

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

DG 14-___

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP.
D/B/A LIBERTY UTILITIES
MOTION FOR WAIVER OF RULE PUC 1203.11(i)

Pursuant to Rule Puc 201.05, Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities (“Liberty Utilities” or the “Company”) hereby requests the Commission partially waive the requirements of Rule Puc 1203.11(i) to permit the Company to expand the time during the week during which it may disconnect residential customers from natural gas service. In support hereof, Liberty Utilities states as follows:

1. Over recent months, the Company has experienced a rise in its outstanding residential accounts receivable and seeks to increase the period of time during which it can conduct service disconnections in an effort to limit any further uncollectible expense as well as to increase customer payments for accounts in arrears. Current Commission rules only permit residential disconnections Monday through Thursday from 8:00AM to 3:30PM. In this motion, the Company is requesting authority through November 15, 2014 to disconnect residential accounts on Fridays or, in the alternative, to extend the time in which it can disconnect on Monday through Thursday until 5:00PM. For the reasons stated below, the Company asserts this request is in the public interest and should be granted.

2. Based on the Company’s Monthly Disconnection and Accounts Receivable Report filed with the Commission on July 1, 2014, the Company has experienced a 50% increase in the total amount of accounts receivable since the end of January 2014, with particularly significant

increases in the number of accounts more than 60 days in arrears. These increases are due to a number of factors, including the Company's temporary cessation of collections following the September 2013 cutover of the natural gas customer information systems from National Grid to Liberty, the abeyance of collections activities during the winter months in order to ensure residential customers had access to heat during periods of cold weather and the high cost of gas during the winter which resulted in higher customer bills. The Company has undertaken aggressive actions to reduce its accounts receivable but now seeks the additional tool of more time in which to disconnect residential accounts.

3. Since April 2014, the Company has issued approximately 5009 disconnection notices to residential customers and has disconnected approximately 343 customers to date. The Company has been issuing approximately 100 disconnection orders to its field crews per day and plans to increase those orders to approximately 250 to 300 orders per day¹, including disconnection orders for commercial and industrial customers. To execute this increased number of disconnection orders, the Company has hired and is currently training 10 additional field technicians to handle disconnections and has hired a collections coordinator and 7 temporary customer service representatives to handle collections calls.

4. The Company requests immediate authorization from the Commission to expand the period of time in which it may disconnect a residential customer's service given the large number of customer² disconnection notices that will be issued over the coming months. Specifically, the Company is requesting authority to disconnect residential customers Fridays from 8:00AM to 3:30PM, which requires waiver of Puc 1203.11(i). That rule limits residential

¹ As part of this effort, the Company will be disconnecting service to approximately 208 occupant accounts.

² Puc 1203.11(k) authorizes public utilities to disconnect service to non-residential customers Monday through Friday. Thus, no waiver is necessary for those disconnections. The Company has also undertaken aggressive actions to collect outstanding balances from commercial and industrial customers.

disconnections to Monday through Thursday from 8:00PM to 3:30PM. The Company seeks this partial waiver only through November 15, 2014, after which time it will revert to the existing rule given the impending winter months. To accommodate this expansion of time during which disconnections would occur, the Company would open its call center on Saturdays from 8:00AM to 4:30PM in order to provide those customers who were disconnected an enhanced opportunity to pay their outstanding bills and be reconnected to gas service.

5. Alternatively, if the Commission determines the current day-of-the-week restrictions should not be waived, the Company requests the Commission partially waive Puc 1203.11(i) to permit disconnections of residential customers until 5:00PM Monday through Thursday. The Company seeks this partial waiver only through November 15, 2014, after which it will revert to the existing rule. To accommodate this expansion of time, the Company would extend the hours of its call center Monday through Thursday until 7:00PM in order to provide customers with additional time to contact the Company to pay any outstanding balances once collected.

6. The Company requires this additional time to conduct disconnections given the volume of the disconnection notices, the limited period of time between now and the traditional November 15 start of the moratorium period and the limitation in Commission rules that the utility may only disconnect a customer within 8 business days from the date of the proposed disconnection, *see* Puc 1203.11(m), or in the case of residential tenants, within 10 calendar days of the proposed disconnection. *See* Puc 1203.12(g).

7. Puc 201.05 provides that the Commission may waive the provisions of any of its rules if (a) the waiver serves the public interest and (b) the waiver will not disrupt the orderly and efficient resolution of matters before the Commission. Puc 201.05 provides further that, in determining the public interest, the Commission may find a waiver request to be in the public

interest if “[c]ompliance with the rule would be onerous or inapplicable given the circumstances of the affected person” and “[t]he purpose of the rule would be satisfied by an alternative method proposed.”

8. The Company submits that the requested waiver is justified under the rule. First, it is in the public interest for the Company to undertake additional efforts to reduce outstanding customer arrearages and to prevent further arrearages. The Company’s overall costs increase when customers fail to pay their bills, and its administrative costs for managing the collection effort increase as well. All other customers may be disadvantaged by delinquent customers, as these costs may be passed on to paying customers. In addition, it is in public interest to conduct more disconnections in the summer months than during the winter. The harm to those residential customers that will be disconnected either on Fridays or later in the day on Mondays through Thursdays is minimized given that these disconnections will be occurring at a time when customers are not using natural gas for heating their homes. Importantly, customers who are disconnected will have an added incentive to pay their outstanding account balances prior to the heating season in order to have their service reconnected by the winter months.

9. While the Company recognizes that customers will not be able to contact the Commission until Monday morning should they be disconnected on a Friday, the need to do so is less critical given that during much of the time covered by the waiver, there is no heating load being served during the time of disconnection. Further, under the Company’s proposal, regardless of the time period in which a customer is disconnected, all other customer service protections in the Puc 1200 rules will remain in effect. Field technicians will always knock on the customer’s door prior to disconnecting the service and will accept payments in the field should the customer desire to prevent the disconnection.

10. Balancing the various interests, permitting the Company to increase its disconnection activity in an effort to reduce the amount of expense associated with its delinquent accounts will benefit the public in general, particularly given the circumstances of the substantial arrearages that the Company is currently experiencing. Additionally, the purpose of the rule is satisfied by either of the two alternatives that the Company has proposed. The primary purpose of the rule is to provide customers whose service is disconnected with the opportunity to settle their accounts within one day and restore their service. By establishing extended hours for contacting the Company's collections call center, customers will have the same level of access to the Company as currently provided under the rule. Although there are may be some situations when the Commission is unavailable for inquiries until the next business day, this inconvenience (which, it must be emphasized, concerns only those customers in arrears at least 60 days) should be considered in light of the overall cost benefits that ultimately accrue to other customers. Furthermore, no customer will be materially disadvantaged by any disconnections that occur during the duration of the requested waiver, as it is proposed to expire by November 15th, before peak heating season begins.

11. Regarding the second prong of Rule Puc 201.05, the waiver will not disrupt the orderly and efficient resolution of matters before the Commission. The Company is not seeking a waiver of any other aspect of the Puc 1200 rules, including rules related to the age of receivables, notice, medical emergencies, social service assistance, and disconnection conferences. Furthermore, the Company is not seeking any change in the manner in which the Commission accepts or handles customer inquiries under this rule, nor to any of the standards that apply to customer inquiries. Affected customers will continue to have timely recourse to the Commission and whatever consideration to which they are entitled under the rules.

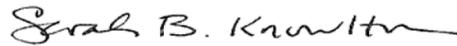
WHEREFORE, Liberty Utilities respectfully requests that the Commission:

- A. Grant a partial waiver until November 15, 2014 of Rule Puc 1203.11(i), to permit the Company to disconnect service to residential customers from 8:00AM to 3:30PM on Fridays; or, in the alternative;
- B. Grant a partial waiver until November 15, 2014 of Rule Puc 1203.11(i), to permit the Company to expand to 5:00PM the hours in which the Company may discontinue service Monday through Thursday; and
- C. Grant such other and further relief as the Commission deems necessary and just.

Respectfully submitted,

LIBERTY UTILITIES (ENERGYNORTH NATURAL GAS) CORP. D/B/A LIBERTY UTILITIES

By its Attorney,

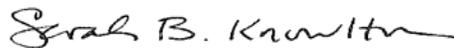


Date: July 7, 2014

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Certificate of Service

I hereby certify that on July 7, 2014, a copy of this Motion for Waiver has been forwarded to the Office of Consumer Advocate.



Sarah B. Knowlton