

STATE OF NEW HAMPSHIRE  
DEPARTMENT OF ENERGY

DOCKET NO. DE 21-030

IN THE MATTER OF:       UNITIL ENERGY SYSTEMS, INC.  
REQUEST FOR PERMANENT RATES

DIRECT TESTIMONY

OF

AMANDA NOONAN

DIRECTOR OF CONSUMER SERVICES  
NEW HAMPSHIRE DEPARTMENT OF ENERGY

NOVEMBER 23, 2021

1 **INTRODUCTION**

2 **Q. Please state your full name?**

3 A. Amanda Noonan

4 **Q. By whom are you employed and what is your business address?**

5 A. I am employed as the Director of Consumer Services by the New Hampshire Department of  
6 Energy (DOE). My business address is 21 South Fruit Street, Suite 10, Concord, NH 03301.

7 **Q. Please summarize your education and professional work experience.**

8 A. Prior to July 1, 2021, I was employed by the New Hampshire Public Utilities Commission  
9 (Commission). I joined the Commission in January 1992 and held a number of positions,  
10 working in the Engineering Division, the Electric Utility Restructuring Division, the  
11 Consumer Affairs Division, and the Consumer Services and External Affairs Division. I  
12 was Director of Consumer Services and External Affairs from December 2015 through June  
13 2021. Prior to that, I was Director of the Consumers Affairs Division for 18 years. From  
14 1997 through June 2021, I was an active member of the NARUC Staff Subcommittee on  
15 Consumer and Public Interest and the NECPUC Staff Committee on Consumer Affairs.  
16 Prior to joining the Commission, I was employed by Bank East Corporation for six years  
17 where I was responsible for the design and development of corporate training programs  
18 relating to management and customer service as well as bank operations. I have a B.S. in  
19 Business Administration from the University of New Hampshire Whittemore School of  
20 Business and Economics.

21

1 **Q. What is the purpose of your testimony in this proceeding?**

2 A. The purpose of my testimony is to address Until's proposal to develop and implement an  
3 arrearage management program as well as the Company's proposal to recover 2020 and  
4 2021 waived late payment charges.

5 **Q. Please summarize your conclusions.**

6 A. I generally support adoption of Until's arrearage management proposal with the addition of  
7 certain eligibility criteria, program parameters and reporting requirements as detailed in my  
8 testimony. I generally support Until's proposal for recovering waived late payment charges  
9 for 2020 but not those waived in 2021.

10 **ARREARS MANAGEMENT PROGRAM**

11 **Q. What is your view of the Company's proposed arrearage management program?**

12 A. I support adoption in New Hampshire of Until's proposed arrearage management program  
13 (AMP), which forgives a portion of a customer's past due balance for every on-time  
14 monthly payment an enrolled customer makes to the Company, with some modifications  
15 and enhancements as described later. In addition to the customer benefits noted by the  
16 Company – the prevention of service disconnection and the opportunity to have past due  
17 balances forgiven, resulting in manageable bills that in turn should lead to improved bill  
18 payment habits – the program also provides the opportunity for a variety of other benefits.  
19 These include the enhancement of communications between customers, social service  
20 agencies and the utility and other non-utility benefits that are difficult to measure, such as  
21 the impact on customers' safety, health, and nutrition. The program should also reduce the  
22 utility's costs for collections, field visits, disconnections, reconnections, lead lag, carrying  
23 costs and uncollectibles. In order to ensure a program that meets customer needs in New

1 Hampshire, I am recommending a number of modifications to the eligibility criteria and  
2 program parameters. In order to effectively track the multiple impacts of the program, I am  
3 also recommending the development of program metrics and reporting requirements that  
4 will capture the effect of the program on customers and the Company's costs, including  
5 costs associated with disconnections, reconnections, lead lag and uncollectibles.

6 **Q. What changes to the eligibility criteria and program parameters are you**  
7 **recommending?**

8 A. I recommend a few modifications to the eligibility criteria and program parameters to more  
9 effectively align Unitil's proposed AMP with the needs of New Hampshire customers and  
10 provide consistency, where appropriate, in the customer experience. These include:

- 11 i) Customers with past due balances greater than \$150 and greater than sixty days past  
12 due should be eligible for the program;
- 13 ii) Customers who successfully complete the program, and who still have a remaining  
14 past due balance, may re-enroll immediately and will not be subject to the 12-month  
15 waiting period before a new enrollment; and
- 16 iii) Following successful completion of the program, customers will be automatically  
17 enrolled in a budget payment plan.

18 I support Unitil's proposal to cap arrearage forgiveness at \$4,800 annually per customer.

19 **Q. What is your basis for lowering the past due balance requirement from \$300 and**  
20 **greater than sixty days to \$150 and greater than sixty days?**

21 A. Service to a residential customer may not be disconnected if the customer's arrearage is less  
22 than sixty days past due and less than \$100. *See* NH Code of Administrative Rules, Puc  
23 1203.11 (h) (1). Unitil has identified 279 residential accounts, currently coded as financial

1 hardship, with balances over sixty days and owing more than \$100 and thus in jeopardy of  
2 service disconnection. *See* Unitil's Response to TS 1-12, attached to this testimony as  
3 Attachment AN-1. It is important to recognize that, without the benefit of an AMP as  
4 proposed by Unitil, those customers are likely to find themselves in a worsening situation  
5 relative to the balance owed on their utility bills and would benefit from an earlier  
6 opportunity to participate in the AMP. To address that and to provide a consistent customer  
7 experience across New Hampshire's regulated electric utilities, I recommend lowering the  
8 past due balance requirement from \$300 and greater than sixty days to \$150 and greater than  
9 sixty days.

10 **Q. What is the reason for allowing customers with a remaining unpaid balance after**  
11 **completion of the program to re-enroll rather than be subject to a 12-month waiting**  
12 **period prior to re-enrollment?**

13 A. Customers who come into the program with an unpaid balance greater than the \$4,800 annual  
14 forgiveness cap face a significant challenge in repaying those balances. To the extent such  
15 customers successfully participate in the program, paying their current bill on time and in full  
16 for 12 months, I recommend that these customers be granted the opportunity to re-enroll  
17 immediately rather than being subject to a one-year waiting period. Requiring a one-year  
18 wait prior to re-enrollment potentially imposes unnecessary financial hardship on customers  
19 and may result in missed payments, outcomes contrary to the underlying AMP principle that  
20 manageable bills lead to improved bill payment habits.

21 **Q. Do the changes to the eligibility criteria and program parameters, when considered**  
22 **with the Company's proposal, encompass all program implementation considerations**  
23 **for Unitil's proposed AMP?**

1 A. No, it is not a comprehensive list. Among other things, consideration will need to be given to  
2 whether, and how, customers who have been disconnected can enroll in the program and how  
3 payments made by a social service agency on behalf of a customer are counted for purposes  
4 of applying the arrearage forgiveness credit.

5 Rather than attempt to identify the various scenarios that may be encountered and the  
6 treatment for each, I recommend the Commission establish a stakeholder group, consisting of  
7 the Company, the DOE, and representatives from other interested parties, to provide ongoing  
8 feedback to the Company on the program.

9 **Q. What program metrics should be included to monitor the effectiveness of the program**  
10 **and the impact on the Company's costs?**

11 A. The Company should develop a plan for providing regular reporting to the DOE on the  
12 activities of the AMP. The plan should provide for the collection and reporting of the data  
13 outlined below prior to the start of the program in order to provide a baseline for comparison  
14 in subsequent years. Unless otherwise specified, data for 2021 shall be used to develop the  
15 baseline. The plan should address how the Company will measure and report on program  
16 performance each year and, to ensure consistency in monitoring programs across utilities,  
17 include, at a minimum, the following:

18 i. Number of customer accounts verified financial hardship.

- 19 • The total number of customers who are verified financial hardship as  
20 of the end of a month.

21 ii. Number of customers enrolled in the program.

- 22 • The total number of customers enrolled in the AMP as of the end of a  
23 month.

- 1       iii.   Number of customers who successfully completed the program.
- 2               •   The number of customers who have completed the program during the month.
- 3       iv.   Number of customers dropped from the program.
- 4               •   The number of customers removed from the program for missed
- 5               payments and all other reasons during the month.
- 6       v.   Number of customers who re-enroll in the program after being dropped and
- 7       length of time before re-enrollment.
- 8               •   The number of customers who have re-enrolled on AMP and the
- 9               average number of months since being dropped from the program.
- 10       vi.   Number of customers who newly enroll in the program after successful
- 11       completion and length of time before new enrollment.
- 12               •   The number of customers who have enrolled in AMP after
- 13               successfully completing the program within the last 3 years, and the
- 14               average length of time between completion and new enrollment.
- 15       vii.   Number of customers who remain on a budget plan after automatic
- 16       enrollment upon completion and for how long.
- 17               •   The number of customers who remain on the budget for each of the
- 18               following periods of time: 1-3 Months, 3-6 Months, 6-9 Months, 9-12
- 19               Months, 12-18 Months, 18-36 Months.
- 20       viii.   Total dollar amount of arrearages forgiven.
- 21               •   The total amount of dollars forgiven by month.

- 1 ix. Average dollar amount per participating customer of arrearages forgiven.
- 2 • The average dollar amount of arrears forgiven for customers who
- 3 received forgiveness during a month.
- 4 x. Comparison of disconnections for financial hardship customers before and
- 5 after program start.
- 6 • The number of 2021 financial hardship residential customers
- 7 disconnected and eligible for disconnection by month, and the number
- 8 of financial hardship residential customers disconnected and eligible
- 9 for disconnection after the program starts.
- 10 xi. Comparison of lead-lag before and after program start.
- 11 • The comparison of the number of days revenue outstanding for
- 12 hardship customers not on the AMP compared to those that are on the
- 13 AMP. The calculation for lead-lag before the program start shall be
- 14 based on 2021.
- 15 xii. Comparison of bills behind for hardship customers before and after program start.
- 16 • The average amount of delinquency in dollars and days aged in 2021
- 17 compared to months after the program starts.
- 18 xiii. Quantification of impact of program on field visits and customer service before and
- 19 after program start.
- 20 • The number of field visits per month, and customer satisfaction metrics.
- 21 xiv. Quantification of impact of program on reconnections.
- 22 • The number of credit reconnects and subsequent enrollment or re-
- 23 enrollment on the AMP.

- 1        xv.    Quantification of impact of program on uncollectible.
- 2                •    The 12-month rolling Net Write-Off as a Percent of Revenue lagged
- 3                        6 months. This indicates the percentage of revenue that is written off
- 4                        less any recoveries.
- 5        xvi.    The dollar amounts of bills for current service by month.
- 6                •    The total budget amount billed to the AMP customers during a month.
- 7        xvii.    The dollar amounts of actual receipts from customers by month.
- 8                •    The total amount of payments made by the AMP customers during a month.
- 9        xviii.    The number of accounts receiving a bill by month.
- 10                •    The number of accounts on the AMP sent a bill during a month.
- 11        xix.    The number of accounts making a payment by month.
- 12                •    The number of accounts on the AMP that made any amount of
- 13                        payment during a month.
- 14        xx.    The number of accounts that are either one or two payments behind on the
- 15                        AMP.
- 16        xxi.    The dollars of AMP budget arrears of customers that are either one or two
- 17                        payments behind on the program.
- 18        xxii.    The average arrears of accounts with arrears (other than their AMP arrears) by month.
- 19                •    The average AMP budget arrears for customers that are one or two payments
- 20                        behind on the program, which is calculated by dividing the dollars of AMP
- 21                        budget arrears of customers that are either one or two payments behind on the
- 22                        program by the number of accounts that are either one or two payments behind
- 23                        on the AMP.

1 xxiii. The number of accounts with a \$0 balance by month.

- 2 • The number of accounts that are current on the AMP, where the owed  
3 balance is less than or equal to the current bill.

4 **Q. What is the DOE's position on the Company's proposal (Goulding/Nawazelski**  
5 **Testimony Bates pp. 93-94) to recover costs associated with the AMP through the EDC?**

6 A. As explained in the testimony of Elizabeth Nixon, the DOE does not support inclusion of  
7 the past due balances forgiven in the EDC. Unitil has experience with implementing an  
8 AMP in other jurisdictions and is in the best position to estimate both the costs and savings  
9 associated with the program. As further described in Ms. Nixon's testimony, the estimated  
10 past due balances forgiven should be included in the Company's request for a base rate  
11 adjustment.

12 **RECOVERY OF 2021 WAIVED LATE PAYMENT CHARGES**

13 **Q. What is your view on the Company's proposal to recover late payment charges waived**  
14 **in 2021 through the EDC?**

15 A. To be compliant with Emergency Order 3, which was issued by Governor Sununu on March  
16 17, 2020 and prohibited the assessment of late payment charges on balances accrued during  
17 the State of Emergency declared in Executive Order 2020-04, the utilities collectively  
18 determined that it would be necessary to waive all late payment charges through March 31,  
19 2021. Unitil has made an adjustment for the waived late payment charges during 2020, the  
20 test year for its rate filing. The Company has also proposed a post-test year rate adjustment  
21 for the late payment charges waived in 2021. As is addressed more fully in the testimony of  
22 Elizabeth Nixon, the DOE does not object to the adjustment proposed for 2020 waived late

1 payment charges, but does not support post-test year rate adjustments and recommends the  
2 Company's proposal to recover 2021 waived late payment charges through the EDC.

3 **Q. Does that conclude your testimony?**

4 A. Yes.

Unitil Energy Systems, Inc.  
Docket No. DE 21-030  
DOE Data Requests – Tech Session Set 1

Date Request Received: 09/28/2021  
Request No. Energy TS 1-12

Date of Response: 10/12/2021  
Witness: Carole Beaulieu

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**REQUEST:**

Please quantify the number of customers that would fall into the gap, that is the number of customers that would be disconnected before accumulating an arrears balance of \$300 that is 60 days past due?

**RESPONSE:**

There are 279 customers with a 60+ day arrears balance greater than \$100 but less than \$300 that would receive a warning notice and/or be subject to disconnection proceedings if the balance was not paid in full or another payment plan was not established.