the ability to have notes apply to both EAP and FAP cases when entered have already helped to improve efficiency.*

Finding #16: In addition to being difficult for customers, maintaining a wait list for an extended period of time for a significant number of customers can be administratively burdensome for the CAAs. CAAs are unable to keep current with household changes that may occur and therefore there are often returned letters, wrong account numbers, and other problems that need to be fixed at a later date.

In addition, mass wait-list enrollments are challenging and administratively burdensome for both the utilities and the CAAs. The recent mass wait-list enrollment required the CAAs and the utilities to spend considerable amounts of time identifying and correcting data inconsistency problems for mass numbers of customers within a very short period of time. It also resulted in problems with customer recertification dates not being updated properly. This recertification date problem caused (and continues to cause) a significant amount of time being spent manually evaluating and correcting recertification dates for customers that had previously received benefits but were later wait-listed.

Finding #17: CAA staff involved in program implementation appear to be periodically consulted on an informal basis regarding program improvements.

> **Recommendation (4.3.6):** *In addition to the recommendations previously discussed, we would also suggest that CAA staff at all levels of program implementation continue to be periodically consulted for ideas that could improve program efficiency in terms of potential software and reporting improvements and general program implementation. Some examples mentioned as part of this review include allowing submission of applications/ supporting materials by mail for re-certifications rather than requiring in-office or home meetings, elimination of duplicate copies of all application materials for both the EAP and FAP, utilizing a "pre-application" process, setting aside one day a month to focus entirely only on EAP applications, and providing a mechanism for making all cases in process "current" to the new program year.*

5. SUMMARY OF RECOMMENDATIONS

The following section is intended to provide a short synopsis of the recommendations suggested in this evaluation. For a full description of any individual recommendation please refer to the corresponding recommendation number in Section 4.

- **Recommendation 4.1.1** – The Advisory Board should evaluate mechanisms to address increased demand for the program.
- **Recommendation 4.1.2** – The Advisory Board should consider developing a formal schedule to periodically assess the assumptions and data associated with the current percent discount table.
- **Recommendation 4.1.3** - The Advisory Board should consider evaluating program policy as it relates to allowing customers to remain in the program until their recertification date if even if their household income increases.

- **Recommendation 4.2.1** - Revision dates on procedural manuals should be accurate and manuals should be distributed in PDF format only.
- **Recommendation 4.2.2** – Consideration should be given to expanding the EAP Monitoring and Evaluation Manual to include review of the CAA's program implementation beyond intake and initial enrollment.
- **Recommendation 4.2.3** – Advisory Board should consider creating a sub-committee to evaluate the content and usefulness of each of the reports listed in Section 3 of the Monitoring and Evaluation Manual.
- **Recommenation 4.2.4** – The EAP Program Administrator should continue working with the utilities and the software contractor to improve the accuracy of the data being transferred on a monthly basis from the utilities to the EAP database.
- **Recommendation 4.3.1** - The Advisory Board should consider fully evaluating the costs of fixing problems associated with the Unique ID vs. the administrative costs of retaining it.
- **Recommendation 4.3.2** - The EAP Program Administrator and the software programmers should continue working with EAP Directors and their staff to improve the EAP software.
- **Recommendation 4.3.3** – The EAP Program Administrator and Program Directors should continue working with staff on software training issues.
- **Recommendation 4.3.4** – If entire program redesign is ever considered, the concept of closing out the program year similarly to the FAP program should be evaluated and considered.
- **Recommendation 4.3.5** – Mechanisms for making the FAP and the EAP as administratively similar as possible should be evaluated.
- **Recommendation 4.3.6** – CAA staff at all levels of program implementation should be consulted on a periodic basis for ideas that could improve program efficiency.