

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

ORIGINAL	
M.P.U.C. Case No.	DG-08-009
Exhibit No.	# 35
Witness	
DO NOT REMOVE FROM FILE	

Docket DG 08-009

EnergyNorth Natural Gas, Inc.
d/b/a
National Grid NH

Rebuttal Testimony
of
Gary W. Bennett

December 15, 2008

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1 **Q. Mr. Bennett, please state your full name and business address.**

2 A. My name is Gary Bennett. My business address is 52 Second Avenue, Waltham,
3 Massachusetts 02451.

4 **Q. Are you the same Gary Bennett that filed direct testimony in this proceeding?**

5 A. Yes. I filed direct testimony in this proceeding on February 25, 2008. A summary of
6 my educational and professional experience can be found in that testimony.

7 **Q. What is the purpose of your testimony?**

8 A. My testimony responds to certain testimony of the witnesses for the NHPUC Staff
9 ("Staff") and Pamela Locke regarding the enhanced collections plan proposed by
10 EnergyNorth Natural Gas, Inc, d/b/a National Grid NH (the "Company" or "National
11 Grid"), as well as the appropriate level of bad debt that the Company should be
12 allowed to recover from customers through rates. With regard to the second issue, I
13 note that the Staff has hired a consultant to review the Company's historic credit and
14 collection practices for the purposes of recommending an appropriate bad debt
15 percentage to be included in the Company's rates going forward. The work of the
16 consultant is ongoing, and therefore my rebuttal testimony on this issue is limited,
17 pending completion of his report. Particularly in light of the Company's
18 understanding that the bad debt issue will be the subject of a later phase of this
19 proceeding, the Company reserves the right to supplement its rebuttal testimony once
20 the consultant's report and recommendation is available for review. I am only
21 addressing the bad debt issue here because Mr. McCluskey did so in his testimony
22 and his recommendation was incorporated into the revenue requirement calculated by
23 Mr. Fink. My testimony does not address the testimony of the Office of Consumer

1 Advocate (“OCA”) in detail because the concerns raised by OCA are substantially the
2 same as those raised by Staff.

3 **Enhanced Collections Plan**
4

5 **Q. What is the Company’s proposed enhanced collections plan and why was it**
6 **proposed?**

7 A. As discussed in greater detail in my February 25, 2008 testimony in Docket DG 07-
8 050, Staff expressed concern regarding whether the Company’s collections efforts
9 were sufficiently vigorous. In particular, the Staff pointed to the bad debt ratio for
10 Northern Utilities in New Hampshire and noted that it was substantially lower than
11 the Company's. The Company believed then, as it does now, that there are many
12 appropriate reasons that its uncollectible expense, and therefore its bad debt ratio, has
13 historically been and remains higher than Northern's. However, as the Company
14 made clear when it reached agreement with Staff and OCA in that proceeding, the
15 Company would prefer to work constructively with Staff and the OCA on these
16 issues, to the mutual benefit of customers and the Company. As a result, the
17 Company agreed to submit a proposal for changes to its collections process, and the
18 Staff and OCA agreed that the prudently incurred incremental costs of that process
19 would be included in this rate case on an annualized basis. Specifically, the
20 settlement provided:

21 The Company will file a written plan setting forth its proposed
22 collections process on a going-forward basis for review by Staff. The
23 plan will be filed no later than with the Company’s upcoming base rate
24 case filing. The prudently incurred costs of the collections process
25 described in the plan (including, on an annualized basis, any costs that
26 are incremental to those in the Company’s test year) shall be
27 recoverable through rates set in the base rate case....

1 The cornerstone of the proposal is a plan to substantially increase the number of field
2 visits to customers. Ideally, every account that has arrears of sixty days or more will
3 receive a field visit under the proposal. If the initial visit does not resolve the account
4 issue, an additional visit would then be performed.

5 **Q. Staff witness Frink claims that that, in calculating the cost to implement the**
6 **enhanced collections plan, the Company failed to account for seven new**
7 **employees hired following the test year to implement an emergency response**
8 **plan agreed to by the Company in Docket DG 06-107. According to Staff, the**
9 **availability of these additional employees to perform collections-related activities**
10 **when they are not needed for emergency response should serve as an offset to the**
11 **cost to implement the Company's proposed enhanced collections plan. Do you**
12 **agree with Staff's characterization of your analysis?**

13 A. No, I do not. In calculating the cost to implement the enhanced collections plan, the
14 Company did in fact take into account the ability of the rest of its workforce to handle
15 a percentage of the incremental workload. This included both the seven employees
16 hired as a result of the merger settlement agreement in Docket DG 06-107 as well as
17 other current employees. Specifically, the Company's analysis shows that, in order to
18 implement its proposed plan, it would have to perform an incremental 5,798 field
19 collections jobs. As shown on Attachment GB-2, these jobs are divided among three
20 distinct service areas, with 58% of the jobs occurring in the Manchester area, 30%
21 occurring in the Nashua area and 12% occurring in the Tilton area. Assuming an
22 average rate of 23 jobs per day per collector and factoring in the fact that collections
23 activity can only occur during the period of Monday through Thursday from 8 am to

1 3:30 pm (residential) and Monday through Friday from 8 am to 3:30pm (non-
2 residential), a total of 2.3 incremental FTE's would be required to handle this
3 incremental workload. As a result of this increased field collections activity, the
4 Company estimates that there will be an incremental 5,508 "turn on after off" orders
5 generated. Again, as shown on Attachment GB-2, these orders are divided into the
6 three service areas of Manchester, Nashua and Tilton. Based on an average rate of 6
7 jobs per day with no restrictions on when the work can be performed (because service
8 can be restored at any time of day), an incremental 2.5 employees will be required to
9 handle the incremental workload. Rounded to the nearest whole number, the analysis
10 indicates a need for five additional employees. However, in this case the Company
11 sought recovery for the expenses associated with only three additional FTE's. The
12 reduced number was based on the assumption that some of its existing workforce
13 could be re-deployed to handle high priority collections work as a result of the
14 additional seven employees hired to implement the Company's emergency response
15 plan.

16 **Q. Staff contends that, with respect to the seven new employees hired to perform**
17 **emergency response work, only 13% of their time is spent on emergency work**
18 **while 80% of their time is spent on meter-oriented services. Do you agree?**

19 A. No I do not. Staff appears to be misinterpreting the Company's response to one of
20 the data requests provided during discovery. The Company indicated that 12.8% of
21 the total jobs performed by these seven technicians were emergency work and 80% of
22 the total jobs were meter-oriented services. However, total jobs are not the equivalent
23 of total time. The Staff's analysis failed to take into account that the reason these

1 employees were hired was to increase emergency response coverage on nights and
2 weekends. Accordingly, only 22.5% of these employees' time occurs during "normal
3 hours" (Monday to Friday 8am to 4pm), while the remaining 77.5% of their time is
4 during nights and weekends, which is outside the time periods when the Company is
5 permitted to disconnect service pursuant to the Puc Ch. 1200 rules and during times
6 when it would be highly disruptive to the customer if they conducted customer-facing
7 work. Finally, any non-emergency work performed by these employees must be
8 interruptible in nature so they can quickly be re-deployed to an emergency on short
9 notice. The combination of the hours worked and the limited type of work these
10 employees are able to perform results in a less than efficient use of the technicians'
11 time. Hence, approximately 40% of their time is on "standby", similar to a fireman
12 standing by for an emergency call that may come in. For the non-standby hours
13 worked, the equivalent time for the distribution of work performed by these
14 employees is as follows--23% of that time is spent conducting emergency work and
15 77% of that time is spent conducting other work, including meter-oriented service
16 work.

17 **Q. Staff also contends that a substantial amount of the enhanced collections policy**
18 **cost is for one time and/or capital expenses which should not be included in the**
19 **revenue requirement. Do you agree?**

20 A. The total non-labor costs stated in the plan are \$37,499 per technician, of which
21 \$18,885 per technician is capital, which equates to \$56,654 in total allocated to
22 capital. I do agree that this latter portion of the requested expense should be removed
23 from the annual cost of the proposed plan.

1 **Q. On pages 49- 56 of his testimony, Mr. Colton, on behalf of Ms. Locke, critiques**
2 **the Company's proposed enhanced collections plan. Do you have a response to**
3 **those concerns?**

4 A. The concerns raised by Mr. Colton refer to the effectiveness of certain aspects of the
5 collections process in isolation, without considering effectiveness of the collections
6 process as a whole. The Company's proposal relies on a multifaceted approach to
7 remind and encourage customers to stay current with their outstanding gas bill.
8 Contrary to what Mr. Colton asserts, the Company did not propose its enhanced
9 collections plan without considering other collections methods. It does not benefit
10 the customer or the Company if the customer falls into arrears. That is why the
11 Company employs a systematic approach to increase the number of customer touch
12 points and encourage customers to contact the Company, thereby affording the
13 customer and the Company a better opportunity to work out a payment plan, enter a
14 balanced billing program or provide direction for low income discount eligibility and
15 fuel assistance, all of which will assist the customer to better manage their monthly
16 gas bill. These touch points range from bill reminders to outbound calls to separate
17 letters and, as a last resort, field visits.

18 With regard to these increased touch points, the Company has already increased the
19 number of outbound calls to customers by over 3 ½ times (79,000 calls to 281,000
20 calls) and the number of subsequent contacts by almost 3 times (39,000 contacts to
21 116,000 contacts) from 2005 to 2007 (Attachment GB-3). The number of disconnect
22 notices has increased by 36% from January through October 2006 as compared to the
23 same period in 2008 (Attachment GB-4 and Attachment GB-5). The number of field

1 visits has increased by 18% from 2005 to 2007 (Staff 1-59, attached as Attachment
2 GB-6). The number of customers that have been enrolled on balanced billing has
3 increased by over 31% from October 2005 to August 2008 (Attachment GB-7).

4 It was with this background and experience in mind that the Company determined
5 that the cornerstone of an enhanced collections plan needed to be an increased focus
6 on the effectiveness of its field visits.

7 **Bad Debt Expense**
8
9

10 **Q. What level of bad debt expense is the Company seeking in this proceeding?**

11
12 A. The Company is seeking to recover 2.54% of revenues as bad debt expense, which
13 represents a three year average of bad debt expense for the period 2005-2007. As part
14 of the settlement in Docket DG 07-50, the Company has also agreed to apply
15 whatever rate is approved by the Commission for delivery rates to gas cost related
16 bad debt that is recovered through the cost of gas mechanism. It is the Company's
17 understanding that the issue of bad debt expense will be addressed in a later phase of
18 this proceeding, and therefore the Company is only responding in a limited manner to
19 Staff's position at this time.

20 **Q. On pages 17 and 18 of his testimony Staff witness McCluskey compares write –**
21 **offs as a percent of revenue for New Hampshire utilities. Based on his analysis,**
22 **he characterizes the Company's collections policies/process as being sub**
23 **standard and less effective than those of other utilities in improving cash flow.**
24 **Do you agree with this characterization?**

25 A. No, I do not. As an initial matter, Mr. McCluskey concedes that revenue collection is
26 a far greater problem for gas than electric companies, a premise with which I agree.

1 Therefore, any comparison of the Company to electric utilities is irrelevant to this
2 case. That leaves only a comparison between National Grid NH and Northern
3 Utilities. While the raw data indicates that on an absolute basis the Company's net
4 write off percentage is higher, it also indicates that the relative increase over time is
5 approximately the same for both companies. The fact that National Grid NH's net
6 write off percentage is substantially higher than Northern's should come as no
7 surprise to Staff. The fact is that the Company's bad debt ratio was approximately
8 three times that of Northern when the companies' indirect gas costs were first
9 established in DG 00-063 and DG 00-046. According to a Staff response to Data
10 Request KeySpan 1-7 in Docket DG 07-50, the bad debt ratio approved for Northern
11 in its revenue neutral rate redesign case, DG 00-046, was 0.33%. (See Attachment
12 GB-8.) The Company's uncollectible expense approved at the same time in DG 00-
13 063 was 0.97%. These ratios were both based on 1999 test year data. As is shown on
14 Exhibit AON-1 in the same docket DG 07-50 (see Attachment GB-9), in 2005, the
15 uncollectible percentage for Northern was 0.85%, approximately 2.6 times the 1999
16 approved percentage. For the same period, National Grid's uncollectible expense
17 percentage was 2.98%, approximately three times the percentage set in DG 00-063.
18 Far from growing more rapidly than Northern's uncollectible expense, National Grid
19 NH's bad debt percentage has grown at a similar pace since the test year for which the
20 rates were originally set.

21 In Exhibit AON-1, Staff witness Ms. Noonan compared the three year average of
22 uncollectible expense for Northern and National Grid NH for the period 2003-2005
23 and noted that the Company's average was twice that of Northern's. Ironically that

1 represents an *improvement* from the relationship at the time of the companies'
2 revenue neutral rate cases. Far from showing that National Grid NH's performance
3 has lagged Northern's, the data actually show that in some respects National Grid NH
4 has narrowed the historical gap between the companies.

5 Another consideration that differentiates National Grid NH from Northern from a
6 collections perspective is the location of the meter. Northern has indicated that 80%
7 of their meters are located outside. Obviously, outside meters are more conducive to
8 terminating service. National Grid NH, on the other hand, has approximately 71% of
9 its meters outside. In addition, in areas of National Grid NH's greatest population of
10 uncollectibles (Manchester, Nashua and Concord), the percent of outside meters
11 drops to 64%.

12 **Q. What conclusion does the Company draw from this analysis?**

13
14 A. The relationship between National Grid NH's and Northern's bad debt ratio has
15 remained relatively the same since 1999. Therefore a fair conclusion would be that
16 economic factors, such as the rising cost of gas and the ability of customers to pay for
17 service have equally affected uncollectible expense. The analysis conducted by Mr.
18 McCluskey provides no basis for a conclusion that National Grid NH's collections
19 policies and procedures have been "sub standard" in comparison to those of Northern
20 or in comparison to industry norms for the region.

21 **Q. If the relationship between Northern's and National Grid NH's experienced bad**
22 **debt ratios has remained practically unchanged since they were first approved**
23 **by the Commission, what conclusion do you reach about the two companies'**
24 **service territories?**

1 A. The Company believes there are demographic or other differences in the territories
2 served by these two companies that have caused this historical disparity. For
3 example, the Company compared the current enrollment for the low income discount
4 rates that both National Grid NH and Northern began offering in November 2005. In
5 2006, 7.5% of KeySpan's residential heating customers enrolled in the discount rates,
6 while only 3.5% of Northern's customers enrolled. In addition, the Company
7 compared the breakdown between the number of residential and commercial and
8 industrial customers in the two companies and determined that National Grid NH has
9 approximately nine percent more residential versus commercial and industrial
10 customers than Northern. Since the bad debt ratio for commercial customers is lower
11 than residential customers, a service territory with a higher percentage of residential
12 customers would experience a higher overall bad debt ratio. I believe that any fair
13 comparison of these two companies must take all of these factors into consideration.

14 **Q. On Page 15 of his testimony Staff witness Frink, references Staff testimony in**
15 **Docket DG 07-50 and states "that the Company's bad debt expense is extremely**
16 **high compared to other New Hampshire utilities as a result of poor collection**
17 **practices and recommends only limited recovery of those expenses." Based on**
18 **that testimony, Staff is recommending a reduction in the Company's proposed**
19 **bad debt expense from 2.54% of revenues to 1.54% of revenues. Do you agree**
20 **with that recommendation?**

21 A. No, I do not. As noted above, any comparison between National Grid NH and New
22 Hampshire electric utilities is inappropriate and irrelevant. That leaves only a
23 comparison between National Grid NH and Northern Utilities which, as also noted

1 above, does not support a conclusion that National Grid's historic collection practices
2 have been imprudent. Moreover, Staff's own exhibit AON -1 from Docket DG -07-
3 50 shows that the average bad debt percentage of eleven other gas companies in New
4 England as of 2005 (the most recent data provided by Staff) is 2.52%, just 0.02%
5 below the figure requested by National Grid in this case. Thus, there is no justifiable
6 basis to arbitrarily reduce the Company's actual bad debt expense.

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

8 A. Yes.

Analysis of FTE required for increased collections

2007 field collections distribution

Manchester	5,798 jobs	58%
Nashua		30%
Tilton		12%
Manchester	3363 jobs	
Nashua	1739 jobs	
Tilton	696 jobs	

Total FTE to shut off 3 disparate areas

1.3 actual FTE required to shut off
 0.7 actual FTE required to shut off
 0.3 actual FTE required to shut off
2.3 actual FTE required to shut off

1 FTE completes 23 jobs/day

Turn-ons

Manchester	3195 jobs	95%
Nashua	1652 jobs	
Tilton	661 jobs	

Total FTE to turn back on 3 disparate areas

1.5 actual FTE required to turn back on
 0.8 actual FTE required to turn back on
 0.3 actual FTE required to turn back on
2.5 actual FTE required to turn back on

1 FTE completes 6 jobs/day

Grand Total

4.8 FTE Required

Energy North Outbound Collection Calls

	Attempts	Contacts
2005	78,859	39,154
2006	243,139	102,227
2007	280,684	115,988

NH PUC - Utility Disconnection Activity Report
KeySpan Energy Delivery/ Energy North
2006

<u>RESIDENTIAL CUSTOMERS</u>	January	February	March	April	May	June	July	August	September	October	November	December	YTD
# Disconnection Notices Sent	114	66	751	1,254	1,865	1,890	2,591	2,211	1,747	1,540	620	153	14,802
Total \$ Due (Curr & Term) Subject to Disconnect	\$53,829	\$23,505	\$1,002,617	\$1,967,068	\$2,821,223	\$2,354,539	\$2,979,476	\$2,628,078	\$2,055,914	\$1,838,447	\$637,126	\$88,442	\$18,450,263
Total \$ Past Due (Term) Subject to Disconnect	\$41,378	\$18,729	\$800,040	\$1,557,745	\$2,290,752	\$2,218,277	\$2,840,477	\$2,525,838	\$1,971,722	\$1,734,514	\$581,667	\$81,335	\$16,662,473
# Disconnections (LNP)	14	15	9	246	291	220	186	239	243	168	12	26	1,669
Total \$ Due (Curr & Term) Accounts Disconnected	\$4,827	\$6,342	\$3,810	\$338,450	\$380,089	\$319,846	\$218,126	\$279,663	\$260,270	\$165,025	\$5,207	\$5,233	\$1,986,887
Total \$ Past Due (Term) Accounts Disconnected	\$2,499	\$5,474	\$2,977	\$272,696	\$344,732	\$301,279	\$206,150	\$265,391	\$246,426	\$152,304	\$4,887	\$3,645	\$1,808,461
Total # Disconnected & Restored Same Day	1	-	-	7	10	4	3	2	4	7	-	3	41
Total # Disconnected & Restored Following Day/After	8	6	4	74	68	28	28	48	75	81	3	12	435
Average Account Arrears for Disconnection	\$344.81	\$422.80	\$423.34	\$1,375.81	\$1,306.15	\$1,453.84	\$1,172.72	\$1,170.14	\$1,071.07	\$982.29	\$433.92	\$201.25	

NH PUC - Utility Accounts Receivable Report
KeySpan Energy Delivery/ Energy North
2006

<u>RESIDENTIAL CUSTOMERS</u>	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Sales Revenue \$	\$16,003,335	\$12,990,997	\$13,826,561	\$9,055,044	\$5,090,552	\$3,591,113	\$2,550,295	\$2,208,799	\$2,413,788	\$3,211,378	\$4,457,254	\$9,797,521	\$85,196,637
Sales by Unit of Measure (Therms)	9,903,094	8,304,076	9,438,728	5,946,596	3,254,189	2,259,322	1,446,624	1,196,176	1,369,484	2,067,189	3,908,974	6,098,084	55,192,536
Number of Bills	73,707	73,366	73,199	73,972	73,136	72,629	72,288	72,180	72,085	72,341	73,864	73,610	876,377
Average Bill \$	\$217	\$177	\$189	\$122	\$70	\$49	\$35	\$31	\$33	\$44	\$60	\$133	\$97
Average Unit (Therms)	134	113	129	80	44	31	20	17	19	29	53	83	63
Gross Write-offs \$ **	\$346,093	\$215,372	\$181,766	\$238,584	\$312,288	\$415,108	\$492,528	\$623,261	\$296,606	\$369,938	\$372,143	\$395,789	\$4,259,478
Net Write-offs \$ **	\$314,429	\$178,130	\$117,019	\$203,750	\$262,923	\$374,065	\$444,512	\$579,100	\$281,304	\$306,591	\$312,198	\$361,245	\$3,735,266
Recoveries \$ **	(\$31,664)	(\$37,242)	(\$64,747)	(\$34,834)	(\$49,365)	(\$41,043)	(\$48,016)	(\$44,162)	(\$15,302)	(\$63,347)	(\$59,945)	(\$34,544)	(\$524,211)
Late Charge Revenue \$ Billed	\$66,705	\$85,283	\$91,889	\$83,839	\$74,047	\$65,148	\$53,196	\$47,842	\$38,300	\$38,448	\$35,064	\$46,565	\$726,325

** (Both Residential and Commercial)

ACCOUNTS RECEIVABLE DATA

Current- 30 Day	\$9,541,172	\$8,267,395	\$7,901,972	\$5,981,346	\$3,567,214	\$2,739,614	\$2,366,024	\$1,948,048	\$2,327,677	\$2,951,762	\$3,880,986	\$6,071,034	N/A
31-60 Days Past Due	\$2,216,963	\$3,145,992	\$2,519,424	\$2,833,617	\$2,161,326	\$1,264,941	\$986,407	\$723,317	\$597,985	\$606,171	\$745,953	\$1,150,960	N/A
61-90 Days Past Due	\$741,569	\$1,392,475	\$1,814,471	\$1,605,339	\$1,998,448	\$1,424,493	\$889,478	\$605,954	\$462,275	\$386,548	\$383,036	\$490,956	N/A
91-120 Days Past Due	\$337,867	\$477,758	\$946,122	\$1,273,108	\$1,184,640	\$1,464,543	\$1,161,824	\$683,010	\$475,863	\$347,599	\$290,975	\$302,930	N/A
>120 Days Past Due	\$2,213,423	\$2,129,177	\$2,038,354	\$2,152,910	\$2,460,090	\$2,670,520	\$3,301,466	\$3,544,444	\$3,232,037	\$2,945,330	\$2,799,234	\$2,745,487	N/A
Total Due	\$15,050,994	\$15,412,797	\$15,220,343	\$13,846,320	\$11,371,718	\$9,564,111	\$8,705,199	\$7,504,773	\$7,095,837	\$7,237,410	\$8,100,184	\$10,761,367	N/A

NH PUC - Utility Disconnection Activity Report
KeySpan Energy Delivery/ Energy North
2007

<u>RESIDENTIAL CUSTOMERS</u>	January	February	March	April	May	June	July	August	September	October	November	December	YTD
# Disconnection Notices Sent	155	166	1,141	1,990	2,102	2,603	2,876	2,967	2,119	1,840	511	222	18,692
Total \$ Due (Curr & Term) Subject to Disconnect	\$64,457	\$76,005	\$1,972,034	\$3,345,213	\$3,152,560	\$3,386,729	\$3,637,710	\$3,499,861	\$2,381,982	\$2,188,936	\$629,831	\$106,604	\$24,441,923
Total \$ Past Due (Term) Subject to Disconnect	\$55,718	\$66,060	\$1,628,834	\$2,904,351	\$2,873,041	\$3,219,619	\$3,478,322	\$3,360,039	\$2,287,551	\$2,081,114	\$584,520	\$93,403	\$22,632,573
# Disconnections (LNP)	16	16	24	232	290	224	202	200	231	237	80	-	1,752
Total \$ Due (Curr & Term) Accounts Disconnected	\$5,652	\$3,024	\$6,252	\$402,340	\$452,659	\$299,939	\$264,023	\$258,188	\$282,177	\$222,369	\$45,671	\$0	\$2,242,294
Total \$ Past Due (Term) Accounts Disconnected	\$4,712	\$2,135	\$4,962	\$332,571	\$396,425	\$280,242	\$250,184	\$245,403	\$271,402	\$205,684	\$40,298	\$0	\$2,034,018
Total # Disconnected & Restored Same Day	-	2	2	10	4	5	1	3	4	10	4	-	45
Total # Disconnected & Restored Following Day/After	6	7	10	71	89	53	35	49	54	77	37	-	488

NH PUC - Utility Accounts Receivable Report
KeySpan Energy Delivery/ Energy North
2007

<u>RESIDENTIAL CUSTOMERS</u>	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Sales Revenue \$	\$12,855,303	\$16,561,448	\$15,804,519	\$10,979,722	\$6,004,595	\$3,299,770	\$2,572,530	\$2,108,716	\$2,391,990	\$2,491,290	\$5,794,640	\$13,546,360	\$94,410,883
Sales by Unit of Measure (Therms)	8,223,693	11,113,858	10,309,740	6,602,067	3,658,100	1,903,982	1,360,395	1,115,498	1,381,812	1,543,354	3,793,057	8,815,817	59,821,373
Number of Bills	73,793	73,910	74,720	73,985	74,499	74,902	74,459	73,856	73,204	73,510	74,117	73,610	888,565
Average Bill \$	\$174	\$224	\$212	\$148	\$81	\$44	\$35	\$29	\$33	\$34	\$78	\$184	\$106
Average Unit (Therms)	111	150	138	89	49	25	18	15	19	21	51	120	67
Gross Write-offs \$ **	\$298,576	\$220,743	\$215,605	\$238,782	\$342,114	\$452,820	\$682,351	\$748,702	\$346,565	\$602,502	\$393,305	\$702,343	\$5,244,408
Net Write-offs \$ **	\$259,638	\$155,522	\$178,909	\$206,887	\$303,293	\$420,184	\$651,916	\$711,322	\$299,796	\$412,877	\$325,013	\$656,923	\$4,582,280
Recoveries \$ **	(\$38,938)	(\$85,221)	(\$36,696)	(\$31,895)	(\$38,821)	(\$32,636)	(\$30,435)	(\$37,380)	(\$46,769)	(\$189,625)	(\$88,292)	(\$45,420)	(\$662,127)
Late Charge Revenue \$ Billed	\$63,734	\$81,660	\$96,935	\$93,790	\$87,727	\$77,472	\$66,391	\$59,223	\$47,430	\$44,810	\$34,615	\$49,378	\$803,166

** (Both Residential and Commercial)

ACCOUNTS RECEIVABLE DATA

Current- 30 Day	\$7,216,932	\$9,894,577	\$9,842,781	\$6,212,776	\$3,413,664	\$2,911,175	\$2,414,970	\$2,087,741	\$2,298,709	\$2,400,802	\$3,714,734	\$8,237,057	N/A
31-60 Days Past Due	\$1,677,638	\$2,231,403	\$3,145,952	\$3,188,183	\$2,391,932	\$1,466,308	\$990,870	\$778,946	\$699,216	\$625,202	\$698,825	\$1,211,364	N/A
61-90 Days Past Due	\$684,700	\$1,084,756	\$1,376,862	\$1,977,840	\$2,205,635	\$1,724,462	\$1,112,265	\$674,028	\$531,621	\$469,219	\$410,744	\$475,594	N/A
91-120 Days Past Due	\$379,758	\$470,543	\$762,695	\$944,949	\$1,415,591	\$1,757,867	\$1,414,632	\$850,136	\$549,681	\$389,602	\$349,349	\$317,281	N/A
>120 Days Past Due	\$2,586,727	\$2,432,501	\$2,343,699	\$2,138,659	\$2,223,126	\$2,816,366	\$3,550,661	\$3,900,971	\$3,691,374	\$3,271,768	\$3,077,087	\$3,040,017	N/A
Total Due	\$12,545,755	\$16,113,780	\$17,471,989	\$14,462,407	\$11,649,948	\$10,676,178	\$9,483,398	\$8,291,822	\$7,770,601	\$7,156,593	\$8,250,739	\$13,281,313	N/A

NH PUC - Utility Disconnection Activity Report
KeySpan Energy Delivery/ Energy North
2008

<u>RESIDENTIAL CUSTOMERS</u>	January	February	March	April	May	June	July	August	September	October	November	December	YTD
# Disconnection Notices Sent	203	168	775	2,557	2,480	2,708	2,881	2,608	2,513	2,167			19,060
Total \$ Due (Curr & Term) Subject to Disconnect	\$102,301	\$83,601	\$1,062,677	\$4,009,666	\$3,740,667	\$3,478,112	\$3,551,629	\$3,317,694	\$2,932,668	\$2,618,938			\$24,897,952
Total \$ Past Due (Term) Subject to Disconnect	\$89,569	\$74,560	\$922,129	\$3,448,408	\$3,471,405	\$3,297,068	\$3,391,632	\$3,175,960	\$2,793,821	\$2,461,183			\$23,125,735
# Disconnections (LNP)	12	14	16	265	285	242	139	234	313	253			1,773
Total \$ Due (Curr & Term) Accounts Disconnected	\$4,996	\$3,435	\$5,634	\$382,577	\$463,957	\$329,605	\$203,046	\$325,471	\$378,184	\$297,593			\$2,394,499
Total \$ Past Due (Term) Accounts Disconnected	\$4,199	\$2,548	\$4,538	\$315,122	\$411,588	\$304,638	\$192,983	\$307,311	\$358,005	\$273,103			\$2,174,033
Total # Disconnected & Restored Same Day	-	1	2	14	14	9	4	7	5	10			66
Total # Disconnected & Restored Following Day/After	5	4	6	73	81	57	38	52	102	96			514

NH PUC - Utility Accounts Receivable Report
KeySpan Energy Delivery/ Energy North
2008

<u>RESIDENTIAL CUSTOMERS</u>	January	February	March	April	May	June	July	August	September	October	November	December	YTD
Sales Revenue \$	\$14,496,480	\$14,390,376	\$13,113,805	\$10,411,208	\$5,962,875	\$3,536,338	\$3,017,946	\$2,778,526	\$2,952,914	\$3,651,839			\$74,312,307
Sales by Unit of Measure (Therms)	9,634,451	9,667,815	8,682,782	6,556,822	3,463,518	1,847,599	1,347,496	1,188,800	1,310,079	1,944,222			45,643,584
Number of Bills	74,120	74,547	74,862	73,458	72,754	71,982	71,220	70,980	70,548	70,864			725,335
Average Bill \$	\$196	\$193	\$175	\$142	\$82	\$49	\$42	\$39	\$42	\$52			\$102
Average Unit (Therms)	130	130	116	89	48	26	19	17	19	27			63
Gross Write-offs \$ **	\$473,316	\$269,577	\$201,703	\$300,121	\$400,267	\$409,653	\$809,344	\$678,366	\$567,751	\$456,721			\$4,566,819
Net Write-offs \$ **	\$434,645	\$224,568	\$150,448	\$258,511	\$362,417	\$372,098	\$776,590	\$650,725	\$518,893	\$391,685			\$4,140,580
Recoveries \$ **	(\$38,671)	(\$45,009)	(\$51,255)	(\$41,610)	(\$37,850)	(\$37,555)	(\$32,753)	(\$27,641)	(\$48,858)	(\$65,036)			(\$426,238)
Late Charge Revenue \$ Billed	\$78,614	\$92,587	\$106,559	\$98,584	\$89,454	\$77,607	\$68,200	\$58,169	\$53,547	\$51,834			\$775,153

** (Both Residential and Commercial)

ACCOUNTS RECEIVABLE DATA

Current- 30 Day	\$7,899,487	\$8,819,764	\$7,616,076	\$6,035,420	\$3,980,268	\$2,875,489	\$2,671,212	\$2,573,781	\$2,691,783	\$3,278,600			N/A
31-60 Days Past Due	\$2,465,207	\$2,716,629	\$2,942,096	\$2,760,975	\$2,466,626	\$1,526,068	\$984,399	\$925,460	\$835,653	\$842,577			N/A
61-90 Days Past Due	\$642,038	\$1,481,942	\$1,795,332	\$1,956,504	\$1,972,584	\$1,808,700	\$1,056,149	\$706,446	\$633,860	\$523,354			N/A
91-120 Days Past Due	\$353,592	\$480,547	\$1,112,953	\$1,254,721	\$1,485,449	\$1,602,322	\$1,492,119	\$891,050	\$574,472	\$481,438			N/A
>120 Days Past Due	\$2,793,552	\$2,618,828	\$2,580,966	\$2,674,305	\$2,922,456	\$3,520,144	\$4,139,174	\$4,538,188	\$4,293,200	\$3,878,648			N/A
Total Due	\$14,153,876	\$16,117,710	\$16,047,423	\$14,681,925	\$12,827,383	\$11,332,723	\$10,343,053	\$9,634,925	\$9,028,968	\$9,004,617			N/A

NHLA – Set 2

Date Request Received: June 20, 2008
Request No. NHLA 2-32

Date of Response: July 7, 2008
Witness: Gary Bennett

REQUEST: For each month October 2005 to present, please provide the number of each of the following for residential accounts:

- a. Disconnection of service for nonpayment;
- b. Written disconnect notice (mailed);
- c. Written disconnect notice (posted) (e.g., door hanger);
- d. The reconnection of service.

RESPONSE:

Energy North Residential Disconnect and Reconnect Data

		Disconnects	Disconnect Notice (Mailed)	Disconnect Notice (Posted)	Disconnect Notice (Total)	Reconnects
2005	October	N/A	N/A	N/A	N/A	218
	November	22	N/A	N/A	528	136
	December	1	N/A	N/A	84	59
2006	January	14	N/A	N/A	114	17
	February	15	N/A	N/A	66	17
	March	9	N/A	N/A	751	9
	April	246	N/A	N/A	1,254	81
	May	291	N/A	N/A	1,865	93
	June	220	1,844	46	1,890	56
	July	186	2,543	48	2,591	63
	August	239	2,169	42	2,211	78
	September	243	1,731	16	1,747	113
	October	168	1,529	11	1,540	153
	November	12	615	5	620	51
December	26	153	-	153	44	
2007	January	16	155	-	155	19
	February	16	166	-	166	15
	March	24	1,111	30	1,141	15
	April	232	1,971	19	1,990	84
	May	290	2,036	66	2,102	111
	June	224	2,551	52	2,603	88
	July	202	2,820	56	2,876	47
	August	200	2,895	72	2,967	64
	September	231	2,104	15	2,119	91
	October	237	1,835	5	1,840	150
	November	80	511	-	511	105
December	-	222	-	222	25	
2008	January	12	203	-	203	13
	February	14	168	-	168	12
	March	16	771	4	775	14
	April	265	2,491	66	2,557	92
	May	285	2,456	24	2,480	118

ENERGYNORTH NATURAL GAS, INC.
D/B/A NATIONAL GRID NH
DG 08-009

National Grid NH's Response to
STAFF Set 1

Date Request Received: May 1, 2008
Request No. Staff 1-59

Date of Response: May 20 2008
Witness: Gary Bennett

REQUEST: EnergyNorth expects to make more customer visits on delinquent accounts. What will be the number of annual visits and how do they compare to the annual visits made during the three years used to determine the average bad debt percentage?

RESPONSE: The Company is proposing 12,398 field visits for 2008, an increase of 5,798 from 2007. The three years used to determine the bad debt percentage are 2005, 2006 and 2007. Field visits performed for each year are as follows:

2005: 5,600
2006: 6,099
2007: 6,600

ENERGYNORTH NATURAL GAS, INC.
D/B/A NATIONAL GRID NH
DG 08-009

National Grid NH's Responses to
NHLA Set 3

Date Request Received: August 1, 2008
Request No. NHLA 3-21

Date of Response: August 25, 2008
Witness: Gary Bennett

REQUEST: Please provide the number of residential accounts using levelized monthly Budget Billing by month for each month October 2005 to present. For each month:

- a. Provide the total number of customers on Budget Billing;
- b. Provide the total number of customers newly entering into a levelized Budget Billing plan that month;
- c. Provide the total number of customers removed from Budget Billing for collection-related reasons (i.e., having incurred an arrears);
- d. Provide the total number of customers with credit balances in that month;
- e. Provide the total number of customers with positive balances in that month.

RESPONSE: See below for responses to a-c. Data for d and e is not available.

Year	Month	Market	Added	Total Removed from BBP	Removed from BBP due to Credit action	Removed from BBP cust request (incl final acct)	Total Change For Month	Total Res Customer on BBP
2005	10	RESIDENTIAL	637	271	93	178	366	12,397
2005	11	RESIDENTIAL	438	206	45	161	232	12,629
2005	12	RESIDENTIAL	729	178	50	128	551	13,180
2006	1	RESIDENTIAL	742	248	108	140	494	13,674
2006	2	RESIDENTIAL	357	272	136	136	85	13,759
2006	3	RESIDENTIAL	341	258	94	164	83	13,842
2006	4	RESIDENTIAL	800	259	91	168	541	14,383
2006	5	RESIDENTIAL	1,150	524	156	368	626	15,009
2006	6	RESIDENTIAL	266	511	153	358	(245)	14,764
2006	7	RESIDENTIAL	220	445	143	302	(225)	14,539
2006	8	RESIDENTIAL	284	471	145	326	(187)	14,352
2006	9	RESIDENTIAL	343	370	79	291	(27)	14,325
2006	10	RESIDENTIAL	345	335	87	248	10	14,335
2006	11	RESIDENTIAL	271	295	62	233	(24)	14,311
2006	12	RESIDENTIAL	436	270	104	166	166	14,477
2007	1	RESIDENTIAL	549	278	135	143	271	14,748
2007	2	RESIDENTIAL	474	270	106	164	204	14,952

2007	3	RESIDENTIAL	507	277	82	195	230	15,182
2007	4	RESIDENTIAL	274	275	92	183	(1)	15,181
2007	5	RESIDENTIAL	215	301	93	208	(86)	15,095
2007	6	RESIDENTIAL	210	385	132	253	(175)	14,920
2007	7	RESIDENTIAL	207	438	185	253	(231)	14,689
2007	8	RESIDENTIAL	321	444	223	221	(123)	14,566
2007	9	RESIDENTIAL	412	383	143	240	29	14,595
2007	10	RESIDENTIAL	537	361	139	222	176	14,771
2007	11	RESIDENTIAL	473	259	94	165	214	14,985
2007	12	RESIDENTIAL	660	240	123	117	420	15,405
2008	1	RESIDENTIAL	761	267	146	121	494	15,899
2008	2	RESIDENTIAL	528	274	105	169	254	16,153
2008	3	RESIDENTIAL	471	263	111	152	208	16,361
2008	4	RESIDENTIAL	432	248	79	169	184	16,545
2008	5	RESIDENTIAL	268	299	125	174	(31)	16,514
2008	6	RESIDENTIAL	258	375	161	214	(117)	16,397
2008	7	RESIDENTIAL	304	398	191	207	(94)	16,303
2008	8	RESIDENTIAL	243	285	125	160	(42)	16,261

EnergyNorth Natural Gas, Inc. d/b/a KeySpan Energy Delivery New England]

Indirect Gas Costs

DG 07-050

**Responses of the New Hampshire Public Utilities Commission
To EnergyNorth Natural Gas, Inc. (ENGI) First Set of Data Requests**

Date Received: July 2, 2007
Data Request No.: 1-7

Date of Response: July 16, 2007
Respondent: Stephen P. Frink

REQUEST:

Please provide the bad debt ratio that was approved for Northern Utilities in DG 00-046.

RESPONSE:

Commission Order 23,674 (April 5, 2001) approved a bad debt ratio of 0.33% for Northern Utilities in DG 00-046.

Ratio of Uncollectibles to total Gas Revenues for other Gas Companies

New Hampshire Gas Companies - Source NHPUC Annual Return

Energy North (Includes credits for gas cost collections)	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 166,215,324	\$ 146,051,030	\$ 132,891,515	\$ 148,385,956
Uncollectibles - Acct 904	5,227,026	1,664,418	1,604,118	2,831,854
% of Uncollectibles to Revenue	3.14%	1.14%	1.21%	1.91%

Northern Utilities, Inc	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 66,804,218	\$ 64,391,238	\$ 58,805,979	\$ 63,333,812
Uncollectibles - Acct 904	564,874	598,102	651,944	604,973
% of Uncollectibles to Revenue	0.85%	0.93%	1.11%	0.96%

Massachusetts Gas Companies - Source DTE Annual Returns

Fall River Gas	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 72,689,680	\$ 67,913,375	\$ 65,625,202	\$ 68,742,752
Uncollectibles - Acct 904	1,583,722	1,871,505	(416,376)	1,012,950
% of Uncollectibles to Revenue	2.18%	2.76%	-0.63%	1.47%

Fitchburg Gas and Electric Light Company	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 32,767,477	\$ 28,685,339	\$ 28,611,863	\$ 30,021,560
Uncollectibles - Acct 904	726,875	526,356	613,885	622,372
% of Uncollectibles to Revenue	2.22%	1.83%	2.15%	2.07%

NSTAR Gas Company	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 565,986,988	\$ 485,685,096	\$ 458,613,393	\$ 503,428,492
Uncollectibles - Acct 904	10,988,546	9,060,322	8,829,493	9,626,120
% of Uncollectibles to Revenue	1.94%	1.87%	1.93%	1.91%

Berkshire Gas Company	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 76,018,628	\$ 66,454,437	\$ 61,831,841	\$ 68,101,635
Uncollectibles - Acct 904	790,000	777,366	512,420	693,262
% of Uncollectibles to Revenue	1.04%	1.17%	0.83%	1.02%

Bay State Gas Company	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 612,128,312	\$ 510,457,335	\$ 455,064,378	\$ 525,883,342
Uncollectibles - Acct 904	12,364,610	8,902,595	11,045,658	10,770,954
% of Uncollectibles to Revenue	2.02%	1.74%	2.43%	2.05%

Boston Gas Company d/b/a KeySpan	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 1,126,441,597	\$ 1,016,373,020	\$ 920,099,598	\$ 1,020,971,405
Uncollectibles - Acct 904	22,609,649	12,202,360	8,640,362	14,484,124
% of Uncollectibles to Revenue	2.01%	1.20%	0.94%	1.42%

Essex Gas Company d/b/a KeySpan	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 92,012,333	\$ 78,494,230	\$ 76,420,645	\$ 82,309,069
Uncollectibles - Acct 904	3,037,832	855,247	1,501,280	1,798,120
% of Uncollectibles to Revenue	3.30%	1.09%	1.96%	2.18%

Colonial Gas Company d/b/a KeySpan	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 329,838,600	\$ 283,657,928	\$ 278,825,869	\$ 297,440,799
Uncollectibles - Acct 904	5,966,574	(398,477)	2,013,552	2,527,216
% of Uncollectibles to Revenue	1.81%	-0.14%	0.72%	0.85%

Connecticut Gas Companies - Source DPU Annual Returns

Yankee Gas Services Company	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 503,502,771	\$ 407,811,925	\$ 361,449,974	\$ 424,254,890
Uncollectibles - Acct 904	13,235,807	8,444,446	10,007,437	10,562,563
% of Uncollectibles to Revenue	2.63%	2.07%	2.77%	2.49%

Connecticut Natural Gas Corporation	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 418,112,713	\$ 352,275,330	\$ 331,806,735	\$ 367,398,259
Uncollectibles - Acct 904	14,127,593	10,435,112	9,486,663	11,353,123
% of Uncollectibles to Revenue	3.38%	2.96%	2.86%	3.09%

Southern Connecticut Gas Company	12 ME 12/31/05	12 ME 12/31/04	12 ME 12/31/03	3 Year Average
Total Gas Operating Revenue	\$ 397,996,218	\$ 340,008,430	\$ 308,376,914	\$ 348,793,854
Uncollectibles - Acct 904	20,800,220	11,985,742	11,978,126	14,921,363
% of Uncollectibles to Revenue	5.23%	3.53%	3.88%	4.28%