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December 4, 2020

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

RE: Docket No. IR 20-089  
Investigation into Effects of the COVID-19 Emergency  
on Utilities and Utility Customers

Response of Eversource to Staff Recommendation

Dear Director Howland:

On June 4, 2020, the Commission opened the above-captioned proceeding “to consider necessary and appropriate changes to existing policies and practices regarding utility operations, collections, revenues, finances, accounting, customer assistance measures, and ratemaking impacts, in light of the” COVID-19 pandemic. June 4, 2020 Order of Notice at 2. Relevant to this submission, on August 18, 2020, the Commission Staff filed a recommendation that proposed that the Commission issue an order that would allow utilities “to create a regulatory asset for incremental bad debt and waived fees related to the COVID-19 pandemic.” August 18, 2020 Staff Recommendation at 1. Further the Staff’s recommendation stated:

Given the Governor’s and Commission’s orders prohibiting utility disconnections, it is appropriate and reasonable to authorize the Utilities to use regulatory accounting for impacts associated with the prohibition on utility disconnections, waiver or exclusion of certain utility fees (i.e., late fees, convenience fees, deposits, and reconnection fees), and the use of expanded payment arrangements to aid customers, and resulting impacts on uncollectible, or bad debt, expenses.

*Id.* at 5. The Commission has not yet issued an order relating to this recommendation.

On November 13, 2020, the Staff filed a revised recommendation. In the revised recommendation, the Staff’s position relative to incremental bad debt remained the same, but its position relative to waived late payment fees had reversed. According to this revised recommendation “Staff’s analysis on late payment charges shows that, on average, late payment charges represented 0.38 percent of utility annual revenue in 2018 and 2019.” November 13, 2020 Staff Recommendation at 3. Further, the Staff acknowledged an agreement that had been reached between the utilities and numerous other parties that specified when and how late payment charges and other fees would be reinstated. In its revised recommendation, the Staff concluded that “the revenue impact of deferring late payment charges is expected to be relatively

small.” *Id.* at 3. On November 24, 2020, the Commission issued a secretarial letter setting December 4, 2020 as the deadline for responses to the Staff’s revised recommendation.

Public Service Company of New Hampshire d/b/a Eversource Energy (“Eversource”) files this response to note its disagreement with the Staff’s revised recommendation. In Eversource’s assessment the amounts attributable to waived late payment fees are greater than determined by the Staff and are not immaterial. Accordingly, Eversource requests that any order on the establishment of a regulatory asset include waived fees.

As noted, the Staff’s revised recommendation states that, on average, late payment charges represented 0.38 percent of utility annual revenue in 2018 and 2019. As a first matter, Eversource does not agree that comparisons to prior years are apt in this instance. As specified in a footnote in the Staff’s data, the Commission had suspended Eversource’s collection of late payment charges for portions of 2018 and 2019. Thus, the level of revenue in those years is not representative of normal activity. Looking to the prior years of information provided by the Staff, the late payment charge revenue was essentially double the level identified by the Staff. In Eversource’s view this is a more relevant representation of the amount of revenue affected and is materially different from what the Staff has stated.

Additionally, as Eversource noted in its most recent required monthly filing (Section 11(c)), through the end of October Eversource has not collected approximately \$2.6 million in fee revenue – nearly \$325,000 per month – due to the COVID-19 pandemic. In that under the agreement between the utilities and other parties late payment charges will not be resumed until March 31, 2021 at the earliest, that shortfall is expected to grow substantially. Eversource submits that a shortfall of approximately \$2.6 million, and which is growing by hundreds of thousands of dollars per month, is not “relatively small” and that it should not be excluded from regulatory asset treatment.

If you have any questions, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,



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