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Via Electronic Mail and Hand-Delivery

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

NHPUC 20NOV19PM3:09

Re: Docket No. DRM 19-156; Puc 1200 Rulemaking

Dear Ms. Howland:

On behalf of Liberty Utilities (Granite State Electric) Corp. and Liberty Utilities (EnergyNorth Natural Gas) Corp., both d/b/a Liberty Utilities, following are the comments to the Initial Proposal for this Puc 1200 rulemaking. The first two comments were raised during the public hearing in this matter. The third comments suggests a need for clarification.

Customer Deposits, page 6.

Liberty proposes to remove the word "lease" from Puc 1203.03(b)(1). Although a 12 month lease can demonstrate an "intent to remain at the location," Puc 1203.03(a)(4), it is the Company's experience that the existence of a lease is not a good predictor of a new customer's likelihood to pay the bills due, which is the purpose of this rule. The Company has often experienced customers who present a lease, are thus excused from the deposit requirement, fall behind on their bills, and then leave the apartment at the end of the year with a substantial balance due. Liberty must often write-off this balance, which amount is then covered by other customers. It would be in all customers' interest to have these particular new customers satisfy the deposit requirement of Puc 1203.03.

Note that "financial hardship" remains a basis to be excused from the deposit requirement, so Liberty's request to remove "lease" will not impact those customers who qualify as having a "financial hardship." Puc 1203.03(g)(1).

“Ability to Pay”, page 12.

Puc 1203, which governs “payment arrangements,” lists six factors for the utility and the customer to “consider” when “deciding upon the reasonableness of a payment arrangement.” Puc 1203.07(c). The sixth factor is “Customer’s ability to pay.” Puc 1203.07(c)(6). “Ability to pay” is a broad phrase that is not defined in the PUC 1200 rules. This vagueness gives rise to situations in which customers have the means to satisfy a substantial payment arrangement, but are not held to a reasonable arrangement because they do not have an “ability to pay” due to obligations that should be considered of less priority than paying the utility bill. For example, a Liberty customer successfully argued that her monthly payment for a luxury car caused impacted her “ability to pay” towards a reasonable payment arrangement. It is the Company’s position that the “ability to pay” factor was intended accommodate low income customers. However, the absence of a definition has allowed the phrase to be used by wealthier customers.

Liberty’s proposed solution is to replace “ability to pay” with “whether the customer has a financial hardship.” Financial hardship is defined by Puc 1202.09 and requires evidence of current enrollment in a low income assistance program. This change would better achieve the goals of the payment arrangement rules.

Clarification, page 4.

Puc 1203.02(f) and (g) seem redundant. To the extent they intend to give the utilities two separate directives, Liberty would appreciate clarification of the difference between them.

Thank you for considering these comments.

Sincerely,



Michael J. Sheehan

cc: Service List