

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 19-057
REQUEST FOR PERMANENT RATES

DIRECT TESTIMONY OF

Theresa Washington

New Start Program

On behalf of Public Service Company of New Hampshire
d/b/a Eversource Energy

December 15, 2021

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STATE OF NEW HAMPSHIRE
BEFORE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION
DIRECT TESTIMONY OF THERESA WASHINGTON

PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
d/b/a EVERSOURCE ENERGY
REQUEST FOR PERMANENT RATES

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1 **I. INTRODUCTION**

2 **Q. Please state your full name, position and business address.**

3 A. My name is Theresa Washington. I am employed by Eversource Energy Service Company
4 as Manager, Credit Hardship Programs and Protections. My business address is 1985 Blue
5 Hills Ave. Ext., Windsor, CT 06095. In my role I oversee the various customer low-income
6 programs and protections and for the operating companies of Eversource Energy including
7 Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource” or the
8 “Company”).

9 **Q. Have you previously testified before the New Hampshire Public Utilities Commission**
10 **(“Commission”)?**

11 A. No.

1 **Q. Please summarize your educational background.**

2 A. I hold a Bachelor of Science degree in Business Management from the University of
3 Phoenix.

4 **Q. Please summarize your professional experience.**

5 A. I have over 20 years' experience working in customer contact centers. For the past 14
6 years I have worked for Eversource in various positions, from a Team Lead of Credit and
7 Collections to a Senior Customer Service Consultant, helping to oversee low-income
8 program enrollment, program policies and procedures. In 2020, I was promoted to the
9 Manager of Credit's Hardship Programs and Protections.

10 **Q. Ms. Washington, what is the purpose of your testimony?**

11 A. The purpose of my testimony is to describe the Company's efforts to date to implement the
12 New Start arrears management program in New Hampshire as authorized by the October
13 9, 2020 Settlement Agreement (the "Settlement Agreement") approved by the Commission
14 in Order No. 26,433 (December 15, 2020) in this docket. The Settlement Agreement
15 specified certain requirements for the program and the associated cost recovery. The
16 Settlement Agreement specifies in Section 13.3 that Eversource is permitted to implement
17 recovery of \$1,077,356 in base distribution rates annually as of February 1, 2022 to fund a
18 reserve account for the program. My testimony will describe the implementation of the
19 program and the costs to date. The testimony of Company witnesses Erica Menard and
20 Jennifer Ullram addresses the cost recovery and bill impacts.

1 **Q. Are you presenting any attachments in addition to your testimony?**

2 A. Yes, I am presenting the following attachment in support of this testimony:

Exhibit Designation	Purpose/Description
Attachment TW-1	Report and Recommendation of New Start Program Design

3 **Q. How is your testimony organized?**

4 A. Following this introductory section, Section II of my testimony provides background on
5 the New Start program, including the Company's initial proposal and implementation
6 experience to date.

7 **II. BACKGROUND AND IMPLEMENTATION OF THE NEW START PROGRAM**

8 **Q. What is the purpose of the New Start program?**

9 A. New Start is an arrearage forgiveness program that provides payment assistance for
10 qualifying residential customers struggling with past due utility bills. Eversource's
11 affiliates offer the New Start program to customers in Massachusetts and Connecticut
12 already, with positive results. The concept of New Start is simple - for every on-time
13 monthly payment an enrolled customer makes to the Company, a portion of their past due
14 balance will be forgiven.

15 The customer benefits from the New Start program in three ways: (1) it enables the
16 customer to develop consistent bill payment habits; (2) it protects the customer from
17 service disconnection while participating in the program; and (3) it enables the customer
18 to get a fresh start as the arrears are forgiven with each payment made.

1 The ultimate goal of New Start is to enable the customer to successfully manage and pay
2 for their energy usage, and thereby break the cycle of building arrears, being disconnected
3 and carrying debt. Participating customers can also improve their overall credit rating and
4 better manage other bills. For the utility, the costs associated with collection activities on
5 these accounts are diminished as field visits and disconnections/reconnections are avoided.

6 **Q. As initially proposed, how would a customer be eligible for the New Start program?**

7 A. Under Eversource's initial proposal, the customer needed to be an active customer with an
8 account balance that was greater than \$300 and at least 60 days overdue. The Company
9 also proposed making the program available to customers with household income that
10 meets the eligibility criteria for New Hampshire's Low Income Home Energy Assistance
11 Program (LIHEAP) assistance (established at 60% of the State Median Income (SMI)).
12 This income verification would be conducted by a third party such as a local community
13 action agency.

14 **Q. Did the Company's initial proposal include a description of how the program would**
15 **work?**

16 A. Yes. Under the initial proposal, the Company would review a customer's account history
17 and set a monthly payment based on the average of the customer's regular monthly bill
18 over the prior 12 months. This monthly payment amount replaces the customer's regular
19 monthly bill and participants are obligated to pay the monthly amount on-time each month
20 over the 12-month term of the program. When the monthly New Start payment is made,
21 one-twelfth of the customer's past due balance is eliminated or forgiven. The amount

1 forgiven each month is calculated by taking the total account balance at the time of
2 enrollment and dividing it by 12. If the customer continues to make their New Start
3 payments, their utility service will not be disconnected for non-payment of the arrearage.

4 A customer would be removed from the program after missing two consecutive monthly
5 New Start payments. Participants removed from the program once would be required to
6 make up two missed monthly New Start payments to re-enroll in the program. Customers
7 removed from the program a second time would be required to make up all missed monthly
8 New Start payments to be re-enrolled in the New Start program. The Company also
9 proposed a 12 month “stay out” period for customers that complete the New Start program.
10 In other words, if a customer completes the program in December of 2021, the customer
11 will not be able to participate in the program again until 13 months later, or January of
12 2023.

13 **Q. What were the Company’s expectations on customer participation?**

14 A. Based on a comparison to the Western Massachusetts service territory of Eversource’s
15 Massachusetts affiliate, the Company anticipated that approximately 3,000 customers
16 could be expected to participate in the program. Also based on information from its
17 affiliates, Eversource anticipated that approximately 20 percent of enrolled customers
18 would complete the program.

1 **Q. Did the Company make changes to its proposal based on input from the parties**
2 **during the rate case?**

3 A. Yes. Over the course of the rate case, parties commented on the Company's proposal and
4 suggested various changes. Among the issues raised were suggested changes to the
5 eligibility criteria, alterations to the requirements to reenroll in the program, and proposals
6 for reporting on the success of the program over time.

7 **Q. Please describe the structure of the New Start program as authorized in the**
8 **Settlement Agreement?**

9 A. As described in Section 13 and in Appendix 7 of the Settlement Agreement, the final
10 program design was substantially the same as the Company had proposed, which was in
11 line with similar programs of the Company's affiliates in Connecticut and Massachusetts.
12 However, certain changes were included in the Settlement Agreement as follows: (1) the
13 program will be available to any customer whose account is coded "financial hardship"
14 consistent with the Commission's Puc 1200 rules, and whose account has a balance of \$150
15 or more that is at least 60 days past due; (2) there is an annual cap of \$12,000 that can be
16 forgiven; and (3) while the Settlement provided high level descriptions of the parameters
17 of the program, it also specified that the Company would convene a stakeholder group to
18 develop a more refined set of criteria for program implementation. Finally, Appendix 7 of
19 the Settlement Agreement set out the various criteria that Eversource would employ for
20 reporting on the program.

21 **Q. Were there any adjustments that came from the stakeholder group process?**

22 A. Yes. There were some minor adjustments to the general parameters of the Settlement

1 Agreement. Eversource convened a group of interested stakeholders who worked
2 collectively to develop agreed upon requirements for the implementation of the New Start
3 program in New Hampshire. On April 15, 2021, Eversource filed a report and
4 recommendation from that group in this docket describing the program, provided in
5 Attachment TW-1. In that report, the stakeholders provided recommendations regarding
6 how customers with balances greater than the \$12,000 annual cap can participate in the
7 program; how missed New Start payments will be handled; how customers become eligible
8 to re-enroll in the program; and how New Start bills would be calculated. Additionally,
9 the report and recommendations set out the timing and nature of customer communications
10 for the program. The report also described the nature of continuing oversight by the
11 stakeholder group on various aspects of the program. On June 1, 2021, by Secretarial
12 Letter, the Commission approved and adopted the report and recommendations to allow
13 Eversource to begin implementing the program to “go live” in early 2022, as contemplated
14 in the Settlement Agreement.

15 **Q. Please describe the implementation to date.**

16 A. To date, Eversource has been working with its Information Technology department to
17 outline and develop the requirements as designed and approved by the Commission to
18 implement necessary changes to the Company’s billing systems and processes.

19 **Q. How are the costs of this program addressed in the Settlement Agreement?**

20 A. As described in Section 13.2 of the Settlement Agreement, the Company’s base rates
21 include \$340,000 of program startup costs to support the work described above. Also,

1 Section 13.3 allows the Company to recover \$1,077,356 in base rates as of February 1,
2 2022 to fund a reserve account in support of the program. The Company is requesting that
3 the Commission include the \$1,077,356 in base rates as described in the testimony of Ms.
4 Menard and Ms. Ullram, to assure that there is adequate funding for the program as it is
5 implemented in early 2022.

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

7 A. Yes, it does.