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Dianne Martin

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EXECUTIVE DIRECTOR
Debra A. Howland

STATE OF NEW HAMPSHIRE



PUBLIC UTILITIES COMMISSION
21 S. Fruit St., Suite 10
Concord, N.H. 03301-2429

TDD Access: Relay NH
1-800-735-2964

Tel. (603) 271-2431

FAX No. 271-3878

Website:
www.puc.nh.gov

July 29, 2020

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

RE: Docket No. IR 20-089

Dear Ms. Howland:

The following is Staff's report of the technical session held in this matter on July 23, 2020, and a request to schedule a resumed technical session on August 4, from 1:30 p.m. until 4:30 p.m.

Report to the Commission on the July 23, 2020 resumed Technical Session:

Introduction:

The following parties met on July 23 from 10 a.m. until about 1 p.m., in a resumed technical session: Staff, OCA, NHLA, LISTEN, Eversource, Unital/Northern (electric and gas), Liberty (electric and gas), NH Electric Coop, and several water companies: Aquarion, Pennichuck, Lakes Region and Hampstead Area Water.

Participants met to continue discussing three agenda items from the July 14 technical session as follows:

- 1) Protections for low-income customers concerning collection and disconnection;
- 2) Outreach to customers to alert them to protections available; and
- 3) Mechanisms for addressing changed circumstances regarding collection, disconnection and protections as the COVID-19 pandemic continues.

In addition, parties suggested additional topics for technical session discussion:

- 1) Several utilities addressed the need for the Commission to allow utilities to defer accumulating arrearages (that under normal accounting procedures would be written off) to allow for consideration of future recovery;

- 2) New Hampshire Legal Assistance raised the issue of arrearage forgiveness programs, referencing a program currently in place in Massachusetts; and
- 3) A water utility discussed treatment/protection for seasonal customers.

Staff began with reviewing the procedural history of this docket and referencing the agreement between the electric and gas utilities for restarting collection activities, which provides as follows:

Commercial customers:

- Soft collections until August 15
- Disconnection notices could start beginning August 16
- No late payment charges through September 1
- No late payment charges if establish a payment arrangement
- No deposits from existing accounts through December 31, 2020; deposit requests for new accounts beginning August 15
- 12-month payment arrangement; one time opportunity catch up missed payment and retain the arrangement

Residential customers:

- Soft collections until September 15
- Disconnection notices could start September 16
- No late payment charges through October 1
- No late payment charges if establish a payment arrangement (current requirement for residential customers under Puc 1200)
- No deposits from existing customers until April 2021 (cannot assess deposit on residential customers during winter under Puc 1200)
- 12-month minimum payment arrangement; at least one opportunity to catch up missed payment and retain payment arrangement but, depending on the circumstances, more than one opportunity could be reasonable
- No requests to disconnect medical accounts until 2021

Before the discussion of low-income protection got underway, the OCA stated that the above agreement was illegal and that if the Commission pursued implementing the agreement the OCA would use all channels available to demonstrate that it was illegal and block its usage. In place of the agreement, OCA stated that utilities should continue the current practice of no disconnections until the end of the year, with discussions on when to end the disconnection moratorium resuming after the national elections in early November. Then, the Commission should pursue any changes through rulemaking. OCA noted that it spoke on behalf of only residential ratepayers.

Utilities stressed that their goal is always to engage customers and collect payments, rather than perform disconnections, which are viewed as a last resort. But, the utilities noted that a disconnect notice often triggers customer engagement.

LISTEN raised concerns about the effect that resuming disconnect notices would have on the mental health of low income customers who may also be facing eviction. Listen noted that any available funds during the pandemic are used for rent and food before utilities and resumed disconnect messages could cause panic.

Water companies generally agreed to abide by the agreement's terms, but noted that arrearages had not been significantly affected by the pandemic to date and also that water companies are generally smaller and have fewer resources than the electric and gas utilities.

Staff stated that the technical session would be used to discuss the substance of the agreement, not the legal basis, as a starting point for discussing the three topics listed above.

Low-income Protections:

Just prior to the technical session, the electric and gas utilities circulated the following proposed terms/protections for low-income customers during the pandemic:

Low-income ("LI") List of Protections:

1. No disconnect notices to LI customers until 4/1/2021
2. No disconnect of service to LI customers until 4/15/2021
3. No deposit required for LI customers per 1200 rules
4. No late payment charges for LI customers per 1200 rules
5. Longer payment plans with no down payment required
6. Proactive ongoing communication to LI customers through spring 2021 to encourage customers to contact us and enroll on a payment plan

A discussion ensued about the qualification for low-income, and the electric and gas companies agreed that these protections should be extended to anyone qualified as a "financial hardship" as defined in Puc 1200. Further, the electric and gas utilities offered to allow customers to self-certify that they are facing financial hardship and give such customers 60 days (or perhaps more if needed) to produce the documents needed to demonstrate hardship under Puc 1202.09.

Water companies noted that, as there is no low-income water rate, low-income/financial hardship customers are not currently flagged in their billing systems. As such, the general concern regarding low-income customers relates to the first bullet point and their inability to distinguish or identify the customer as low income before a disconnect notice is sent. But, the water utilities stated they would offer these protections to customers that demonstrated hardship, as laid out in the rules, and also would adopt a “self-certification with/follow up documents” approach, like the electric and gas utilities laid out. Hampstead Area Water noted that being a local company, it prefers guidelines and flexibility for dealing with the effect of the pandemic on collections, rather than rules. Hampstead Area Water also reported experiencing no significant changes to payments since the pandemic.

Discussion ensued about modifying or adapting current communications to alert customers to the various protections, and generally, the utilities agreed to do so, but noted that programming costs may be incurred to do that.

Participants discussed the optimal term for payment plans and the need for customers to be able to renegotiate payment plans as circumstances change.

The discussion of low-income protection ended with the general conclusion that electric and gas utilities would implement these protections, with a few changes, as noted below. Water utilities would abide by these standards as well, but customers would need to identify themselves as hardship to qualify.

Low-income (“LI”) List of Protections *as amended after discussion*:

1. No disconnect notices to LI customers until 4/1/2021
2. No disconnect of service to LI customers until 4/15/2021
3. No deposit required for LI customers per 1200 rules
4. No late payment charges for LI customers per 1200 rules
5. Longer payment plans (*up to 24 months*) with no down payment required
6. Proactive ongoing communication to LI customers thru spring 2021 to encourage customers to contact us and enroll on a payment plan
7. *The opportunity to renegotiate an existing payment arrangement when circumstances change and the payment may no longer be affordable.*
8. *The opportunity to enter into the same, long-term flexible payment arrangement at least once, and even more than once when appropriate in the customer's circumstances.*

Customer Outreach:

Prior to the technical session, Eversource shared its plan for customer outreach with the group. Although time allowed only limited discussion, several parties commented favorably on its breadth and content. Generally, water utilities would not roll out the comprehensive plan developed by

Eversource due to limited resources and more localized customer bases. Parties agreed to review the Eversource plan in more detail before the next resumed session.

Mechanisms for Addressing Changed Circumstances:

Prior to meeting, Staff suggested that this group plan to meet regularly during the pandemic as a forum for addressing issues in a less formal manner than petitioning the Commission for remedies. Staff suggested that this group serve as “place of first resort” to address circumstances that arise as the pandemic unfolds (while recognizing that parties retain all the remedies available under current rules and statutes). Staff suggested that the first meeting be held in late September. Because time ran out, no discussion was held on this item and it will be addressed when the technical session reconvenes.

Additional Issues Raised by the Group:

As noted above, several utilities addressed the need for the Commission to allow utilities to defer accumulating collection arrearages that would (under normal accounting procedures) be written off, to allow for consideration of future recovery. No further discussion ensued in this technical session; the utilities describe the request “a placeholder” for the Commission.

Lakes Region noted that it was reviewing its records to compile a more accurate count of its seasonal customers, and to assess how that may have changed since the pandemic began. No further discussion ensued.

New Hampshire Legal Assistance raised the issue of arrearage forgiveness programs, referencing a pilot program currently in place in Massachusetts that deals specifically with arrearages related to the pandemic. NHLA urges the Commission to examine such a pilot for NH in this docket. The group discussed that Eversource had proposed a broader arrearage forgiveness mechanism in DE 19-057, its current distribution rate case that will not conclude until late 2020; and, if this mechanism were approved, it would take several months to implement. The group also discussed briefly the generally accepted notion that adoption of any arrearage recovery mechanism would need to be implemented through other dockets.

OCA asked where the docket would go from here if parties reached an agreement. A short discussion ensued but no conclusions were reached.

Staff indicated that it intended to submit a report of the technical session to the commission, and that it intended to request approval to schedule a resumed session to address remaining topics.

Conclusion:

Staff requests that the technical session resume on August 4 to complete discussion of these topics. Staff will accumulate the terms of the protections discussed above in a single document and at the resumed session, Staff will provide its position on whether these protections should be approved by

the Commission and implemented by the utilities as outlined. Staff will ask the other parties to indicate support or opposition to these protections and will report these positions to the Commission in what will likely be a final technical session report, issued promptly after the August 4 session.

Sincerely,

/s/ Paul B. Dexter

Paul B. Dexter
Staff Attorney

cc: Service List

Executive.Director@puc.nh.gov
aaugeri@lewisbuilders.com
amanda.noonan@puc.nh.gov
Angela@listencs.org
carolann.howe@pennichuck.com
Christa.Shute@oca.nh.gov
Christopher.tuomala@puc.nh.gov
cmcmorran@aquarionwater.com
Corrine.Lemay@puc.nh.gov
donald.kreis@oca.nh.gov
donald.ware@pennichuck.com
dszabo@aquarionwater.com
dvaughan@newenglandservicecompany.com
epler@unitil.com
gary.cronin@puc.nh.gov
George.Torres@Pennichuck.com
james.brennan@oca.nh.gov
jared.chicoine@osi.nh.gov
jay.kerrigan@pennichuck.com
jayson.laflamme@puc.nh.gov
jim.r.ingram@gmail.com
john@lewisbuilders.com
joseph.a.doiron@goferr.nh.gov
larry.goodhue@pennichuck.com
leah@Lakesregionwater.com
marc.hanks@directenergy.com
matthew.fossum@eversource.com
mdean@mdeanlaw.net
michael.sheehan@libertyutilities.com
nathaniel1970@gmail.com
NLaChance@NewEnglandServiceCompany.com
ocalitigation@oca.nh.gov
paul.dexter@puc.nh.gov
Paul.Kasper@puc.nh.gov
pphillips@primmer.com
pradip.chattopadhyay@oca.nh.gov
randy.knepper@puc.nh.gov
richard.chagnon@puc.nh.gov
robert.bersak@eversource.com
robyn.descoteau@puc.nh.gov
rorie.patterson@puc.nh.gov
sbrown3302@gmail.com
stephenpsteyr@yahoo.com
steve.frink@puc.nh.gov
steven.mullen@libertyutilities.com
taylorp@unitil.com
tom.frantz@puc.nh.gov