

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DE 19-057

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY

Notice of Intent to File Rate Schedules

REPORT AND RECOMMENDATION ON NEW START PROGRAM DESIGN

INTRODUCTION

On March 22, 2019, Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the “Company”) filed with the New Hampshire Public Utilities Commission (“Commission”) a Notice of Intent to File Rate Schedules. On April 26, 2019, the Company filed information supporting its temporary rate request and on May 28, 2019, the Company submitted its permanent rate filing.

As part of its May 28, 2019 submission, the Company included the testimony of Penelope McLean Conner that, among other things, advocated for the implementation of an arrears management program called “New Start.” As described in that testimony, this program was intended to provide payment assistance for qualifying financial hardship residential customers struggling with past due utility bills where for every required monthly payment an enrolled customer makes to the Company, a portion of their past due balance will be forgiven. The intent of the program is to: enable the customer to develop consistent bill payment habits; protect the customer from service disconnection while participating in the program; and enable the customer to get a fresh start as the arrears are forgiven with each payment made. Through the process of the docket various parties investigated the details surrounding the implementation of the proposed New Start program.

On October 9, 2020, the parties to the proceeding filed a comprehensive settlement agreement (the “Settlement”) with the Commission. Relevant to this issue, Section 13 of that Settlement specified that Eversource would implement the New Start program in New Hampshire and that the implementation would follow the general framework set out in Appendix 7 (Bates pages 63-66) of the Settlement. While Section 13 of the Settlement stated that Eversource would implement the program consistent with certain high-level descriptions, it also provided that the Company would convene a stakeholder group to develop a comprehensive program design for the New Start program and to assist in the long-term monitoring and evaluation of the program. Further, the stakeholder group was to file a report with the Commission within 120 days of the final order in the proceeding (which was issued on December 15, 2020) to recommend a comprehensive program design. Included below is the report and recommendation of the stakeholder group on the comprehensive program design for the New Start program.

REPORT AND RECOMMENDATION

The stakeholder group required by the Settlement consisted of representatives from Eversource, the Commission Staff, low-income advocacy groups, New Hampshire Legal Assistance, and social service agencies. The full list of participants is set out at the end of this report and recommendation. In addition to the below design requirements, the stakeholders recommend the adoption of the reporting list set out in Appendix 7 to the Settlement as the list of metrics Eversource shall provide to account for the operation of the New Start program.

1. Eligibility

As identified in Appendix 7 to the Settlement, to be eligible for New Start in New Hampshire, each customer:

- Must be a residential customer with active service; and

- Have an account balance that is greater than or equal to \$150 where the \$150 is at least 60 days overdue; and
- Have provided the utility with evidence of “financial hardship” through the customer’s or the household’s current enrollment in the Low Income Home Energy Assistance Program, the Electric Assistance Program, the Gas Residential Low Income Assistance Program, the Neighbor Helping Neighbor Program, or their successor programs, or any other federal, state or local government program or government funded program of any social service agency which provides financial assistance or subsidy assistance for low income households based upon a written determination of household financial eligibility as outlined in Puc 1202.09.

As further stated in Appendix 7, residential customers with a certified medical emergency must also qualify as financial hardship and meet the eligibility criteria as described above to participate in the New Start program. A medical emergency alone does not qualify. Importantly, New Start is another payment plan option for medically financial hardship coded customers in addition to existing payment plans. The stakeholders continue to support these eligibility requirements.

2. General Requirements

As described in Section 13 of the Settlement, New Start is an arrearage management program that provides payment assistance for qualifying residential customers struggling with past due utility bills up to an annual cap of \$12,000. To that general provision, the stakeholders recommend the following additional specifications:

- Residential customers participating in New Start will enroll in a budget plan that provides forgiveness of their outstanding arrears over a 12-month period. With each on-time monthly payment, 1/12th of the enrolled eligible balance is eliminated up to \$12,000 annually, or a maximum monthly forgiveness at \$1,000.
- There is no limit to the number of times a customer can participate in the program.
- Participants who enroll in New Start with an arrears balance greater than the annual \$12,000 cap will continue on the program past the 12-month period and receive the maximum monthly forgiveness of \$1,000 until the enrolled balance is eliminated, subject to their continued compliance with the program requirements.
- At the completion of the program, New Start customers will automatically enroll into a normal budget plan.

3. New Start Enrollment and Re-enrollment

As the requirements for enrollment or re-enrollment in the program were not specified in the Settlement, the stakeholders recommend the following requirements.

- No down payment is required for eligible New Start customers who newly enroll.
- A new enrollment occurs when the following conditions are met for eligible customers:
 - No previous participation in the program; or
 - The current date is at least 12 months or longer from the date of the customer's successful prior completion of the program; or
 - The current date is at least 12 months or longer from the date the customer was previously removed from the program.

- Re-enrollment (as contrasted with new enrollment) into New Start occurs if the last program removal date is fewer than 12-months from the date at the time the customer requests re-enrollment.
- Re-enrolling customers will be required to make up any missed payments to establish re-enrollment in the program.

Regarding removal from the program, the stakeholders recommend:

- Once enrolled, or re-enrolled, a customer may be removed from New Start after two (2) consecutive months of an unpaid required budget billing amount.
- A customer may also be removed from New Start when the customer has moved from one service address to another since the program budget bill amount is based on the usage at the service address.
- Following removal, a customer may request to re-enroll into New Start if the customer meets the program eligibility requirements including making up any required missed payments.

The stakeholders further recommend that customers in arrears who are not enrolled in the New Start program, or any payment plan or protection, will be subject to disconnection for non-payment. Customers who are disconnected for non-payment must meet the normal regulatory requirements as outlined in Puc 1203.13 to reconnect service. After the reconnection requirements are met, the customer may participate in the New Start program subject to meeting the relevant eligibility requirements.

4. New Start Payment Calculations

As the calculation of bills for customers enrolled in the program was not specified in the Settlement, the stakeholders recommend the following:

The New Start budget bill amount shall be calculated by using the previous 12-months' usage to project future costs. After removal from New Start due to having missed required payments, eligible customers requesting to re-enroll shall be required to make up any missed payments prior to enrollment. Due to the customer being removed from the New Start program, upon making up any missed payments such made up payment are not eligible for forgiveness. Only actively enrolled customers are eligible for forgiveness.

To calculate the amount of missed payment necessary for re-enrollment, Eversource will use a three-year look back. Within the last 3 years, if the customer was removed from New Start once, the required missed payment shall be equal to two (2) budget bill amounts. If the customer was removed from New Start two (2) or more times in the prior 3 years, then all missed budget bill amounts are due prior to re-enrollment in the program. The last calculated budget amount billed to the customer prior to removal for missing payments is the basis for the missed budget bills owed and required for re-enrollment.

5. New Start Forgiveness

As the handling of payments made by customers enrolled in the program was not specified in the Settlement, the stakeholders recommend the following:

- New Start forgiveness shall not exceed \$1,000 monthly.
- The amount forgiven is applied at the time a full budget bill payment is made.
- A partial budget bill payment will not receive forgiveness credit, however, two (2) consecutive months of partial payments that equal a full budget bill payment will receive forgiveness credit. Two (2) consecutive months of partial payments that do not equal a full budget bill payment amount will not receive forgiveness and will make the customer subject to removal from the program.

- Similar to a customer payment made, a social service agency payment or financial assistance payment that equals a budget bill payment amount will receive forgiveness credit.
- For any payment made, if the payment is in excess of a budget bill amount then the amount above the budget bill level will be applied to the actual accumulated budget account balance.

6. Customer Communication

While the Settlement described customer communications generally, it did not specify the nature of the communications to be provided. Accordingly, the stakeholders recommend the following:

Upon enrollment into the New Start program, a Welcome Letter will be mailed to the customer to explain the program and provide the customer with a list of frequently asked questions. While enrolled, the customers' monthly bill statement will show the budget bill amount due each month. The New Start budget payment amounts may increase or decrease during the time the customer is enrolled based upon the recalculation of the previous 12-month usage which projects future costs. If a New Start budget changes as a result of this recalculation, the customer will be notified via the monthly bill statement one month prior to the change. All customers can sign up to receive bill alerts via email or text message.

7. Stakeholder Group Monitoring and Oversight

As described in the Settlement, in addition to developing a comprehensive New Start program design, the purpose of the stakeholder group is to monitor the program, review customer communications, and address communication and training for social service agencies. Further, the Settlement provides that the stakeholder group may meet periodically as it deems necessary

and proper to review the program and make recommendations on further refinements while maintaining the core program design. Following this guidance, the Company plans to continue meeting regularly with the stakeholder group after the program recommendation is submitted to the Commission and a design approval has been ordered.

8. New Start Reporting

Appendix 1 to this filing provides a detailed outline of New Start reporting metrics as approved and described in Appendix 7 to the Settlement. Consistent with the recommendations of the stakeholder group, the order of metrics has been revised from what was included in Appendix 7. Appendix 1 to this filing reflects the revised order.

The Settlement specified that the stakeholder group would develop a plan and format for quarterly reporting. Based upon that, the stakeholders recommend that quarterly New Start reporting by month begin in the quarter following implementation of the New Start program. The quarterly reports will be sent to the Commission and the stakeholder group on the last day of the month following the end of each quarter. A full listing of planned reporting dates in 2022 are as follows:

- Quarter 1 reported on April 30
- Quarter 2 reported on July 31
- Quarter 3 reported on October 31
- Quarter 4 reported on January 31

Appendix 2 to this filing provides the sample Excel format of reporting metrics by month as agreed to by the stakeholders.

9. Stakeholder Group Participants

The parties listed below have been identified as interested stakeholders, taking part in regular meetings when available.

Entity	Attendees
Eversource	Customer Group: Theresa Washington, Margarita Campbell, Chris Plecs Regulatory: Kerry Britland, Kristen Gasparonis, Sandra Morin
Commission Staff* <i>Not voting</i>	Amanda Noonan, Rorie Patterson, Gary Cronin
New Hampshire Legal Assistance	Steven Tower, Ray Burke
Community Action Partner, Strafford	Betsey Andrews Parker, Sharon Tarleton, Heidi Clough, Cheryl Robicheau
NH Local Welfare Administrators Association	Todd Marsh, Pat Murphy, Karen Emis-Williams, Denise Syrek
Listen Community Services	Angela Zhang
Catholic Charities	Marc Cousineau
Belknap/Merrimack Community Action Agency	Kristen LaPanne

Meeting Dates

The stakeholder group members have met weekly since March 4, 2021 on the below dates:

- Thursday, March 4, 2021
- Friday, March 12, 2021
- Friday, March 19, 2021
- Friday, March 26, 2021
- Friday, April 2, 2021
- Thursday April 8, 2021

CONCLUSION

The stakeholders have worked diligently to agree upon the program design for the implementation of the New Start program. In the assessment of the stakeholders, the above elements, in combination with the requirements of Section 13 and Appendix 7 of the Settlement, set out a reasonable, appropriate and worthwhile means of implementing the New Start program for New Hampshire customers. Eversource requests that to the degree necessary, the Commission accept and approve this report and recommendation as representing a reasonable program design, which will allow Eversource to complete the relevant programming changes necessary to implement the New Start program in early 2022 as contemplated in the Settlement.

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New Start - Arrears Management Program

New Start Reporting

Once established, Eversource will provide regular reporting on the activities of the New Start program. Eversource will base its reports on the below described metrics:

- i. Number of customer accounts verified financial hardship.
 - The total number of customers who are verified financial hardship as of the end of a month.
- ii. Number of customers enrolled in the program.
 - The total number of customers enrolled in the New Start program as of the end of a month.
- iii. Number of customers who successfully completed the program.
 - The number of customers who have completed the program during the month.
- iv. The number of accounts that are either one or two payments behind on the New Start Program.
- v. The dollars of New Start budget arrears of customers that are either one or two payments behind on the program.
- vi. The average arrears of accounts with arrears (other than their New Start arrears) by month.
 - The average New Start budget arrears for customers that are one or two payments behind on the program (v divided by iv).
- vii. Number of customers dropped from the program.
 - The number of customers removed from the program for missed payments and all other reasons during the month.
- viii. Number of customers who re-enroll in the program after being dropped and length of time before re-enrollment.

- The number of customers who have re-enrolled on New Start and the average number of months since being dropped from the program.
- ix. Number of customers who newly enroll in the program after successful completion and length of time before new enrollment.
 - The number of customers who have enrolled in New Start after successfully completing the program within the last 3 years, and the average length of time between completion and new enrollment.
- x. Number of customers who remain on a budget plan after automatic enrollment upon completion and for how long.
 - The number of customers who remain on the budget for each of the following periods of time: 1-3 Months, 3-6 Months, 6-9 Months, 9-12 Months, 12-18 Months, 18-36 Months.
- xi. Total dollar amount of arrearages forgiven.
 - The total amount of dollars forgiven by month.
- xii. Average dollar amount per participating customer of arrearages forgiven.
 - The average dollar amount of arrears forgiven for customers who received forgiveness during a month.
- xiii. Comparison of disconnections for financial hardship customers before and after program start.
 - The number of 2019 financial hardship residential customers disconnected and eligible for disconnection by month, and the number of financial hardship residential customers disconnected and eligible for disconnection after the program starts.
- xiv. Comparison of lead-lag before and after program start.
 - The comparison of the number of days revenue outstanding for hardship customers not on New Start compared to those that are on New Start.
- xv. Comparison of bills behind for hardship customers before and after program start.

- The average amount of delinquency in dollars and days aged in 2019 compared to months after the program starts.
- xvi. Quantification of impact of program on field visits and customer service.
- The number of field visits per month, and customer satisfaction metrics.
 - Customer satisfaction metrics are reported annually
- xvii. Quantification of impact of program on reconnections.
- The number of credit reconnects and subsequent enrollment or re-enrollment on the New Start program.
- xviii. Quantification of impact of program on uncollectible.
- The 12-month rolling Net Write-Off as a Percent of Revenue lagged 6 months. This indicates the percentage of revenue is written off less any recoveries.
- xix. The dollars of bills for current service by month.
- The total budget amount billed to New Start customers during a month.
- xx. The dollars of actual receipts from customers by month.
- The total amount of payments made by New Start customers during a month.
- xxi. The number of accounts receiving a bill by month.
- The number of accounts on the New Start program that were sent a bill during a month.
- xxii. The number of accounts making a payment by month.
- The number of accounts on the New Start program that made any amount of payment during a month.
- xxiii. The number of accounts with a \$0 balance by month.
- The number of accounts that are current on the New Start program, where the owed balance is less than or equal to the current bill.

APPENDIX 2

DE 19-057 Example New Start Reporting

Company

Eversource

Date:

04/06/2021

		2021												
#	New Hampshire New Start Metrics	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
i.	Number of customer accounts verified financial hardship.													
	Total	18,962	19,124											
ii.	Number of customers enrolled in the program.													
	Total	984	1,021											
iii.	Number of customers who successfully completed the program.													
	Total	10	8											
iv.	The number of accounts that are either one or two payments behind on the New Start Program.													
	Total	204	199											
v.	The dollars of New Start budget arrears of customers that are either one or two payments behind on the program.													
	Total	\$4,361	\$4,399											
vi.	The average arrears of accounts with arrears (other than their New Start arrears).													
	Average	\$21	\$22											
vii.	Number of customers dropped from the program.													
	Total	84	79											
viii.	Number of customers who re-enroll in the program after being dropped and length of time before re-enrollment.													
	Average Number of Months	4.8	5.2											
	Total	28	19											
ix.	Number of customers who newly enroll in the program after successful completion and length of time before new enrollment.													
	Average Number of Months	4.9	5.2											
	Total	13	16											
x.	Number of customers who remain on a budget plan after automatic enrollment upon completion and for how long.													
	1-3 Months	202	207											
	3-6 Months	190	195											
	6-9 Months	150	140											
	9-12 Months	120	119											
	12-18 Months	100	94											
	18-36 Months	64	70											
	Total	826	825											
xi.	Total dollar amount of arrearages forgiven.													
	Total	\$207,354	\$209,425											
xii.	Average dollar amount per participating customer of arrearages forgiven.													
	Average	\$109	\$117											
xiii.	Comparison of disconnections for financial hardship customers before and after program start.													
	2019 financial hardship disconnected	0	0											
	2019 financial hardship eligible for disconnection	0	0											
	2019 percent of eligible disconnected	#DIV/0!	#DIV/0!											
	Number of financial hardship disconnected	0	0											
	Number of financial hardship eligible for disconnection	0	0											
	Percent of eligible disconnected	#DIV/0!	#DIV/0!											

APPENDIX 2

#	New Hampshire New Start Metrics	2021												YTD	
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
	Percent Difference from 2019	#DIV/0!	#DIV/0!												
xiv.	Comparison of lead-lag before and after program start. Number of days of revenue outstanding.														
	New Start	27	28												
	Not on New Start	32	33												
	Percent difference between New Start and Non-New Start	15.6%	15.2%												
xv.	Comparison of bills behind for hardship customers before and after program start.														
	2019 Delinquency	1.2	1.4												
	Current Delinquency	1.0	1.1												
	Percent Difference	-20%	-27.3%												
xvi.	Quantification of impact of program on field visits and customer service. Number of field visits.														
	Number of Field Visits	123	215												
	Overall Satisfaction (Report Annually)	0	0												
	Total	123	215												
xvii.	Quantification of impact of program on reconnections. Number of credit reconnects														
	Enrollment on New Start	0	0												
	Re-Enrollment on New Start	0	0												
	Not enrolled on New Start	0	0												
	Total	0	0												
xviii.	Quantification of impact of program on uncollectible. 12-month rolling Net Write-Off as a Percent of Revenue lagged 6 months.														
	Percentage	0.62%	0.64%												
xix.	The dollars of bills for current service.														
	Total	\$1,536,565	\$1,559,098												
xx.	The dollars of actual receipts from customers.														
	Total	\$1,290,715	\$1,309,642												
xxi.	The number of accounts receiving a bill.														
	Total	974	1,001												
xxii.	The number of accounts making a payment.														
	Total	940	951												
xxiii.	The number of accounts with a \$0 balance.														
	Total	#REF!	#REF!												

Sample Figures Only