

BEFORE THE
STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 23-039

IN THE MATTER OF: Liberty Utilities (Granite State Electric) Corp. d/b/a
Liberty
Request for Change in Distribution Rates

DIRECT TESTIMONY

OF

Amanda Noonan

Director, Consumer Services
New Hampshire Department of Energy

December 13, 2023

Table of Contents

I.	INTRODUCTION.....	1
II.	ARREARS MANAGEMENT PROGRAM	2
III.	TRANSACTION FEE FREE PAYMENTS.....	9
IV.	LIBERTY CUSTOMER SERVICE ISSUES	11
V.	TARIFF REVISIONS.....	16
VI.	CONCLUSION.....	16

1 **I. 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 (Department). My business address is 21 South Fruit Street, Suite 10, Concord, NH
7 03301.

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

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

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

2 A. The purpose of my testimony is to address Liberty Utilities' (Granite State Electric) Corp.
3 d/b/a Liberty (Liberty or the Company) proposals to implement an arrearage management
4 program and to offer fee free credit card and debit card payments to customers. I will also
5 discuss the Liberty customer experience as evidenced by the calls received by the
6 Department's Consumer Services Division and supported by the customer satisfaction
7 surveys undertaken by Luth Research on behalf of Liberty. Lastly, I address some proposed
8 modifications to the Liberty tariff.

9 **Q. Please summarize your conclusions.**

10 A. I generally support adoption of Liberty's arrearage management proposal with some
11 recommended modifications to certain eligibility and program parameters and the addition of
12 reporting requirements as detailed in my testimony. I also generally support Liberty's
13 proposal to eliminate fees associated with payment of bills via a credit or debit card or an
14 electronic check, as it provides consumers with payment options that are immediate and
15 trackable. As described later in my testimony, I recommend a modification to the individual
16 transaction cap for commercial customers and further recommend that the transaction fee free
17 program include monitoring and reporting. I identify troubling trends in Liberty's customer
18 satisfaction and recommend the Commission implement customer credits for Liberty's
19 failure to meet the customer satisfaction baseline benchmark established in DG 11-040 as
20 part of the Algonquin acquisition of Granite State Electric and EnergyNorth.

21 **II. ARREARAGE MANAGEMENT PROGRAM**

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

1 A. Arrearage management programs provide vulnerable households with the opportunity to
2 reduce the household's energy insecurity as it relates to essential utility service. The
3 arrearage management program (AMP) proposed by Liberty forgives a portion of a
4 customer's past due balance for every on-time monthly payment an enrolled customer makes
5 to the Company, providing income eligible households with an affordable bill and supporting
6 the household in developing good payment habits. In addition to the benefits to participating
7 customers, such as the prevention of service disconnection, the opportunity to have past due
8 balances forgiven, and affordable bills that in turn should lead to improved bill payment
9 habits, an AMP also provides the opportunity for a variety of other benefits. These include
10 the enhancement of communications between customers, social service agencies, and the
11 utility and other non-utility benefits that are difficult to measure, such as the impact on
12 customers' safety, health, and nutrition. The program should also reduce the utility's costs for
13 collections, field visits, disconnections, reconnections, lead-lag, carrying costs, and
14 uncollectibles.

15
16 In order to ensure the program meets customer needs in New Hampshire, I am
17 recommending modifications to the eligibility criteria and program parameters. To
18 effectively track the multiple impacts of the program, I am also recommending the
19 development of program metrics and reporting requirements that will capture the effect of the
20 program on customers and the Company's costs, including costs associated with
21 disconnections, reconnections, lead-lag, and uncollectibles.

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

1 A. I recommend two modifications to the eligibility criteria and program parameters to more
2 effectively align Liberty's proposed AMP with the needs of New Hampshire customers, to
3 promote energy security, and to improve the customer experience. These include:

- 4 • Customers with past due balances greater than \$150 and greater than sixty days past due
5 should be eligible for the program; and
- 6 • Following successful completion of the program, customers will be automatically
7 enrolled in a Budget Billing Plan.

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

10 A. Service to a residential customer may not be disconnected if the customer's arrearage is less
11 than sixty days outstanding and less than \$100. See Puc 1203.11 (h)(1). Without the benefit
12 of an AMP, customers with balances falling between \$150 and \$300 are likely to find
13 themselves in a worsening situation relative to the balance owed on their utility bills and
14 would benefit from an earlier opportunity to participate in the AMP. Accordingly, I
15 recommend lowering the past due balance requirement from \$300 and greater than sixty days
16 to \$150 and greater than sixty days.

17 **Q. Please explain the recommendation for automatic enrollment in a budget payment plan
18 following successful completion of the AMP.**

19 A. Continuing with a fixed monthly payment for utility service following successful completion
20 of the AMP enables low-income households to better budget for the utility bill, increasing the
21 likelihood that the household will be able to maintain the payment habits it developed during
22 the course of the AMP. In response to a technical session request, Liberty stated it offered
23 two forms of budget payment plans to its customers, a levelized Average Monthly Billing

1 plan where the budget amount is adjusted each month and a Budget Billing Plan where the
2 budget amount is reviewed at months six and nine but otherwise the payment remains fixed
3 for the 12 month budget plan period. See DOE TS 2-57, Attachment AN-1. The levelized
4 Average Monthly Billing with its monthly adjustment to the payment amount makes it
5 difficult for low-income households to budget for the utility payment. The Budget Billing
6 Plan offers a fixed monthly payment amount for 12 months. While a review of the plan is
7 done at month six and month nine, ensuring that the budget payment amount is neither too
8 high nor too low and will not result in a significant over or under collection at the end of the
9 12 month period, the Budget Billing Plan would better meet the needs of low-income
10 households than the levelized Average Monthly Billing plan.

11 **Q. Do the changes to the eligibility criteria and program parameters, when considered**
12 **with the Company's proposal, encompass all program implementation considerations**
13 **for Liberty's proposed AMP?**

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

18
19 Rather than attempt to identify the various scenarios that may be encountered and the
20 treatment for each, I recommend the Commission establish a stakeholder group, consisting of
21 the Company, the DOE, and representatives from other interested parties, to provide ongoing
22 feedback to the Company on the program.

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

3 A. The Company should develop a plan for providing regular reporting to the Department on
4 the activities of the AMP. The plan should provide for the collection and reporting of the
5 data outlined below prior to the start of the program to provide a baseline for comparison in
6 subsequent years. Unless otherwise specified, data for 2023 shall be used to develop the
7 baseline. The plan should address how the Company will measure and report on program
8 performance each year and, to ensure consistency in monitoring programs across utilities,
9 include, at a minimum, the following:

- 10 i. Number of customer accounts verified financial hardship.
- 11 • The total number of customers who are verified financial hardship as
12 of the end of a month.
- 13 ii. Number of customers enrolled in the program.
- 14 • The total number of customers enrolled in the AMP as of the end of a
15 month.
- 16 iii. Number of customers who successfully completed the program.
- 17 • The number of customers who have completed the program during the month.
- 18 iv. Number of customers dropped from the program.
- 19 • The number of customers removed from the program for missed
20 payments and all other reasons during the month.
- 21 v. Number of customers who re-enroll in the program after being dropped and
22 length of time before re-enrollment.
- 23 • The number of customers who have re-enrolled on AMP and the

- 1 average number of months since being dropped from the program.
- 2 vi. Number of customers who remain on a budget billing plan after automatic
3 enrollment upon AMP completion and for how long.
- 4 • The number of customers who remain on the budget plan for each of
5 the following periods of time: 1-3 months, 3-6 months, 6-9 months,
6 9-12 months, 12-18 months, 18-24 months.
- 7 vii. Total dollar amount of arrearages forgiven.
- 8 • The total amount of dollars forgiven by month.
- 9 viii. Average dollar amount per participating customer of arrearages forgiven.
- 10 • The average dollar amount of arrears forgiven for customers who
11 received forgiveness during a month.
- 12 ix. Comparison of disconnections for financial hardship customers before and
13 after program start.
- 14 • The number of 2023 financial hardship residential customers
15 disconnected and eligible for disconnection by month, and the number
16 of financial hardship residential customers disconnected and eligible
17 for disconnection after the program starts.
- 18 x. Comparison of lead-lag before and after program start.
- 19 • The comparison of the number of days revenue outstanding for
20 hardship customers not on the AMP compared to those that are on the
21 AMP. The calculation for lead-lag before the program start shall be
22 based on 2023.
- 23 xi. Comparison of bills behind for hardship customers before and after program start.

- 1 • The average amount of delinquency in dollars and days aged in 2023
2 compared to months after the program starts.
- 3 xii. Quantification of impact of program on field visits and customer service before and
4 after program start.
- 5 • The number of field visits per month, and customer satisfaction metrics.
- 6 xiii. Quantification of impact of program on reconnections.
- 7 • The number of credit reconnects and subsequent enrollment or re-
8 enrollment on the AMP.
- 9 xiv. Quantification of impact of program on uncollectibles.
- 10 • The 12-month rolling Net Write-Off as a Percent of Revenue lagged
11 6 months. This indicates the percentage of revenue that is written off
12 less any recoveries.
- 13 xv. The dollar amounts of bills for current service by month.
- 14 • The total budget amount billed to the AMP customers during a month.
- 15 xvi. The dollar amounts of actual receipts from customers by month.
- 16 • The total amount of payments made by the AMP customers during a month.
- 17 xvii. The number of accounts receiving a bill by month.
- 18 • The number of accounts on the AMP sent a bill during a month.
- 19 xviii. The number of accounts making a payment by month.
- 20 • The number of accounts on the AMP that made any amount of
21 payment during a month.
- 22 xix. The number of accounts with a \$0 balance by month.
- 23 • The number of accounts that are current on the AMP, where the owed

1 balance is less than or equal to the current bill.

2 **III. TRANSACTION FEE FREE PAYMENTS**

3 **Q. Do you generally support adoption of the Company’s “transaction fee free” proposal for**
4 **credit and debit card users and customers paying by electronic check?**

5 A. Yes. The transaction fee free proposal for credit and debit cards and electronic checks
6 provides residential and commercial customers with not only more payment channels, but
7 also more affordable and accessible payment channels. Transaction fees create not only
8 barriers to payment for customers but also customer dissatisfaction. As noted in the
9 testimony of Liberty witness Lauren Preston, there is a trend towards a “cashless system of
10 commerce,” an accurate description of the evolution of how customers pay their bills and
11 conduct business. See Direct Testimony of Lauren A. Preston, lines 9-11, Bates II-599.
12 Traditional methods of payment, such as the mailing of a check or money order to the utility,
13 are not how consumers expect to or want to make their payments. See Federal Reserve
14 Payment Study, Attachment AN-2. Additionally, consumer contacts to the Department’s
15 Consumer Services Division from Liberty customers regarding delayed or lost mailed
16 payments are increasingly common, providing further support for the elimination of barriers
17 to other more timely and immediate payment channels. The transaction fee free proposal
18 supports the payment options consumers are electing to use and has the potential to facilitate
19 timely payments by a greater number of customers, improving the lag between billing and
20 payment.

21 **Q. What modifications would you recommend to the Company’s proposal?**

22 A. Liberty’s proposal limits the number of payment transactions to eight within a 26-day period
23 and caps the individual transaction payment amount at \$600 for residential customers and

1 \$5,000 for commercial customers. Liberty witness Lauren Preston notes in her testimony that
2 as a practical matter, the commercial offering would primarily benefit small- and medium-
3 sized customers with monthly invoices of less than \$40,000. See Direct Testimony of Lauren
4 A. Preston, lines 11 – 12, Bates II-601. Subject to any limitations imposed by Liberty’s
5 payment processor, I recommend Liberty increase the individual payment transaction cap for
6 residential customers to \$1,000 and increase the individual payment transaction cap for
7 commercial customers to an amount equal to the average monthly bill for its medium-sized
8 commercial customers. Liberty’s goal should be to make it easier for its customers to make
9 payments, and the need to make multiple payments with a credit or debit card for payment of
10 a single monthly bill creates an unnecessary barrier to paying for utility service. In addition
11 to those adjustments to the individual payment transaction cap, I recommend reducing the
12 number of fee free payment transactions within a 26-day period to one payment transaction
13 for residential customers and two payment transactions for commercial customers.

14 **Q. Do you have any other recommendations regarding the transaction fee free program?**

15 A. Yes. I would recommend that Liberty be required to report annually to the Commission and
16 the Department on the fee free program. The report should be filed by March 1 of each year
17 and include the following data for the previous calendar year:

- 18 • number of credit/debit card payments broken down by rate class;
- 19 • costs associated with the credit/debit card payments;
- 20 • number of days between issuance of the bills and receipt of payment(s);
- 21 • number of commercial customers making more than one credit/debit card
22 payment within the 26-day period;
- 23 • number of credit/debit cards payments made by financial hardship customers;

- 1 • annual amount of uncollectibles; and
- 2 • such other information as the Commission may deem appropriate to be included.

3 The first such report submitted by Liberty should also include the number of credit/debit card
4 payments during the 12 month period prior to implementing the fee free program and the
5 amount of uncollectibles for the same 12 month period. Doing so will provide the
6 Commission and the Department with baseline information when evaluating the transaction
7 fee free program.

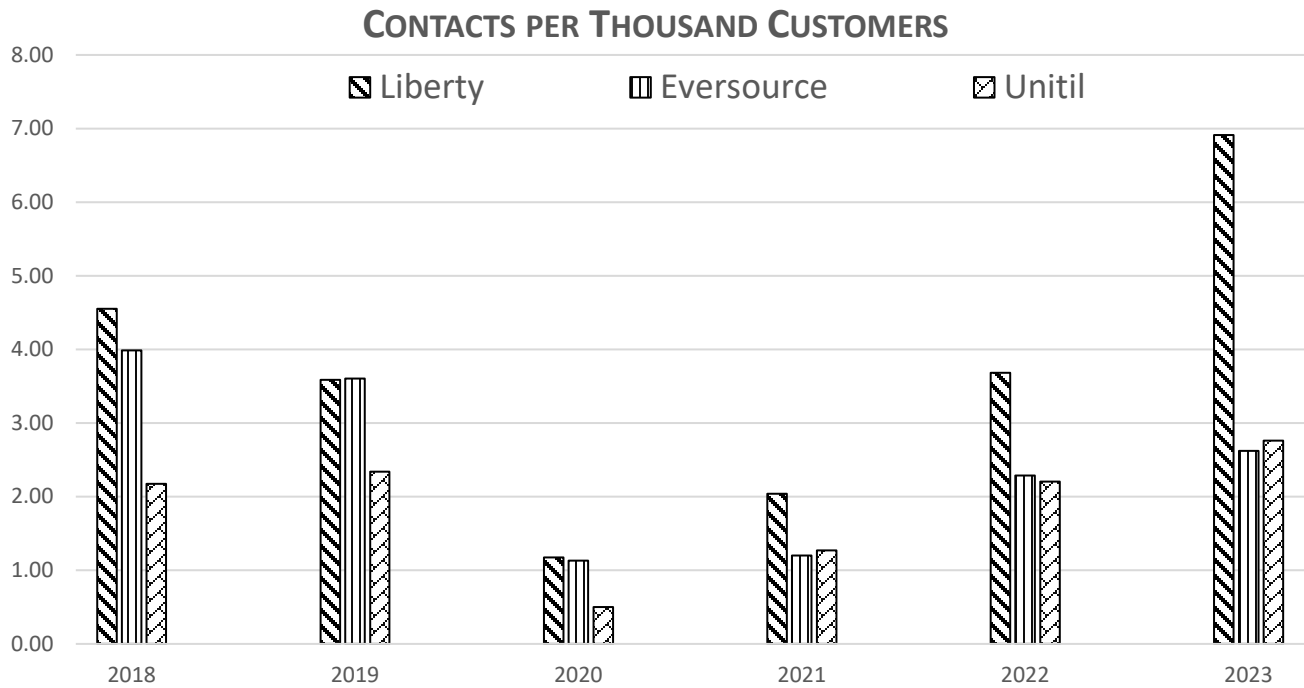
8 **IV. LIBERTY CUSTOMER SERVICE ISSUES**

9 **Q. Please describe the experience of the Department’s Consumer Services Division**
10 **regarding Liberty.**

11 A. The Department’s Consumer Services Division receives calls, emails, letters, and walk-in
12 visits (collectively, contacts) from New Hampshire consumers with questions or concerns
13 about their utility service. Contacts from customers regarding Liberty Utilities have outpaced
14 contacts received from customers regarding the other two regulated distribution electric
15 utilities in New Hampshire since 2021. The table below shows the number of contacts
16 received by the Department regarding Liberty, Eversource, and Unitil during the five-year
17 period beginning with 2018 and ending with 2022 as well as the contacts to-date in 2023.
18 The number of contacts is presented as contacts per one thousand customers to account for
19 the difference in utility size. For the period January 1, 2018, through December 31, 2020,
20 Liberty’s performance was quite similar to that of Eversource.¹ Beginning in 2021, the
21 contacts per one thousand customers began to diverge from the level experienced for
22 Eversource and increased significantly over that of Eversource in 2022 and 2023. The

¹ The marked decrease in contacts to the Consumer Services Division in 2020 and 2021 is reflective of the COVID-19 pandemic.

1 doubling of Liberty’s energy supply rate on August 1, 2021, undoubtedly accounts for some
2 of the increase; however, Eversource customers experienced the same doubling of energy
3 supply rates. Additionally, there were no major storm events in 2021, 2022 or 2023 – another
4 common source of Department contact – that would have negatively impacted Liberty
5 without similarly impacting Unitil and Eversource.



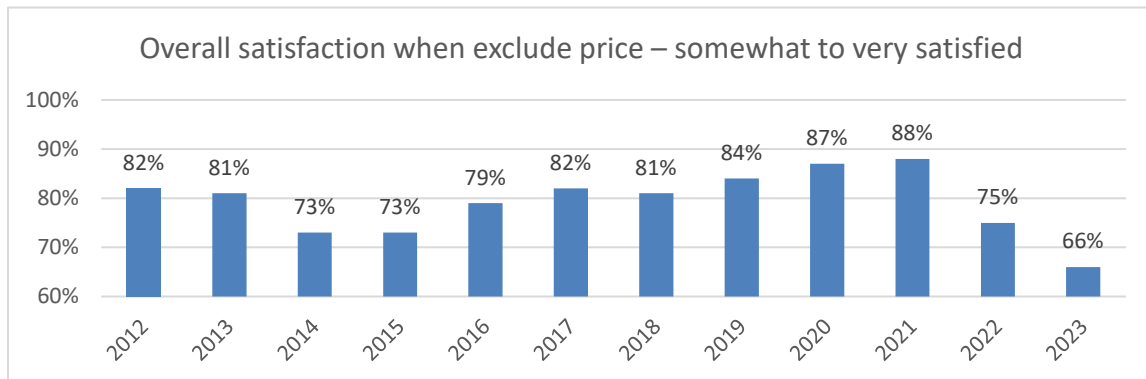
6 A review of the types of contacts received in 2022 and 2023 shows that contacts related to
7 billing issues was the main reason Liberty customers contacted the Department’s Consumer
8 Services Division.

9 **Q. Is there other evidence to support customer dissatisfaction with the level of service**
10 **provided by Liberty Utilities?**

11 A. As part of its acquisition of Granite State Electric, in DG 11-040, Liberty agreed to conduct a
12 statistically valid residential customer satisfaction survey and report the results to the

1 Commission annually no later than one month following the availability of the survey results.
2 The selected sample size for the survey had to be sufficiently large so as to yield an error rate
3 of no more than plus or minus 2.5% with a 95% confidence rate.

4
5 To develop a baseline against which to measure Liberty’s performance, the first survey was
6 conducted within three months of the transaction closing the sale of Granite State Electric
7 and EnergyNorth from National Grid to Liberty. Liberty committed to maintaining a
8 customer satisfaction level no lower than that established by the baseline survey, provided
9 the baseline survey resulted in a customer satisfaction level of no less than 80%. The
10 baseline survey, conducted in 2012, established an overall customer satisfaction level of
11 81% and, when price was excluded from consideration, of 82%.

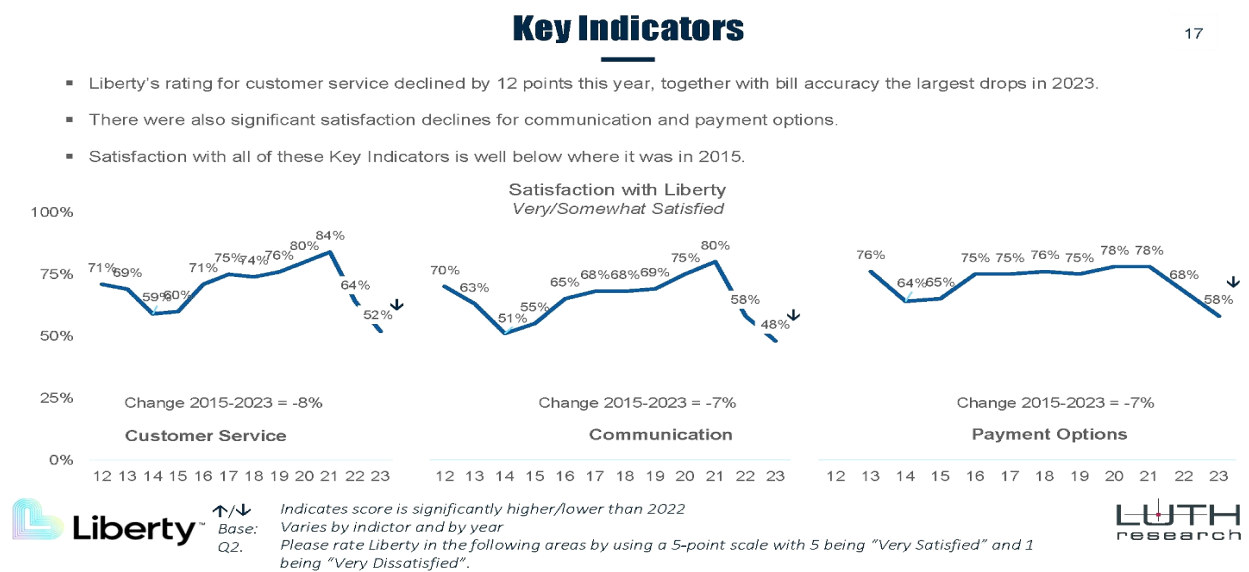


12 As shown in the above table, Liberty’s performance on its customer satisfaction surveys
13 declined considerably beginning in 2022, dropping to 75% - below the baseline established
14 in DG 11-040. Customer satisfaction in 2023 dropped even further to 66%, well below the
15 baseline of 80%.²

² Declines in customer satisfaction in 2014 and 2015 followed Liberty’s cutover from National Grid’s systems to Liberty’s own systems in 2013. Liberty’s customer satisfaction performance in 2014 and 2015 was the subject of Commission Staff testimony in DG 14-180 and DE 16-383. On June 26, 2015, the Commission issued Order No. 25,797 ordering an audit by a Commission selected independent consultant to focus on Liberty’s financial processes and customer service.

1 **Q. What other information do the 2023 customer satisfaction survey results provide?**

2 A. The graphic below³ is from the 2023 customer satisfaction survey conducted by Luth
 3 Research on behalf of Liberty. See Attachment AN-3 for the complete report. When price is
 4 excluded, overall customer satisfaction with Liberty declined by nine points from 2022 to
 5 2023; however, satisfaction with the accuracy of bills received from Liberty declined by 12
 6 points.



7

8 **Q. Does the experience of the Consumer Services Division align with the findings of the**
 9 **2023 customer satisfaction survey conducted by Luth Research on behalf of Liberty?**

10 A. Yes. The number of contacts to the Consumer Services Division by Liberty customers has
 11 increased from 256 in the 12 months preceding Liberty's system conversion to SAP to 579 in
 12 the 12 months following the conversion, an increase of 226%; while contacts regarding
 13 billing issues has increased from 14 contacts in the 12 months preceding Liberty's system
 14 conversion to 121 in the 12 months following the conversion, an increase of 864%.

³ The graphic has been edited from the original version for ease of reading. The content itself has not been changed. The original version can be found on p. 18 of Attachment AN-3.

1 **Q. Do you have any recommendations regarding Liberty’s customer satisfaction?**

2 A. Yes. Customer satisfaction reflects, in part, the performance of a utility. While price impacts
3 satisfaction, Liberty’s recent customer satisfaction surveys show that even when price is
4 excluded Liberty is not delivering service at a level that meets the needs and expectations of
5 its customers and achieves baseline customer satisfaction goals. The experience of the
6 Consumer Services Division provides further evidence about utility performance, and as
7 described earlier, Liberty’s customers seek assistance from the Consumer Services Division
8 in much higher numbers, proportionally, than the customers of other New Hampshire electric
9 utilities.

10
11 In its testimony filed in DE 16-383, Liberty’s request for an increase in its distribution rates,
12 then-Commission Staff expressed concern about the level of service Liberty provided to its
13 customers.⁴ At the conclusion of the proceeding, the Commission issued Order No. 26,005,
14 approving a settlement agreement that included, among other things, a per customer credit if
15 Liberty did not achieve an overall customer satisfaction rating of 80%, excluding price, in
16 each year that the Company did not meet that level of overall customer satisfaction⁵. I
17 recommend the Commission implement a similar customer credit, whereby Liberty is
18 required to provide its customers with a one-time \$2 credit on customer bills if the company
19 fails to achieve an overall customer satisfaction rating, excluding price, of 80% in 2024 and
20 that the one-time credit continue to be applied to customer bills once each year should
21 Liberty fail to achieve an overall customer satisfaction rating of 80%, excluding price. This

⁴ See testimony of Amanda Noonan filed on December 16, 2016, in DE 16-383.

⁵ See Section II, K (3) of March 15, 2017, Settlement Agreement in DE 16-383.

1 customer credit measure shall remain in place until such time as Liberty has achieved a
2 rating of 80% or more for three consecutive years.

3 **V. TARIFF REVISIONS**

4 **Q. Do you have any recommended revisions to the Liberty tariff?**

5 A. Yes. A number of inconsistencies with administrative rules, Commission orders, and/or
6 statutes were identified in Liberty's proposed tariff. Specifically, Liberty's proposed tariff:

- 7 • Incorrectly describes the calculation of a utility deposit when requested as a
8 condition of new or continuing service;
- 9 • Proposes an increase to the charge for a customer-requested meter test to a level
10 higher than that allowed by the Puc 300 rules;
- 11 • Incorrectly describes the Electric Assistance Program (EAP) budget process in the
12 discussion of the system benefits charge;
- 13 • Provides incorrect EAP discounts and an incorrect eligibility level for participation in
14 the EAP;
- 15 • Includes a reference to the Electricity Consumption Tax, which was repealed by the
16 New Hampshire legislature in 2019.

17 The inconsistencies in the tariff were identified and/or confirmed through a series of data
18 requests, and Liberty has agreed to make the necessary changes to its tariff to correct these
19 inconsistencies. See DOE TS 2-60 through DOE TS 2-65, Attachment AN- 4.

20 **VI. CONCLUSION**

21 **Q. Please summarize your recommendations regarding Liberty's distribution rate change**
22 **request in this testimony.**

23 A. In this testimony, I recommend the following:

- 1 • Approval of Liberty’s proposed AMP with two modifications and the addition of
2 reporting requirements.
- 3 • Approval of the transaction fee free proposal with an adjustment to the cap on the
4 individual transaction amount for residential and commercial customers, a reduction
5 in the number of fee free payment transactions that a residential or commercial
6 customer may make within a 26-day period, and the addition of reporting
7 requirements.
- 8 • The implementation of a customer satisfaction performance metric whereby Liberty is
9 required to provide its customers with a one-time credit on customer bills of \$2 per
10 customer for its failure to achieve an overall customer satisfaction rating of 80% in
11 2023 and each subsequent year until such time as Liberty has achieved a rating of
12 80% or more for three consecutive years.
- 13 • The correction of the above-referenced inconsistencies and inaccuracies in Liberty’s
14 tariff.

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

16 A. Yes, it does.

17