

Electric Assistance Program Advisory Board
Meeting Minutes
January 20, 2017

Participants:

Amanda Noonan, Public Utilities Commission
Rorie Patterson, Public Utilities Commission
Gary Cronin, Public Utilities Commission
Pradip Chattopadhyay, Office of Consumer Advocate
Dennis Labbe, New Hampshire Legal Assistance
Shannon Nolin, Belknap-Merrimack Community Action Agency
Janice Johnson, Eversource
Allen Desbiens, Eversource
Kathy Gilleo, Eversource
Nicole Harris, Liberty Utilities
Laura Sasso, Liberty Utilities
Heather Tebbetts, Liberty Utilities
Brenda Inman, New Hampshire Electric Cooperative
Mark Patten, New Hampshire Electric Cooperative
Lisa Sheehy, New Hampshire Electric Cooperative
Daron Whitehouse, New Hampshire Electric Cooperative
Susan Corson, Unitil

Via conference call: Yevgenia M. Mezhirova/NUS@NU & Garfield Neufville-Liberty

Minutes-New Hampshire Electric Cooperative

Agenda:

1. Introductions

2. Review of October 2016 meeting minutes

The Board accepted the meeting minutes as presented

Action item from the October 2016 meeting-Eversource provided updated numbers of EAP customers on competitive supply

3. PUC - EAP Website Update

Website complete. This is basically a resource library page

Starting January 2017, EAP Advisory Board meeting agenda & minutes will reside at this location

- **Action item**-link for reports and EAP Advisory Board recommendations. Most of the EAP Advisory documents are not electronically available. Hard copies need to be located, scanned and saved in PDF format. At this time, there is no estimated time this portion of the project will be completed

4. Discount Options for Customers on Competitive Supply

Board and guests reviewed discount options:

1. *Calculate discount based on total bill & apply to the delivery portion only. This may result in a credit on the delivery portion which would then be offset by the energy*

portion and produce a total bill that is effectively reduced by the discount percentage.

Eversource-if EAP discount is subtracted from both the Distribution & Energy, a negative Distribution charge is applied to the account. Billing system bills the Distribution portion first with no knowledge of the supplier rates, then it bills the supplier rates. This would be a major change and a challenge to program. Unitil & NHEC had the same issue. Liberty found this option the easiest to program.
Issue-what happened when customers move and where does the credit go?

2. *Calculate an annual benefit on prior usage and apply one twelfth of the benefit each month going forward.*

Eversource- the amount used for the EAP discount will vary month to month because the 12 months used to compute the average will change each month. Would need to develop a new process for fixed portion. Issue with this option, what if there is no prior history and customer moves to new location. This option is slightly easier than option 1 but would be a fundamental change on how EAP discounts are calculated.

Liberty-this method is almost like budget billing-level payment option. Concerns with this option, what happens if there's a tier change, what if prior history does not reflect the supplier rate and if there's a change in pricing in the supplier rate or customer changes supplier? This is not Liberty's first choice

Unitil-at times needs to cancel and rebills customer and this may affect consumption history. Question was asked-What is PUC's position if there is no history?

NHEC-Concern with EDI (electronic data exchange) and how this would be impacted. How will dual billing be handled? There are some suppliers handling their own billing. For suppliers handling their own billing, they would need to apply discount and report to the PUC the discounts for each utility and suppliers do not collect SBC charge.

All utilities agreed this was not their first option because this option has multiple challenges

3. *CAP the energy service rate paid.*

Eversource-this is similar to option 2. Issues with this option when would the amount be calculated? Once a year, monthly, quarterly? This is similar to budget billing and how often would this need to be reviewed. How would changes need to be communicated to customers? This option is a major change in the EAP calculations and would require significant programming changes.

Liberty, Unitil & NHEC agreed this option would require major programming changes and not their first choice.

4. Eversource presented *option 5* for consideration. This option was not discussed at the October 2016 meeting.

Calculate EAP credit as if the customer has taken the utility default service. 750 kWh cap would still apply and apply credit based on the utility default service rate. Issue with this option there is a potential this method could potentially lower EAP funds available quicker.

Liberty, NHEC & Unitil will need to review this option with IT staff and report back to EAP Advisory Board

5. Unitil presented *option 6* for consideration. This option was not discussed at the October 2016 meeting.

The proposal requires IT/vendor to create a new variable for the total supply charges billed and to add new algorithms to apply the discount to the supplier charges. In theory a “generic” component rate will be created to represent the EAP Supplier Discount and algorithms will apply the appropriate discount percentage tier to the total supplier charges on the first 750kWh of consumption.

The system configuration would consist of a single EAP Discount component rate, (not 6 -one for each tier) that would house the actual EAP discount percentages, each converted into the dollar value.

Action item:

- Eversource will review Option 5 calculation and report back clarifying calculations before the next EAP Advisory Board meeting. Will attempt to provide additional information by February 1, 2017.
- Sue Corson-Unitil will organize a sub-group to discuss Options 5 & 6 proposals for consideration. Sub group will discuss all options and narrow down which of the 6 options may be best and provide a potential time frame when changes could be implemented. It was recommended utility IT staff return to the April meeting but each utility will need to determine if this is feasible

Other concerns:

Will a docket need to be opened if there are changes to the EAP discounts?

Will a PUC order be needed to justify the changes to the billing for suppliers?

It was noted, in MA when customers switch to a supplier instead of staying with default supplier, most customers pay more.

Who will pay for the programming changes?

How will dual billing be handled?

Have the suppliers been contacted to discuss changes?

How will customers with no usage history be handled?

How will accounts that have to be re-billed be handled?

What is the time frame for implementation?

5. Arrears Forgiveness Program

Charlie Harak –Senior Attorney for National Consumer Law Center joined the EAP Advisory Board meeting as guest to present information related to Arrearage Management Programs (AMP). This program provides relief to low income customers who have significant past due balances on their utility bills. Summary of the program includes the following:

- Each time an AMP participant makes a leveled monthly payment, the arrearage is reduced until it is completely eliminated
- Customers participating in this program avoid disconnection of service
- Customers develop a relationship with the utility and make payments they can afford rather than not making payments. Also allows the utility to insure the customer is receiving EAP, FAP and energy efficiency services.
- Studies have shown this program has a positive impact on utility revenues. Customers in the plan generally make higher payments than if they were not in the plan and continue to make payments after completing the plan.
- Utility costs to administer the plan may be offset by reduced collection and disconnection costs
- Utility companies screen and enroll participants. CAP agency may assist with education and enrollment
- Utilities would need to consider training all customer service personnel about the program or designate an AMP specialist
- AMP payments should be made by the customers during the winter moratorium period
- Payments from outside sources (ex: Salvation Army) are NOT considered in arrearage forgiveness calculations. Customers need to make the payments themselves
- If a customer misses 1 or 2 payments, utilities will remove the customer from the program. In MA, the utilities will reinstate the customer if they make up all past due AMP payments. Utilities have different standards as to how many times a plan can be reinstated. Some utilities have no limits and others may only reinstate twice
- Level monthly payments are computed by the utility for the 1st year of the program based on 1/12th of the estimated utility charges. Anticipated Fuel Assistance (FAP) payments are deducted from the estimated annual charges before calculating the monthly level payment amount
- Utilities may need to recalculate the estimated charges due to price changes, FAP payments, customer usage or other assistance.
- In MA, arrearage forgiveness can range from \$1200-\$3600. If arrears exceed the maximum amount, the AMP plan can extend beyond a year to forgive the full arrears
- This program may not work for everyone. Example: if customer cannot afford their current bills
- Some utilities require accounts have to be at least 60 days in arrears with a past due balance greater than \$300 in order for customers to participate in the program
- In MA, each utility administers their own program and it is not regulated by the PUC
- Additional information related to AMP can be found in a report written by Roger Colton, Fisher Sheehan & Colton
- Examples of how some plans work:
 - If arrearage is under \$1000, then \$100 in arrearage is forgiven each month when a level payment is received
 - WMECO forgives the full arrearage after 1 year of payment of the current charges, no matter the size of the arrearage. In addition the utility forgives 10% of the original arrears if the customer attends a money management workshop

Meeting adjourned @ 11:35 a.m.

Next Meeting: April 28, 2017 @ 9:00 a.m.

New Hampshire Legal Assistance is responsible for meeting minutes

Agenda Items – April 28, 2017 meeting

1. Review January 2017 minutes
2. Competitive Electric Supply discount options
3. Rules of Governance
4. Triennial Process Evaluation