

DG 11-040
Suggested Questions for May 27, 2014 Status Conference

Billing delays:

- 1) Define how Liberty determines that a bill has been issued on time.
 - a. What is the acceptable interval between the meter read date and the bill date?
 - b. What is the acceptable interval between the bill date and the postmark or mail date?
- 2) Explain and provide the formula used to calculate the percentage of timely bills included in the April 24, 2014 response to Staff's April 16, 2014 memo.
- 3) Where are Liberty bills being mailed from?
- 4) There is an apparent discrepancy between Liberty's self-reported billing timeliness in its April 24, 2014 response and recent customer reports to the Commission regarding billing timeliness. Have there been recent changes made to Liberty's billing processes that would account for this discrepancy?

Payment posting delays:

- 1) There is an apparent discrepancy between Liberty's self-reported payment posting timeliness in its April 24, 2014 response and recent customer reports to the Commission regarding payment posting timeliness. Have there been recent changes made to Liberty's payment posting processes that would account for this discrepancy?

Accounts without bills:

- 1) There is an apparent discrepancy between the number of months for which some subset of customer accounts were not billed as reported by Liberty in its April 24, 2014 response and customer reports to the Commission of not having received a bill from Liberty.
 - a. Please verify that the data provided in the April 24, 2014 response accurately reflects all accounts for which bills were not issued.
 - b. Please describe the actions Liberty has taken to identify all accounts that experienced delays in billing.
 - c. Have all accounts identified as having delayed bills now received bills?
- 2) Please identify the root cause of the failure to issue bills. When will the software correction to address this problem be implemented?
- 3) Regarding the scheduled upgrade to Liberty's billing system referenced in the April 24, 2014 response, please describe the areas of the billing system that are being upgraded. Will the planned upgrade provide enhanced functionality for the billing system or is it focused only on correcting known issues within the billing system?

Breakdown of bills covering more than one billing period:

- 1) In its April 24, 2014 response, Liberty stated that the need to process bills covering more than one billing period is an unusual requirement. Staff notes that approximately 5,000 Liberty customers received assistance from the Low Income Heating Assistance program (LIHEAP or fuel assistance), and were placed on the low income discount rate, during the course of the 2013-2014 Winter period. Receipt of the low income discount rate is retroactive to November 1 for those customers qualifying for the rate as a result of receiving fuel assistance, and requires the cancellation and rebilling of usage billed on or after November 1.
 - a. Given that this is a routine event for several thousand customers, please explain the basis for the statement that this process is an “unusual requirement.”
 - b. Were the approximately 5,000 customer accounts that became eligible for the low income discount rate as a result of their LIHEAP eligibility manually rebilled?
- 2) Since the conversion, how many meter tests resulted in a failure of plus or minus 2% tolerance, and how were the bills for these accounts adjusted?
- 3) What was the reasoning behind Liberty’s decision not to allow for rebilling on a monthly basis rather than on a consolidated basis?
- 4) Regarding the referenced upgrade to the billing system scheduled for May 2014, please clarify which process is being automated:
 - a. Month-to-month rebilling as a matter of course; or
 - b. Month-to-month rebilling upon request.

Repetitive or cumulative bills:

- 1) In its April 24, 2014 response, Liberty states that it determined repetitive or cumulative billing resulted from a billing system abnormal condition related to the transitioning of accounts between customers or the situation where a vacant account transitions to a new customer. Please describe the process undertaken by Liberty to identify all affected accounts and the actions Liberty has taken to correct those bills and to properly credit customers for any over-payments.
- 2) Please explain what is meant by a “billing system abnormal condition.”
- 3) Liberty utilizes a “soft off” process whereby a meter is not locked or shut off when a customer requests service discontinuance, but instead is left on as a convenience for the potential next customer moving in. This process is a cost-saving mechanism for Liberty, in that it avoids the need for two visits to a customer location by the field technician, one to turn off the meter and one to turn on the meter. As a result, transitions of vacant accounts to new customers would appear to be a relatively simple and routine activity. Please explain why this situation results in cumulative bills, i.e., bills that continually reference back to the initial meter read when calculating usage, thereby rebilling usage which has already been billed to the new customers.

- 4) Please describe the resolution of this issue that Liberty has stated its software vendor is currently working on. What is the proposed resolution? What is it intended to correct?
- 5) Please describe the manual process being used by Liberty until a resolution to this issue is achieved by the software vendor. What triggers the manual process? How does Liberty notify customers of the billing error? If a customer is owed money, how quickly is a refund made to the customer?
- 6) Please describe the billing exceptions process used by Liberty generally, and explain in particular why the billing exceptions process did not identify these bills/accounts as requiring review prior to issuance of the bills.

Electronic billing:

- 1) It appears that Liberty may have misunderstood the issues Staff raised relative to electronic billing. While Staff agrees that all customers should be able to view their bills online, Staff understands that currently only those customers who have enrolled in electronic billing can do so. For customers enrolled in electronic billing, however, the amount due is available to them before the bill is available for viewing. Please indicate what corrective action Liberty has taken or will be taking to ensure customers can view their bill simultaneously with viewing the amount owed.
- 2) Please provide a timeframe for the upgrade to the web-based customer portal referenced in Liberty's April 24, 2014 response.

Call center:

- 1) Liberty has stated that its call center performance is back on track, in that the March performance improved the 12-month rolling average to 82% of calls answered within 30 seconds. Staff notes that, while the agreed-to service level for EnergyNorth is 80% of calls answered within 30 seconds, the agreed-to service level for Granite State Electric is 80% of calls answered within 20 seconds. Please describe the steps Liberty has taken to ensure it can achieve the higher service level following the conversion of its electric customer accounts and the related transfer of responsibility for electric customer calls from the National Grid call center to the Liberty call center.

Performance Metrics:

- 1) Please describe the preparations undertaken by Liberty, in advance of the September 2013 conversion of gas customer accounts, to ensure that its new systems could produce the performance metrics required by Attachment N of the Settlement Agreement.
 - a. What type of testing was performed to ensure that the associated systems could generate required reports that are both accurate and timely?
 - b. What testing has been undertaken to ensure the timely and accurate production of performance metric reports following the upcoming conversion of electric customer accounts?

- 2) What was the root cause of Liberty's inability to produce reports regarding the following three metrics:
 - a. bill accuracy;
 - b. estimated bills percentage; and
 - c. percentage of bills with exceptions.
- 3) What corrective action was taken to address this issue and to produce the reports provided to the Commission on April 24, 2014?
- 4) Please provide and explain the formulas used to calculate the following performance metric calculations:
 - a. bill accuracy;
 - b. estimated bills percentage; and
 - c. percentage of bills with exceptions.

ISO 2700-1 Network Security Assessment:

- 1) Has Liberty Utilities undertaken an assessment of its server infrastructure and data network other than those conducted in 2012 and 2013 by PriceWaterhouseCoopers (PWC)?
 - a. If so, please describe when and by whom this assessment was conducted.
 - b. If the assessment was self-performed by Liberty, what are its findings regarding compliance with the specified ISO 2700-1 standard?
 - i. What is the name and title of the Liberty employee/contractor who conducted the assessment?
 - c. Please describe what the potential consequences are for any findings of non-compliance with the ISO 2700-1 standard.
- 2) In connection with work to develop and implement its server infrastructure and data network, what were the standards for security that Liberty relied upon to build the data network? What attestation can Liberty provide to confirm that its network conforms to the other standard that was the intended design paradigm? What are the differences between that standard and the ISO 2700-1 standards?
- 3) Did the 2013 security assessment conducted by PWC assess Liberty's compliance with the ISO 2700-1 standard?
- 4) Please provide the results of the 2013 security assessment and be prepared to discuss:
 - a. those areas in which there had been improvements over the 2012 assessment;
 - b. those areas not improved, but with respect to which the vulnerability was unchanged;
 - c. those areas not improved and with respect to which vulnerability had increased; and
 - d. any new areas of vulnerability found by PWC in the 2013 assessment.

- 5) In its April 24, 2014 response, Liberty indicated that it plans to conduct two third party assessments of its network security, the first of which will provide a current state assessment of compliance with the ISO 2700-1 network security control objectives and which is currently underway.
 - a. What third party has Liberty contracted with to perform the assessment currently underway?
 - b. If Liberty has not engaged a third party to perform this assessment, is Liberty self-conducting or will it self-conduct the assessment?
 - i. What is the name and title of the Liberty employee/contractor who conducted or will conduct this assessment?
- 6) Will Liberty issue an RFP to solicit bids from qualified third parties to perform the required network security assessment? Will Liberty provide Staff a draft of the RFP prior to issuance and a list of third parties that will be contacted directly?
- 7) Please describe "ONTRAAC" as referenced in the network security assessment project plan provided with Liberty's April 24, 2014 response.
- 8) Please provide any update to Liberty's network security assessment project plan as provided with the April 24, 2014 response.
- 9) On June 28, 2012, Liberty filed with the Commission a Security Assessment Report and Management Response which it purported to be an assessment of Liberty's compliance with the ISO 2700-1 standard as required by the Settlement Agreement. In January 2014, Liberty advised Commission Staff that the assessment referenced in this report in fact had not reviewed Liberty's compliance with the ISO 2700-1 standard. What assurance can Liberty provide to the Commission that it will engage a third party to conduct an independent assessment of Liberty's compliance with the ISO 2700-1 standard, as required under the Settlement Agreement?