



Stephen R. Hall
Director, Rates & Regulatory Affairs
O: 603-216-3523
E: Stephen.Hall@libertyutilities.com

NHPUC 1AUG'17AM11:57

July 31, 2017

Via Electronic Mail and US Mail

Debra A. Howland
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

**Re: DG 11-040 Liberty Utilities (Granite State Electric) Corp. and Liberty Utilities
(EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities**

Dear Ms. Howland:

On May 5, 2017, Liberty Utilities submitted a letter to the Commission stating that the Company would no longer be filing monthly Customer Service Metrics reports (Bill Accuracy, Estimated Bill Percentages, and Percent of Bills with Exceptions) and Monthly Call Answering reports for each of Granite State Electric and EnergyNorth in an effort to reduce administrative burden. Liberty also stated that its interpretation of the settlement agreement in Docket No. DG 11-040 is that the Company is no longer required to report on EnergyNorth's customer satisfaction survey results, since EnergyNorth's customer satisfaction survey results in 2016 reached the target specified in the settlement in DG 11-040 at which there is no longer a need to file an improvement plan for customer satisfaction.

In the May 5, 2017 letter, Liberty noted that the Company agreed in a subsequent settlement in Docket No. DE 16-383 to continue to provide a call answering report for Granite State. Liberty also agreed in that settlement to provide reports pertaining to bills on hold for Granite State and to continue to provide a report on customer satisfaction results for Granite State.

On July 21, 2017, the Commission Staff filed a memorandum with the Commission stating that Liberty is mistaken in its assertion that it is no longer required to report on customer service metrics. Staff also asserted that the obligation to provide the results of the annual customer satisfaction survey for EnergyNorth did not terminate upon reaching the achievement specified in the settlement in DG 11-040 that eliminated the need to file an improvement plan for customer satisfaction. Staff recommended that the Commission direct Liberty to continue to report EnergyNorth's performance regarding customer service metrics and call answering, and to continue to provide the Commission with the results of the annual customer satisfaction survey for EnergyNorth. This letter responds to the Staff's recommendations.

Regarding the customer satisfaction survey results for EnergyNorth, the settlement in Docket No. DG 11-040 lacks specificity regarding the time frame during which the results of such surveys must

be provided to the Commission. Notwithstanding this, Liberty will agree to continue to file the results of the EnergyNorth survey annually, pending any future agreement otherwise.

With respect to filing customer service metrics, however, the settlement is clear. The settlement agreement requires Liberty to submit certain monthly reports during the Transition Period, which is defined as the period of time between the Closing Date (the date that Liberty acquired EnergyNorth and Granite State) and the completion of the last transition service under the Transition Service Agreements (TSAs). The last TSA, and thus the Transition Period, terminated on September 30, 2014, (defined as “Day N” in the settlement), as reported to the Commission on September 26, 2014.

Regarding customer service metrics (call center service level, bill accuracy, estimated bill percentages, and percent of bills with exceptions), the settlement agreement specified that monthly reports be filed on the root cause analysis for any failure to achieve specific metrics. For call answer time, the settlement specifies:

“During the period following the cutover of call center services and continuing through Day N and 365 days thereafter, the Companies shall work to identify the root cause of any failure to achieve the call answer time metrics set forth above. If the Companies have reason to believe that the root cause relates to National Grid’s failure to comply with its obligations under the TSAs or a system, database, process and/or procedure error that is attributable to National Grid, they shall request that National Grid cooperate with them in determining the root cause of the failure to achieve such metrics. National Grid agrees to comply with such request.” DG 11-040 Settlement, Bates 28 – 29 (emphasis added).

For the other customer service metrics, the settlement specifies:

“During the Transition Period, the Companies and National Grid commit to working together to identify the root cause of any failure to achieve the Performance Metrics set forth in Attachments N and O. During the period from Day N and 365 days thereafter, the Companies shall work to identify the root cause of any failure to achieve the Performance Metrics (as defined in Section E.3.c. below) in Attachment N. If the Companies have reason to believe that the root cause relates to National Grid’s failure to comply with its obligations under the TSAs or a system, database, process and/or procedure error that is attributable to National Grid, they shall request that National Grid cooperate with them in determining the root cause of the failure to achieve such metrics. National Grid agrees to comply with such request.

“During the transition period and the period Day N plus 365 days thereafter, the Companies shall provide National Grid with all information necessary for National Grid to file its monthly performance reports.

“The Companies will provide National Grid with information relevant to the performance metrics, and will maintain the National Grid performance metrics in Attachment N following the termination of each associated transition service and through Day N plus 365 days thereafter.” DG 11-040 Settlement, Bates 31 – 32 (emphasis added).

These provisions were intended to ensure that there would be a smooth transition of customer service from National Grid to Liberty. Attachment N to the settlement contained a matrix showing metrics for each of the above performance areas. That matrix shows metrics during the Transition Period as well as metrics for Day N plus 365. Notably, there are no metrics specified for the time frame beyond Day N plus 365. Based on the plain language of the settlement and the lack of any metrics for the time period beyond Day N plus 365, it is clear that the metrics and the related monthly reporting requirements ended 365 days after Day N.

The Commission Staff also agreed that the metrics and reporting requirements for some of the customer service focus areas ended 365 days after Day N. In the hearing on the settlement, Staff stated the following:

“In addition to those, we've established a number of metrics, and I'll address the customer service metrics specifically, that both Liberty and Grid have responsibility for meeting. National Grid is responsible, obviously, during the transition period. Liberty will continue to meet the metrics established by Grid -- established for Grid *in the period Day N plus 365*. And, those metrics are designed to help identify potential problems before they become very big problems. They focus on areas such as billing, with metrics regarding the billing accuracy, percentage of bills that are estimated, bills with exceptions.” DG 11-040 Transcript, Day 2, pp. 71 – 72 (emphasis added).

The Commission Staff also opined on the time frame during which call answering metrics would apply, in contrast to the time frame for applicability of the other customer service metrics:

“They also focus on call center responsiveness, with the carryover of the commitments that National Grid had from 06-107 for certain service levels in their call center. Liberty continues those commitments. And, that commitment will extend beyond global Day N plus 365, that will be a continuing obligation of Liberty. *Whereas these others are only through the global Day N plus 365 day period.* DG 11-040 Transcript, Day 2, p. 75 (emphasis added).

Based on the plain language of the settlement and Staff's testimony in DG 11-040, there can be no reasonable disagreement regarding the end date for the metrics and reporting requirements for bill accuracy, estimated bill percentages, and percent of bills with exceptions. That end date is September 30, 2015, which is 365 days after Day N.

With respect to call answering metrics, the Commission Staff's interpretation of the time frame for applicability differs from Liberty's, but in view of Staff's testimony in DG 11-040, and in view of Liberty's agreement in DE 16-383 to continue to provide call answering information for Granite State, Liberty will continue to provide such data for EnergyNorth.

Liberty requests that the Commission deny Staff's request to require Liberty to continue to provide monthly reports for bill accuracy, estimated bill percentages, and percent of bills with exceptions for EnergyNorth and Granite State. Liberty makes this request in an effort to reduce administrative burden and in view of Liberty's very high level of performance in these areas over the last two years. Liberty agrees that it will provide annually to the Commission the results of the customer satisfaction survey for EnergyNorth, and will also resume providing to the Commission monthly call

Debra A. Howland

DG 11-040

Page 4

answering information for EnergyNorth in view of Staff's testimony in DG 11-040, and notwithstanding Liberty's very high level of performance on call answering over the last two years.

Sincerely,

A handwritten signature in black ink that reads "Stephen R. Hall". The signature is written in a cursive, flowing style with a large, stylized 'S' and 'H'.

Stephen R. Hall

Enclosure

cc: Service List