

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

January 17, 2018 - 10:12 a.m.
Concord, New Hampshire

2 FEB'18 AM 8:00

RE: DE 17-171
EVERSOURCE ENERGY:
Proposed Tariff Amendment regarding
Late Payment Charge.

PRESENT: Chairman Martin P. Honigberg, Presiding
Commissioner Kathryn M. Bailey
Commissioner Michael S. Giaimo

Sandy Deno, Clerk

APPEARANCES: Reptg. Public Service Company of
New Hampshire d/b/a Eversource Energy:
Matthew J. Fossum, Esq.

Reptg. Residential Ratepayers:
D. Maurice Kreis, Esq., Consumer Adv.
Office of Consumer Advocate

Reptg. PUC Staff:
Suzanne G. Amidon, Esq.
Amanda Noonan, Director/CSEA Division
Rorie Patterson, Asst. Dir./CSEA Div.

Court Reporter: Steven E. Patnaude, LCR No. 52

CERTIFIED
ORIGINAL TRANSCRIPT

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E X H I B I T S

EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Chart entitled "DE 17-171 Eversource Late Fees"	6
2	Consumer Contact Memo (11-13-17)	6
3	Consumer Contact Memo (12-12-17)	6
4	RESERVED (Record Request: Can the company separate out payments made by mailed check for a separate treatment until the new vendor is in place in later 2018, and to explain details about how to identify and separate out these payments?)	61

P R O C E E D I N G

1
2 CHAIRMAN HONIGBERG: We're here this
3 morning in Docket DE 17-171, which is about
4 Eversource's late payment issues. We issued an
5 order on this, called everybody together to see
6 what can be done and what progress has been
7 made.

8 Before we do anything else, let's
9 take appearances.

10 MR. FOSSUM: Good morning,
11 Commissioners. Matthew Fossum here for Public
12 Service Company of New Hampshire doing business
13 as Eversource Energy.

14 MR. KREIS: Good morning, Mr.
15 Chairman. I'm D. Maurice Kreis, doing business
16 days as Don Kreis. I am the Consumer Advocate
17 representing residential utility customers.

18 MS. AMIDON: Good morning. Suzanne
19 Amidon, for Commission Staff. To my left is
20 Amanda Noonan, who's the Director of External
21 Communication and Consumer Affairs. I probably
22 have her title wrong and I apologize in
23 advance. And to her left is Rorie Patterson,
24 who is the Assistant Director of that division.

1 CHAIRMAN HONIGBERG: All right. How
2 are we going to proceed this morning?

3 Mr. Fossum.

4 MR. FOSSUM: My understanding is,
5 following on the Commission's order having us
6 to come in and explain essentially, in broad
7 strokes, sort of what's going on and what we're
8 doing about it, we have a witness here to
9 explain what's going on and what we're doing
10 about it.

11 And, so, we would have Mr. Kenneth
12 Millerd to take the stand this morning to offer
13 that information on behalf of the Company.

14 CHAIRMAN HONIGBERG: If there's --
15 yes, Ms. Amidon.

16 MS. AMIDON: Yes. As a preliminary
17 matter, Staff ask that you admit for
18 identification as exhibits the three exhibits
19 that you see on the Bench. Both Attorneys
20 Fossum and Kreis have agreed that they could be
21 introduced as exhibits without a witness,
22 because they're in the nature of business
23 records.

24 The first document, "Exhibit 1", is a

1 report of the calls that were received by the
2 Company and by the Division for -- of contacts
3 regarding this particular issue, the late
4 processing of payments. "Exhibit 2" is a
5 contact memo that was prepared in connection
6 with one of the calls, this relates to a
7 business billing issue, again related to the
8 late processing of payments. And "Exhibit 3"
9 is one from a residential customer that was
10 again prepared by the Consumer Affairs
11 Division.

12 CHAIRMAN HONIGBERG: Okay. Fair
13 enough.

14 (The documents, as described,
15 were herewith marked as
16 **Exhibit 1** through **Exhibit 3**,
17 respectively, for
18 identification.)

19 MS. AMIDON: I'm sorry. I just got
20 distracted. I will make a point about
21 Exhibit 2 when I finish here. Anyway, that's a
22 residential customer. And Ms. Noonan believes
23 that these exhibits will help enlighten the
24 Commission as to what has happened since the

1 time that the Commission issued its order.

2 I will note, and my apologies, that,
3 on Exhibit 2, if you look down below the line,
4 and where it says "From: Hadley, Eileen", the
5 fourth line is the subject, which includes the
6 account number, and that account number is
7 confidential. And I can do one of two things.
8 I can ask that it just be redacted and held
9 confidential by the parties who have the copy,
10 or I can prepare new exhibits at a later time.

11 CHAIRMAN HONIGBERG: I mean, it
12 doesn't strike me as significant.

13 MS. AMIDON: Thank you.

14 CHAIRMAN HONIGBERG: Now that you're
15 giving it to us to show anything about what
16 happened with this particular customer or this
17 particular customer's account, right?

18 MS. AMIDON: I'm looking to Ms.
19 Noonan for any comment she may have.

20 CHAIRMAN HONIGBERG: You know, rather
21 than have this conversation through you, Ms.
22 Amidon, why don't, at some point, we hear from
23 Ms. Noonan about what these are supposed to be.
24 But we're not going to -- and, if people want

1 to -- if we're going to do witnesses under
2 oath, we're going to do witnesses under oath.

3 MS. AMIDON: Uh-huh.

4 CHAIRMAN HONIGBERG: So, I'm happy to
5 hear from Ms. Noonan first. It doesn't matter
6 to me. I'm happy to hear from the Company
7 first. I don't care. How do you guys want to
8 proceed?

9 MR. FOSSUM: I will say, we hadn't
10 spoken about it. These exhibits only came to
11 our attention a few minutes before the hearing
12 started. So, we didn't actually address that.
13 I think the Company is comfortable taking
14 the -- I mean, we were here to, you know, offer
15 information to the Commission this morning.
16 We're perfectly comfortable to lead off doing
17 exactly that.

18 CHAIRMAN HONIGBERG: I'm going to say
19 something, I don't know the answer to this.
20 Would it make sense for you all to talk for ten
21 or fifteen minutes about these exhibits?
22 Because, you know, normally, the Company goes
23 first, but this is really in the nature of,
24 and, frankly, the way the order was issued we

1 expected to hear from the Company first. I
2 don't know or really understand what's in these
3 exhibits, but it sounds like Staff believes
4 they are something we should know about.

5 But I don't know, Ms. Amidon, should
6 we know about them before we hear from the
7 Company or should we know about them after we
8 hear from the Company?

9 Ms. Noonan.

10 MS. NOONAN: So, I think that the
11 purpose of providing these two contact memos
12 was simply to provide the Commission with
13 examples of the customer -- two customer
14 experiences that are typical of most of the
15 calls that have come to the Consumer Services
16 Division. One just comments -- well, both
17 comment on the length of time for their
18 payments to be posted to their accounts, and
19 one shows the broader ramifications for some
20 customers of these late payments beyond simply
21 a late payment charge.

22 So, it's not to offer testimony about
23 their experience or what happened, what the
24 Company did or didn't do. They're just

1 provided by way of example for the customer's
2 experience.

3 I don't know if that's helpful or
4 responsive to your question.

5 CHAIRMAN HONIGBERG: Commissioner
6 Bailey.

7 CMSR. BAILEY: Ms. Noonan, are the
8 dates that you chose significant, one being
9 before the order and one being after the order?

10 MS. NOONAN: I chose them because
11 they were more recent than some of the other
12 complaints, not necessarily because one
13 predated or postdated the order. But just that
14 they were more recent and had sufficient detail
15 to kind of show what the customer experienced.

16 CMSR. BAILEY: Okay. Thank you.

17 MS. AMIDON: And if I could add, the
18 reason that we are offering this is because we
19 believe that it would be helpful for the
20 Commission to have some information before it
21 when Eversource's witness was on the stand. At
22 this point, my understanding is that there is
23 no intention on the part of Eversource to offer
24 any documentation to demonstrate the kinds of

[WITNESS: Millerd]

1 problems that customers have had.

2 CHAIRMAN HONIGBERG: I think reading
3 the order, I think Eversource expected, and I'm
4 going to put words in Mr. Fossum's mouth, you
5 correct me if you disagree, Mr. Fossum. I
6 think Mr. Fossum and his people came here to
7 explain what they're doing going forward. That
8 that's what they came here to do.

9 I have no idea if Exhibits 2 and 3,
10 or even Exhibit 1, is in any way relevant to
11 that, and I don't know if it's relevant to what
12 we should be doing here today.

13 Without, as usual, I know less than
14 everybody else in the room. So, here's what
15 we're going to do. The Company expected to go
16 first. Mr. Fossum, why don't you have your
17 witness take the stand. You do what you're
18 going to do. And then we'll hear from Staff,
19 the OCA, obviously, an opportunity to ask
20 questions. And then we'll decide what to do
21 with these exhibits.

22 (Whereupon **Kenneth J. Millerd**
23 was duly sworn by the Court
24 Reporter.)

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[WITNESS: Millerd]

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KENNETH J. MILLERD, SWORN

DIRECT EXAMINATION

BY MR. FOSSUM:

Q Mr. Millerd, could you please state your name and your place of employment and your responsibilities for the record please.

A My name is Kenneth J. Millerd. I am a Manager of Payments and Bill Print at Eversource Energy. I've been with the Company for 37 years. I've been in that capacity for about six years, since 2011. And prior to that, I had a number of different jobs that I held, both at the manager and staff level, all within the revenue stream operations type of work. I've got a Bachelor's degree in Business Administration, as well as an MBA in Finance.

Q And it might go without saying, but I'll ask anyway. Are you the same Kenneth Millerd whose name was on the technical statement that was submitted back on November 1st in this docket?

A Yes, I am.

Q And, Mr. Millerd, have you read and reviewed the Commission's order that was issued on December 1st in this proceeding?

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[WITNESS: Millerd]

1 A Yes, I have.

2 Q And you're familiar with the issues underlying
3 that order and the issues that led to the
4 submission that the Company made in the first
5 place, is that correct?

6 A Yes I am. That's correct.

7 Q Based upon your knowledge and experience, could
8 you please explain what the issues are
9 regarding payment processing that the Company
10 has been experiencing and what it is that the
11 Company has done and is doing about that?

12 A Okay. What I'd first like to do is, to answer
13 that question, which is a very open-ended
14 question, I'd like to go back in time a little
15 bit. I'd like to go back in time to the May
16 2013 timeframe, which is the first time that we
17 actually contracted with a third party, at the
18 time the company's name was known as "Regulus".
19 They have since changed their name a couple
20 times, to "TransCentra", and now "Exela". But
21 that was the first time we implemented payment
22 processing through a third party, with New
23 Hampshire and some of other companies as well.

24 But, even prior to that, that was after we

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[WITNESS: Millerd]

1 had merged, Northern Utilities at the time had
2 merged with NSTAR, and NSTAR had already been
3 using this particular company as far as back as
4 2010.

5 And I will also add that, in 2010, till
6 the time that we actually implemented in 2013,
7 NSTAR did not experience any issues with mail
8 delays or anything like that with this
9 particular vendor, and nor did we for the first
10 two or three years that we had contracted with
11 them. So, I think it's important to note that
12 right out of the gate.

13 So, back at the time that we implemented,
14 we really didn't have any issues to speak of in
15 terms of mail delays, because the payments were
16 going to Texas, and that was one of the major
17 hubs that the Post Office had at the time, and
18 didn't happen to have any issues with mail
19 processing, what they call "mail float", which
20 is the time it takes to get through the Postal
21 Service processing.

22 So, throughout that time period, we
23 regularly monitored for things just like that,
24 to look at what was the time it was taking to

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[WITNESS: Millerd]

1 get payments from our service territory,
2 whether it be New Hampshire, Connecticut, or
3 Massachusetts, to Dallas. And, for the most
4 part, the average number of days that it took
5 to get from our service territory to Dallas was
6 between three and five business days, which is
7 a pretty reasonable amount of time, and was
8 pretty much similar to what you see in the
9 industry.

10 It wasn't until I'd say the May 2015,
11 about two years later, or 2016 timeframe,
12 moving into end of 2016, that we started to see
13 some more sporadic activity, in terms of some
14 payments taking a little bit longer than that
15 three-to-five day interval. It was more that
16 were received some still at the low end of
17 three, but at the high end of seven, three to
18 seven days. But it wasn't significant enough
19 to actually cause any customer concern,
20 complaints, what have you, late payment charges
21 weren't an issue back then. But we continually
22 wanted to monitor it, because we did see a
23 change.

24 And what we -- when I say "monitor it",

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1 what we did do is we asked our payment
2 processor, who was TransCentra at the time, to
3 log or -- not necessarily to log, but review
4 the actual postmark dates of the payments that
5 they were getting in to their -- through our
6 Post Office box, which they pick up from in
7 Dallas, and we really didn't see a lot of
8 significant changes there. We saw, again, that
9 same range, from three to seven business days.

10 But, if we fast-forward to the time where
11 we started to see a little bit more of a delay,
12 it was more the January/February 2017 timeframe
13 where we actually started to see more
14 significant delays, in the seven to ten
15 business days, and actually there were some
16 that were out, you know, up to 21 days, some of
17 the outliers. But that wasn't all, but it was
18 certainly some, and we obviously heard from
19 customers about those.

20 I think it's also important to note that
21 we were very keenly aware that the Post Office,
22 because they're losing money every day, because
23 the number of mail pieces out there has
24 diminished significantly, in terms of volumes

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[WITNESS: Millerd]

1 that they process, they're losing money. And
2 they were trying to figure out ways to actually
3 improve upon their operations. And one of
4 things they did was they consolidated offices
5 across the United States. And, so, we assumed
6 that that was maybe perhaps one of the reasons,
7 but we didn't know.

8 But one of the things we didn't do is we
9 didn't just sit idle. In terms of Company
10 actions that we did to try to address these
11 issues right out of the gate is one of the
12 first things we did was to contact our local
13 Post Office representatives. And they were
14 pretty tight-lipped about what they were able
15 to tell us. They didn't really give us a lot
16 of information, other than the fact that what I
17 had just mentioned, they are going through some
18 consolidation, some downsizing of different
19 offices. But we didn't have anything specific
20 to our particular facility that they're
21 processing our payments down in Dallas.

22 We also asked our payment processor, who
23 is very actively engaged with the Post Office
24 at both the local and the national level, and

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[WITNESS: Millerd]

1 when I say "national", at the Washington, D.C.
2 level, because that's the business that they're
3 in. And they actually -- they actually have
4 contacts locally, in Dallas, and at the
5 national level like I mentioned, and they're
6 trying to gather information for us as well,
7 because, you know, that's the business they're
8 in. They have other clients that were being
9 just as impacted as we were, because they're
10 payments were coming to Texas as well.

11 Our liaison had mentioned to us that there
12 probably are some operational issues that they
13 just can't get their arms around, because
14 they're not in Dallas, and, again, the Post
15 Office wasn't all that forthcoming with
16 providing information to us.

17 One of the other things we did was, when
18 we started seeing this and we started hearing
19 about this from our customers, whether it be
20 New Hampshire customers, or even Connecticut
21 and Massachusetts customers, we actually had
22 discussions with our Call Center management to
23 say, you know, we need to empower and authorize
24 our customer service representatives that, when

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[WITNESS: Millerd]

1 customers call and complain about or make
2 mention that their payment didn't post on time
3 and they received a late payment charge as a
4 result of that, we often give them the benefit
5 of the doubt and empower our customer service
6 representatives the ability to reverse that
7 late payment charge, and we did that. And that
8 seemed to, you know, help the situation at the
9 time.

10 One of the other things we were made aware
11 of, in the mid 2017 timeframe, was this
12 Inspector General report, the United States
13 Postal Service Inspector General Report that
14 mentioned that they had some issues based upon
15 some steps that they took, which actually
16 increased the length of time it took to process
17 the mail. I think, operationally, it might
18 have had some benefits, or maybe cost benefits,
19 I should say. But, in terms of delaying the
20 mail, it actually had a detrimental effect.
21 And while that particular report was based upon
22 a 2015 timeframe, there were still some ongoing
23 issues that were actually referenced in that
24 report that talked about some of the more rural

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[WITNESS: Millerd]

1 or urban centers or postal processing centers
2 that were still experiencing some issues, and
3 one of them referenced in that report was
4 actually the one in Texas, the one that we were
5 actually processing our payments at.

6 Like I mentioned, TransCentra at the time
7 was actively engaged trying to find out as much
8 information as they possibly could. And I
9 think it was the July 2017 timeframe where they
10 actually provided us with some real specific
11 information about the Dallas facility itself,
12 the postal facility that underwent some
13 operational reviews, and came away with a
14 number of process improvement opportunities, if
15 you will, process improvement steps that they
16 needed to take, all with the notion of trying
17 to improve upon the mail delays that they were
18 experiencing at that particular location.

19 I have a listing of them here, I don't
20 want to necessarily read them, but some of them
21 had to do with, you know, trying to reduce the
22 number of manual sorting. As you can imagine,
23 anything that's done manually takes a lot more
24 time, volumes stack up, and then some things

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[WITNESS: Millerd]

1 don't get processed in a timely fashion. They
2 actually changed out their local management
3 team that oversaw the P.O. box, because that
4 particular person wasn't getting the results
5 that they were looking for. Just a handful of
6 things that were provided to us by our payment
7 processor, because they were more engaged and
8 actually involved with the local Post Office,
9 as well as the national Post Office as well.

10 We continued to have the payment
11 processor, you know, track or I should say
12 sample some of our payments, and we're still
13 seeing those seven to ten or more business
14 days. And, so, we weren't really seeing a lot
15 of improvement based upon some of those
16 operational opportunities that the Post Office
17 was looking to implement down in Texas. And we
18 wouldn't expect them to happen right away, but
19 we did expect to have something happen over
20 time.

21 We actually also conducted our own what we
22 call "mail float test", where we actually took
23 some employees that are in various parts of our
24 service territory, New Hampshire, Connecticut,

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[WITNESS: Millerd]

1 and actually mail payments from their home, to
2 do our own float, and they actually sent them
3 in special envelopes, so that, when it got to
4 our payment processor, they could flag and said
5 "okay, they arrived." And again, we saw the
6 same types of durations, in terms of some got
7 there fairly quickly, and some got there, you
8 know, in the ten or more days. But the bottom
9 line is, you know, we were just validating what
10 we were seeing, based upon what the payment
11 processor was telling us, because we wanted to
12 have our own sample of things to go by.

13 One of the other things we did, too, is we
14 looked at putting a message on our bill stubs.
15 What I mean by that is we wanted to make sure
16 that customers were aware that it's taking a
17 lot longer time than it normally did when we
18 first, you know, had this particular operation
19 in Texas. It's taking a longer time for the
20 payments to post, so please allow -- and I
21 believe the message, and I'll read it, it said
22 "Please allow 7 to 10 business days for your
23 payment to post." And that went into effect
24 July 3rd of 2017. So, that was just another

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[WITNESS: Millerd]

1 step, another action item that the Company, you
2 know, proactively took to try to just inform
3 customers that it's taking more time, we're
4 working on these issues, you know, on the side,
5 but we really don't have a lot of control over
6 what's happening with the mail processing.

7 One of the other things we did was we were
8 originally scheduled, because the contract with
9 our current payment processor was coming up for
10 renewal, and we decided that we were going to,
11 I guess, expedite the timing of which we were
12 going to go out to do a request for proposal
13 for a new vendor. Originally, it was scheduled
14 toward the end of 2017, and we moved it back to
15 start sooner. Because the sooner we start
16 something, the sooner we could possibly get
17 another vendor, the more possibility of
18 improving upon what we want to do.

19 And when I say that, it was August 2017
20 where we issued a proposal to about, I'd say,
21 13 different vendors. The primary objective of
22 that particular request for proposal was to
23 find a viable firm that had a processing
24 location within our service territory or

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[WITNESS: Millerd]

1 somewhere very close by, and not as far away as
2 Dallas, to help with that what's called "mail
3 float" issue, mail delays.

4 In doing so, we narrowed it down, you
5 know, I'm going to fast-forward closer to
6 today, we narrowed it down to about two
7 vendors, both of which had a processing
8 facility in the Boston, Massachusetts area,
9 which is actually within our service territory.
10 And not only that, but one of the selling
11 points around those two vendors, and we've
12 since narrowed it down to one, who we're
13 currently in the process of negotiating a
14 contract with, one of the benefits of that is
15 that the Boston Post Office hub is recognized
16 as the number one in the nation, number one in
17 the country, in terms of mail flow, and this is
18 evidenced by the latest 2017 what's called the
19 "Phoenix-Hecht Study".

20 Do you have a question? Oh, I'm sorry.
21 So, I think it's important to note that that
22 was the primary objective to help with this
23 particular issue. And like I mentioned, while
24 we're not at liberty to necessarily explain who

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[WITNESS: Millerd]

1 that vendor is at this point, because we
2 haven't yet signed on the dotted line with a
3 particular contract, we're looking to do that
4 over the next week or so. But I just wanted to
5 put that on the record that we have, in fact,
6 expedited that a little bit sooner than we
7 normally would have, if it was just normal
8 processing as is.

9 Again, in 2017, there was another report
10 put out by the Inspector General, and this one
11 was a little bit more damning for the Post
12 Office, where it mentioned that the Post Office
13 was misreporting, misrepresenting, under
14 reporting, however you want to put it, the
15 actual delayed mail volumes that they were
16 supposed to be tracking. To the point where,
17 and there's something I pulled out of the
18 particular report that was very telling, and
19 this particular report actually specified
20 various facilities, one of them being the
21 Dallas facility, Dallas Post Office facility.
22 It said that the mail processing facility under
23 reported late-arriving mail by about two
24 billion, and I say "billion" with a "b", over

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[WITNESS: Millerd]

1 the March 2016 to the February 2017 time
2 period, right within the wheelhouse of when we
3 started to see a lot of these delays happening.

4 So, it just tells you that, from the first
5 report, there was really not -- that the issue
6 didn't go away. The issues continued to
7 happen. They continued to happen at some of
8 these major hubs. And there was really not a
9 lot of information that the Post Office was
10 putting out in terms of how they were going to
11 fix that. And that was a very telling report,
12 I think, in terms of what was still going on.

13 We did also, and this was just as early as
14 this past September 2016, we did have an issue
15 with our payment processor, which we weren't
16 blaming on the Post Office, where they
17 underwent a new what's called a "payment
18 processing software platform". They went from
19 one particular platform to another. And we
20 experienced a few hiccups, if you will, with
21 them doing that, to where it actually added to
22 some of the delays we were seeing over a four
23 or five week timeframe. One of the things we
24 did when we started seeing that, we immediately

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1 raised it to the -- actually, the president of
2 the company, because we were so adamant that we
3 couldn't afford to have this situation above
4 what we were already experiencing. And they
5 put together -- they called it a "SWAT team", a
6 team that was ready and willing to act in terms
7 of what they needed to do to get this thing
8 resolved. And by I'd say the early
9 December/late November timeframe, they had
10 fixed some of the issues. They had gotten rid
11 of some of the bugs they had in their new
12 software platform, and actually we saw a lot of
13 improvement after that. But it was something
14 that we acted very quickly on, because we
15 didn't want or need to have any more delays
16 than we were already having.

17 And then one of the other things we did,
18 and you were all privy to this here, is we
19 submitted a request to the Commission to change
20 the terms and conditions to add an additional
21 five days to when we actually assess the late
22 payment charge, from 25 days after the bill is
23 rendered to 30 days after the bill is rendered.
24 And we submitted that request in November.

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[WITNESS: Millerd]

1 That was approved effective December 1st. And
2 we have had that in place since December 1st.

3 One of the other things I think is worth
4 mentioning, because I think it's important to
5 understand is, and in the case of hardship
6 coded customers, some of the low-income
7 customers, they are not subject to late payment
8 charges. Not only that, but when we do, in
9 fact, identify or when a customer submits
10 documentation to support that they are, in
11 fact, hardship-eligible, one of the things that
12 we do is, for the last six months that they
13 incurred any late payment charges, those late
14 payment charges are reversed. So, in no way
15 were late payment charges impacting our
16 hardship customers, which would probably have a
17 more, you know, critical effect on them being
18 that they're low income. But I just wanted to
19 put that out there, because it's important to
20 know that they were not impacted.

21 The other thing I wanted to mention is
22 that, in general, when we looked at late
23 payment charges as a whole, we gathered some
24 information around the volumes. And on

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1 average, the volumes that we see, and again
2 this isn't necessarily customers, it's the
3 number of late payment charges that are, in
4 fact, being assessed. On average, there are
5 around 950,000 to a million late payment
6 charges a year. And of that number, about
7 25,000 or so are those that are reversed, which
8 equates to about a two and a half percent of
9 our customer base, or two and a half percent of
10 the volume that were assessed with it. It's
11 actually a small number. But, in relativity,
12 when you look at, you know, the number of
13 customers that we were getting calls from and
14 explaining that their payment was mailed on
15 time and they're still getting these late
16 payment charges, we took proactive steps to
17 empower reps, and also, you know, seek approval
18 to push out the date for when these LPCs got
19 assessed.

20 Trying to think if there's anything else.

21 CHAIRMAN HONIGBERG: I think
22 Mr. Fossum will probably ask you a question if
23 there's anything you left out.

24 MR. FOSSUM: I'll try.

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1 WITNESS MILLERD: Okay.

2 BY MR. FOSSUM:

3 Q I wanted to just pick up on the last point you
4 raised about the volumes of late payment
5 charges. Has the Company noticed a material
6 change in the number of late payment charges
7 that have been assessed over the last few
8 years?

9 A No. That's one of the things that we perhaps
10 would have assumed to have happened. But we
11 didn't, when we gathered the volumes, the
12 volumes didn't really have a huge uptick over
13 the period of time that we're talking about.
14 When I say "period of time", I'm talking
15 2016-2017. There was a small uptick, but
16 nothing to, like, stand out, if you will, that
17 was exorbitant or beyond, something that we,
18 you know, would say "what's going on?" But it
19 wasn't something that was significant.

20 Q And similar to the information you raised
21 regarding hardship customers, I'm just curious
22 if you could provide some additional
23 information about the customer populations that
24 are actually subject to these or that have to

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1 be -- that end up receiving late payment
2 charges due to mail issues, having mailed a
3 check versus some other payment method?

4 A Right. A good question. In essence, our mail
5 payment volumes make up about 38 to 40 percent
6 of our total payments that we take in every
7 year. The vast majority are electronic,
8 whether it be what we call "direct debit",
9 where it's deducted from the company's bank
10 account; they may send out and pay through
11 their bank, and that gets sent to us in a
12 payment file; they may decide to use a credit
13 card, because we offer credit cards for a fee;
14 they also -- we also have walk-in payment
15 locations throughout our service territory,
16 including New Hampshire.

17 So, there are a number of other ways. You
18 know, 60 percent of our volume or more is not
19 through the mail. So, those typically are much
20 more timely, because we get those next day,
21 same day in some cases.

22 So, really this issue with mail delays was
23 only impacting about 40, 38 to 40 percent of
24 our customers. And of that, you know, only

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1 those that really waited till the last minute
2 to pay were actually experiencing some of
3 these -- some of these issues.

4 But I mentioned earlier, it wasn't
5 hardship customers, because when you're coded
6 hardship, not only do we reverse them going
7 back, any late payment charges they incurred
8 going back six months, but they don't get late
9 payment charges as a general rule anyhow.

10 MR. FOSSUM: Thank you. I believe
11 that's all I have for now.

12 CHAIRMAN HONIGBERG: Mr. Kreis.

13 MR. KREIS: Thank you, Mr. Chairman
14 Good morning, Mr. Millerd.

15 WITNESS MILLERD: Good morning.

16 **CROSS-EXAMINATION**

17 BY MR. KREIS:

18 Q Let me start where you just finished off. You
19 mentioned, when Mr. Fossum was asking you
20 questions, that 38 to 40 percent of the
21 payments are received by the Company through
22 this mail system we've been talking about. Is
23 that 38 to 40 percent of the Company's revenue
24 or are we talking about 38 to 40 percent of the

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1 customers by customer account?

2 A It's 38 to 40 percent of the customers that
3 pay.

4 Q And would you say that the customers relying on
5 the Postal Service are disproportionately
6 residential customers or is that percentage
7 pretty evenly -- typical of all the different
8 customer classes?

9 A I think it's a pretty good mix. I wouldn't say
10 it's disproportionate, because we still do have
11 a number of our business customers who pay via
12 the mail. They prefer to send a check with a
13 list of accounts that they want to pay,
14 especially those customers that have multiple
15 locations that they're paying on. So, it's
16 definitely a mix. I wouldn't say it's
17 disproportionate, though. But, obviously,
18 commercial/industrial customers are a smaller
19 percentage, but, you know, their bills are
20 higher. So, you'd expect more revenue coming
21 in from that smaller number of payments. But I
22 wouldn't say it's disproportionate, *per se*.

23 Q And you might expect customers with bigger
24 bills to be more inclined to pay at what you

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1 described as "the last minute"?

2 A Yes. In some cases, that does happen. So, you
3 might see some business customers perhaps being
4 more impacted.

5 Q The other 42 to 40 percent of customers are
6 paying by a credit card?

7 A No, no, no. The remaining 60 to 58 -- 58 to
8 60 percent of our customer base is paying via
9 anyone of those means that I mentioned.
10 There's a number of different options that we,
11 you know, receive payments from customers. One
12 of them is where they provide us with their
13 bank account and we deduct the payment, or they
14 make a one-time payment or there's a recurring
15 payment. So, they have that option to pay
16 electronically.

17 They also have the ability to sign up with
18 their bank, online banking, and make payments
19 that way to us, as long as they provide the
20 right information, in terms of who they're
21 paying and identifying that on their bank
22 website.

23 They also can pay via credit card. We
24 have credit card services that customers can

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1 pay. And we also have walk-in payment
2 locations where they can pay cash.

3 So, that mix makes up all the remaining
4 beyond the mail payments. So, that's what I
5 was mentioning.

6 Q And you mentioned there's a fee for paying by
7 credit card. What is the fee?

8 A The fee for residential is 2.25 per \$600. And
9 I believe the fee for commercial, for
10 non-residential customers, is 7.95.

11 Q Are there fees associated with any of the other
12 payment methods?

13 A No, there is not. No, there's not.

14 Q Cycling back to the beginning of your
15 testimony, you mentioned that, when Public
16 Service Company of New Hampshire first started
17 relying on outside payment -- an outside
18 payment firm, it was Regulus, and now it is a
19 different firm, or at least a firm with a
20 different name. Are you still doing business
21 with the same firm that you started with in
22 2013?

23 A Yes. It was Regulus, Limited -- LLC at the
24 time we first contracted with them. They

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1 underwent some reorganization and they actually
2 did change their name to "TransCentra".
3 Bringing it fast-forward to today, they
4 actually have changed their name one additional
5 time, and they're now known as "Exela",
6 E-x-e-l-a. So, it's the same firm, but they
7 have just gone through some name changes
8 through their organization.

9 Q You mentioned that the Company first noticed
10 what you described as "sporadic activity" in
11 May 2015. How sporadic was this sporadic
12 activity in May of 2015? And by "sporadic
13 activity", I assume you mean "sporadic delays
14 in the receipt of payments"?

15 A Yes. That's exactly what I mean. In terms of
16 "sporadic", it wasn't like we had a steady flow
17 of customers calling saying their payments were
18 late. It was, you know, one here, one there, a
19 few here, a few there. But it wasn't anything
20 for where we thought there was a need to take
21 drastic action, but we wanted to monitor it to
22 see if it continued to get worse, which, in
23 fact, it did. So, it was a good thing that we
24 actually monitored it as closely as we did.

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1 And like I said, the more significant
2 delays we started to see were in the January
3 and February timeframe, which kind of coincides
4 with a lot of stuff that was going on with the
5 Post Office, where their mail processing issues
6 by no means went away. And we actually felt
7 the brunt of that in that timeframe, and even
8 beyond.

9 Q Can you help me pin down a little more
10 specifically the magnitude difference between
11 what was happening in 2015 and 2016, and what
12 started to happen in the beginning of 2017?

13 A The magnitude difference? I think it was just
14 the duration, in terms of how long it was
15 taking payments. We never saw outliers, as far
16 as 21 days like I mentioned. That was
17 something that was nonexistent back in that
18 timeframe. So, from a magnitude perspective,
19 that really caught our eyes, like "why is it
20 taking up to 21 days?" Perhaps not with
21 everything, on average, it was between seven to
22 ten business days. But, when you count
23 business days, sometimes that's, you know,
24 you're not counting Saturday, Sunday, and we

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1 specifically mentioned business days, because
2 that's how long it was taking.

3 But that's really what caught our
4 attention when we saw some of these outliers,
5 that something really has to happen
6 differently. And we need to take some more
7 immediate steps to try to pin down what we can
8 do to help mitigate this for our customer base.
9 Because through no fault of their own they were
10 experiencing this, and we needed to do
11 something about that.

12 Q So, if I'm understanding you correctly, the
13 number of -- the length of time of what you
14 call the "mail float" was increasing?

15 A That is correct.

16 Q But was the number of customers experiencing
17 payment delays, was that number increasing as
18 well?

19 A I believe it was, because we saw some of the,
20 you know, the calls that we were getting and
21 some of the complaints we were getting. And
22 again, we didn't necessarily track every one of
23 them, because, you know, if a particular
24 customer called and their payments were -- late

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1 payments were reversed, they were okay with
2 that, and they were made whole, if you will.

3 So, we, again, empowered reps to do that,
4 because we knew that, you know, we should give
5 the customer the benefit of the doubt, because
6 this was something that was beyond their
7 control. So, we made a conscious business
8 decision to do that, and that satisfied a lot
9 of customers.

10 Q Pursuant to what standard were customer service
11 representatives authorized to waive late
12 payment charges?

13 A I'm not sure I understand your question.

14 Q Well, I don't see any language in the tariff
15 that says the customer [sic] has the authority
16 to waive those charges. And I'm wondering how
17 a particular customer service representative
18 would decide whether this particular customer
19 was worthy of a waiver versus not worthy of a
20 waiver?

21 A Well, it really was based upon each individual
22 circumstance. What I mean by that is, you
23 know, you look at the customer's payment
24 history. If the customer has a perfect payment

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1 history over the last 20 years, which in this
2 case some customers did, and they let you know
3 that "I mailed that payment on such and such a
4 date", there's not much there you can argue
5 with, to say "Well, no, you must have been
6 late. We're going to continue to keep that
7 charge on your bill." So, a lot of them had to
8 do with the individual circumstances.

9 In some cases, you know, it wasn't the
10 mail payment issues, because they weren't
11 paying via the mail. So, the LPC, the late
12 payment charge, was continued to be assessed.
13 We didn't necessarily reverse it, because they
14 might have a history that says they're
15 habitually late, and they have got a series of
16 late payment charges that they've experienced
17 in the past. So, it was really up to the
18 individual circumstances of the customer who
19 was calling for the rep to make that
20 determination. And if there was any question,
21 they could always raise that to a supervisor to
22 get involved to make that determination.

23 But we wanted to do it at the frontline
24 level, because the customers have to wait on

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1 the phones for that particular response to go
2 to a supervisor, when a supervisor is not
3 always available right then and there, that
4 just further exacerbates the situation with our
5 customer, and we were trying to avoid that.

6 Q At what point did the Company take affirmative
7 efforts to make sure that the Consumer Affairs
8 Division of the PUC was aware of this problem?

9 A I know that, when we submitted our request in
10 November, but I don't know, because it wasn't
11 me that was making those -- having those
12 discussions, but when we submitted our first
13 request to extend out the LPC -- the late
14 payment charges by five days is when we
15 officially let, I think, you folks know that --
16 or the Commission Staff know that we were
17 having these issues. I think that was the
18 official notification. But I'm sure, through
19 other discussions that were had on these
20 individual cases, that that discussion was
21 probably had with Staff. But I wasn't part of
22 that, so I really can't comment on that.

23 Q What happened to customers who simply paid the
24 late payment charge without calling the Company

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1 to complain?

2 A When you say "what happened to them", I'm not
3 sure what you're asking?

4 Q Well, I guess I'm worried about or thinking
5 about a customer who mailed her payment to
6 Texas, as usual. The payment was -- the
7 receipt of the payment was delayed. A late
8 payment charge was imposed. But, for whatever
9 reason, that customer didn't think "oh, I
10 should call the Company to complain and see if
11 the customer service representative happens to
12 offer to waive my late payment charge." What
13 happened to those customers? They simply paid
14 the late payment charge, did they not?

15 A That's what likely would have happened.

16 Q You mentioned something, I thought I heard you
17 say the "Phoenix-Hecht Study"?

18 A Correct.

19 Q What was that?

20 A It's an organization that actually performs
21 mail float studies throughout the U.S. for all
22 the various Post Offices that are out there,
23 it's called "Phoenix-Hecht", H-e-c-h-t. I
24 mean, they're public studies that are out

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1 there. So, that's what I mentioned.

2 MR. KREIS: I think I might be done.
3 I just want to see if I have any other
4 questions for you. I don't think so. I think
5 I'm done. Thank you.

6 WITNESS MILLERD: All right. Thank
7 you.

8 CHAIRMAN HONIGBERG: Ms. Amidon.

9 MS. AMIDON: Thank you. Good
10 morning.

11 WITNESS MILLERD: Good morning.

12 BY MS. AMIDON:

13 Q Did I recall you saying that, if the customer
14 availed themselves of various other methods of
15 paying their bill, that they didn't have to pay
16 an additional charge, except for the credit
17 card? I think you said, if you paid by credit
18 card, there was, for a residential customer, a
19 charge in 2.75 or something like that?

20 A Correct.

21 Q So, if I was an Eversource customer, and I
22 chose to pay my bill, say, at Walmart, would I
23 have an additional charge?

24 A If, in fact, it's a non-contracted payment

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1 agency, walk-in payment agency that we do not
2 contract with, those are legitimate businesses
3 throughout our service territory, and they can
4 accept payments on behalf of a number of
5 different companies, including Eversource, they
6 have the right to charge a fee, because they're
7 trying to run a business like anybody else.
8 But we don't contract with them. The customer
9 has that option. But they also have options to
10 go to contracted locations that we contract
11 with through Western Union, and there is no fee
12 to pay. So, --

13 Q So, if I went to Walmart, and I paid the bill,
14 would I be paying an additional fee over the
15 amount of the bill?

16 A If they were not one of our contracted agents,
17 there would be a fee. Normally, it's between
18 \$1.00 dollar and \$1.50, depending upon the
19 facility or depending upon the company that's
20 offering that service.

21 Q So, the Company -- so, you don't know exactly
22 what they might charge?

23 A It varies. It does vary throughout our service
24 territory. And again, we don't get that

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1 revenue, we don't get that money. That's for
2 them to take in. And again, the customer has
3 to option to pay there, out of convenience
4 perhaps. So, it's considered a "convenience
5 fee" of sorts, similar to a credit card.

6 But those are -- those are ones I did fail
7 to mention, but those are ones that are there,
8 but it was, when I was referencing, the only
9 place where customers would pay is for those
10 that we contract with.

11 Q Right. Well, I just want to get that
12 clarified.

13 A No, that's a good clarification. I'm glad you
14 brought that up. Thank you.

15 Q If I recall, you said that, in your experience
16 with the Texas-based processing center, it
17 could take up -- it has taken up to 20 days to
18 get a bill processed and on the books?

19 A That's the outlier. We did see some as far out
20 as 21 days. That was not the norm. I would
21 say the norm, as I mentioned earlier, was, you
22 know, between seven and ten business days. And
23 that was the primary reason why, when we looked
24 to put that message on the bill, we did that

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1 timeframe, because it seemed that that
2 timeframe was the right timeframe to put out
3 there, based upon what we were seeing, based
4 upon what our payment processor was seeing, and
5 based upon what customers were telling us.

6 So, --

7 Q So, do you know how many then -- how many
8 payments were processed, say, between day 10
9 and day 20?

10 A I don't have that information.

11 Q But there were some that occurred in that
12 timeframe would you say?

13 A There were definitely some that occurred in
14 that situation. And in some cases, you know,
15 there might have been some that never made it
16 to Texas, because they got lost in the mail.
17 That happens. That happens even when you don't
18 have these payment delays.

19 Q So, why did you say that most of the customers
20 who experienced late payments were those who
21 waited till the last minute to pay?

22 A No. I wasn't mentioning it's only those that
23 wait till the last minute, that's not the case.
24 But I think that further -- it doesn't help

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1 matters when it's waiting till the last minute.
2 So, if you've only got so many days to pay, and
3 you drop it in the mail on day 30, when the
4 late payment charges -- I'm sorry -- day 24,
5 and the late payment charges get assessed at
6 day 25, there's a pretty high likelihood that
7 that payment is not going to be posted, never
8 mind reach the site on where it needs to be
9 processed, in time to avert a late payment
10 charge.

11 Q Well, but --

12 A So, I'm not saying that was the only reason,
13 no. That's not what I was referring to.

14 Q Okay. But even a customer who paid within the
15 five to ten days might not get their
16 customer -- their payment posted until after
17 day 10, correct? That's what you just said,
18 that there are some that have occurred between
19 day 10 and day 20.

20 A There were some, yes. But that was not by any
21 means the norm or the highest volume.

22 Q I know, but still, nonetheless, this was a
23 customer experience, is that fair to say?

24 A Yes. There were some that experienced that

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1 length delay, that's correct.

2 Q And, so, --

3 A And I think we mention that in our technical
4 document, that there were some that actually --
5 so, we weren't trying to hide anything, which
6 is simply that this is what we're seeing.

7 Q Well, no. I'm just pointing out that the five
8 to ten days may not solve the problem. And in
9 fact, my next question is, how many complaints
10 have you received since the order went out
11 related to having late payments assessed that
12 were outside the ten days, do you know?

13 A As far as complaints, I know how many calls
14 that we received where we actually reversed the
15 late payment charges, but that doesn't
16 necessarily correlate to mail payment issues.
17 Because you could have late payment charges
18 that were assessed for some other reason, where
19 the customer's payment, you know, didn't make
20 it to us, but on the electronic payment side,
21 which on occasion happens, but it's rare,
22 because those things are posted next day or
23 same day. But we were assuming that the vast
24 majority of those that we received were, in

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1 fact, mail payment related issues.

2 Q So, wouldn't it be far easier, far clearer to
3 both the customer representatives and to your
4 customers generally if you simply waived the
5 late payment fee, regardless of the day where
6 the bill is received, until such time as you
7 have this issue resolved, in terms of the
8 vendor?

9 A I don't believe so. And the reason being is
10 that, like I mentioned earlier, this is only
11 representing 38 percent to 40 percent of our
12 payment volume. If we did it across the board,
13 you have these other customers who would then
14 be able to pay any time they want without any
15 sort of, you know, impact, because, you know,
16 like anything else, you need to pay your bill.

17 So, our expectation is that they pay by
18 the due date. And if they don't, there's a
19 late payment charge. But, if it's our issue,
20 like this particular issue was, you know, in
21 terms of the Post Office not being able to
22 process on time, you know, that's something
23 that, you know, we handle those on an
24 individual basis.

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1 Q Well, I mean, you could just impose -- order
2 your reps to do this and just not impose a
3 payment without affording those customers who
4 you think would take advantage of such a rule
5 to pay their bills late. I mean, you could
6 just unilaterally say "this company is not
7 going to charge any late fees for delayed
8 payment until we take it upon ourselves and
9 have that problem, related to the processing
10 center, corrected, because that was our choice
11 to select that vendor, and it is our
12 responsibility to fix that for our customers.

13 You wouldn't even have to let the
14 customers know. You could just say "Okay,
15 internally, no late payment fees until we get
16 this fixed."

17 A And that was the intent behind our requesting
18 to extend out the late payment assessment from
19 25 to 30 days. And we believe that that's
20 captured a number of customers that would have
21 otherwise incurred a late payment charge that
22 now didn't. That was the intent behind
23 requesting that, and that's what we got
24 approval to do, and that was our attempt to

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1 address that issue.

2 I don't necessarily think across the board
3 is the right answer, to be honest with you,
4 but --

5 Q Isn't that what you're told to do in another
6 jurisdiction of Eversource, Massachusetts or
7 Connecticut?

8 A I'm not sure what you're referring to. And in
9 fact, we took similar steps in Connecticut,
10 because, in Massachusetts, the residential
11 customers are not assessed a late payment
12 charge by regulation, only commercial
13 customers. But we took similar steps in
14 Connecticut to extend, similar to what we
15 requested to do here in New Hampshire, to
16 extend that timing of when late payment charges
17 were assessed. And again, we think we saw some
18 customers who might have otherwise incurred a
19 late payment that didn't because of that
20 change.

21 Q So, perhaps, I mean, another way to do it then
22 would be the regulatory way in what you said
23 was Massachusetts, and just not allow the
24 utilities to recover a late payment charge. Is

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1 that another solution?

2 A Well, that is what Massachusetts does. You
3 know, whether other Commissions decide to do
4 that or regulatory bodies decide to do that is
5 a whole nother issue that I really can't
6 comment on.

7 MS. AMIDON: I have nothing -- oh,
8 sorry.

9 *(Atty. Amidon conferring with*
10 *Asst. Director Patterson.)*

11 MS. AMIDON: Ms. Patterson has a
12 question.

13 CHAIRMAN HONIGBERG: Ms. Patterson,
14 you want a speaking part today?

15 MS. PATTERSON: I would like a
16 speaking part, if I may, just to ask one
17 question.

18 BY MS. PATTERSON:

19 Q Is it correct that I understand your testimony
20 to be that Eversource hasn't tracked all of the
21 customers who have had this experience? You've
22 only tracked the customers who've had their
23 late payment charges reversed?

24 A We have tracked all of the customers who had

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1 their late payment charges reversed.

2 Q So, it's possible that there have been
3 customers that have contacted the Company about
4 this problem that are not included in the
5 numbers that you've provided to the Commission
6 or to the Consumer Affairs Division, is that
7 correct?

8 A Yes. Because I think what it comes down to is
9 the numbers that are reported to the Commission
10 is really something that our customer service
11 reps are tracking. And they are making the
12 determination of whether or not it was a mail
13 payment issue or not. In some cases, it is.
14 In some cases, it isn't. So, those numbers
15 might be a little bit deflated than what we
16 actually saw for the number of late payment
17 charges reversed that would explain that
18 difference. Because I believe, since December
19 1st, the number of late payment charges that
20 were reversed was in the 550 range. Whereas, I
21 think some of the actual information that was
22 provided to the Commission is a lot less.

23 So, --

24 Q Okay.

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1 A But that all is -- and again, we need to
2 correct that reporting, in terms of, you know,
3 what they report, because it's somehow -- it's
4 somehow based upon what the customer service
5 rep is interpreting on what the customer is
6 telling them.

7 MS. PATTERSON: May I just follow up
8 with one other question?

9 BY MS. PATTERSON:

10 Q Is it possible for the Company to devise a way
11 to better track all of the customers who are
12 experiencing this problem going forward?

13 A I don't work in the Call Center. But I would
14 certainly take that under advisement and take
15 that back to our Call Center to see if there's
16 a better way than what they're currently doing.
17 That's what I can say. Not knowing exactly
18 what they do day in and day out, because I
19 really haven't worked there. So, that's
20 something we can take under advisement and try
21 to look into.

22 MS. PATTERSON: Thank you.

23 BY MS. AMIDON:

24 Q When do you expect to have the new vendor up

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[WITNESS: Millerd]

1 and operating?

2 A Oh. I thought I mentioned that. Maybe that's
3 something I forgot.

4 We're targeting the second quarter. And
5 the reason I say "second quarter" is because we
6 still haven't fully signed the contract. It
7 does take time to go through requirements,
8 design, testing, all of that. And, you know,
9 once we do that, we can set a target date, in
10 terms of implementation. And we may actually
11 do it all at once with all of our companies.
12 Because, as you can imagine, when you've got
13 five different companies that, you know, have
14 different ways of processing, where we have
15 different --

16 *[Court reporter interruption.]*

17 **CONTINUED BY THE WITNESS:**

18 A CIS systems, I'm sorry, talking too fast.
19 Customer information systems. So, our target
20 right now is sometime in the second quarter,
21 preferably, you know, the May timeframe, but
22 that's what we're shooting for, but that's
23 right now. Until we can sit down in earnest
24 with the vendor, because they're a big part of

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1 this, we will have a better sense, once we put
2 that schedule together, which is not -- it's
3 not even created yet.

4 MS. AMIDON: That's all I have.
5 Thank you.

6 CHAIRMAN HONIGBERG: Commissioner
7 Bailey.

8 CMSR. BAILEY: Good morning.

9 WITNESS MILLERD: Good morning.

10 BY CMSR. BAILEY:

11 Q I was interested in something you said about
12 "there was only a small change in the number of
13 late payment charges assessed" --

14 A Uh-huh.

15 Q -- "in 2016 and '17. So that it seemed within
16 the range of normalness."

17 A Uh-huh.

18 Q Is that what you said?

19 A Yes. So, just to give you some specific
20 numbers, about 973,000 were assessed. Now,
21 that's across all payment channels, not just
22 mail payments.

23 Q In which year?

24 A 2016, I'm sorry.

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[WITNESS: Millerd]

1 Q Okay. So, it's -- and 2016 was sort of a
2 normal year?

3 A End of 2016 probably was less than normal,
4 because it was within the 2015-16 where we
5 started to see that sporadic activity that I
6 talked about.

7 Q Okay. So, it wouldn't -- would it surprise you
8 if the numbers jumped in that timeframe?

9 A It would, but we didn't see that. And, in
10 fact, when you look at 2016 and 2017, it was
11 about another 10,000 in total, which, out of
12 900,000, is not a huge number.

13 Q You keep conflating 2016 and 2017. Was there
14 any difference between '16 and '17?

15 A There was, but it was not significant. But it
16 was about 10,000, in terms of those that were
17 assessed. And the actual number, in terms of
18 those that were reversed was even smaller, it
19 was between 23,000 and 24,000, '16 to '17.
20 Again, averaging about 2.4 percent, 2.5 percent
21 in both years, in terms of reversals as a ratio
22 of those that were assessed. So, it didn't
23 real jump out to say "we've got this
24 significantly higher percentage of late payment

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[WITNESS: Millerd]

1 charges being assessed to customers in '16 or
2 '17."

3 Q And maybe part of the reason for that is
4 because only 38 to 40 percent of your customers
5 pay by mail?

6 A Exactly. There's a number of other drivers
7 that caused that beyond just -- beyond just
8 mail payments. A lot other variables that are
9 not factored in there.

10 Q And does the Company have a way to discern
11 payments made by mail and by other methods?

12 A Yes. We do track that in our system, whether
13 it's a mail payment, credit card payment,
14 direct debit payment, we do track that in the
15 system.

16 Q Is it possible to -- well, let me ask you this
17 first. The tariff change that we approved
18 effective December 1st, does that apply to all
19 customers?

20 A Yes.

21 Q So, even the customers that always pay their
22 bill late get a little break?

23 A Yes.

24 Q Is it possible to only apply or to waive the

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1 late payment charge for customers who pay by
2 mail until you get your new vendor in place?

3 A I'd have to look into that, because I know the
4 way the system is -- our system, our customer
5 information system is set up, it doesn't have
6 that flexibility to know what type of payment
7 the customer is going to make one month to the
8 other.

9 Now, as a general rule, customers who pay
10 by check typically always pay by check, but not
11 all the time. They may be paying something
12 last minute and have to get online to pay, or
13 call the rep to pay over the phone. So, it's
14 difficult to discern which way they're going to
15 pay every month, and say "Okay, for this set of
16 customers, they waive them; for this set, we
17 don't." So, I don't know the answer to that.
18 I'd have to look into that, from a system
19 perspective.

20 Q But a customer who calls at the last minute to
21 pay to get it in on time wouldn't be assessed a
22 late payment charge anyway. So, really we're
23 talking about customers who pay by check?

24 A Correct.

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1 Q So, my -- what I would like you to look into,
2 is there a way to waive late payment charges
3 for customers who pay by check, until you get
4 your new vendor in place in Boston?

5 A I will definitely have to look into that. I
6 don't have the answer today.

7 CHAIRMAN HONIGBERG: Mr. Fossum,
8 we're going to deem that a record request. Do
9 you understand the question?

10 MR. FOSSUM: I believe that I do.

11 CHAIRMAN HONIGBERG: We can set aside
12 whether anybody thinks that's a good idea or
13 not. But the question is, could you cull out
14 those who pay by mail and identify the late
15 fees associated with those who pay by mail and
16 eliminate them until this problem is solved?

17 MR. FOSSUM: Oh, I understand that
18 request. I guess, as I'm thinking through it,
19 I believe that would require another tariff
20 change to actually be implemented. But I --

21 CHAIRMAN HONIGBERG: Set aside --

22 MR. FOSSUM: I understand the
23 request.

24 CHAIRMAN HONIGBERG: Okay. Thank

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1 clear to me it was collected. But we'll get to
2 that in a moment.

3 CMSR. BAILEY: That's where I was
4 going next.

5 BY CMSR. BAILEY:

6 Q So, do you have any data that shows what
7 happened in December?

8 A Well, we do have a listing of the number of
9 customer accounts who actually incurred a late
10 payment charge where that late payment charge
11 was reversed.

12 Q That's not what I was referring --

13 CHAIRMAN HONIGBERG: You were great
14 until the last phrase.

15 CMSR. BAILEY: Right.

16 **BY THE WITNESS:**

17 A Okay. Well, we have both. So, we have a
18 listing of those customers who were assessed a
19 late payment charge.

20 BY CHAIRMAN HONIGBERG:

21 Q How many paid by mail?

22 A That I don't have.

23 Q Can you get that for us?

24 A I can look to get that from our CIS system.

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1 I'll have to put in some request to do that.

2 CHAIRMAN HONIGBERG: Mr. Fossum, do
3 you have any explanation why that data isn't
4 here today, given Page 6 of the order, Lines 3
5 to 6?

6 MR. FOSSUM: I think the question is
7 the matter of -- my explanation is that what's
8 in the order talks about customers who have
9 been "incorrectly assessed a late payment
10 charge". So, it's not merely every customer
11 who pays by mail and it's late that that's
12 somehow "incorrect".

13 CHAIRMAN HONIGBERG: Agreed.

14 MR. FOSSUM: So, we have data on the
15 total numbers that were assessed, the ones that
16 were reversed. I don't know whether we can
17 discover exactly which among those were mail or
18 not. But, even with that information, that
19 doesn't necessarily tell you which one was
20 correctly imposed or incorrectly imposed.

21 CHAIRMAN HONIGBERG: I think I'm
22 going to agree with you that there's an
23 ambiguity in that sentence. It's not a great
24 sentence, and in retrospect I wish we worded it

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1 differently. But, since there is an ambiguity,
2 and it seemed to impose upon the Company an
3 obligation to come forward with data, I think,
4 in reading that, it might have been incumbent
5 on the Company to call up and say "What exactly
6 do you want us to do here?" Understanding that
7 it's our fault when we issue something
8 ambiguous.

9 I think the point here is you should
10 be able to figure out if this had an effect,
11 and I don't think you can tell that based on
12 just people who called up to complain. You
13 need to know how many were late and assessed a
14 fee. And then do some research and figure out
15 when they were sent.

16 Now, I assume that the payment
17 processor probably -- their process probably is
18 to discard the envelopes or something helpful
19 like that. But, when you've got a problem like
20 that, it seems to me incumbent on you to work
21 with your vendor to figure out "Gee, how big is
22 this problem?" And you don't figure out how
23 big the problem is based on phone calls. That
24 can be an indicator. It certainly, if you're

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1 getting more phone calls, it probably means the
2 problem is bigger. But you don't know if you
3 found a solution if you don't know the
4 underlying numbers. And that's why I'm
5 frustrated that our witness is here, being
6 helpful, and I am not in any way criticizing
7 you, Mr. Millerd, because I think you've done
8 a -- you are trying your best to do a good job
9 here and explain to us what's happened, and I
10 appreciate that. But the basic numbers don't
11 appear to be here, and that I am finding
12 frustrating. So, I apologize for ranting for a
13 few moments.

14 Commissioner Bailey.

15 BY CMSR. BAILEY:

16 Q Didn't you, in your original testimony,
17 indicate that the payment processor had a way
18 to check the postmark date?

19 A Yes. They do. If we request that they will
20 sample mail that comes in on a daily/weekly
21 basis.

22 Q Did you do that for December?

23 A We did not do that for December.

24 Q The other -- go ahead.

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[WITNESS: Millerd]

1 A My only question -- my only other comment there
2 would be, I'm not sure, now, if we were to take
3 the late payment charges that were assessed and
4 then reversed, and somehow be able to correlate
5 those to the samples, because they're just
6 sampling. So, I'm not sure that, if we asked
7 our payment processor to do that, that that
8 would have correlated to what was actually
9 reversed or assessed. Because it's a random
10 sample that they do. They don't know what's in
11 the envelope until they open it up and process
12 it. So, it's difficult to tie what they're
13 doing for that sample back to what actually
14 occurred once the payment posted.

15 Q Well, if you were -- if you did it in a
16 statistically significant way.

17 A We would have to orchestrate that, yes. And I
18 don't understand what that correlation is,
19 because again random sampling gets you so much,
20 but you have to make that assumption that it is
21 related to what was actually assessed and
22 reversed. And that's a difficult correlation
23 to make without having some definite, you know,
24 data to prove it.

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1 Q So, when we issued this order, did you look at
2 it?

3 A Did I look at the order?

4 Q Yes.

5 A Yes, I did.

6 Q And what did you think you were supposed to do?

7 A My understanding was similar to what Matthew
8 had mentioned, was to track the number of calls
9 that we were getting through our Call Center
10 that were payment-related issues. That's how I
11 interpreted that question -- or, that request.

12 Q Okay. Did you keep data on that point?

13 A I personally did not.

14 Q Did the Company?

15 A We asked our Call Center to provide that
16 information, which is part of the reports that
17 were submitted to the Staff. And again, I
18 wasn't privy to that report, *per se*. That was
19 something that the Call Center provided on a
20 regular basis.

21 Q So, do you know if the number of calls to the
22 Call Center about this issue decreased in
23 December?

24 A I think the numbers were lower, but I don't

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[WITNESS: Millerd]

1 have that information in front of me.

2 Q Is that information in the exhibits that Staff
3 provided? That's what the exhibits will show
4 us?

5 A *[No verbal response.]*

6 Q Okay.

7 A The numbers are pretty low in what was
8 reported.

9 Q Okay. The last area that I want to talk about
10 is you said that the vendor changed their
11 software, and that created additional delays,
12 some of which have been corrected?

13 A Yes. We've seen improvement there from late
14 November/early December on. What we were
15 seeing is not mail delays. We were seeing
16 where there was a backlog of what the payment
17 processor was able to process, I think, and
18 basically just further delayed the posting to
19 our CIS system. That wasn't three to five
20 days, it might have been a couple days. But it
21 still added time, and that's something that we
22 couldn't afford to have happen. And that's why
23 we took the action we did.

24 Q And is there still added time?

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1 A No. No. They're actually, when we look at
2 some of the stuff that's coming in, it's pretty
3 much standard, what it used to be before that.

4 Q What is that? Processed on the day received?

5 A Yes. Exactly.

6 Q Okay.

7 A And actually, that's one of those service level
8 agreements that we have with them is to, if the
9 mail gets there by a certain time, you know, X
10 percent, 100 percent of the mail gets processed
11 by the time it gets delivered to us in the
12 afternoon and in the payment file.

13 CMSR. BAILEY: Okay. Thank you.

14 CHAIRMAN HONIGBERG: Commissioner
15 Giaimo.

16 CMSR. GIAIMO: Good morning.

17 WITNESS MILLERD: Good morning.

18 BY CMSR. GIAIMO:

19 Q So, do you know when the last contract with,
20 was it Exela? When the last contract with
21 Exela was and maybe the terms of the contract?
22 Is it a year-to-year contract? Is it set to
23 expire?

24 A The original contract, I believe, was three

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[WITNESS: Millerd]

1 years, and that was back in 2013. And it had a
2 two-year option to renew over two years.

3 Q Uh-huh.

4 A And that contract was coming up, I believe, in
5 March of last year, and we extended an
6 additional year because we know we needed time
7 to do the whole RFP process, which takes time.
8 And, so, we extended it through March of this
9 year for another year. So, it's been about,
10 what, five years, going on six.

11 Q So, did I just hear you say, basically, for the
12 last -- you've known for a year you were going
13 to go for an RFP for a new vendor?

14 A We knew that we wanted to more competitively
15 bid to see what was out there. So, we knew
16 probably in the January/February timeframe.
17 But we weren't targeting until the end of the
18 year, originally. But, when we started
19 experiencing these payment delays with the mail
20 payments, we decided that we needed to expedite
21 that, instead of end-of-year, move it closer to
22 the middle of the year, which was August.

23 Q So, you've known for a while, for a year now,
24 that you wanted to move your processing center

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[WITNESS: Millerd]

1 closer to New England?

2 A Yes. And in fact, one of the other options we
3 had with our existing vendor is they have a
4 facility in New Jersey. That was one of the
5 other options we were looking at. But they
6 were not all that willing to do that for us,
7 unless we committed to a longer timeframe,
8 which went against what we were really trying
9 to do, was to get a payment processing firm
10 that was closer, because we really believed
11 that that would significantly help with our
12 mail float issues, and instead of going all the
13 way to Texas, because Texas was where one of
14 the problems was with their processing
15 facility.

16 Q And I may have not heard you correctly, but did
17 you say that they or their former iteration of
18 the company fired an employee who wasn't going
19 to the P.O. box early enough? Did I understand
20 that?

21 A No. I think what I had mentioned was, as part
22 of the intelligence-gathering that our payment
23 processor was trying to gather on what was
24 happening at the Dallas Post Office, they were

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[WITNESS: Millerd]

1 provided with information that said that the
2 Dallas Post Office underwent an operational
3 review of their entire facility. And as part
4 of that process, the Post Office replaced the
5 manager of their Post Office Box Division down
6 there, which is essentially where our payments
7 get sent to. So, they get sent to the Post
8 Office box at the Post Office, and then our
9 vendor, TransCentra, picks them up at the Post
10 Office at those designated boxes, and then
11 brings them into their facility to process and
12 provide us with a file every day.

13 Q Okay. And were you aware then that there was
14 going to be a -- what did you call it, a
15 "processing platform conversion" in August?
16 Was that -- that was known to you when you
17 signed the two years?

18 A Yes. That was something that was targeted for
19 earlier in the year. However, they did
20 experience some issues with some other clients.
21 And we were hoping that they would work out the
22 bugs before they got to us. Obviously, and
23 unfortunately, that did not happen. Because,
24 as soon as we went on that new platform, we

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1 started to see some irregularities, in terms of
2 the volumes were reduced, in terms of what they
3 were sending us every day. And some of the
4 things we saw as exceptions that we have to
5 process manually increased. So, we immediately
6 saw that. And, like I said in my testimony,
7 immediately got involved with the local
8 management, and then raised it up to the senior
9 management, in fact, the president of the
10 company. Who was not pleased with what we had
11 to tell him, but nonetheless put together a
12 team to address our very specific issues.

13 Q Have you seen or is there a concern with
14 potential gaming? And by that I mean, have you
15 seen anyone who has claimed that "the check is
16 in the mail", knowing that you're having this
17 issue, and haven't received that check or
18 something of that nature?

19 A I personally haven't seen that. I am sure that
20 some of that could happen, because some
21 customers are trying to avoid, you know,
22 whether it be a late payment charge or getting
23 shut off for nonpayment if they haven't paid.
24 So, I'm sure there's some of that, but I don't

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1 have any evidence to prove that one way or the
2 other.

3 Q Have you seen any specific customers call on
4 multiple times to ask for a waiver?

5 A I personally don't have that information. I
6 haven't seen that. But, again, that could
7 easily have happened.

8 Q So, it is possible that there --

9 A It is possible, yes.

10 Q I think Attorneys Kreis and Amidon heard
11 something that I heard, when you said "the
12 customers waited for the last minute to pay".
13 Do you think it's -- if a customer pays 20
14 straight years on the first Monday of the
15 month, and has been trained to pay that way, is
16 that really paying it the last minute?

17 A No. There are customers who do wait, I mean,
18 till the last minute. What I meant by that is,
19 there's a reasonable amount of time that we
20 would expect, and I would think anybody
21 thinking about this reasonably, would expect
22 that it takes to get the payment from your home
23 or your Post Office to Texas. That three to
24 five business days, what we saw early on, I

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1 think is a reasonable timeframe. When it
2 started getting into something larger than that
3 or longer than that, I think that's where we
4 had to kind of step in and try to communicate
5 to the customer, you know, a different level of
6 expectation that, "Okay, we're experiencing
7 these issues. You can help yourself by doing
8 this, by mailing it sooner", even though it's
9 beyond what they normally did.

10 So, I think we're trying to help the
11 customer in that regard, versus hinder them.
12 It's not like the payment was arriving, the
13 sooner we were taking money out of their
14 account sooner. It's just that we want to make
15 sure it gets there in time, to want to avoid
16 late payment charge or any other type of
17 collection action that could kick in that, you
18 know, that we don't want to have happen either.

19 CMSR. GIAIMO: Thank you for
20 answering those questions.

21 CHAIRMAN HONIGBERG: Commissioner
22 Bailey.

23 BY CMSR. BAILEY:

24 Q What other kind of collection action might

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[WITNESS: Millerd]

1 result from this?

2 A Well, if it goes long enough, a potential
3 disconnect notice.

4 Q But is that going to be related to this mail
5 problem or a chronic nonpayment?

6 A Chronic nonpayment. Yes.

7 Q So, we're not going to disconnect somebody
8 because of -- or, send a collection agent
9 out --

10 A No.

11 Q -- because of the mail problem. It's because
12 of the -- I mean, it may be compounded by the
13 mail problem, but --

14 A Correct.

15 CMSR. BAILEY: Okay. Thank you.

16 BY CHAIRMAN HONIGBERG:

17 Q How many payments are going to be received by
18 the vendor by mail in the month of February,
19 ballpark?

20 A By, let's see, for all five companies or for
21 New Hampshire only?

22 Q That's who I care about.

23 A Okay. I don't have that volume in front of me.

24 But I know, in total, there's about 900 or so

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1 thousand (900,000) payments a month that get
2 processed.

3 Q Across the five companies?

4 A Yes.

5 Q And do you know roughly what percentage of that
6 is New Hampshire?

7 A I think it's in the 15 to 20 percent range.

8 Q So, we're talking about somewhere on the order
9 of 150,000?

10 A Yes. In that range.

11 Q So, if --

12 A I can get those numbers, because we have those.
13 I just don't have them in front of me.

14 Q Well, I've got some other questions.

15 A Okay.

16 Q If we were to ask the company -- the vendor to
17 sample 500 of those randomly, and pull out the
18 postmark dates and the receipt dates, could
19 they do that? And if so, would it cost
20 something?

21 A I'm not sure if it would cost anything, because
22 we have a fairly good relationship with them.
23 But we could certainly ask, that we have asked
24 them to do smaller samples than that, but --

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[WITNESS: Millerd]

1 Q I mean, I'm trying to get something that's
2 statistically significant.

3 A Yes. Significantly valid, yes. Right. I
4 certainly think we could ask them to do that.

5 Q Because I think --

6 A It's not out of the realm of possibility.

7 Q I think, as inartful as the first order was on
8 this, I think we all are interested in getting
9 our arms around the scope of this problem. How
10 many people are affected by this delay in a way
11 that triggers the late payment? Whether it
12 gets reversed or not, it's unfortunate that
13 someone has to call in this situation.

14 But, if that review were to identify, you
15 know, that it looks like only ten percent of
16 those who are affected are calling, that would
17 direct the Company, and I think Staff and the
18 OCA, in one direction. If, in fact, it turns
19 out that it really looks like everybody who is
20 affected calls, then a different -- something
21 different might happen. I think we want to get
22 our arms around this.

23 And, so, I don't whether -- it seems like
24 the witness thinks that can be done.

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[WITNESS: Millerd]

1 Mr. Fossum, is it something you think we could
2 make happen, if it ends up deciding that we
3 think that would be a good idea?

4 MR. FOSSUM: I don't know that I can
5 answer that. Mr. Millerd says he believes it
6 can be done. I have no information other than
7 what he has said on that. So, to the extent he
8 believes it can be done, I would have to agree
9 with him.

10 CHAIRMAN HONIGBERG: I guess I'm
11 interested in the views, interrupting the
12 questioning of the witness for a moment, views
13 of Mr. Kreis and Ms. Amidon about how you think
14 we should go from here? I mean, it may be that
15 your recommendation is we should just be
16 suspending all late payment fees. I think that
17 was -- I think that was your request earlier,
18 Mr. Kreis. I think we felt, back in November
19 and early December, we couldn't do that without
20 giving the Company an opportunity to be heard
21 on the topic. But -- that may still be your
22 recommendation.

23 But, if we don't want to do that, we
24 still want to gather data, what are your

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[WITNESS: Millerd]

1 thoughts on this, if any?

2 MR. KREIS: On what data you should
3 gather?

4 CHAIRMAN HONIGBERG: You're going to
5 give us a summary at the end of what you think
6 we should do. Just put that aside for a
7 minute. Let's just talk about, if we were
8 going to try to develop more data on this, what
9 would we want to do?

10 MR. KREIS: I think, consistent with
11 what you have been talking about, it makes
12 sense for the Commission to have the Company,
13 again, this is totally subject to the
14 assumption that this is the right way to
15 approach this problem, by gathering more data,
16 that the Commission should direct the Company
17 to work with its vendor to come up with a
18 statistically valid way of determining exactly
19 how serious this problem has been, both in
20 terms of the number of customers who have been
21 affected by this, regardless of whether they
22 acted proactively or not to complain, and the
23 amount of unreasonably large mail float to
24 which customers have been subjected. Because

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[WITNESS: Millerd]

1 there are really two variables here, right?
2 There are "how many customers have had this
3 problem?" And "how bad has it been?"

4 Because we heard the witness talk
5 about payment delays of up to 21 business days.
6 That means up to 21 -- 27 calendar days,
7 according to my calculation. That's a long
8 time. He's suggested that's a relatively
9 infrequent occurrence. Well, okay. I hope so.
10 But we should ascertain that as well.

11 CHAIRMAN HONIGBERG: Ms. Amidon, any
12 off-the-cuff thoughts on this?

13 MS. AMIDON: Well, for one thing, you
14 know, Staff is not comfortable with the
15 adequacy of the data that was collected or
16 reported. I mean, for example, we don't have a
17 clear understanding of what instructions the
18 Call Center reps were given, and whether it's
19 being reported accurately or reliably. Or, for
20 example, whether only, you know, because it
21 appears only those people who ask for a waiver
22 or who complain about it get the relief that
23 they should be given in this situation.

24 And again, I think as Ms. Patterson

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[WITNESS: Millerd]

1 elicited from the witness, we don't have an
2 adequate understanding of how many people who
3 just acquiesced and paid the late payment, when
4 they didn't have to based on the tariff that
5 the Commission approved in December. There
6 could be, as you said, a large number of those
7 who just went ahead and paid it, you know,
8 because they're good citizens. You know, "Oh,
9 I owe this on the bill. I'm going to pay it."
10 But those people should also have -- were
11 entitled to a waiver, in my opinion, in the
12 Staff's opinion, and we don't have that data.

13 CHAIRMAN HONIGBERG: All right. Let
14 me finish with asking questions of Mr. Millerd,
15 and then we're going to have a discussion about
16 how best to proceed.

17 I'm not sure I have any other
18 questions, but let me look through my notes.

19 *[Short pause.]*

20 CHAIRMAN HONIGBERG: I have no other
21 questions.

22 Mr. Fossum, is there anything else
23 you want to ask Mr. Millerd before we let him
24 go back to his seat?

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[WITNESS: Millerd]

1 MR. FOSSUM: I do have just a couple
2 of questions, if I may.

3 **REDIRECT EXAMINATION**

4 BY MR. FOSSUM:

5 Q Mr. Millerd, during questions from the OCA,
6 there was a question about -- do you recall a
7 question about "when the Consumer Affairs
8 Division was informed about this issue?" Do
9 you recall that question?

10 A I do recall the question.

11 Q Were you part of any informal discussions with
12 the Staff and/or OCA prior to November on this
13 issue?

14 A Actually, I was. We actually had a phone call
15 with, I believe, Commission Staff and the
16 Office of Consumer Advocate, to raise this
17 issue about what we were looking to try to do,
18 and what it would take to do that, in terms of
19 perhaps adjusting the tariff to extend the
20 number of days. So, I don't recall the exact
21 timeframe, but I know it was a conference call
22 that you and I participated on, with I believe
23 the Staff and Mr. Kreis.

24 Q But they were aware of this well in advance of

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[WITNESS: Millerd]

1 November, is that --

2 A Yes. I just don't recall the date.

3 Q Thank you. When you were receiving questions
4 from Commissioner Bailey, you got a series of
5 questions about the change in the number of
6 late payment charges assessed between 2016 and
7 2017. Do you recall that?

8 A I do recall that.

9 Q Do you have any information about the change in
10 the number of late payment charges that was
11 assessed prior to that, say, 2015?

12 A Yes.

13 Q And whether that was statistically different?

14 A Yes. It was a similar amount that were
15 assessed. It really, over that three-year
16 period, '15, '16, '17, the numbers really
17 didn't jump out as being significantly
18 different.

19 Q And that's both on the number of late payment
20 charges assessed, as well as the number
21 reversed?

22 A Correct.

23 Q So, is it a fair characterization that
24 essentially the number of late payment charges,

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[WITNESS: Millerd]

1 both assessed and reversed, have been
2 relatively steady over the last three years?

3 A I think that's a fair assessment.

4 MR. FOSSUM: Thank you. That's what
5 I have.

6 CHAIRMAN HONIGBERG: Thank you, Mr.
7 Millerd. I think you can return to your seat.

8 Ms. Amidon, do you want to have Ms.
9 Noonan take the stand to talk about these
10 exhibits?

11 MS. AMIDON: If the Commission -- I
12 mean, I'm happy to offer her as a witness, if
13 the Commission has questions for her.

14 CHAIRMAN HONIGBERG: Well, I confess,
15 I have tried to skim quickly what these
16 exhibits are, and I have no idea what their
17 significance is. So, I want someone to explain
18 it to me.

19 MS. AMIDON: Okay.

20 CHAIRMAN HONIGBERG: And I'd prefer,
21 we we're doing witnesses under oath, that's how
22 we should do it.

23 MS. AMIDON: Then, Ms. Noonan will
24 take the stand.

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[WITNESS: Noonan]

1 (Whereupon **Amanda O. Noonan** was
2 duly sworn by the Court
3 Reporter.)

4 CHAIRMAN HONIGBERG: Ms. Amidon.

5 **AMANDA O. NOONAN, SWORN**

6 **DIRECT EXAMINATION**

7 BY MS. AMIDON:

8 Q Good morning, Ms. Noonan. Could you state your
9 name and position with the Commission for the
10 record please.

11 A Certainly. My name is Amanda Noonan. I'm the
12 Director of the Consumer Services and External
13 Affairs Division, now that we've cleared that
14 up.

15 Q Thank you. And have you testified before the
16 Commission previously?

17 A Yes. Yes, I have.

18 Q Thank you. And you prepared or supervised the
19 preparation of the three exhibits marked for
20 identification as "1", "2", and "3" in this
21 docket, is that right?

22 A Yes. I supervised the preparation.

23 Q Okay. So, would you please explain the
24 contents of the first exhibit, Exhibit

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[WITNESS: Noonan]

1 Number 1.

2 A Certainly. So, Exhibit 1 is a listing of the
3 information that was reported to the Consumer
4 Services Division analysts by Eversource
5 regarding the number of calls that the
6 Eversource Call Center received about late
7 payment charges. It's unclear whether those
8 are, as Attorney Amidon said earlier, what's
9 not clear to us is what instructions the Call
10 Center reps were given regarding tracking these
11 calls. These are just customers for whom the
12 late payment charge was waived. If these are a
13 bigger universe of customers who called to
14 complain about the late payment charge, but it
15 wasn't waived, I can't tell you what this
16 number represents, other than this is what is
17 reported to us each week.

18 The second column, "NHPUC Contacts", I had
19 my staff start tracking the docket number for
20 this proceeding in November. And, so,
21 beginning the week of -- week ending
22 November 18th, these were calls from customers
23 who contacted the analysts in the Consumer
24 Services Division with questions about late

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[WITNESS: Noonan]

1 payment charges on their account that seemed to
2 be related to a delay in receipt of payment.

3 Q Thank you. Just one question. Could you
4 explain, in the December 16th entry, to the far
5 right, what "CSRs" -- the reference to "CSRs",
6 what that means?

7 A Sure. "CSR" is an abbreviation for "Customer
8 Service Representative". This was prepared by
9 Gary Cronin on my staff. And I believe that
10 that's his note in looking at the numbers
11 reported, that he reached out to Eversource to
12 make sure that they were tracking the numbers
13 as they seemed rather low.

14 Q Thank you. And now, moving to Exhibit 2, can
15 you explain what this is?

16 A Exhibit 2 is a contact memo in the Consumer
17 Services' database for a customer that
18 contacted us in November. This was just simply
19 an example of the length of time that this
20 particular customer, and it was representative
21 of most customers, in the delay between mailing
22 and posting of the payment; in this case, 18
23 calendar days.

24 Q Right. So, and because, in the third line of

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[WITNESS: Noonan]

1 that report, it says the "customer said he
2 mailed his payment on 10/20/17", and it "wasn't
3 posted until 11/7/17". And he -- I will note
4 that the customer said he "had never had an
5 issue with payment processing in a timely
6 manner". So, apparently he did not wait till
7 the last minute. That's my comment.

8 Could you please then move to Exhibit 3
9 and tell us what that is?

10 A Sure. Exhibit 3, this touches peripherally on
11 a question asked by Commissioner Bailey about
12 how this impacted collection, if there was an
13 impact on customers. This particular customer
14 contacted Consumer Services on December 12th.
15 She was a budget customer with Eversource. And
16 her payment was delayed. And I believe it's
17 her October payment was delayed in the receipt.
18 As a result, she was dropped from the budget.
19 Obviously, she went on the budget for a
20 purpose, in order to better manage her finances
21 each month and spread out her payments evenly
22 over the course of the year. And as a result
23 of her payment not being posted in a timely
24 fashion, I think somewhere in this it says the

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[WITNESS: Noonan]

1 payment was posted in December, and she said
2 she mailed it in October. She had to pay a
3 significant amount, the past due balance on the
4 account, to get restored on the budget payment
5 plan.

6 So, this goes beyond just the issue of a
7 late payment charge on the account, and the
8 effect that the timely -- or, untimely posting,
9 the delay in posting of payments have on
10 customers generally. And while not the case
11 for this particular customer, if she were on a
12 payment arrangement, her payment arrangement
13 would have been broken, she could have been
14 disconnected for that, if her payment was
15 delayed in posting.

16 Q So, in other words, this call record
17 demonstrates that, in addition to the
18 assessment of a late payment fee, in this case
19 the individual who was on the budget plan had
20 to pay -- was removed from the budget plan and
21 indeed had to make double her budgeted payment
22 as a result?

23 A That's correct. That there are greater
24 ramifications than the late payment charge on

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[WITNESS: Noonan]

1 the customer's account from delays in delivery
2 and receive posting payments.

3 Q And correct me if I'm wrong, but the customer
4 reps in your -- in your division have received
5 notices where individuals or companies were
6 given notice of disconnection because of late
7 payment due to this mail delay, am I right?

8 A That's correct.

9 MS. AMIDON: Thank you. I have no
10 further questions.

11 CHAIRMAN HONIGBERG: Mr. Kreis, do
12 you have any questions for Ms. Noonan?

13 MR. KREIS: I do not.

14 CHAIRMAN HONIGBERG: Mr. Fossum, do
15 you have any questions?

16 MR. FOSSUM: I do.

17 **CROSS-EXAMINATION**

18 BY MR. FOSSUM:

19 Q Ms. Noonan, you said that what has been marked
20 as "Exhibit 1" was prepared by Gary Cronin on
21 your staff, is that correct?

22 A Yes.

23 Q Was Mr. Cronin also the author of the Staff's
24 recommendation submitted in this docket?

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[WITNESS: Noonan]

1 A I don't have the Staff recommendation in front
2 of me, but I believe it was, yes, Mr. Cronin.

3 Q Was that recommendation prepared at your
4 direction or under your review?

5 A Yes.

6 Q I'd like to, if I may, show you the actual
7 recommendation.

8 MS. AMIDON: I'm going to give Ms.
9 Noonan my copy.

10 (Atty. Amidon handing document
11 to the witness.)

12 WITNESS NOONAN: Thank you.

13 BY MR. FOSSUM:

14 Q And I'd just like to turn your attention to
15 what is on Page -- if you could turn to Page 3
16 of that recommendation, and the second
17 paragraph on that page. I'm going to read a
18 portion of that. I'd like you to confirm
19 whether I've read it accurately. That about
20 half way through that paragraph it reads:
21 "Accordingly, Eversource should continue to
22 track and report to the CSEA Division, on a
23 weekly basis, the number of calls to its call
24 center about payment-processing delays and/or

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[WITNESS: Noonan]

1 late-payment charges." Is that an accurate
2 reading of what's in that recommendation?

3 A Yes.

4 Q So, if that is the recommendation, then my
5 understanding is that you stated, or at least
6 Ms. Amidon has stated that the Staff is
7 dissatisfied with the information the Company
8 has provided. Would you agree that what the
9 Company has provided is consistent with what is
10 contained in that recommendation?

11 A I'm not sure that I can. You know, I listened
12 to the testimony earlier from Mr. Millerd, and
13 it seemed to me, and perhaps I wasn't listening
14 carefully enough, but it seemed to me that he
15 was saying that what was being tracked was just
16 the late payment charges that were refunded.
17 Not calls generally about late payment charges
18 on bills or payment processing delays. It may
19 be the same number. There's -- I just have a
20 lack of clarity. So, --

21 Q And at what point did you raise that lack of
22 clarity with the Company to address what you
23 saw perhaps as a lack of information you needed
24 in that regard?

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[WITNESS: Noonan]

1 A So, until hearing the testimony this morning, I
2 believed that these numbers were consistent
3 with the language in this recommendation that
4 the Commission adopted in its order. But I
5 don't have that same level of comfort. And I'm
6 sure we could resolve that with a conversation,
7 but --

8 Q Oh, understood. I'm just -- I think it's
9 fairly obvious what I'm trying to understand
10 here is, if the belief is that the Company's
11 reporting has been inadequate in some way, --

12 A Uh-huh.

13 Q -- I'd like to understand in exactly what way,
14 so that we could correct it. That
15 recommendation notes that "Eversource should
16 continue to track and report". So, the
17 indication being, and if I'm reading Exhibit 1
18 accurately, that Eversource has actually been
19 reporting these contacts for some time, prior
20 to the tariff filing and the Staff
21 Recommendation. Is that accurate?

22 A I believe that Eversource's regulatory liaison
23 with the Consumer Services Division has been
24 providing that information on an informal basis

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[WITNESS: Noonan]

1 to the Commission, the Commission's Consumer
2 Services Division, prior to this order. That's
3 why we have those numbers back to early August.

4 Q Understood. I just -- again, I'm trying to
5 understand at what point the Company began
6 reporting information and at what point it may
7 have been deemed inadequate.

8 MR. FOSSUM: I believe that's all I
9 have.

10 WITNESS NOONAN: Okay.

11 CHAIRMAN HONIGBERG: Commissioner
12 Bailey.

13 BY CMSR. BAILEY:

14 Q I'm looking at Exhibit 1.

15 A Yes.

16 Q And if I've done my math correctly, if we look
17 at the number of complaints that Eversource --
18 or contacts, sorry, that Eversource received
19 and reported by month, --

20 A Uh-huh.

21 Q -- it looks like, in October, they had "91"; in
22 September, they only had "3"; in October, they
23 had "17"; in November, I have to add them up
24 again, because I originally added -- I think I

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[WITNESS: Noonan]

1 originally included the 2 in November in
2 October. So, I don't know. You know, 37, 39,
3 35? 37? Okay. So, I added that right, "37".
4 And, in December, "20".

5 So, the numbers seem like random to me.
6 Do they seem that way to you? You know, a very
7 large number in October -- sorry, August, and a
8 very -- and a somewhat significant number in
9 November, a very small number in September.

10 A The pattern does seem random, yes.

11 Q Thank you. And in December, after they
12 implemented the tariff, the number is the same
13 or close to the number it was in October. So,
14 I don't think we can draw any conclusions from
15 this data.

16 A I would agree.

17 Q So, we don't know whether the tariff change
18 made an impact?

19 A I would agree with that. You know, the pattern
20 in the call volume up and down seems very
21 random. Whether any of it is attributable to
22 any other events or circumstances going on,
23 including the change in the tariff and the
24 change from 25 to 30 days, obviously, to assess

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[WITNESS: Noonan]

1 the late payment charge, it would be hard to
2 say.

3 Q Okay. Do you know -- do you have a
4 recommendation on what we should do?

5 A So, you know, I struggle with a blanket waiver
6 of late payment charges until such time as the
7 new payment processing center is up and
8 running, because there are customers that
9 perhaps legitimately should be assessed a late
10 payment charge. But there is presumably some
11 number of customers that are simply paying the
12 late payment charge every month, without
13 noticing it on their bill, because, if they pay
14 their bill every month, and they don't have
15 huge usage and huge bills, it's \$1.00, \$1.50.
16 And, so, when they look at their bill, it's
17 right within the range of what they expect to
18 pay every month. They pay their bill. They
19 don't even notice that it's there. And, so,
20 there's those folks that are unfairly paying
21 something that they shouldn't. There are the
22 people that notice, and that call perhaps and
23 get it reversed. And then there are the people
24 that should be paying and are paying.

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[WITNESS: Noonan]

1 And if the Company can identify the folks
2 that are being assessed incorrectly, without
3 perhaps spending more money than it would cost
4 to just waive all the late payment charges,
5 then I think that would be the best way, to
6 waive -- to do a blanket waiver for that group
7 of customers.

8 CHAIRMAN HONIGBERG: I want to follow
9 up on something you just said, Ms. Noonan.

10 BY CHAIRMAN HONIGBERG:

11 Q You stated an assumption, that the second bill
12 that contains the late payment charge would
13 just have the amount that was currently owed
14 from the prior meter reading, plus the late
15 payment charge. But with --

16 A True.

17 Q Is that -- this question probably should have
18 been asked of the Company, but, if you don't
19 pay your bill, the balance due carries forward
20 onto the next bill.

21 A That's true.

22 Q So, most typically, when I get a utility bill
23 or a bill like this, a monthly recurring bill,
24 if I've messed up, that bill looks really

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[WITNESS: Noonan]

1 large. And that's usually what triggers action
2 in most people, isn't it?

3 A Yes, that's true. You're right. I misspoke.
4 I was forgetting that the past due balance --
5 or, the balance would carry forward as being
6 past due, because your payment had not yet been
7 received. Yes. That's correct.

8 CHAIRMAN HONIGBERG: Commissioner
9 Giaimo, do you have any questions?

10 CMSR. GIAIMO: Just a quick one, and
11 I may have missed it and you may have said it.

12 BY CMSR. GIAIMO:

13 Q As we look at Exhibit 1, the second column it
14 says "Eversource Contacts" and the third column
15 would say "NHPUC Contacts". Those lists are
16 not mutually exclusive. There could be some
17 overlap. Some called both you and the Company?

18 A Yes.

19 CMSR. GIAIMO: Thank you.

20 CHAIRMAN HONIGBERG: I don't think I
21 have any other questions.

22 Ms. Amidon, do you have any further
23 questions for Ms. Noonan?

24 MS. AMIDON: Just one question for

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[WITNESS: Noonan]

1 clarification.

2 **REDIRECT EXAMINATION**

3 BY MS. AMIDON:

4 Q Ms. Noonan, based on your response to questions
5 of Mr. Fossum, I understand your concern about
6 the adequacy and the clarity of the data only
7 arose today upon hearing the testimony of Mr.
8 Millerd, is that correct?

9 A That's correct.

10 MS. AMIDON: Thank you.

11 CHAIRMAN HONIGBERG: All right.

12 Thank you, Ms. Noonan. I think you can return
13 to your seat.

14 I understand there are no other
15 witnesses.

16 Without objection, we'll strike ID on
17 Exhibits 1, 2, and 3. We'll hold 4 for the
18 record request that was made. Is there
19 anything else we need to do before the parties
20 sum up?

21 *[No verbal response.]*

22 CHAIRMAN HONIGBERG: All right. I
23 guess I would ask you all as you sum up, think
24 about whether it would be valuable to suspend

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1 this specific proceeding and have a further
2 discussion among yourselves about data
3 collection and process going forward. Just in
4 answering, in summing up, please address that,
5 in addition to whatever else you were planning
6 on saying.

7 So, Mr. Kreis, why don't you start us
8 off.

9 MR. KREIS: Thank you, Mr. Chairman.
10 I want to start by saying that I personally
11 have been involved in the process of regulating
12 Public Service Company of New Hampshire, both
13 in its current form and in its previous form,
14 being a subsidiary of Northeast Utilities,
15 since 1999. And I know it to be a very well
16 run electric utility. And, so, what we see
17 here today stands out as I think an almost
18 unprecedented exception to that excellent
19 record that I personally have grown accustomed
20 to in dealing with this particular company.

21 And I'd also like to say that, with
22 respect to Mr. Fossum and Mr. Millerd, and the
23 other folks from Eversource who are here today,
24 what I have to say about this case shouldn't be

1 construed as "shooting the messenger". Mr.
2 Millerd and Mr. Fossum have done a good job of
3 explaining what the Company has been doing, and
4 presenting this situation from the standpoint
5 of the Company in a very effective and thorough
6 way. And it's clear that each of them is a
7 dedicated, principled, and worthy employee of
8 the Company. And, so, I intend no criticism of
9 anything that they have presented here today.
10 But they work for a company that has committed
11 what my daughter would call an "epic failure".

12 This is a absolutely egregious
13 situation that is totally unacceptable from the
14 standpoint of residential customers. What we
15 have here is a company that doesn't really have
16 a handle on this problem. Blames the Postal
17 Service, blames its outside contractor, has
18 been lax and nonvigilant with respect to
19 forcing that outside contractor to do what it
20 has been contracted to do. It has known about
21 this problem for months, and has frankly
22 dragged its feet with respect to solving the
23 problem.

24 We really do not have a handle, as a

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1 result of today's proceeding, on exactly how
2 serious this problem is. More seriously, from
3 my standpoint, is that the Company appears to
4 reserve the right to apply a completely
5 subjective standard to waiving charges that are
6 not made discretionary under the Company's
7 tariff. The Company's tariff says "All amounts
8 previously billed but remaining unpaid five
9 days after the due date printed on the bill
10 shall be subject to a late payment charge of
11 one percent thereof." It's not "shall be
12 subject to a late payment charge of one percent
13 thereof, if the customer happens to complain,
14 and if we happen to like that customer, because
15 we think they have a decent payment record."
16 That can't be the way this works. There has to
17 be a standard that applies. And that standard
18 has to be that the Company gets to charge just
19 and reasonable rates. There is nothing just
20 and reasonable about this situation.

21 The Company has a cavalier attitude
22 about customers making payments at the last
23 minute. I don't think that's a testament to
24 anything about Mr. Millerd who offered that

1 testimony. I think that must be about the
2 corporate culture with respect to customers who
3 quite reasonably take all the time that is
4 allotted to them under the tariff to make their
5 payments to the utilities. We hear all the
6 time about how challenging it is for all
7 customers in New Hampshire to pay their
8 electric bills. So, it's rational and
9 reasonable for customers to take all the time
10 that the tariffs allow them to make their
11 payments. And this situation should not be
12 allowed to resolve itself in a way that
13 punishes them.

14 In the view of the Office of the
15 Consumer Advocate, based on what I have heard
16 today, not only should the -- not only should
17 the Commission immediately suspend the further
18 collection of late payment charges until such
19 time as that there is a new contractor in
20 place, the Commission should actually order
21 this Company to pay refunds of late payment
22 charges that have been previously assessed,
23 probably back to the beginning of the year,
24 more plausibly back to November 1st, when this

1 docket was opened.

2 This situation is unreasonable, it's
3 unconscionable, and the Commission should act
4 decisively to telegraph to this Company, and to
5 all other utilities, that this situation is not
6 going to be tolerated. It's not acceptable in
7 New Hampshire.

8 CHAIRMAN HONIGBERG: Ms. Amidon.

9 MS. AMIDON: One moment please.

10 *(Atty. Amidon conferring with*
11 *Dir. Noonan.)*

12 MS. AMIDON: I'm going to ask that
13 Ms. Noonan give the closing in this matter.
14 Thanks.

15 CHAIRMAN HONIGBERG: Ms. Noonan.

16 MS. NOONAN: Thank you. So, I think
17 that Staff would support a waiver of the late
18 payment charges, recognizing, as I just
19 testified to, perhaps the inequity in doing
20 that. But it is for a limited period of time,
21 and it does -- and as we heard testimony, the
22 amount collected on an annual basis is not a
23 significant revenue impact to the Company. So,
24 perhaps three, four months of suspending late

1 payment charges would be insignificant, in
2 terms of the increase perhaps we've seen from
3 year to year, in that range.

4 Also think some -- to the extent you
5 can design a statistically valid sample with
6 the vendor to identify how big this issue is,
7 it would be helpful to know how big the problem
8 is, if we could do that in a timely way, before
9 making a determination about the waiver of late
10 payment charges. I'm not comfortable that that
11 could happen, though, with sufficient time for
12 the Commission to act.

13 So, I think, you know, given some of
14 the concerns that have been raised about the
15 overall impact on customers generally, as well
16 as the late payment charge piece on their bill,
17 we would support a waiver until such time as
18 the new payment processor is up and running.

19 CHAIRMAN HONIGBERG: Mr. Fossum.

20 MR. FOSSUM: Thank you. I'd like to
21 address at least, I understand the OCA's
22 position, I don't think there can be much
23 question about what it is, I believe, however,
24 the OCA somewhat overstates his position in a

1 number of ways.

2 The Company has by no means been
3 cavalier about how it has addressed these
4 issues. As testified to by Mr. Millerd this
5 morning, when these issues first surfaced, we
6 began to monitoring and responding to them,
7 long before it appeared that there was really a
8 meaningful issue to address, and we have
9 continued to do so.

10 We've raised this issue with the
11 Staff and the OCA informally, and began
12 reporting information as we understood was
13 expected of us.

14 We made the tariff filing as a means
15 of addressing this issue on a broader scale,
16 and we believe that to be the appropriate thing
17 to do.

18 We've taken reasonable steps
19 throughout this entire process. And I think
20 it's unfair to characterize the Company's
21 actions in this matter in the manner that the
22 OCA has done.

23 Additionally, there's an assumption
24 built in that there's some sort of "worst case"

1 scenario in some of the arguments I've heard
2 this morning. That, because we don't have some
3 particular set of data, that it must be far
4 worse than anybody can presume, or that may be
5 seen in the data. And I don't know that that's
6 a fair assumption to make.

7 We're, in answer to the Chair's
8 question, we're certainly willing to have
9 continuing discussions to discuss what other
10 data may be collected and how, and what that
11 data may show would guide further actions
12 perhaps.

13 But I think it's unfair and
14 inappropriate to assume that this is some
15 pervasive problem affecting all customers at
16 this point, based on the information you have
17 before you.

18 I would also argue that a refund I
19 think is inappropriate, particularly going back
20 in time, in that I've heard nothing that
21 indicates why such a refund would be
22 appropriate to give. Certainly, as Ms. Noonan
23 has testified, there are instances where
24 customers are appropriately paying late payment

1 charges. And, so, the argument that they
2 should be refunded would be offering refunds to
3 people in those situations as well.

4 Whether the Company would support a
5 waiver pending the installation of a new
6 vendor, I believe at this point we're open to
7 discussing that, but we're not in support of
8 it. Our new vendor, we've moved up the
9 schedule. We're moving to have a new vendor in
10 place very soon, sooner than we might otherwise
11 have planned, partly in recognition of this
12 issue and the need to correct it, and to
13 correct it permanently and for the benefit of
14 our customers.

15 Customer service, despite what I may
16 have heard this morning, is certainly a top
17 priority for our company. And we aim to do
18 what we can to improve and enhance the customer
19 experience where we are able to, and this will
20 do that. And I think that changing customer
21 expectation and behavior by offering blanket
22 waivers until a new vendor is in place, and
23 then potentially having to change those
24 behaviors back, may be counterproductive in the

1 long term.

2 With that said, we're going to work
3 on the record request that the Commission has
4 given to us, to see what additional information
5 we can gather about customers who have mailed
6 their payments by check, and what we can do
7 perhaps to specifically target benefits to that
8 group of customers.

9 But, in the meantime, we are here to
10 show cause, I understand, as to why we've done
11 what we have done. I think we have shown why
12 we have done what we have done. And that we
13 have shown that it has been appropriate, and
14 that it has been commensurate with the problem
15 as we have understood it to exist.

16 CHAIRMAN HONIGBERG: I have a
17 question, Mr. Fossum. You mentioned "customer
18 behavior", and changing customer behavior can
19 occur if you change the rules for the
20 customers. If there were a waiver just for
21 people who pay by check, will that cause more
22 people to write checks? And is that a problem
23 for the Company? Is it more expensive, more
24 time-consuming? Are there issues, in terms of

1 the surety of payment, when you have more
2 people paying by check?

3 MR. FOSSUM: Well, I'd have to defer
4 to somebody like Mr. Millerd for some detailed
5 information on that. Certainly, there's only
6 so much I know about it.

7 My general supposition is that a
8 customer who has transferred from paying by
9 check to by some other means, such as
10 electronic payments, is more likely to remain
11 paying that way. So, having somebody transfer
12 back to paying by check, in recognition of a
13 waiver of a relatively small fee, I don't see
14 that as being likely.

15 And certainly Mr. Millerd or one of
16 the others with me this morning can correct me,
17 but, you know, processing a check does take
18 more time and effort than does processing an
19 electronic payment. So, yes, there would be
20 more involved. Whether it's a material amount
21 more, I don't know.

22 And I don't know if Mr. Millerd has
23 any additional details --

24 CHAIRMAN HONIGBERG: Yes. Well, I'm

1 not inviting Mr. Millerd to address this.

2 MR. FOSSUM: So be it.

3 CHAIRMAN HONIGBERG: If you want to
4 confer with him and maybe provide more
5 information yourself, I'll take that. But he's
6 done testifying.

7 MR. FOSSUM: Understood.

8 *(Atty. Fossum conferring with*
9 *Company representatives.)*

10 MR. FOSSUM: After conferring, I
11 believe what I've been told is, basically, what
12 I had said is essentially accurate. Noting
13 also that customers likely wouldn't shift from
14 making, say, electronic payments to check
15 payments in light of this change, unless
16 perhaps they're specifically notified that that
17 is a possibility. Something like a general
18 change to the tariff may or may not notify
19 them, but individually notifying customers may
20 drive some level of customer behavior, though
21 it would be difficult to quantify that.
22 Presumably, it would not be large.

23 CHAIRMAN HONIGBERG: That's helpful.
24 Thank you.

1 I want to reiterate something that
2 Mr. Kreis said in his introduction to his
3 closing. That no one, at least from our
4 perspective, views anyone who's appeared before
5 us here today testifying, representing or doing
6 the other work, has done anything other than
7 try and act in good faith to identify a problem
8 and work to solve it.

9 Whether everything was done in ways
10 that worked as well as they could have, that's
11 a different question. And there are probably
12 many owners of whatever miscommunications or
13 failures occurred in that regard.

14 So, with that, we will close the
15 hearing, take the matter under advisement --

16 MS. AMIDON: Mr. Chairman?

17 CHAIRMAN HONIGBERG: Ms. Amidon.

18 MS. AMIDON: I'm going back to the
19 exhibits. I don't know if you intend to offer
20 them as full exhibits, but I would ask for the
21 permission to withdraw Exhibit 2 and replace it
22 later today to account for the redaction of the
23 customer's account number.

24 CHAIRMAN HONIGBERG: Oh, there's an

1 account number in what we were given?

2 MS. AMIDON: Yes, there is. And
3 that's -- I would like to take back Exhibit 2
4 and refile it later today.

5 CHAIRMAN HONIGBERG: Without
6 objection, you can do that.

7 MS. AMIDON: Thank you.

8 CHAIRMAN HONIGBERG: All right.
9 Mr. Fossum.

10 MR. FOSSUM: Before closing, I did
11 want to just clarify that I have the record
12 request accurate before we left the hearing
13 today.

14 My understanding of the request from
15 the Commissioners is "Can the Company identify,
16 separate out payments made by a mailed check
17 for a separate treatment until the new payment
18 vendor is in place in later 2018, and to
19 explain details about what -- about how to
20 identify and separate out those payments?"

21 Is that an accurate description of
22 the record request?

23 *(Chairman and Commissioners*
24 *conferring.)*

1 CHAIRMAN HONIGBERG: Yes. I think
2 that's consistent with what we're expecting.

3 MR. FOSSUM: Thank you.

4 CHAIRMAN HONIGBERG: All right. With
5 that, we will close the hearing and take the
6 matter under advisement. Thank you.

7 ***(Whereupon the hearing was***
8 ***adjourned at 12:11 p.m.)***

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