

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 17-171

Eversource Energy

Technical Statement of
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A. Purpose of Technical Statement

This technical statement is being provided in accordance with the requirements of New Hampshire Code of Administrative Rules, Chapter Puc 1605.02. The statement will describe the history leading to a change to Public Service Company of New Hampshire d/b/a Eversource Energy's ("Eversource" or the "Company") tariff in 2017 to address delayed processing of customer payments where an amendment, as well as the steps that have been taken to address those issues, and the Company's request to amend its tariff back to its original language.

B. Background

In 2017, Eversource customers experienced delays in the posting of their mailed payments. Eversource's research confirmed that the average time for mailed payments to reach Eversource's payment processing site, which was then in Dallas, Texas, and be posted to customer accounts, had increased from 3-5 business days, to 7-10 business days, with some payments taking as long as 21 business days to post. This delay was primarily caused by the U.S. Postal Service ("USPS"), since nationwide it was shifting resources to focus on same-day, next-day and Sunday deliveries, while also consolidating USPS facilities to cut costs. These changes resulted in a significant reduction in USPS 3-day mail delivery nationwide, and were particularly acute in the area around Texas.

To address the issue, Eversource had taken steps to improve the timeliness of payment processing and improve customer satisfaction, including through updates to customer messaging surrounding payment processing. Most relevant to this submission, among the steps Eversource undertook to remediate the problem was to issue a Request for Proposals ("RFP") for a new vendor site that would bring the payment processing geographically closer to the Company's service territory and decrease the average time for mailed payments to reach the processing center. At the time, Eversource expected a new vendor to begin processing payments in the second quarter of 2018.

In addition to moving the site of its payment processing, Eversource also sought (in Docket No. DE 17-171) to amend its tariff to extend the time before a late payment charge would be assessed to a customer. That amendment changed the date for the imposition of a late payment charge from the day after the due date to five business days later, thus allowing more time for payments to arrive and be processed. Initially, the Commission approved that amendment in Order No. 26,081 (December 1, 2017), and, at the same time, decided that the matter needed further review.

A hearing was held on the matter in January 2018 and on March 7, 2018, the Commission issued Order No. 26,110. That Order concluded that under the circumstances, Eversource should waive late payment charges for any and all payments processed by mail. Also, the Commission ordered that Eversource inform the Consumer Services and External Affairs Division of the progress in moving to the new payment processing vendor. Lastly, the Commission stated that before it would revisit its order to suspend late payment charges, Eversource was to demonstrate that there are no mail delays to the selected vendor that result in the application of late payment charges. Eversource was to work with the Consumer Services and External Affairs Division to identify the information necessary to demonstrate that payment processing had improved.

C. Current Status of Payment Processing

Following the RFP, a new payment vendor, Century Bank, was selected. Eversource worked with Century Bank on a transition plan during the early parts of 2018 and transitioned all payment processing for New Hampshire customers to Century Bank in mid-2018. Century Bank's processing center is in Massachusetts, and customer payments are now sent to Boston, Massachusetts, rather than Texas. The shift to Century Bank not only means that payment processing occurs much closer geographically to Eversource's New Hampshire customers, but it also avoids the south-central portion of the United States where the changes by the USPS resulted in the most negative consequences. Eversource regularly informed the Commission's Consumer Services and External Affairs Division of the status of the transition to Century Bank and provided continuing information on the status of customer payment processing issues.

For Eversource to both better understand the status of payment processing by Century Bank, and to aid in demonstrating that the payment processing issues were resolved, Eversource requested that Century Bank undertake a mail study to confirm the timeliness of payment processing for New Hampshire customers. The results of that study were communicated to the Commission's Consumer Services and External Affairs Division and OCA through a PowerPoint presentation and other discussions. A copy of the presentation is included with this statement as Attachment A. As shown in that presentation, nearly every payment mailed was processed within 3 business days of the postmark date, and only an internal error of the USPS which Eversource would not expect to reoccur caused a delay in the processing of some payments. Based upon the information provided and the discussions held, Eversource understands that the Commission's Consumer Services and External Affairs Division concurs that the payment processing issues have been addressed by the transition to Century Bank. As an additional note, consistent with a suggestion from the Commission's Consumer Services and External Affairs Division, Eversource has recently updated the messaging on its bills to customers advising them

that if payments are to be mailed that then they should allow up to 5 business days for those payments to post.

In that the information provided clarifies that Eversource has corrected the payment processing issues that had plagued customers in 2017, Eversource requests that the Commission now revisit its order requiring Eversource to waive all late payment charges for payments sent by mail. Specifically, Eversource requests that the Commission approve changes to Eversource's tariff that would allow it to assess late payment charges on the same terms as had been done for many years up through the end of 2017. However, Eversource is requesting that the transition back to the previous language occur in two stages, as a reversal of what had occurred previously. At the first stage, proposed for effect on February 1, 2019, Eversource would reinstate late payment charges for payments made five business days following the due date, effectively reintroducing the language that was approved in Order No. 26,081. This would permit Eversource to cease the presently manual process of identifying and waiving all late payment charges for payments made by mail. The second step is proposed for effect on May 1, 2019 and would return the timing of late payment charges back what it had been before Order No. 26,081. Eversource believes this two-step approach is appropriate because it allows time to transition customers back to what had been in place for many years while allowing time for customer education. Moreover, in that this would be an automated process, the transition back on May 1 would align with an already-scheduled system update.

While these charges are not a significant source of revenue for the Company, in the Company's assessment they provide a meaningful and appropriate deterrent to delayed payments by customers, which, ultimately, increase costs for all customers. Accordingly, Eversource contends that having such charges in place is reasonable and appropriate and should be approved.

D. Impact of the tariff revision on Eversource revenues

As noted in Docket No. DE 17-171 and above, Eversource does not expect a significant impact to the revenue collected from the reinstatement of late payment charges because late payment charges are not, in general, a significant source of revenue for Eversource.

E. Revised Tariff Pages

Eversource has enclosed a revised tariff page, in both clean and "black-lined" versions, incorporating the revised terms as described above for the transitions on February 1 and May 1, 2019. Eversource requests that in order to implement the change on February 1, 2019, the Commission issue an order approving the change at least 3 business days prior to the effective date.