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BY MAIL AND EMAIL

May 22, 2015

Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301-2429

RE: Complaint of Robert Fisher
Response of Eversource

Dear Director Howland:

On May 11, 2015 Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”) received a submission from a customer, State Representative Robert Fisher, that had been made to the Commission. In its notification to Eversource, the Commission stated that it was treating the submission as a complaint pursuant to RSA 365:1 and :2 and required Eversource to respond on or by May 22, 2015. Eversource herein provides its response to the complaint as required by PART Puc 204 and the Commission’s May 11, 2015 letter.

Relative to the above-identified complaint, Eversource understands that the complaint alleges that Eversource has misinterpreted or misapplied portions of PART Puc 1203 of the Commission’s rules relative to deposits. More specifically, the complaint alleges that Eversource has not permitted Rep. Fisher’s brother to act as a guarantor on Rep. Fisher’s account in lieu of requiring a deposit, and that refusing to allow this guarantor contravenes the Commission’s rules. Pursuant to Puc 204.03(a)(2) Eversource hereby advises the Commission that it disputes the complaint.

Pursuant to Puc 1203.03(e) a utility, such as Eversource, may request a deposit as a condition of continuing to provide service under certain specified circumstances, including that a customer has received a certain minimum number of disconnect notices for nonpayment within a 12 month period. For customers billed monthly, the minimum is 4 notices. See Puc 1203.03(e)(1). Rep. Fisher has received 11 notices of disconnection for nonpayment in the last 12 months. Accordingly, pursuant to the rule Eversource may request a deposit as a condition of continuing his existing service.

Pursuant to Puc 1203.03(i), in lieu of retaining a deposit, a utility “shall” accept various other options. In particular, Puc 1203.03(i) provides that in lieu of a deposit the utility shall:

(1) Accept the irrevocable written guarantee of a responsible party such as a social service organization, a municipal welfare agency, a bank, or a customer in good standing of the utility as a surety for a customer service account, provided that any such guarantee shall:

- a. Be in writing;
- b. Include the maximum amount guaranteed; and
- c. Specify that the utility shall not hold the guarantor liable for the sums in excess of the maximum amount guaranteed unless agreed to in a separate written agreement; or

(2) With the agreement of both the utility and the customer, establish a direct debit account whereby the customer's payment shall be automatically debited from his/her bank account each month.

Relevant to the instant complaint, Rep. Fisher contends that the offer of his brother to act as a guarantor must be accepted by Eversource in lieu of the deposit. The basis for this claim is that:

The requirements listed by the PUC for who may make such a guarantee include "a customer in good standing of the utility" as well as a variety of other organizations. The wording here is also important. The list is preceded by the phrase "such as" which means that the list itself is not exhaustive nor exclusive. The utility would be required to accept a written guarantee in lieu of a deposit from any party considered responsible, not limited to the few examples given by the PUC.

Nevertheless, in the case of the offer made by my brother (Sam Fisher), who is a customer of Eversource who is current on his bills, Eversource has declined to accept his offer despite meeting the very qualifications outlined by the PUC. He is current on his Eversource bills and is considered in good standing by any common usage of the phrase.

Eversource acknowledges that it would accept the written guarantee of Rep. Fisher's brother if his brother was a customer "in good standing." However, the facts that Rep. Fisher's brother is a customer of Eversource and is current on his bills are not sufficient, in themselves, to demonstrate that he is a customer "in good standing." Accordingly, Eversource would not accept the proposed guarantee.

As an initial matter, while the rule states that an irrevocable written guarantee of a customer in good standing is to be accepted in lieu of a deposit, the rule does not define what it means for a customer to be in good standing. Therefore, the utility must determine which customers can be considered to be "in good standing" and which cannot. By the standard set out in the complaint, any customer who is current on his or her bills would be deemed to be "in good standing." By that interpretation, a customer who had requested service today would be deemed to be "in good standing" and could provide a guarantee for another immediately, though the utility would have no reasonable means of verifying whether that customer was a credit or

payment risk. Further, by the standard set out in the complaint a customer current on his or her bills could be deemed to be “in good standing” regardless of that customer’s payment history. It could be that a customer who is current is only current because he or she had received a notice of disconnection for nonpayment one day prior. In essence, under the interpretation in the complaint the utility would have no greater assurance of being able to recover its money than it would absent the deposit. That is not a reasonable interpretation of the rule. Accordingly, and based upon the rules, Eversource has implemented a reasonable, objective standard for verifying whether a customer is “in good standing” for purposes of deposit requests and payment guarantees.

Pursuant to Puc 1203.03(1)(5) all deposits requested and retained by a utility must be refunded, with interest, when all bills have been paid, without arrearage, for 12 months. Thus, the rules set out a standard for determining when a customer will not, and should not, be considered a sufficient risk to justify retaining a deposit. After making 12 months of payments without arrearages the utility can be assured that the customer will pay the bills rendered, and a deposit is no longer necessary. Eversource has adopted this same standard as the standard for determining when a customer is “in good standing” for purposes of being able to provide a guarantee on behalf of another customer. This standard is objective, reasonable, uniform to implement, and builds upon rules already in place.

Applying that standard to this matter, at the point that Eversource requested a deposit from Rep. Fisher and that Rep. Fisher had asked for his brother to serve as the guarantor, his brother had only been a customer of Eversource for 2 months. As such, Eversource determined, consistent with the Commission’s rules and Eversource’s long-standing practice and policy, that his brother had not met the qualifications to be “in good standing” for purposes of being a guarantor. Accordingly, Eversource has appropriately applied the standards for requesting a deposit and for accepting or rejecting the offer of a guarantee made in lieu of the deposit.

As a secondary matter, the complaint contends that Eversource was unreasonable in requiring that any written guarantee be notarized because such a requirement is not in the Commission’s rules. The lack of a specific requirement in the Commission’s rules does not make the request for a notarized guarantee unreasonable or improper. As quoted above, the rule provides that a utility must accept an “irrevocable” written guarantee. It is with respect to this requirement that Eversource requires any guarantee to be notarized as that is the means by which Eversource can be provided a measure of assurance that the guarantee is irrevocable as required by the rule.

Eversource makes every effort to be accommodating to its customers in recognition that they all have different economic circumstances. Nevertheless, Eversource owes a duty both to the company and to other customers to ensure that it can, does, and will collect the money it is owed. To that end, Eversource, from time to time, with reasonable justification and in line with the Commission’s rules, requires certain customers to pay deposits to ensure that neither Eversource, nor its other customers, will be required to absorb a cost they should not be obligated to pay. In this case, Eversource has reasonably requested a deposit in line with the Commission’s rules, and reasonably determined that the proposed offer in lieu of a deposit was insufficient. Moreover, Eversource has offered numerous reasonable accommodations to Rep.

Fisher, including decreasing the total amount of the requested deposit and allowing the deposit to be paid over an extended period, and has provided extensive information about services available to assist with issues such as this. That Rep. Fisher has not availed himself of these options is not a basis to conclude that Eversource has misinterpreted or misapplied the relevant regulations. Accordingly, and as stated above, Eversource disputes the complaint and has acted reasonably, appropriately, legally and in line with the Commission's rules and policies in this instance.

Thank you for your assistance with this matter. Please do not hesitate to contact me with any questions.

Very truly yours,



Matthew J. Fossum
Senior Counsel

CC: Amanda Noonan, Director, Consumer Affairs Division, NH PUC
Tom Frantz, Director, Electric Division, NH PUC
David Shulock, Director, Legal Division, NH PUC
Rep. Robert Fisher