

6/30/20

ORDER OF NOTICE

On or before June 30, 2020, and no later than the 30th day of every month following, until otherwise ordered by the Commission, each Utility shall file written responses and updates in subsequent months to the following requests for information. The responses should be current as of the end of the month immediately preceding. Additionally, these responses will be submitted regardless of whether the Utility has previously provided written responses to similar requests from Commission Staff.³

- 1) Provide information regarding changes in payment behavior or patterns and account receivables levels since the declaration of the State of Emergency on March 13 and the Governor's Emergency Order #3 issued on March 17. Such information should be provided for each utility rate class.
 - Receivable balances for March, April and May 2020 are lower than the same months in 2019 but are similar to the same months in 2016, 2017 and 2018.
 - 94% of our customers are residential customers. The remaining 6% are split among several other classes (commercial, industrial, churches, campgrounds, municipal, etc) which are too small to give relevant comparisons.
 - As of 6/15/20 the number of customers who would be on the disconnect list is similar to the levels prior to the pandemic.

- 2) Provide the following data for each utility rate class:
 - The number, and percentage, of customers who made partial or no payment in March, April, and May of 2019 and 2020.

 - March 2019 – 548 accounts with no payments (14%)
 - March 2019 is different compared to other months. It may be due to the fact that February is a short month so the due date for February's payment was in March, and then March's bill was also due in March, so this may have caused more people to have made a payment in that month.
 - March 2020 – 1349 accounts with no payments (34%)

 - April 2019 – 1283 accounts with no payments (34%)
 - April 2020 – 1343 accounts with no payments (34%)

 - May 2019 – 1439 accounts with no payments (38%)
 - May 2020 – 1371 accounts with no payments (35%)

- Our software system can't give us the number of customers who made partial payments.
 - The number, and percentage, of customers who made partial or no payment in March, April, and May of 2019 and 2020 and did not have an outstanding balance during the prior six months.
 - Our software system can't give us the number of customers who made partial payments or compare no payments against the previous six months.
- 3) Describe any programs or initiatives undertaken to assist customers specifically as a result of the COVID-19 pandemic, the State of Emergency, Emergency Order #3, and the related stay-at-home restrictions.
- HAWC put out a notice on 3/13 notifying all customers that reiterated the ability for customers to pay online or touchless pay with a drop box at our office.
<https://www.hampsteadwater.com/covid-19-notice-to-customers>.
 - In addition, the company implemented safety protocols for all emergency service calls in line with CDC and DES protocols including wearing the proper PPE.
- 4) Provide a detailed description of customer outreach undertaken to date.
- On March 16th, The Company sent a notice to all its customers regarding Covid-19. This notice provided that all non-essential appointments were canceled until further notice, on location bill drop off should be via a drop box at the front door, and we further reinforced customers to take advantage of online bill pay. In addition to this notice the company implemented new protocols for all employees.
- 5) Describe the Utility's review and evaluation of best practices and successful initiatives undertaken in other states.
- The Company reviewed CDC documentation, DES documentation, and neighboring utilities when making decisions about cancelling all appointments and implementing safety protocols.
- 6) Describe whether the Utility has updated its sales forecasts in light of the pandemic and its effects on the economy.
- As a water utility, sales are most greatly impacted by rain, or more specifically, the lack of rain. Currently, NH is in a Moderate Drought period as classified by the US Drought Monitor agency. The company has an outdoor watering ban in effect for its Atkinson\Hampstead Core System. If this continues, sales may be lower than projected.
-
- 7) Describe any operational changes the Utility is making or planning to make in response to the effects of the pandemic, including changes in budgets or personnel.
- Regarding Operations there have not been many changes with the exception of the safety protocols previously mentioned, and eliminating non-essential service calls which include stopping meter change outs for 2020

- 8) Describe any changes to capital projects and related planning budgets the Utility has made or is planning to make in response to the effects of the pandemic.
 - The Company has elected to forego its typical 300 meter changeouts this year. This decision was made to eliminate visits into private homes.
- 9) Describe any supply chain disruptions the Utility is experiencing or expects may occur and the effects of such supply chain disruptions.
 - At this time the Company is not experiencing any supply chain disruptions.
- 10) Describe whether the Utility and/or its parent company has adequate access to capital or has been negatively affected in accessing the capital markets or has been downgraded by any credit rating services.
 - The company has received a loan under the PPP program which it expects to be fully forgiven under the terms of the program. The company has not needed any other capital during this period, therefore it cannot comment on the availability of capital.
- 11) Describe incremental costs associated with the COVID-19 pandemic since the State of Emergency order, how the cost is calculated, cost to date, accounting treatment, impact on earnings, and proposed or planned rate treatment.
 - Costs are not large enough to be capitalized or added to the rate base. They will be expensed. Masks for staff were provided by the State and DES at no charge. We will continue to provide mitigation (masks, cleaning, etc) to our employees to comply with the universal guidelines and will continue to do so while they are necessary. If the costs increase, the Company may decide to capitalize them and add them to the rate base.