

STATE OF NEW HAMPSHIRE
DEPARTMENT OF ENERGY

DOCKET NO. DG 21-104

IN THE MATTER OF: NORTHERN UTILITIES, INC.
REQUEST FOR PERMANENT RATES

DIRECT TESTIMONY

OF

AMANDA O. NOONAN

DIRECTOR OF CONSUMER SERVICES
NEW HAMPSHIRE DEPARTMENT OF ENERGY

APRIL 1, 2022

1 **INTRODUCTION**

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

3 A. Amanda O. 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 was
12 Director of Consumer Services and External Affairs from December 2015 through June 2021.
13 Prior to that, I was Director of the Consumers Affairs Division for 18 years. From 1997
14 through June 2021, I was an active member of the NARUC Staff Subcommittee on Consumer
15 and Public Interest and the NECPUC Staff Committee on Consumer Affairs. Prior to joining
16 the Commission, I was employed by Bank East Corporation for six years where I was
17 responsible for the design and development of corporate training programs relating to
18 management and customer service as well as bank operations. I have a B.S. in Business
19 Administration from the University of New Hampshire, Whittemore School of Business and
20 Economics.

21

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

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

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

6 A. I support adoption of Northern Utilities' 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 Northern Utilities' proposal for recovering waived late payment
9 charges 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 Northern Utilities' proposed arrearage management
13 program (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 and
15 enhancements as described later. In addition to the customer benefits noted by the Company
16 – the prevention of service disconnection and the opportunity to have past due balances
17 forgiven, resulting in manageable bills that in turn should lead to improved bill payment habits
18 – the program also provides the opportunity for a variety of other benefits. These include the
19 enhancement of communications between customers, social service agencies, and the utility
20 and other non-utility benefits that are difficult to measure, such as the impact on customers'
21 safety, health, and nutrition. The program should also reduce the utility's costs for collections,
22 field visits, disconnections, reconnections, lead lag, carrying costs, and uncollectibles. In
23 order to help ensure a program that meets customer needs in New Hampshire, I am

1 recommending modifications to the eligibility criteria and program parameters. In order to
2 effectively track the multiple impacts of the program, I am also recommending the
3 development of program metrics and reporting requirements that will capture the effect of the
4 program on customers and the Company's costs, including costs associated with
5 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 Northern Utilities' proposed AMP with the needs of New Hampshire
10 customers and provide consistency, where appropriate, in the customer experience. These
11 changes also align Northern Utilities' proposed AMP with the proposed AMP of its affiliate,
12 Unitol Energy Systems, as modified by the settlement agreement in DE 21-030. The changes
13 include:

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

21 I support Northern Utilities' proposal to cap arrearage forgiveness at \$4,800 annually per
22 customer.

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

3 A. Service to a residential customer may not be disconnected if the customer's arrearage is less
4 than sixty days past due and less than \$100. *See* NH Code of Administrative Rules, Puc
5 1203.11 (h) (1). It is important to recognize that, without the benefit of an AMP as proposed
6 by Northern Utilities, customers with balances less than \$300 but more than sixty days past
7 due are likely to find themselves in a worsening situation relative to the balance owed on their
8 utility bills and would benefit from an earlier opportunity to participate in the AMP. To address
9 that and to provide a consistent customer experience across New Hampshire's regulated
10 utilities, I recommend lowering the past due balance requirement from \$300 and greater than
11 sixty days to \$150 and greater than sixty days.

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

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

1 **Q. Do the changes to the eligibility criteria and program parameters, when considered**
2 **with the Company's proposal, encompass all program implementation considerations**
3 **for Northern Utilities' proposed AMP?**

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

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

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

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

21 i. Number of customer accounts verified financial hardship.

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

- 1 ii. Number of customers and total number of financial hardship customers enrolled in the
2 program.
- 3 • The total number of customers enrolled in the AMP as of the end of a
4 month and the total number of customers enrolled in the AMP at
5 month end that are financial hardship customers.
- 6 iii. Number of customers who successfully completed the program.
- 7 • The number of customers who have completed the program during the month.
- 8 iv. Number of customers dropped from the program.
- 9 • The number of customers removed from the program for missed
10 payments and all other reasons during the month.
- 11 v. Number of customers who re-enroll in the program after being dropped.
- 12 vi. Number of customers who newly enroll in the program after successful
13 completion.
- 14 vii. Total dollar amount of arrearages forgiven.
- 15 • The total amount of dollars forgiven by month.
- 16 viii. Average dollar amount per participating customer of arrearages forgiven.
- 17 • The average dollar amount of arrears forgiven for customers who
18 received forgiveness during a month.
- 19 ix. Comparison of disconnections for financial hardship customers before and
20 after program start.
- 21 • The number of 2021 financial hardship residential customers
22 disconnected and eligible for disconnection by month, and the number
23 of financial hardship residential customers disconnected and eligible

- 1 for disconnection after the program starts.
- 2 x. Comparison of lead-lag before and after program start.
- 3 • The comparison of the number of days revenue outstanding for
- 4 financial hardship customers compared to residential customers,
- 5 excluding financial hardship. The calculation for lead-lag before the
- 6 program start shall be based on 2021.
- 7 xi. Comparison of bills behind for hardship customers before and after program start.
- 8 • The average amount of delinquency in dollars and days aged in 2021
- 9 compared to months after the program starts.
- 10 xii. Quantification of impact of program on disconnections and customer service before and
- 11 after program start.
- 12 • The number of disconnections per month, and customer satisfaction metrics.
- 13 xiii. Quantification of impact of program on reconnections.
- 14 • The number of credit reconnects.
- 15 xiv. Quantification of impact of program on uncollectible.
- 16 • The 12-month rolling Net Write-Off as a Percent of Revenue lagged
- 17 6 months. This indicates the percentage of revenue that is written off
- 18 less any recoveries.
- 19 xv. The dollar amounts of bills for current service by month.
- 20 • The total budget amount billed to the AMP customers during a month.
- 21 xvi. The dollar amounts of actual receipts from customers by month.
- 22 • The total amount of payments made by the AMP customers during a month.
- 23 xvii. The number of accounts receiving a bill by month.

- 1 • The number of accounts on the AMP sent a bill during a month.
- 2 xviii. The number of accounts making a payment by month.
- 3 • The number of accounts on the AMP that made any amount of
- 4 payment during a month.
- 5 xix. The number of accounts that are either one or two payments behind on the
- 6 AMP.
- 7 xx. The dollars of AMP budget arrears of customers that are either one or two
- 8 payments behind on the program.
- 9 xxi. The average arrears of accounts with arrears (other than their pre-AMP arrears) by
- 10 month.
- 11 • The average AMP budget arrears for customers that are one or two payments
- 12 behind on the program, which is calculated by dividing the dollars of AMP
- 13 budget arrears of customers that are either one or two payments behind on the
- 14 program by the number of accounts that are either one or two payments behind
- 15 on the AMP.
- 16 xxii. The total of the pre-AMP arrears.
- 17 • Arrears to be forgiven.
- 18 xxiii. The number of accounts with a \$0 balance by month.
- 19 • The number of accounts that are current on the AMP, where the owed
- 20 balance is less than or equal to the current bill.

21 **Q. What is the DOE's position on the Company's proposal (Goulding/Nawazelski Testimony**
22 **Bates pp. 77-78) to recover costs associated with the AMP through the RCAM?**

1 DOE supports Northern Utilities' proposal to track the actual cost of the AMP and reconcile
2 the cost annually against the amount proposed for inclusion in base rates. Any variance from
3 the level in rates would be deferred and refunded or recovered as part of the following year's
4 RCAM.

5 **RECOVERY OF WAIVED LATE PAYMENT CHARGES**

6 **Q. What is your view on the Company's proposal to recover late payment charges waived**
7 **due to the COVID-19 pandemic through the RCAM?**

8 A. To be compliant with Emergency Order 3, issued by Governor Sununu on March 17, 2020
9 and prohibiting the assessment of late payment charges on balances accrued during the State
10 of Emergency declared in Executive Order 2020-04, the utilities collectively determined that
11 it would be necessary to waive all late payment charges through March 31, 2021. Northern
12 Utilities has proposed recovery of \$104,863 in late payment charges, the amount included in
13 rates in the Company's last rate case DG 17-070, through the RCAM. The proposed
14 adjustment would compensate Northern for late payment charges waived during the 12-month
15 period ended March 31, 2021.

16 Northern Utilities received \$36,803 in late payment charge revenue in 2020. See
17 Goulding/Nawazelski testimony. The DOE does not object to an adjustment of \$68,060
18 (\$104,863 minus \$36,803) for 2020 waived late payment charges. The DOE recommends no
19 recovery for the 2021 waived late payment charges. Recovery of the 2021 late payment
20 charges would be post-test year adjustment.

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

22 A. Yes.