

STATE OF NEW HAMPSHIRE

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November 28, 2017

Ms. Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301

28 NOV '17 AM 11:20

Re: Docket No. DE 17-171, Public Service Co. of N.H. d/b/a Eversource Energy
Proposed Tariff Amendment re Late Payment Charge

Dear Ms. Howland:

Please treat this letter as a statement of position from the Office of the Consumer Advocate (OCA) in the above-referenced docket.

On November 1, 2017, Public Service Company of New Hampshire d/b/a Eversource Energy (Eversource) filed a proposed tariff revision that would add five days to the payment period preceding the imposition of late payment fees on its retail customers. According to Eversource, this change would address the problem of delays in first class U.S. mail delivery from Eversource's service territory in New Hampshire to Eversource's payment processing contractor in Texas. The Consumer Services and External Affairs (CSEA) Division of the Commission filed a memorandum on November 15 recommending that the Commission approve the requested tariff change.

The OCA recommends on behalf of Eversource's residential customers that the assessment of late payment charges be discontinued until such time as Eversource chooses a new payment processing contractor. According to the technical statement accompanying Eversource's request, the new payment processor will be "geographically closer to the Company's service territory" and will begin work for Eversource "sometime in the second quarter 2018." Technical Statement of Kenneth Millerd at 1-2.

According to the CSEA Division, Eversource has reported that fully 40 percent of its customers are relying on U.S. mail to make their monthly payments. The OCA assumes that for residential customers this percentage is even higher inasmuch as some residential customers lack the internet access and financial resources to take advantage of available electronic payment options.

This situation is therefore especially unfair to residential customers who, obviously, are doing business with a New Hampshire company and not one in Texas. These customers are disproportionately unable to insulate themselves from the effects of a postal service that is in a death spiral as the internet continues to replace first class mail as the dominant vehicle for routine written communications.

Of particular concern to the OCA is the disconnect between the problem acknowledged by Eversource and the explanation offered for the problem. According to Eversource, “over the last several months” the time for mailed payments to be credited to customer accounts via the processor in Texas has increased from 3-5 business days to 7-10 business days, “with some payments taking as long as 21 business days [!] to post.” Millerd Technical Statement at 1. But the report of the U.S. Postal Service Inspector General on which Eversource relies was issued in September 2016 and covers service provided during the first nine months of 2015,¹ well before the advent of the problems referenced in the Eversource filing.

Given that the Commission has no way of knowing at this point whether the posting delays experienced by Eversource customers in 2017 are the fault of the Postal Service, the payment processing contractor used by Eversource, or (most likely) some combination of the two, it is simply inadequate to continue to expose customers to late payment charges and advise them, as Eversource now does, to allow 7-10 business days for their payments to make their way to the distant processor Eversource has chosen. According to Eversource, late payment charges “are not, in general, a significant source of revenue” for the company. Millerd Technical Statement at 2. The Company should therefore forego this insignificant revenue rather than expect customers to solve the Company’s problem for it by learning to mail payments sooner.

Suspending late payment charges will have the salutary effect of encouraging Eversource to choose a new payment processor expeditiously and follow through on the utility’s promise to find a processor that is not located hundreds of miles from New Hampshire. The Commission should advise Eversource that it may request permission to resume collecting late fees after tendering a report to the Commission identifying the new payment processor and demonstrating that customers can again rely on 3-5 business days for mailed payments to be credited to their accounts.

Please feel free to contact me if there are any questions or concerns about the foregoing.

Sincerely,



D. Maurice Kreis
Consumer Advocate

cc: Service List, via e-mail

¹ See Office of Inspector General, U.S. Postal Service, “Audit Report: Mail Processing and Transportation Operational Changes,” September 2, 2016, available at <https://www.uspsaig.gov/sites/default/files/document-library-files/2016/NO-AR-16-009.pdf>.