

IR 20-089 - Investigation into the Effects of the COVID-19 Emergency on Utilities and Utility Customers

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.

New Hampshire Electric Cooperative (NHEC) continues to see a reduction in member arrears in excess of 90 days. Arrears over 60 days continue to decline, but have leveled off last month, consistent with historic norms. Figure 1 shows trends in the overall balance of members’ arrearages, as compared to historic averages. Figure 2 shows the number of NHEC members in arrears in each of the aging groups – 30, 60, and 90 days. Figure 3 shows arrearage amounts by member class – residential and non-residential. The non-residential member group is comprised of commercial, industrial, primary, large primary, and ski areas.

Figure 1.

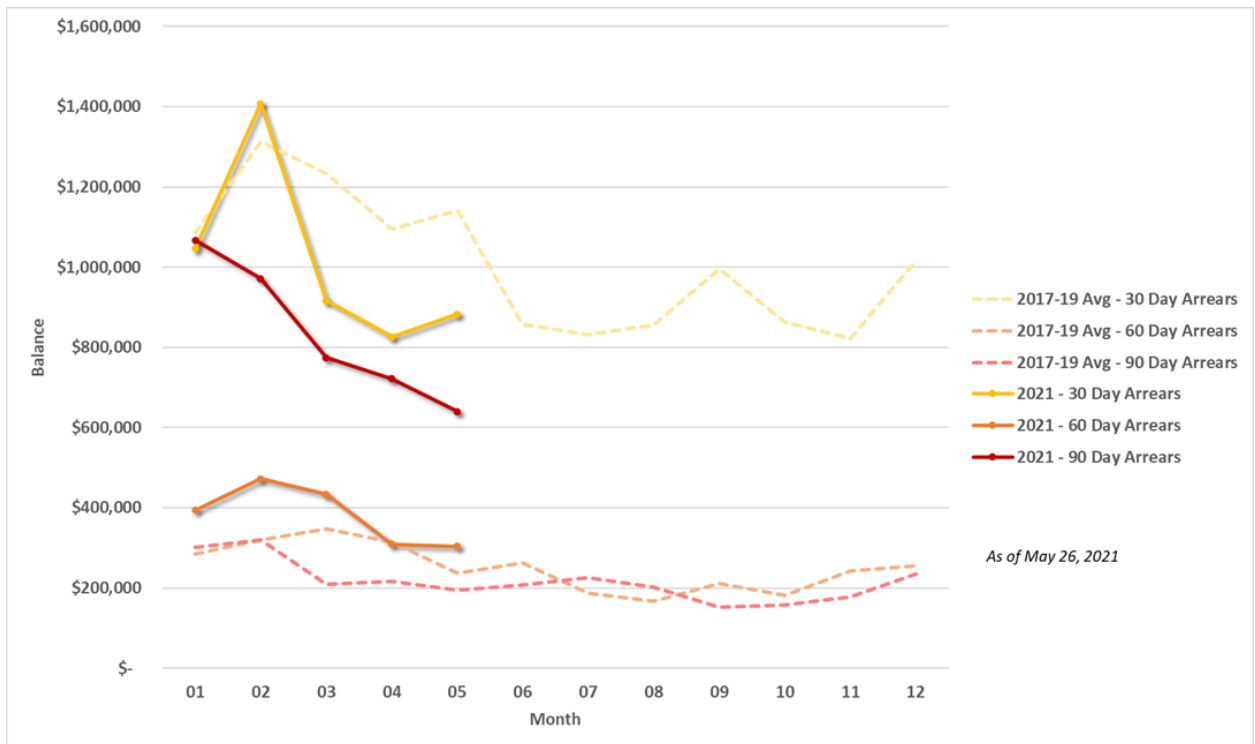


Figure 2.

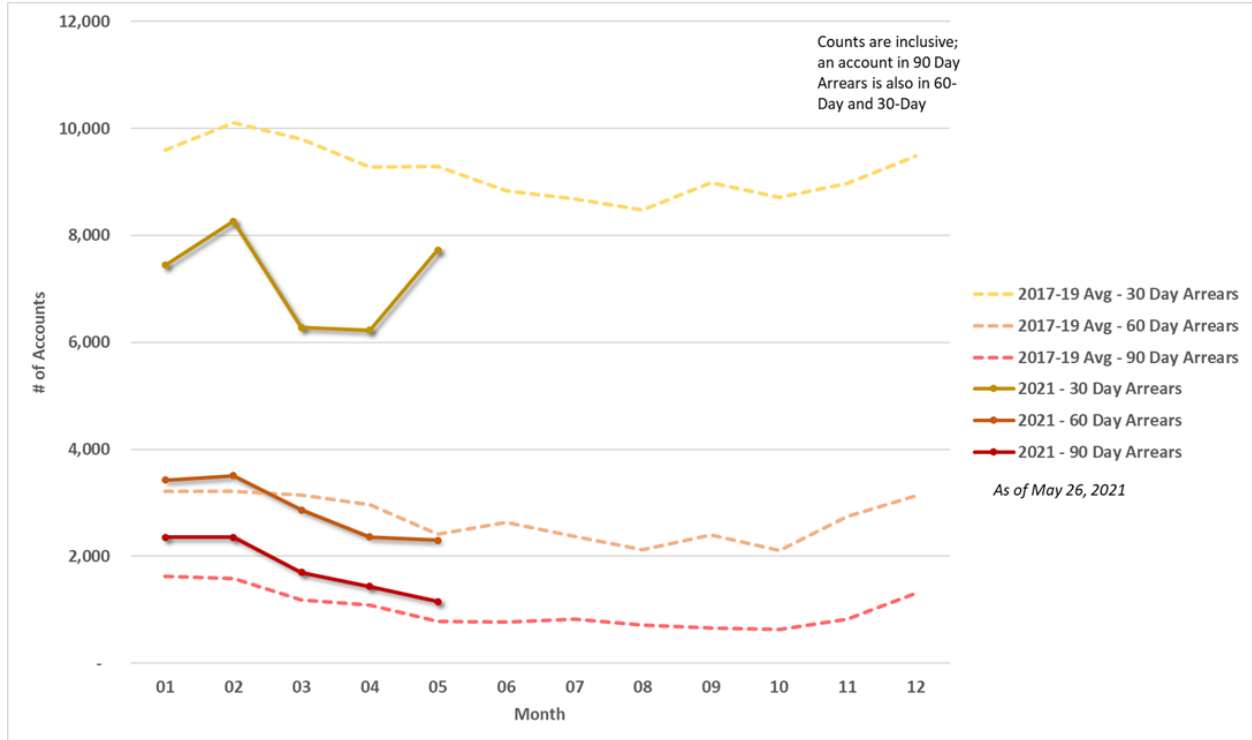
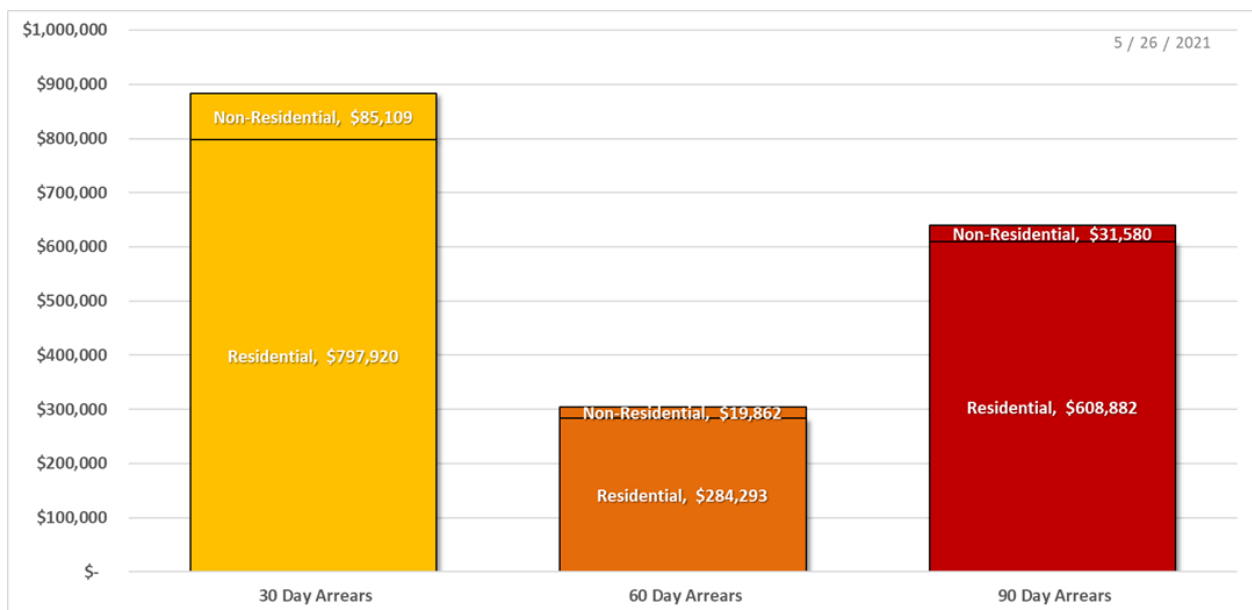


Figure 3.



2. Provide the following data for each utility rate class:

3. The number, and percentage, of customers who made partial or no payment in March, April, and May of 2019 and 2020.

The following chart has been updated to include the requested data from April 2020 and 2021.

April 2020 - April 2021

	<u>Delinquent Members</u>	<u>Delinquency Percentage</u>
Residential	23,319	29%
Commercial	2,723	23%
Industrial	95	30%

April 2019 – April 2020

	<u>Delinquent Members</u>	<u>Delinquency Percentage</u>
Residential	26,841	34%
Commercial	3,182	30%
Industrial	100	32%

4. 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.

The following chart has been updated to include the requested data from April 2020 and 2021.

April 2020 - April 2021

	<u>Members</u>	<u>Percentage</u>
Residential	7,841	34%
Commercial	1,070	39%
Industrial	49	52%

April 2019 – April 2020

	<u>Members</u>	<u>Percentage</u>
Residential	9,050	34%
Commercial	1,412	44%
Industrial	57	57%

5. 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.

NHEC has no additional information to add to this response since its submissions on June 30, 2020 and January 29, 2021. That response reads as follows:

In addition to its response provided June 30, 2020, in December 2020, NHEC donated an additional \$50,000 to Project Care to provide additional financial assistance to members struggling to pay their electric bills. NHEC's June 30, 2020 response reads as follows:

NHEC members have two primary channels for providing payment assistance and community giving. Project Care is a nonprofit, tax-exempt 501(c)(3) organization that was formed in 1990 to assist NHEC members in need with their electric bills. Members eligible to receive Project Care assistance receive a credit applied to their bill. Project Care is primarily funded by member donations and contributions from the NHEC Foundation, in addition Project Care received a \$50,000 donation from NHEC in April 2020. To better assist members during the COVID-19 pandemic, the Project Care Board of Directors has waived the requirement that members obtain a referral from a social service agency to apply for financial assistance. Project Care currently has a positive balance, but its outlays in support of members are closely tracked by NHEC.

The NHEC Foundation is a nonprofit, tax-exempt 501(c)(3) organization that provides grants to charitable organizations throughout NHEC's service territory. The NHEC Foundation is funded by members who elect to round up their monthly electric bills to the nearest dollar. The rounded amounts fund the NHEC Foundation. On April 9, the NHEC Foundation donated \$10,000 to the New Hampshire Food Bank. This donation was distributed to 28 local food pantries throughout NHEC's service territory. NHEC employees have matched this donation with an additional \$10,000 in personal contributions to the Food Bank.

NHEC has also extended the length of payment arrangements offered to members with arrearages up to 12 months.

NHEC continues to evaluate various initiatives and mechanisms to provide members impacted by the COVID-19 pandemic with assistance and greater flexibility.

6. Provide a detailed description of customer outreach undertaken to date.

NHEC has no additional information to add to this response since its submissions on April 27, 2021. That response reads as follows:

NHEC continues to issue disconnection notices for non-hardship members. Disconnection notices are being issued in accordance with the Puc 1200 Rules. NHEC has moved to normal collections activities for non-hardship customers.

NHEC continues to utilize all its messaging channels (website, newsletter, bill inserts, social media, etc.) to inform members of available financial assistance services and encourage them to contact the organization.

7. Describe the Utility's review and evaluation of best practices and successful initiatives undertaken in other states.

NHEC has no additional information to add to this response since its submission on June 30, 2020. That response reads as follows:

NHEC has engaged with several organizations throughout the COVID-19 pandemic. These organizations include the National Rural Electric Cooperative Association, American Public Power Association, Northeast Public Power Association, Edison Electric Institute, and National Rural Utilities Cooperative Finance Corporation. Several NHEC employees engage in working groups and committees through which the electric cooperative community shares information and best practices.

In addition, NHEC employees have participated in daily conference calls with the New Hampshire Emergency Operations Center, the state's other electric utilities, and weekly calls with the Public Utilities Commission Safety Division. These calls provided NHEC with additional information and awareness of other utilities' response plans and insights into states' actions. The frequency of these calls has since been reduced, but can be increased on an as need basis. NHEC has also engaged in regular calls with the PUC Consumer Affairs Division and the other electric utilities, which are focused on arrearages, communication strategies, and member assistance programs.

8. Describe whether the Utility has updated its sales forecasts in light of the pandemic and its effects on the economy.

NHEC did not update its 2020 projections.

9. 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.

NHEC continues to monitor changes in guidance from the State of New Hampshire and the Centers for Disease Control and incorporate those updates into its employee safety protocols.

10. 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.

NHEC has not made changes to its 2021 capital budget in response to the pandemic.

11. Describe any supply chain disruptions the Utility is experiencing or expects may occur and the effects of such supply chain disruptions.

NHEC has no additional information to add to this response since its submission on June 30, 2020. That response reads as follows:

NHEC has not experienced any significant supply chain disruptions and does not expect any in the foreseeable future.

12. 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.

NHEC has adequate access to capital and its lending relationships have been unaffected by the COVID-19 pandemic.

13. 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.

NHEC has no additional information to add to this response since its submission on August 28, 2020. That response reads as follows:

NHEC has incurred approximately \$250,000 in expenses associated with the COVID-19 pandemic since the State of Emergency order. These costs largely consist of personnel time, expenditures related to added cleaning procedures, sanitization, and the purchase of equipment required to enable remote working. These costs have been tracked and expensed by the company, with the exception of equipment which is capitalized. NHEC will seek FEMA reimbursement for eligible expenses.