

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DW 04-048

**In the Matter of:
City of Nashua
Petition For Valuation Pursuant to RSA 38:9**

Direct Testimony

of

**Amanda O. Noonan
Director of Consumer Affairs**

April 13, 2006

1 **Q. Ms. Noonan, please state your name, occupation, and business address.**

2 **A.** My name is Amanda O. Noonan. I am employed as the Director of Consumer
3 Affairs for the New Hampshire Public Utilities Commission (Commission) located at 21
4 South Fruit Street, Suite 10, Concord, New Hampshire.

5 **Q. Please outline your educational background and professional experience.**

6 **A.** I graduated from the University of New Hampshire - Whittemore School of
7 Business with a B.S. in business administration. I completed the National Association of
8 Regulatory Utility Commissioners (NARUC) Annual Regulatory Studies program in
9 August 1992. I am also a member of the NARUC Staff Subcommittee on Consumer
10 Affairs and chairperson of the New England Conference of Public Utility Commissioners
11 Staff Committee on Consumer Affairs. I have been employed with the Commission since
12 January 1992. Prior to joining the Commission, I was employed by BankEast
13 Corporation for 6 years. During that time, I was involved with the corporate training
14 department holding first the position of staff instructor and later the position of training
15 manager. I was responsible for the design and development of corporate training
16 programs relating to management and customer service as well as bank operations.

17 **Q. Please state the purpose of your testimony.**

18 **A.** The purpose of my testimony is to identify the potential impact on service quality
19 of the proposed taking of Pennichuck Water Works, Inc. (PWW) by the City of Nashua
20 (Nashua).

1 **Q. Please describe the potential impact you believe the taking could have on**
2 **service quality.**

3 **A.** The proposed taking of PWW by Nashua raises several issues. First, the taking
4 would result in the transfer of the management and operation of a water system, currently
5 serving approximately 24,000 customers, to an entity with little experience in providing
6 water service or utility service. While Nashua intends to contract the operation,
7 maintenance, and oversight of the water system to third parties, notably Veolia and R. W.
8 Beck, Staff has concerns about the effectiveness of the relationships between Nashua,
9 Veolia, and Beck. I agree with Mr. Naylor's testimony that there is considerable risk
10 that the lack of ownership or other long term interest in the water company assets on the
11 part of the contractors may cause inefficient and uneconomic operation. The quality of
12 the service provided to customers could be degraded should the taking occur.

13 The management of the relationships between Nashua, Veolia, and customers has
14 the potential to negatively impact service quality. Nashua has indicated that Veolia will
15 handle customer calls regarding water system operating issues, such as water quality
16 questions and field service inquiries, and that customer calls related to billing and
17 collections will be handled by Nashua. On March 28, 2006, a deposed statement was
18 taken from Nashua employee Ruth Raswyck, Deputy Treasurer and Deputy Tax
19 Collector for the City of Nashua. See, Attachment AON-1. In her deposition, Ms.
20 Raswyck stated that billing and collection functions for the water system would fall under
21 her. Ms. Raswyck further stated that any calls regarding operational issues would not be
22 handled by her staff but would instead be referred to Veolia. In my experience many of
23 the issues that water system customers call about are a combination of operational issues

1 and billing and collection issues. For example, water quality issues overlap with billing
2 issues when customers are seeking an adjustment in their water bill to compensate for the
3 water they used to clear their service line after the utility has flushed a water main. High
4 bill complaints may require leak detection activities or a review of water usage patterns
5 with the customer along with bill adjustments. Disconnection of service is both an
6 operational function and a billing and collection function.

7 **Q. Please state how the discovery evidence factored in to your analysis.**

8 **A.** After reading Ms. Raswyk's deposition, it was evident to me that Nashua's
9 policy on service disconnections is not yet finalized. See for example, Attachment AON-
10 1, deposition pages 62 and 98. Nashua's testimony and data responses have provided
11 little detail and insight into how interactions with customers will be managed. Without
12 clear cut procedures for managing customer relationships, the potential for customer
13 problems to fall through the cracks or for customers to be given misinformation is great.

14 Another concern is the level of staff Nashua has indicated will be available to
15 respond to questions, problems and concerns raised by water system customers. In
16 response to Staff 4-2, in which Staff inquired as to the number of customer service
17 representatives handling incoming calls from customers and the monthly call volume
18 levels, PWW stated it had nine full time staff and two part time staff available to handle
19 incoming customer calls. See, Attachment AON-2. Over the past two years, the call
20 volume handled by PWW has been approximately 1,862 calls per month.

21 In contrast, Nashua has indicated through its responses to PWW 3-32 and Staff 4-
22 21 that it will have four full time staff available to handle incoming customer calls. See,
23 Attachments AON-3 and 4. Of those, two customer service representatives will be

1 Veolia employees who will only handle water system operating issues such as water
2 quality questions and field service inquiries. The remaining two customer service
3 representatives will be employed by Nashua and will handle billing and collection related
4 calls for the water system. These employees will be employed in the tax collectors office.

5 The reduction in staffing levels contemplated by Nashua represents a decrease in
6 staff available to respond to customer calls and inquiries of approximately 60%. It is
7 difficult to imagine that the quality of service to customers would not be degraded as a
8 result of these staffing reductions.

9 **Q. Please describe the potential impact you believe the taking could have on**
10 **service quality for customers not residing in Nashua.**

11 **A.** While all of the above have the potential to degrade the level of service provided
12 to all water system customers, non Nashua residents face another risk to the quality of the
13 service they receive. As a customer of PWW, both Nashua and non-Nashua residents can
14 turn to the Commission for billing problems, water quality issues, etc. For Nashua
15 residents, the Mayor and Board of Alderman would, in theory, serve in that role. As
16 elected officials, they would have a duty to their constituents to ensure all such matters
17 are resolved fairly and equitably. However, non-Nashua residents would have no such
18 recourse. Additionally, as Mr. Naylor has pointed out in his testimony, there is also the
19 possibility that non-Nashua residents who are not physically interconnected with the core
20 system serving Nashua could see degraded levels of service as Nashua invests more
21 money in the water system infrastructure serving Nashua and less in the infrastructure
22 which services other municipalities.

1 Q. **Does this conclude your testimony?**

2 A. Yes, it does.