

STATE OF NEW HAMPSHIRE

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June 4, 2014

Debra Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, New Hampshire 03301-7319

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Re: DG 11-040 - Liberty Utilities IT Conversion

Dear Ms. Howland:

On April 16, 2014 Staff of the New Hampshire Public Utilities Commission (Staff) filed a letter identifying service problems with customer accounts related to the conversion of Liberty's natural gas customer accounts from National Grid to Liberty. Staff's communication raised the question whether Liberty's electric customers would experience the same problems with the conversion as did the gas customers. On April 24, 2014 Liberty extended its conversion date to July 3 – 5, 2014 in response to Staff's concerns.

On May 27, 2014 the Commission held a status conference to determine "whether further actions or additional procedural steps are appropriate, including whether an adjudicative hearing should be conducted, and whether further postponement of Liberty's conversion of its electric customer accounts is warranted."

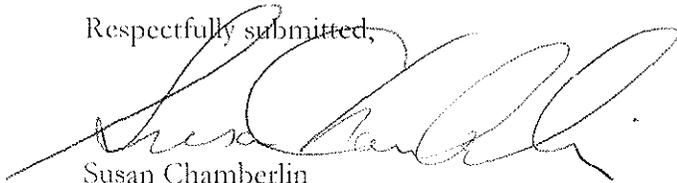
The Office of the Consumer Advocate (OCA) files these comments in response to the commission's inquiry.

As a public utility Liberty bears the responsibility to "... furnish such service and facilities as shall be reasonably safe and adequate and in all other respects just and reasonable." RSA 374:1. This includes the responsibility for an effective and efficient Information Technology (IT) infrastructure and operating system. Based on the troubled performance of Liberty's IT for the gas customers account transfer, the OCA continues to be concerned about the prospects for success in the July 3-5 electric customer account transfer. However, the OCA cannot analyze and reconfigure the company's IT platform, nor would it be appropriate for the OCA to do so. The company bears that responsibility.

Liberty must take all reasonable steps to resolve the underlying causes and respond to the problems identified after the gas customer conversion to improve the future account transfer for the electric customer. Liberty must also ensure that the electric conversion does not negatively affect gas operations. If these steps may take place before July 3 and Liberty management team represents its systems are ready for production then the transfer should go ahead. If not, the company has the responsibility to request that the transfer be delayed until its IT system is prepared.

Should the company experience a high level of customer service problems from the electric customer account transfer, the commission should open an adjudicative hearing to formally review the company's actions. The Commission should determine if the company is in compliance with its IT plan as described in the Settlement Agreement of DG 11-040. ("The goal of the application transfer process is to ensure that applications are transferred to Liberty from National Grid in a seamless manner with minimal customer and user disruption." SA Migration Plan Attach H p4). The Commission would also determine whether prudent utility management took place in the planning, designing, building, testing, deploying and running of Liberty's IT system. If the company goes forward and experiences the same problems with the electric customer account conversions as experienced with the gas customer account conversions, the cost to remedy the problems after the fact should be found to be imprudent and should not be allowed in ratebase or be recoverable.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Susan Chamberlin", written over a horizontal line.

Susan Chamberlin
Consumer Advocate

cc: service list via electronic mail