

EXHIBIT
#9
DW16-123

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
DW 16-123

In the Matter of:
Aquarion Water Company, Inc.
Petition for Monthly Billing

Direct Testimony

of

Amanda O. Noonan
Director, Consumer Services and External Affairs

May 26, 2016

New Hampshire Public Utilities Commission

Aquarion Water Company, Inc.

DW 16-123

Petition for Monthly Billing

Direct Testimony of Amanda O. Noonan

1 **Q. Please state your name, occupation and business address.**

2 **A.** My name is Amanda Noonan, and I am the Director of Consumer Services and External
3 Affairs Division of the New Hampshire Public Utilities Commission. My business
4 address is 21 South Fruit Street, Suite 10, Concord, NH 03301.

5 **Q. Please outline your educational background and professional experience.**

6 **A.** I have been employed with the Commission since January 1992. During that time, I have
7 worked in the Engineering Division, the Electric Utility Restructuring Division, and the
8 Consumer Services and External Affairs Division. I have been the Director of Consumer
9 Services and External Affairs since December 2015. Prior to that, I was the Director of
10 the Consumer Affairs Division for 18 years. I am a member of the NARUC Staff
11 Subcommittee on Consumer Affairs and chairperson of the New England Conference of
12 Public Utility Commissioners Staff Committee on Consumer Affairs. Prior to joining
13 the Commission, I was employed by BankEast Corporation for 6 years where I was
14 responsible for the design and development of corporate training programs relating to
15 management and customer service as well as bank operations. I have a B.S. in business
16 administration from the University of New Hampshire's Whittemore School of Business
17 and Economics.

1 **Q. Have you previously testified before the commission?**

2 **A.** Yes, I have.

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

4 **A.** The purpose of my testimony in this proceeding is to comment on and provide
5 recommendations regarding the proposal of Aquarion Water Company, Inc. (Aquarion)
6 to change from billing on a quarterly basis to billing on a monthly basis, to change the
7 billing of the customer charge from in advance to in arrears, to bill the customer charge
8 on a per diem basis resulting in a customer charge which will vary from month to month,
9 and to change the payment due date from thirty days to twenty five days

10 **Q. Please describe the Aquarion proposal to change from quarterly billing to monthly**
11 **billing.**

12 **A.** With the exception of seasonal customers, Aquarion bills its metered customers and
13 private fire customers on quarterly basis. Seasonal customers are billed the annual
14 customer charge on May 1 of each year, and bills for water usage are issued monthly.
15 Aquarion does not propose any changes to the billing of its seasonal customers. All other
16 metered customers are billed quarterly, with the customer charge billed in advance and
17 water usage billed in arrears. Under Aquarion's proposal, metered customers and private
18 fire customers would now be billed monthly, and the customer charge would be billed in
19 arrears.

20 **Q. How will changing from quarterly billing with the customer charge billed in**
21 **advance to monthly billing with the customer charge billed in arrears affect**
22 **customers?**

1 A. Changing the billing of the customer charge from in advance to in arrears should result in
2 the first bill issued after a customer requests new service being more representative of
3 future bills the customer will receive. Monthly billing will provide more timely usage
4 information to customers and may result in earlier detection of water leaks which can be
5 costly to customers. More timely usage information may also encourage increased water
6 conservation efforts resulting in lower customer bills. Finally, receiving a monthly water
7 bill rather than a quarterly water bill should make it easier for lower income customers to
8 manage their bill payments.

9 **Q. Please describe Aquarion’s proposal to bill the customer charge on a per diem basis.**

10 A. Rather than bill a fixed customer charge each month, Aquarion proposes to base the
11 customer charge on a per diem rate. Typically, utility billing periods range in length
12 from twenty eight days to thirty two days. Under Aquarion’s proposal, the customer
13 charge billed each month would vary based on the number of days in the billing period.

14 **Q. Are there benefits to customers of such an approach?**

15 A. While not a common practice among New Hampshire utilities, a customer charge based
16 on a per diem rate rather than a fixed monthly rate appropriately pro-rates the customer
17 charge when a shorter or longer than normal billing period occurs, an event most often
18 associated with the initiation or termination of water service. There are other ways to
19 pro-rate the monthly customer charge when a customer initiates or terminates service;
20 however, those methods require either a manual bill calculation or functionality within
21 the utility customer billing system such that bills pro-rate automatically. Moving to a
22 customer charge based on a per diem basis allows Aquarion to pro-rate the customer

1 charge without performing manual bill calculations or undertaking programming changes
2 to its customer billing system.

3 **Q. Aquarion has also proposed changing the payment due date from thirty days to**
4 **twenty-five days. How will this change affect customers?**

5 **A.** Aquarion has requested the change in the payment due date to allow it sufficient time to
6 receive customer payments and credit customer accounts in advance of the next bill.

7 Aquarion has stated that the date after which a payment is deemed to be late, and thereby
8 subject to a late payment charge, will continue to be thirty days following the bill date.

9 As a result, Staff sees no negative impact to customers resulting in the change in the

10 payment due date. Aquarion's approved late payment charge assessed on outstanding

11 balances is 5%, a charge that was approved by the Commission in conjunction with

12 quarterly billing. With the conversion from quarterly to monthly billing, Staff

13 recommends the Commission revisit the amount of Aquarion's late payment charge in its

14 next rate case.

15 **Q. Given the above, would you recommend that Aquarion's request to change from**
16 **quarterly billing to monthly billing be approved?**

17 **A.** Yes. As described here and in Mr. Naylor's testimony, Aquarion's request is reasonable,
18 is consistent with past Commission practice, and provides customer benefits.

19 Communication to customers about the conversion will be important in ensuring a

20 smooth transition from quarterly to monthly billing. Aquarion's bill form must also

21 provide customers with sufficient information to understand how their bill is calculated as

22 required by NH Code of Administrative Rules, Chapter Puc 1200, Uniform

23 Administration of Utility Customer Relations, Part Puc 1203.06, Bill Forms. Staff

1 recommends Aquarion submit any customer communications as well as its revised bill
2 form to the Commission's Consumer Services and External Affairs Division for review
3 prior to beginning any customer communication campaign.

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

5 **A. Yes, it does.**