

## STATE OF NEW HAMPSHIRE

## PUBLIC UTILITIES COMMISSION

May 27, 2014 - 10:00 a.m.  
Concord, New Hampshire

NHPUC JUN10'14 AM 9:41

RE: DG 11-040  
NATIONAL GRID USA, ET AL.:  
Joint Petition for Authority to  
Transfer Ownership of Granite State  
Electric and EnergyNorth Natural Gas,  
Inc., to Liberty Energy Utilities Corp.  
(Status conference)

PRESENT: Chairman Amy L. Ignatius, Presiding  
Commissioner Robert R. Scott  
Commissioner Martin P. Honigberg

Jody Carmody, Clerk

APPEARANCES: Reptg. Liberty Utilities:  
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Reptg. National Grid:  
Steven V. Camerino, Esq. (McLane, Graf...)

Reptg. Residential Ratepayers:  
Rorie E. P. Hollenberg, Esq.  
Stephen Eckberg  
Office of Consumer Advocate

Reptg. PUC Staff:  
David Wiesner, Esq., Esq.  
Amanda Noonan, Dir./Consumer Affairs Div.  
Randall Knepper, Dir./Safety Division  
Timothy Connolly (G3 Consulting Group)  
Greg Mann (G3 Consulting Group)  
Stephen Frink, Asst. Dir./Gas & Water Div.  
Grant Siwinski, Electric Division

Court Reporter: Steven E. Patnaude, LCR No. 52

ORIGINAL

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**P R O C E E D I N G**

CHAIRMAN IGNATIUS: I'd like to open the proceedings today in Docket DG 11-040. This involves Liberty Utilities' status as it moves towards its planned cutover to its new systems, and continuation of compliance with merger requirements that were set forth in prior Commission orders. It's a little different today. This is not an adjudicative proceeding, not a hearing, but it's going to be an opportunity on the record to hear updates from the Company on where it stands on a number of issues, to allow for some questioning from the Consumer Advocate, the Commission Staff, and Commissioners, on any follow-up information. But we're not going to put people under oath, this isn't going to be formal cross-examination. It's really just information-gathering. A bit more like a legislative-type hearing that is just trying to get at the most up-to-date information.

We have a letter issued May 5th, 2014 that laid out the expectations for the day. And, let me just, for the record, explain what we called for in that letter. It acknowledged Liberty's commitment to defer the conversion of its electric customer accounts from National Grid's system to Liberty systems until the weekend of July 3rd through 6th, 2014. And, then, it called for today to

1 have a status conference, where Liberty would be prepared  
2 to, and this is a quote, "provide a detailed description  
3 of its progress in resolving, and its future plans to  
4 resolve, the billing, customer service, and network  
5 security assessment issues raised in Staff's memorandum,  
6 as well as other issues relevant to the status of  
7 Liberty's information technology transition and its  
8 conversion of customer accounts, including the timing of  
9 such conversion."

10 We should begin, we don't need to take  
11 formal appearances, but we should identify who's here from  
12 the Company and other parties, who intends to speak and  
13 respond to questions, and identify their role within the  
14 Company, consultants, whatever you may have brought with  
15 you, as well as other parties that may be here today. So,  
16 why don't we begin, Ms. Knowlton, if you want to identify  
17 the kind of team for Liberty today.

18 MS. KNOWLTON: Sure. Thank you. Good  
19 morning, Commissioners. Sarah Knowlton, for Liberty  
20 Utilities (EnergyNorth Natural Gas) Corp. and Liberty  
21 Utilities (Granite State Electric) Corp. With me today,  
22 we have a number of people here from the Company: David  
23 Pasieka, John Lowson, Dick Leehr. And, at the table  
24 behind me, we have Katy Cook, Bill sherry, Nicole Smith --

1 I'm sorry -- Nicole Harris, Mark Smith, David Carleton.  
2 And, at the table behind them, Bill Killeen, and Jennifer  
3 Johnson, from PricewaterhouseCoopers, Salim Hasham, from  
4 PricewaterhouseCoopers. And, then, on the other side of  
5 the room, we have Steve Mullen and Steve Hall. And, that  
6 is our team for the day.

7 I wanted to let the Commission know that  
8 we put together a handout presentation that goes through  
9 all of the issues that the Commission asked the Company to  
10 address in the various correspondence leading up to the  
11 status conference today. So, we have that, and we'll be  
12 prepared to proceed with that at your pleasure.

13 CHAIRMAN IGNATIUS: Thank you. That's  
14 helpful to know, because we've been through the list of  
15 questions from the Staff, and hoped that you'd be tracking  
16 those. So, that's useful. Thank you.

17 Other parties who are present?

18 MR. CAMERINO: Good morning, Chairman.  
19 Steve Camerino, from McLane, Graf, Raulerson & Middleton;  
20 Celia O'Brien, from National Grid; and also joining us  
21 today a little later will be Madeline Hanley, who is the  
22 IT Transition Lead on behalf of National Grid. And, we're  
23 here, obviously, an interested party in the proceeding,  
24 and here to observe today.



1 CHAIRMAN IGNATIUS: Thank you.

2 MS. HOLLENBERG: Good morning. Rorie  
3 Hollenberg and Stephen Eckberg, here for the Office of  
4 Consumer Advocate.

5 MR. WIESNER: Dave Wiesner, Staff  
6 attorney with the Commission. With me today are Amanda  
7 Noonan, Director of Consumer Affairs Division. And, also  
8 at this table, from G3, are Tim Connolly and Greg Mann.  
9 And, behind me are Steve Frink and Randy Knepper, and I  
10 believe Grant Siwinski is here as well.

11 CHAIRMAN IGNATIUS: A hand up there, way  
12 in the back. Thank you. Anyone else we haven't  
13 identified who wants to be a participant today?

14 (No verbal response)

15 CHAIRMAN IGNATIUS: Okay. Thank you  
16 very much. And, thank you to the Company, for everyone  
17 for being here, and with bringing plenty of people who can  
18 really answer questions while we're here and not have to  
19 go back and search out the answers.

20 So, is the expectation that the Company  
21 make a presentation to begin, and then we start working  
22 through any follow-up questions?

23 MS. KNOWLTON: I think so. And, we  
24 would hope that this will be an interactive discussion.

1 So, as we go through the presentation, we hope that  
2 everyone will ask questions as we hit topics.

3 So, if I may, I'll proceed to hand out  
4 the presentation. And, then, we also have written  
5 responses to the specific questions that Staff asked,  
6 which we can pass out when we're done, but we will go  
7 through those.

8 CHAIRMAN IGNATIUS: Thank you.

9 (Atty. Knowlton and Mr. Killeen  
10 distributing documents.)

11 CHAIRMAN IGNATIUS: Please proceed  
12 whenever you're ready.

13 MR. PASIEKA: Yes. Thank you. Good  
14 morning, Commissioners. My name is David Pasieka. I am  
15 the President of Liberty Utilities. I am based in  
16 Oakville, Canada, headquarters of Algonquin Power &  
17 Utilities Corporation, which is the parent of Liberty  
18 Utilities.

19 I just wanted to make a couple of  
20 opening remarks, to suggest to the Commissioners and to  
21 Staff that we take these concerns that have been addressed  
22 very seriously. And, we are very committed to making sure  
23 that we're 100 percent compliant with the Settlement  
24 Agreement. We understand that billing our customers is

1 really paramount in a utility space, to get your bills out  
2 in an accurate manner and in a timely manner, and that's  
3 central to our business. We've implemented a number of  
4 fixes and corrections to the -- to the billing process.  
5 And, we've addressed a number of processes, a number of  
6 technology changes, and also modified some people and  
7 personnel issues to address any of the concerns that have  
8 come up since the conversion in September.

9 I'm happy to say that management at all  
10 levels, including our CEO, who, unfortunately, could not  
11 be here today due to a prior commitment, are actively  
12 engaged in addressing and resolving and making sure that  
13 we're 100 percent. We also, as you'll hear about a bit  
14 later, we have our vendors, who are key to our process,  
15 also actively engaged in solving and resolving and making  
16 this right.

17 As is a tradition and a culture here at  
18 Liberty, we like to start off any meeting with greater  
19 than five folks with something called a "safety moment".  
20 We stole this from our friends at National Grid. And, I'm  
21 here to say that, after two and a half years of working  
22 with National Grid, it is part of the institution of  
23 Liberty Utilities. So, the idea is that we call on -- the  
24 person usually speaking at the microphone randomly calls

1 out somebody in the audience to describe a little bit of a  
2 safety vignette, something that they were thinking about  
3 as maybe they walked into the room or as they got up in  
4 the morning. And, the idea is to put safety on top of  
5 mind. And, everyone's on edge, because they're wondering  
6 who I'm going to call on.

7 Not wanting to embarrass anyone, I  
8 graciously asked Rorie if she would be kind enough to  
9 furnish us with a safety moment this morning.

10 MS. HOLLENBERG: I'd be happy to.  
11 Although, I wasn't aware it would be on the record when I  
12 agreed to do it.

13 My moment I guess I would share with you  
14 this morning was that I always travel with a laptop, which  
15 is unfortunately an older lap -- an older version, and is  
16 not a wireless version. And, so, I travel usually with  
17 lots and lots of cords and extension cords. And, when I  
18 do set it up, I try to take care to tuck the cords under  
19 the table or out of the way, and/or notify people of their  
20 existence, when they're walking around me.

21 MR. PASIEKA: Perfect. Thank you very  
22 much for that, Rorie. Also, I'm happy to report, too,  
23 that we've actually taken the safety moment to our Board  
24 meeting. So, actually, the Board of Directors, and Ian

1 Robertson, our CEO, usually kicks off the Board meeting  
2 with a safety moment. So, the legend continues, if you  
3 will.

4 Moving along, I'm on the Agenda chart,  
5 which I think is Page 3. I assume they're numbered. Yes,  
6 they are numbered. So, basically, what we're going to do  
7 is I've got a couple of opening remarks. I'll reiterate  
8 what the key objectives are of today. And, then, we're  
9 actually going to drill right into the billing, customer  
10 service, and network security issues. And, what we did in  
11 our presentation is we've got sort of a high-level chart  
12 that kind of talks -- or, a couple of charts that talks to  
13 each of the items, and explains the root causes, if you  
14 will, what we've done to resolve, and what the go-forward  
15 path looks like relative to each one of those things.

16 We've also, as Sarah had indicated, done  
17 a mapping, question by question, so that we've got  
18 100 percent lock on the questions that came out in the May  
19 27th dialogue -- or, I'm sorry, in the May 12th dialogue.

20 And, then, we'll talk a little bit, it  
21 wasn't -- on the IT conversion, and the readiness, if you  
22 will. As you're probably aware, we were originally  
23 scheduled to go Memorial Day Weekend in Granite State,  
24 which was this past weekend. And, we did use the

1 opportunity to do a dry run, if you will. So, even though  
2 we weren't converting, we tested the ability to move data  
3 between National Grid and ourselves. And, we'll have a  
4 little update on what that looks like, so that the  
5 Commissioners will have some comfort about our readiness  
6 as we move into the -- into the schedule, currently  
7 rescheduled for that July long weekend. And, then, we'll  
8 wrap up with a summary.

9                   Moving over to Page 4, I just wanted  
10 to -- I've got a couple of pieces on this busy chart. But  
11 I just wanted to reiterate a couple of things that are  
12 critical to our model. First, our model, if you recall,  
13 is very unique in the utility space. We build our  
14 strategy centrally, and we do that in Oakville. And,  
15 you'll see later on, when we actually go through some of  
16 the Liberty team here, we've got a combination of those  
17 people who actually build the strategy for IT or build the  
18 strategy for customer service and billing. And, then,  
19 what we do, is our model is all about local execution.  
20 So, we build local teams, including the President of  
21 Liberty Utilities New Hampshire, Dick Leeher, and he builds  
22 out a team to actually execute. So, our model is very  
23 locally driven. It was the commitment that we made in  
24 the -- in the Settlement Agreement.

1                   And, part of that commitment was that we  
2                   would bring new jobs to the State of New Hampshire. And  
3                   year-to-date, I'm not sure if you've tracked it, but we've  
4                   added 140 jobs here to the organization, and 90 of those  
5                   actually are right here from New Hampshire. So, I think  
6                   the model is playing out the way that we had described it  
7                   to the Commission several years ago.

8                   We're committed to investing locally.  
9                   We've actually invested in Londonderry, as a matter of  
10                  fact, and just recently in the process of opening up our  
11                  new building in Londonderry. And, sometime in Q3, we're  
12                  actually going to deliver the third aspect of our local  
13                  strategy, which is to open up our local walk-in centers,  
14                  and allow a customer to actually come to the door and be  
15                  greeted as they walk in, and the ability to pay or ask  
16                  questions locally. And, this is a model that we have  
17                  deployed in ten -- or, nine other states, besides this  
18                  one, and to great success. And, also, it's well received  
19                  by the customers. Why? Because their problems and issues  
20                  are being dealt by people who actually live and work in  
21                  the community. And, you cannot underestimate the value of  
22                  that personal interconnection, if you will.

23                  Those agents also are wired to the  
24                  phones, and we'll talk about that a little bit later. So,

1 if there's not a person waiting to come in and talk  
2 face-to-face, those same agents are actually taking a  
3 phone call. So, think about going to your local bank and  
4 having your bank teller actually wired up to a call, an  
5 IVR call center package. That's essentially what we've  
6 got in each of our local offices. And, it works in all  
7 other states. And, of course, the Commission, the  
8 Commissioners and Commissions in each of those states are  
9 very appreciative of the approach that we've taken. It  
10 makes us very unique.

11 The last thing --

12 CHAIRMAN IGNATIUS: Mr. Pasieka?

13 MR. PASIEKA: Yes.

14 CHAIRMAN IGNATIUS: How many walk-in  
15 centers will there be in New Hampshire?

16 MR. PASIEKA: I think the initial plan  
17 is to open three. Is that correct, Bill? And, then, move  
18 it up to four.

19 MR. SHERRY: Yes. Four in total,  
20 though.

21 MR. PASIEKA: Yes. To four.

22 CHAIRMAN IGNATIUS: Thank you.

23 MR. PASIEKA: And, in our Londonderry  
24 office today, we've actually built out those stations.



1       So, people can actually see what it looks like right now.  
2       And, right now, the agents are just taking the inbound  
3       calls. I know that we've got active renovations underway  
4       in Lebanon, for example, and that center is not quite  
5       ready for prime time at this juncture. And, the Salem  
6       office has come around quite nicely, too. So, that will  
7       also be available.

8                       So, the last thing I wanted to comment  
9       here was, just on the left-hand side of the chart is our  
10      set of Company values. We're a very values-driven  
11      organization. We operate under those -- under those six  
12      principles of family, care, community, commitment,  
13      efficiency, and quality. And, I think -- and, what we do  
14      on a regular basis, on a weekly and monthly basis, we  
15      actually celebrate the successes of our employees who  
16      actually successfully demonstrate the values under which  
17      we have on this chart here.

18                      The point I want to make about this is  
19      think about the value of family. And, we think about  
20      ourselves as, you know, a family community, Liberty  
21      Utilities delivering to, you know, as a family, delivering  
22      service to our customers.

23                      We think about care. We think about  
24      care in how we do our job from a safety perspective. We

1 think about care in how we treat our customer  
2 interactions, whether that be on the phone or through a  
3 technology, IVR, or through a walk-in center.

4 We're quite invested in the community.  
5 And, I think, over time, you will see our community  
6 presence continue to grow and participate locally and  
7 invest locally.

8 And, I think the last two that I think  
9 are relevant to today is that we have a high standard for  
10 quality. And, as a result of that, when you look at  
11 things that don't quite go up to our standard, there is a  
12 pretty good exercise around getting that right and getting  
13 it right quickly. And, that's certainly one of the things  
14 that we can bring to the table as a Liberty Utilities,  
15 which is a nimble capability to actually fix things that  
16 may not have gone "oh so perfect".

17 And, then, the last thing is commitment.  
18 Well, I'm here to say that we're committed to the  
19 stakeholders here in New Hampshire. And, we're committed  
20 to providing a high level of quality customer service to  
21 our customers.

22 Moving on to Chart 5, I think Sarah has  
23 done a good job kind of laying out the team. I think  
24 we've got a good combination of people from Oakville here,

1 as well as the local team here. And, we felt, for today,  
2 it was useful to hear from both sides of the equation, if  
3 you will. Some of the strategists, but also the local --  
4 the local team as they actually get to execute.

5 There have been a number of questions  
6 and concerns over the ISO 27001 network security  
7 component. And, we've had lots of data requests and  
8 dialogues back and forth, as well as periodic meetings  
9 with G3 Consulting Group. And, we felt this time it might  
10 be useful to bring the two partners who have been actually  
11 helping us through this initiative to the table. And, in  
12 the presentation later today, you will hear a little bit  
13 from Salim and Jennifer, relative to PwC. I'll also note  
14 that Jennifer Jones, she's a famous Canadian from the East  
15 Coast, of course, you know, an Olympic curler of some  
16 note. This is not the Jennifer Jones [Johnson?] we have  
17 in the back, unfortunately, but she has other skills and  
18 talents, which we'll hear about later on.

19 If we go over to Page 6, a couple of the  
20 key objectives for today. I thought it was just useful to  
21 state them, so that you got them. We want to address any  
22 concerns that Staff has raised, and provide some comfort  
23 that we understand what that root case was, understand  
24 that, if we've implemented some fixes, what those look

1     like, and what the timing and the net result of those  
2     fixes produces. Obviously, we're very responsive. We  
3     want to respond and leave today with a good understanding,  
4     and you have good understanding of where we're at, and,  
5     you know, where things will get better, and the things  
6     that have already been fixed.

7                     And, then, as I said, the last thing  
8     would be a little dialogue around the readiness for the  
9     cutover of Granite State Electric, currently scheduled for  
10    that first weekend in July, subject, obviously, to the  
11    dialogues here.

12                    The last slide here is talking about  
13    "Technology, Process and People". And, I think I just  
14    wanted to make a couple of notes here. You know, we have  
15    come a long way from the handoff from National Grid to us.  
16    There's a series of transition services agreements that we  
17    have been knocking down on a quarter-by-quarter basis.  
18    And, of course, Staff is quite aware, through our  
19    quarterly interactions with the CEO and Staff. We've got  
20    a good flavor on how we've been sort of weaning ourselves  
21    off the reliance on Grid. I'm here to say that they have  
22    done an excellent job supporting us, and they're  
23    delivering to what it is they said they were going to do,  
24    which is good to our process.

1                   There has been a lot of significant  
2     change. If you can imagine, we're unraveling, you know,  
3     EnergyNorth's systems, which took 35 years to build and  
4     get -- and get humming and working. I believe the number  
5     was something like 250 unique systems that EnergyNorth  
6     were using to run their business, or collectively run  
7     their businesses. And, we've sort of put those into our  
8     standard technology platform. So, there has been  
9     significant change in technology.

10                  With that, we also, you know, flagged  
11     that we have to make some process changes. Some -- you  
12     know, the system doesn't necessarily operate the same way  
13     that it did before. We recognize that there are  
14     Commission requirements to do certain things. Our system  
15     needs to be compliant with that. Some things that -- that  
16     you may not have an opinion about, we might have had to  
17     change and put different processes in place to make the  
18     system glue together.

19                  And, finally, on the people side, a lot  
20     of, you know, 140 new jobs, new people doing new things,  
21     working with new systems. So, we have some teething pangs  
22     that are relative to that, as well as some leadership  
23     issues, and making sure that our managers are managing and  
24     that our people are performing, and that we are

1 consistently operating under the six values that Liberty  
2 Utilities sees and holds in high regard.

3 So, with that, I've completed my opening  
4 remarks. And, if it's okay with the Commissioners, I'd  
5 like to move into the detail, and start in to Chart 8 --  
6 sorry, Chart 9, and the chart is labeled "Billing Delays".  
7 I'm going to ask Katy Cook, Katy works with us up in  
8 Oakville, Canada. And, she's our Director of Customer  
9 Care Strategy. She has been with us for two plus years,  
10 and has a long-standing background in customer care and  
11 billing. And, I'm going to turn it over to her to lead us  
12 through the next phase of the dialogue.

13 CHAIRMAN IGNATIUS: Thank you.

14 MS. COOK: Good morning, Commissioners  
15 and other attendees.

16 CHAIRMAN IGNATIUS: And, before we  
17 begin, let me just say -- Steve, this can be off the  
18 record.

19 (Brief off-the-record discussion  
20 ensued.)

21 MR. SMITH: We're going to dive right  
22 in, into the issues that were addressed, and what we'll  
23 talk about first is billing delays. And, the concern was  
24 raised that some bills have been rendered late. And, some

1 bills have been rendered late. What we wanted to talk  
2 about are "what are some of the issues that cause these  
3 bills to be late?"

4 So, during the normal course of running  
5 billing, a small number of bills would be rejected from  
6 the -- the bill file gets sent to the bill print provider.  
7 And, there's actually quality checks in place that say  
8 "The total of this bill is X and when it comes out of the  
9 print file it is also X", so that way we can ensure that  
10 the bill is accurate. There are times where, on a small  
11 number of exceptions, they will not balance. And, so,  
12 what happens is, that file rejects. In other words, it's  
13 sent back to us and we don't send that bill out.

14 What happened between September and  
15 February is that, when we had one file -- so, we send to  
16 our bill print provider batches. So, typically, they're  
17 about the size of a bill -- of a meter read cycle. So, it  
18 could be, you know, or a bill cycle, could be 5,000 files  
19 we send in one batch. What was happening between  
20 September and February is, if I had one bill out of that  
21 5,000 with a failure, the entire batch was being sent back  
22 to Liberty. And, then, we were taking that one file out,  
23 and then resending it back out. And, that did delay the  
24 process, in getting from the bill print date to getting it

1 posted.

2 When we made that change, what we did in  
3 February is now that they're able to -- the bill print  
4 provider is able to send us just the one failure. So, a  
5 dramatic difference, instead of sending back 5,000 bills,  
6 it would send back the small exception of files, a handful  
7 of files that were rejected.

8 The other thing that we did that drove  
9 some billing delays was we introduced something called a  
10 "Process and Hold" feature, and we introduced this at our  
11 vendor. And, what it really allowed us to do was that,  
12 after the bills were printed, they would actually hold all  
13 of the bills for us electronically, and we could go in and  
14 view and do some quality checks. We do these quality  
15 checks now in advance of sending them to the vendor. And,  
16 then, we do have another window available to us to do  
17 quality checks. But, between January and mid April, we  
18 had the Process and Hold in place. So, again, there was a  
19 delay to the customer bills getting out.

20 Another example where we've run into is  
21 a bit of a conservative approach. So, we would run our  
22 billing, the bill calculation and the totals were  
23 accurate, but the billing descriptor, you know, sort of  
24 the gas supply charge and the details, in the descriptor,



1 not in the actual dollar value, was not accurate. So, we  
2 held those bills until we could make sure that that  
3 descriptor was accurate. So, that would be an example of  
4 where we, as a company, made a decision to hold back the  
5 bills to ensure accuracy to the customer and an accurate  
6 bill, but did result in the customer getting their bill  
7 sent out late. So, we waited until the correction was in  
8 place before sending the bill.

9 And, then, you know, through the winter  
10 months, we would like to acknowledge that there were also  
11 a few days that the weather in the Northeast did impact  
12 the delivery of bills. And, so, customers were impacted  
13 by that.

14 So, what did we do to try and improve  
15 that situation and how do we move forward more  
16 effectively. I think I mentioned this one already, which  
17 was really enabling us to have just the one bill that's  
18 rejected be sent back to us, rather than the whole batch.  
19 So, that's a dramatic improvement. Removing the "Process  
20 and Hold". So, we have looked at our quality control in  
21 billing. And, we right now have a rigorous process where  
22 we're actually validating the bills and the calculations  
23 prior to being sent to the print vendor. And, then, when  
24 they're output from the print vendor, there's a window of

1 time where we can go in and validate those electronic  
2 bills. So, we have been able to remove that "Process and  
3 Hold" feature, which again will be more timely. It's  
4 about a 24-hour period at a minimum that they were holding  
5 them for.

6 And, then, we've also just, working with  
7 our vendor, when the issues about delays were being  
8 flagged, they -- they have regular real-time conversations  
9 with USPS, whenever there are weather delays that are  
10 impacting mail. And, they are now communicating those to  
11 us once they hear about them, which enables us to go  
12 communicate to our customers and to our internal employees  
13 so that they can more effectively respond to customer  
14 inquiries.

15 I wanted to let people know that the  
16 service level and just the timeliness of the bills. So,  
17 Fiserv is our bill print preventer --

18 (Court reporter interruption.)

19 MS. COOK: Fiserv is our bill print  
20 provider, and they print the files Monday to Friday. Our  
21 internal target is to have 95 percent of those bills  
22 processed within three days from the bill date to the mail  
23 date. And, some of the things that we're doing to make  
24 sure that the actions we've taken are resulting in an

1 improved performance, is we have our daily quality  
2 assurance process. So, every time a bill cycle is run,  
3 it's doing those validations, those checks, to ensure the  
4 quality. And, also making sure that we have a really  
5 robust escalation process between both IT and the vendor.  
6 So, we've always had an escalation process. I think,  
7 really, the key difference here is that, if we have a  
8 billing issue, it is immediately flagged as an "urgent"  
9 issue. It gets immediately addressed with a conference  
10 call. And, both our vendor from our bill print, by  
11 Fiserv, and our billing system, Cogsdale, are engaged on  
12 those calls. So, I think just the heightened awareness of  
13 it.

14 That explains why some of the bills  
15 would have gone out late. But I think there's additional  
16 clarity that the Staff was seeking, and they gave us some  
17 guidance on May 12th. So, I would like to take a minute  
18 to maybe respond to some of those questions.

19 CHAIRMAN IGNATIUS: That would be great.  
20 And, I think, when we get finished with the bill delay  
21 issue, maybe we'll stop, see if there are any further  
22 questions from the Consumer Advocate or Staff or the  
23 Commissioners, and then we'll move to the next section.

24 MS. COOK: Perfect.

1 CHAIRMAN IGNATIUS: All right.

2 MS. COOK: Perfect. And, as I go  
3 through some of the details on billing -- on this entire  
4 section, actually. Billing delays, posting payments, and  
5 some of the specific issues, I may call on some of my  
6 colleagues sitting here with me here today to add a little  
7 bit of detail.

8 So, first, the first question that was  
9 asked was "How does Liberty determine if a bill has been  
10 issued on time?" So, Liberty tracks the time from the  
11 meter upload to the bill calculation to the bill posting  
12 at the vendor. "What's the acceptable interval of the  
13 meter read date to the bill date?" There is a 4-day  
14 window for the meter reads, including uploading the reads.  
15 Once the cycle is read, there's one day to calculate the  
16 bill. The bill date --

17 MR. SHERRY: Keep going.

18 MS. COOK: The bill date -- now I was  
19 thrown off. Oh. Okay. Sorry. The bill date is the date  
20 upon which the bill is calculated.

21 "What is the acceptable interval between  
22 the bill date and the postmark or mail date?" The  
23 acceptable interval is three days: One day to calculate,  
24 review the date and address exceptions, one day to export,

1 and one day to mail.

2 And, I think we're going to take a pause  
3 here, if you don't mind, and we'll actually hand out the  
4 answers that I'm reviewing.

5 MS. KNOWLTON: If that's helpful, we can  
6 give those to you now.

7 MS. COOK: To keep you from frantically  
8 scribbling.

9 MS. KNOWLTON: And, we're going to go  
10 through them sequentially as we hit the various topics in  
11 the presentation.

12 CHAIRMAN IGNATIUS: That's a good idea.  
13 Thank you.

14 (Atty. Knowlton distributing documents.)

15 MS. COOK: So, for those of you now  
16 following along on the paper version, we're talking --  
17 we're at Number 2, on Page 1. "Explain and provide the  
18 formula used to calculate the percentage of timely bills  
19 included in the April 24th response to Staff." The  
20 formula used on April 24th response to Staff memo was as  
21 follows: Total bills less rejects divided by the total  
22 bills. "Where were the bills being mailed from?" The  
23 bills are mailed from our vendor location in Sugarland,  
24 Texas. "There's an apparent discrepancy between Liberty's

1 self-reported billing timeliness in the April 24, 2014  
2 response and recent customer reports to the Commission  
3 regarding billing timeliness." The answer is "yes", we  
4 have -- we have had recent changes in Liberty's reporting  
5 of billing timeliness that could account for this  
6 discrepancy. Our April 24th response considered  
7 timeliness for the period from September to March.

8           During that time, if a bill was delayed,  
9 the calculations we performed for bill timeliness used  
10 revised bill dates. So, in the example that I -- I want  
11 to just elaborate a little bit on how this works. In the  
12 example that I gave, where an entire batch would have been  
13 returned to us, when that batch was returned to us, we  
14 adjusted the bill date, which automatically adjusted the  
15 customer's due date. And, so, when the person went back  
16 and validated "was the bill sent on time?" It would  
17 appear that the bill was sent on time. So, the person  
18 creating that report is really just administering "here's  
19 the bill date, here's the due date."

20           And, I think that, doing a deeper dive,  
21 you can see that some of these bills were going out late,  
22 later than what a customer might have expected. The  
23 intention -- fortunately, there were no late payment fees,  
24 and customers were, in terms of payment, were not

1 negatively impacted. But, certainly, a customer may have  
2 seen this as a delay in actually receiving their bill. If  
3 every month they were used to a bill on the 10th, it may  
4 have come out actually on the 15th. And, I think that's  
5 an appropriate discrepancy that we hope to have addressed.  
6 And, I think this batch processing, and addressing the  
7 single files when there's a reject, really enables us to  
8 step up and meet the target. And, we are seeing a  
9 positive trend at this point.

10 Okay. I'm now moving on to "posting  
11 payments". But I think there was a request to stop at  
12 this point.

13 CHAIRMAN IGNATIUS: Why don't we just  
14 see if there are any follow-up questions or  
15 clarifications. Does the Consumer Advocate's Office have  
16 any questions on billing delays?

17 MS. HOLLENBERG: One moment please.  
18 Thank you.

19 (Short pause.)

20 MS. HOLLENBERG: Could you give me an  
21 example of what a "descriptor" is, in the "Root Cause"  
22 section, on Page 9. I'm just trying to get a handle on  
23 what -- an example what that might be.

24 MS. COOK: Okay. I'm just going to --

1 MR. SHERRY: If you don't mind,  
2 Commissioner, we'll show the Consumer Advocate a sample of  
3 a bill, --

4 CHAIRMAN IGNATIUS: Oh, that's fine.

5 MR. SHERRY: -- to see what the  
6 descriptor is.

7 MS. COOK: So, literally, the descriptor  
8 here(indicating). So, the chart is calculated correctly.

9 MR. SHERRY: Into the mike, Katy.

10 (Court reporter interruption.)

11 MS. COOK: No. Fair enough. I was just  
12 showing her that the descriptor would be -- an example  
13 would be the distribution charge. And, I'm also showing  
14 the rate here. And, the rate was actually calculating  
15 properly, by the descriptor, the information in here  
16 [indicating] was not accurate. So, we decided to hold the  
17 bills until the descriptor was corrected, and then mailing  
18 those bills out with the correct descriptor.

19 MS. HOLLENBERG: And, the descriptor was  
20 inaccurate because it had inaccurate information of the  
21 customer's usage? Is that how it would have been  
22 inaccurate or were the words --

23 MS. COOK: No, it was with the numbers  
24 that were listed here.



1 MS. HOLLENBERG: Okay.

2 MS. COOK: And, if you want more firming  
3 detail, I'm not sure if one of my esteem colleagues wants  
4 to spell it out.

5 MS. HOLLENBERG: No. I think I  
6 understand. It's the portion of inaccuracy was the usage,  
7 basically. You had inaccurate usage numbers for each  
8 level of each tier of the charge, each distribution tier.

9 MS. COOK: Well, the calculated total  
10 was correct. It's really just what was represented on the  
11 bill. So, there's -- it's a complicated calculation to  
12 get to the distribution charge. And, there's multiple  
13 numbers that get added together and put together, and then  
14 we send the file out. And, then, when it comes out on  
15 your bill print, it presents back a number. And, so, it  
16 was this presentation of this number was inaccurate, but  
17 the actual total dollars was accurately calculated. So,  
18 this number wouldn't have aligned to that.

19 MR. SHERRY: Katy, if I -- if I might,  
20 Commissioner? On the -- at the March 20th meeting, we  
21 went over the bill calculation behind -- that bill we were  
22 just showing you, Rorie, is an example of a bill. It's  
23 not one with a bill descriptor problem. At the March 20th  
24 meeting, you'll recall we walked through a very complex

1 example of the calculations behind the scenes in Cogsdale,  
2 and how it rolled up to the bill export file, and  
3 ultimately led to the printing. Amanda, if you'll  
4 remember that big spreadsheet.

5 At the time we held the billing, there  
6 was an error between the roll up in the bill export file  
7 and when it went to Fiserv for the bill print. So, what  
8 resulted, the customers didn't see a bill with the wrong  
9 descriptor. We caught it in the quality control process  
10 and held it. I don't know if that answers your question.

11 MS. HOLLENBERG: It does. Could you  
12 just remind me why those problems were happening?

13 MR. SHERRY: Mark, can you --

14 MR. SMITH: It's mainly because of some  
15 math calculations that are done at the time of bill print.  
16 So, because of the complexity of the assembling the  
17 charges, when we send it to bill print, we actually work  
18 backwards from the total amount billed to determine the  
19 rate, rather than working from the rate forward. So,  
20 there's a fairly complex calculation of, you know, what  
21 was the total amount billed, divided by the usage, to come  
22 back to the rate. And, in some instances, we were having  
23 some issues with that, particularly with rounding and  
24 things like that.

1 MS. HOLLENBERG: Was it input error or  
2 was the calculator not functioning the way it was supposed  
3 to be functioning?

4 MR. SMITH: No. The charges to the  
5 customer were calculated correctly.

6 MS. HOLLENBERG: Uh-huh.

7 MR. SMITH: They were always billed for  
8 the right usage over the right period using the correct  
9 rates. But, when we went to present it on the bill, to  
10 come back to what that rate is, because it's actually a  
11 blended rate that the customer sees, there's a calculation  
12 that has to take place. And, in some cases, where, you  
13 know, depending on where it was rounded, we were having  
14 some issues getting it back to the number. So, when they  
15 --

16 MS. COOK: So, rounding it four digits  
17 versus five digits, --

18 MR. SMITH: Correct.

19 MS. COOK: -- in just calculating the  
20 initial rate.

21 MR. SMITH: Right. But, in all cases,  
22 the customer was billed the correct amount for the usage  
23 that they had for that period.

24 MS. HOLLENBERG: Okay. You said earlier

1       that you had experienced weather, weather-related delays  
2       in the Northeast. Was that something that you experienced  
3       in other areas of your service areas? And, where  
4       specifically were those other areas?

5                   MS. COOK: Yes. We definitely had some  
6       issues in Georgia this year. So, I mean, there were some  
7       ice storms there, most people heard about them. And,  
8       there were delays getting some payments through Georgia  
9       and the mid states, that impacted us. And, they're not  
10      common events, like weather is quite small.

11                   One of the things we found, this also  
12      ties to posting payments, right, so, there have been  
13      changes in USPS and posting schedules. You know, some of  
14      the -- some states are moving to a five-day mail pickup  
15      and drop box. So, some of those things are causing some  
16      payment delays. But the weather, there's usually one or  
17      two instances a year by region, I would say.

18                   MR. ECKBERG: Yes. I have a follow-up  
19      to the question that Rorie asked about the descriptors. I  
20      think that I heard you say that there's calculations that  
21      are done in the bill print process. Maybe that's  
22      accurate, I wasn't at the -- I don't believe I was at the  
23      March 20th meeting where this was discussed in tremendous  
24      detail. But I would -- that sounds a little confusing to

1 me. I would have imagined that the bill print process,  
2 your printing information that's in each customer's  
3 specific file, which is part of a batch of a large number  
4 of files. But it sounds as if you're doing additional  
5 calculations on the information that's in the customer  
6 information file, rather than simply printing information  
7 that's in there. Am I --

8 MR. SMITH: No, there is a calculation  
9 done at the bill print vendor. It's not a calculation of  
10 a charge. It's a calculation to determine the rate to  
11 present for that charge.

12 MR. ECKBERG: Okay.

13 MR. SMITH: Okay?

14 MR. ECKBERG: That's helpful.

15 MR. SMITH: Yes. It doesn't -- we don't  
16 actually touch the charges. The charges are in the bill  
17 export file, they're presented as billed, the consumption  
18 is presented as billed. But, to get back to the rate, we  
19 have to -- I mean, the simple way of looking at it is  
20 divide the charge by the consumption to come back to the  
21 rate. But, because of the various splits and places where  
22 the rate, you know, isn't just a straight rate  
23 calculation, it can get complicated.

24 MR. ECKBERG: Okay. Thank you.

1 MR. SMITH: You're welcome.

2 CHAIRMAN IGNATIUS: Does the --

3 MS. HOLLENBERG: Actually, no. I'm all  
4 set. Thank you.

5 CHAIRMAN IGNATIUS: Thank you. Does the  
6 Commission Staff have any follow-up questions?

7 MR. WIESNER: Yes, we have a few, madam  
8 Chair. When the response refers to a number of days for  
9 billing intervals, are those calendar days or business  
10 days?

11 MS. COOK: They're business, business  
12 days.

13 MR. WIESNER: Okay. Thank you. And,  
14 how does the timing described in the response, how does  
15 that compare to the time intervals that were used by  
16 National Grid prior to the conversion to Liberty systems?

17 MS. HARRIS: In the billing process, the  
18 meter reading process, it was still -- it's a four-day  
19 window, as it is with Liberty Utilities. However, with  
20 the National Grid system, on the fourth day the meter  
21 readings were uploaded, and National Grid systems would  
22 bill the entire cycle batch, get the doors out -- the  
23 bills out the door the next day, and the exceptions would  
24 be worked afterwards. In the Liberty process is we're

1 working those exceptions ahead of time, before releasing  
2 the bill batch. We have an ability to place a particular  
3 account on hold and so we don't hold up the batch. So,  
4 it's a combination of pushing bills through and placing  
5 them on hold. So, it's that manual review up front which  
6 takes us a few more days, the scrubbing of the meter  
7 readings, the review of the bills, which is done ahead of  
8 time. Whereas, in National Grid's system is that it was  
9 afterwards.

10 MS. NOONAN: Does the review of the  
11 exceptions, the working of the exceptions beforehand, then  
12 delay all the other bills?

13 MS. HARRIS: We do have to review  
14 everything. We run what we call "smart lists", --

15 MS. NOONAN: Uh-huh.

16 MS. HARRIS: -- to catch all, you know,  
17 the high/low, the meter reading exceptions. Whereas,  
18 systematically, with the National Grid systems, it would  
19 push all the correct ones out the door and hold back the  
20 exceptions, --

21 MS. NOONAN: Okay.

22 MS. HARRIS: -- to be worked at a later  
23 date.

24 MS. NOONAN: Okay. And, so, the Liberty

1 process is the reverse. Where all the bills are held  
2 until the exceptions are worked, and then they're all  
3 issued at the same time?

4 MS. HARRIS: Right. Or, placed -- we do  
5 have what we call "off-cycle billing".

6 MS. NOONAN: Uh-huh.

7 MS. HARRIS: So, anything that's an  
8 off-cycle, those are the bills that are placed on hold,  
9 whether we need to send out for another read or just work  
10 the account to fix it, to make sure it's within line.

11 MS. NOONAN: Okay. Thank you.

12 MR. CONNOLLY: Madam Chairman, I have a  
13 few other questions. This is Tim Connolly. In the  
14 delayed bills, what -- how does Liberty measure the number  
15 of days delay for those bills?

16 MS. COOK: So, each of the step -- each  
17 process in the bill, each step is tracked, right? So, if  
18 the bill date is set, when the meters are uploaded, the  
19 bill date is set. And, then, you would add the three days  
20 into -- the three days for what the appropriate posting  
21 date is. We then get a report back that says when the  
22 bills were posted from the vendor, and you can see if it  
23 was within that time frame or not. And, it's actually  
24 tracked on a daily basis.



1                   MR. CONNOLLY: Okay. Let me ask my  
2 question better, hopefully. There are bills that are  
3 delayed that go into this calculation that reduce from  
4 100 percent to 95 percent. How delayed are the bills that  
5 are in that 5 percent? Are they delayed by five days?  
6 Seven days? Ten days? And, what do you use internally to  
7 manage, so that that interval is always, hopefully, always  
8 being shortened?

9                   MS. COOK: Yes. You know what, why  
10 don't I toss it to young Ms. Harris, because she's  
11 executing it with her team.

12                  MS. HARRIS: On a daily basis, we check  
13 out the exceptions, and we bill every day off-cycle bills.  
14 So, basically, we track the number of all the bills that  
15 were rendered for a particular cycle, and then we count  
16 the number of exceptions. And, then, like I said, we have  
17 an off-cycle bill batch. And, that's what we measure  
18 against the -- the exceptions against the total bills that  
19 go out the door.

20                  MR. CONNOLLY: Okay. So, the person  
21 that has the responsibility to do these reviews of bills,  
22 to recalculate them or whatever they're going to do to fix  
23 them, do they know on their desk that they have got bills  
24 that are fifteen days old, fourteen days old, ten days

1 old, five days old? Or, do you, as a supervisor, do you  
2 know what those delay days are?

3 MS. HARRIS: There are -- there are what  
4 they call "smart lists", which holds the accounts that  
5 have not been billed. Yes.

6 MR. CONNOLLY: So, there's an --  
7 (Court reporter interruption.)

8 MS. HARRIS: Yes. If there was an aging  
9 in that smart list? I don't -- I'd have to defer that  
10 question, because I'm not familiar with the specifics of  
11 that smart list and what it exactly contains.

12 MR. CONNOLLY: Okay. Because it would  
13 seem that there's some impact certainly on customers that  
14 have a bill that's ten days old from when they should have  
15 been billed, regardless of what the process breakdown was,  
16 it's the fact that the customer is not getting the bill  
17 has got some impact, and the impact would intensify the  
18 longer it goes. Okay. Thank you for those.

19 In your statistic, in Number 2, you say  
20 that the formula used is total bills minus rejects divided  
21 by total bills. Correct?

22 (No verbal response)

23 MR. CONNOLLY: What is "total bills"?  
24 Are those bills actually mailed or are those bills to be

1 mailed?

2 MS. COOK: Those are the bills to be  
3 mailed, right.

4 MR. CONNOLLY: So, this batch of 5,000  
5 that you send from Liberty production office or the data  
6 center to Fiserv, that 5,000 files, that would be the  
7 denominator?

8 MS. COOK: Yes.

9 MR. CONNOLLY: Thank you. In the case  
10 where, in Number 4, you mention that there was an  
11 adjustment to the expected payment date to correspond to  
12 the adjustment to the bill mailing date, that left the  
13 customer with the same allowed interval for making  
14 payment. If, in month two, there was this problem, the  
15 bill was delayed by five days, you adjusted the payment  
16 due date by five days, again, calendar days, --

17 MS. COOK: Uh-huh.

18 MR. CONNOLLY: -- the next month's bill  
19 being correct internally in your system, would that not be  
20 presented to the customer at a 25-day interval from the  
21 previous month, rather than the normal 30-day interval?

22 MS. HARRIS: It would be rendered on its  
23 normal bill cycle. So, there could be a potential of  
24 overlap, if that's what you're kind of getting at.

1       Because --

2                   MR. CONNOLLY: Well, it was 30, and you  
3       made it -- you adjusted it by five days, so that it's  
4       still 30, then, the following month the customer got  
5       billed 25 days, instead of 30 days.

6                   MS. HARRIS: The bill would be -- no, it  
7       would go back to its normal cycle.

8                   MR. CONNOLLY: Right. The bill is due  
9       out on the 5th of the month, and it is sent on the 5th of  
10      the month for month one.

11                  MS. HARRIS: Yes.

12                  MR. CONNOLLY: Month two, it's going to  
13      go out on the 10th of the month, because of some internal  
14      problem, then, it's going to be sent on the 10th. The  
15      following month it's going to revert to the 5th.

16                  MS. HARRIS: Yes.

17                  MR. CONNOLLY: Is that correct?

18                  MS. HARRIS: Correct.

19                  MR. CONNOLLY: So, that third month, the  
20      customer gets a bill sooner, relative to the previous  
21      bill, than any other time?

22                  MS. HARRIS: That's correct.

23                  MR. CONNOLLY: That's all for me. Thank  
24      you.

1 CHAIRMAN IGNATIUS: Thank you.

2 MS. NOONAN: I just have one last  
3 follow-up question on that same line. The longest delays  
4 in billing were, I believe, in November and December, if  
5 that's correct. Do you recall what the longest interval  
6 was for a delayed bill?

7 MS. HARRIS: I don't have that.

8 MS. COOK: I don't have the information  
9 on that specific one. I think we could get that for you.

10 MS. NOONAN: Okay. Yes. You know, I'm  
11 just curious. I think I have that somewhere as well.  
12 But, you know, to understand what the impact was on a  
13 customer, --

14 MS. COOK: Uh-huh.

15 MS. NOONAN: -- in terms of the length  
16 of time between one month's bill and the next month's  
17 bill.

18 MR. WIESNER: One last question. If  
19 there are "weather-based delays", as you described before,  
20 and those delays are communicated to customers, how does  
21 that communication occur?

22 MR. SHERRY: Well, I'm sorry, we didn't  
23 say they were communicated to customers. We do put it up  
24 on the website, during the course of the winter, when we

1 became aware of it. And, if you recall, if you recall,  
2 the weather issues that were striking, not only the  
3 Northeast, but, really, across the country, January,  
4 February, and March, in particular, were shutting down air  
5 traffic in the whole Northeast, all across, through  
6 Chicago. So, they were -- the air system is the bulk of  
7 the carrier for the mail. That was -- we were getting the  
8 information from Fiserv, who was getting the information  
9 from the Postal Service, about the delays, not only in  
10 bills, you know, bills going out, payments coming in, it  
11 was affecting not only our company, but anybody else who  
12 was using those postal hubs for delivery. So, we were  
13 communicating via the website. We were providing  
14 information to our customer service reps. So, they were  
15 answering customer calls when they were coming in. But it  
16 was a broader picture than was just impacting Liberty.

17 MR. WIESNER: Okay. Thank you. I think  
18 that's all we have.

19 CHAIRMAN IGNATIUS: Questions,  
20 Commissioner Scott?

21 CMSR. SCOTT: Thank you, and good  
22 morning. And, thank you all for coming. First, before I  
23 ask my question, I want to thank you for the item-by-item  
24 response. That it gets very -- I think that will prove to

1       be very helpful. So, thank you for that.

2                   Just so I understand -- and, whoever  
3       feels best to answer, maybe Katy, since she started. So,  
4       if I understood right, so, a lot of the batching has gone  
5       away. So, if you find a discrepancy, you pull just the  
6       discrepancy, not the whole batch. So, that obviously  
7       helps in getting the bills out, correct?

8                   MS. COOK: Correct.

9                   CMSR. SCOTT: So, can you explain, so,  
10      the ones that are held, can you explain the process a  
11      little bit, more detail for me?

12                  MS. COOK: I can start to explain the  
13      process, and then I may defer to either Nicole or to -- or  
14      to Mark. So, what happens when the individual rejected  
15      file comes back to us, and then we identify why was that  
16      rejected. And, in fact, I think two slides on from here,  
17      we actually go into a specific issue, because we were  
18      seeing the number of rejects was a little -- we identified  
19      two root cause issues that was causing files to reject.  
20      And, maybe we could use -- I could go over the details of  
21      that. But I don't know if --

22                  CMSR. SCOTT: Or, I can wait. If it's  
23      in here further, I can wait when you get there. That's  
24      fine.

1 MS. COOK: Yes. I'm not sure if there's  
2 anything we'd add to how those rejects are worked, once we  
3 identify them.

4 MS. HARRIS: Yes. A lot of them can be  
5 corrected right away and placed in an off-cycle batch, and  
6 actually get out the door the next day. So, it depends on  
7 what that particular reject or why it was placed on hold.

8 CMSR. SCOTT: So, obviously, there's a  
9 manual process to look at them and evaluate them?

10 MS. HARRIS: Yes.

11 CMSR. SCOTT: And, does that include  
12 some IT staff, so they understand fixes that may be needed  
13 that cause this?

14 MS. HARRIS: If we run into any issues  
15 where we're having a problem with rebilling it again, we  
16 issue a case ticket on those particular accounts, which is  
17 our internal IT issue problem reporting system.

18 CMSR. SCOTT: Okay. Thank you.

19 MR. SHERRY: Again, if I could add to  
20 that, Commissioner. In most of these cases, these are  
21 normal billing issues. Is that something has fallen  
22 outside of -- something has fallen outside of a window in  
23 a series of test parameters and the bill checks that cause  
24 this account to reject. It could be a bad meter reading,



1       could be a "could not get it", there's a host of things,  
2       non-IT related. And, the difference in the Liberty  
3       process versus the National Grid process we described  
4       earlier, is, in the Liberty process, we work that right  
5       away at that point, deal with that reject or exception,  
6       and send it out usually the next day in an off-cycle bill.  
7       In the National Grid process, it was set aside for working  
8       after-the-fact. So, it would be worked -- could be worked  
9       that day, could be worked the next day, it could be a  
10      couple of days. But it was still a manual process to deal  
11      with that exception.

12                   CMSR. SCOTT: That's helpful. I was  
13      more, obviously, in tuned to the IT crossover issue, you  
14      know, cutover issue. And, do you have the same issues, I  
15      mean, there's manual billing, but there's still -- I  
16      assume there's a fair size of your customers are doing  
17      electronic billing, is that correct?

18                   MS. COOK: Yes.

19                   CMSR. SCOTT: And, is it the same  
20      issues?

21                   MS. COOK: So, the creation of the bill  
22      print is a consistent practice. So, they would have a  
23      similar delay, if the file rejected.

24                   Mark, I'm not sure, if you could enhance

1       that a little please.

2                   MR. SMITH:  Yes.  The electronic bills  
3       and paper bills go through essentially the same process,  
4       until they're actually -- the decision point is made to  
5       either put it on paper or send a, you know, a *pdf* copy and  
6       an email notification to the customer.  So, up till that  
7       "mailing point", if you want to describe it that way, they  
8       go through an identical process.  So, an electronic bill  
9       could and would reject for the same reasons that a paper  
10      bill would.

11                   CMSR. SCOTT:  Thank you.

12                   CHAIRMAN IGNATIUS:  Commissioner  
13      Honigberg.

14                   CMSR. HONIGBERG:  On the answer to  
15      Question 1(a), talks about a "4-day window for meter  
16      reads", can you walk me through that, what that "4-day  
17      window" means?

18                   MR. SHERRY:  Sure.  Gladly,  
19      Commissioner.  We're operating off the same meter reading  
20      schedule that had been in place for EnergyNorth prior to  
21      the sale.  The utility companies establish an annual meter  
22      reading calendar, if you will.  And, it usually is built  
23      around a 28 to 32-day cycle.  So, we end up rendering a  
24      bill on a monthly basis.  So, when the batch, the cycle is

1 sent out to the meter reading department to go get the  
2 monthly readings, they have four days to go -- actually  
3 physically go out and get that reading. Usually, it's  
4 accomplished in less than that. You know, most of meters  
5 are AMR-equipped. Okay? In the case of residential and  
6 small commercial meters, the meter worker drives down the  
7 street in a truck, they pick up the readings  
8 electronically. But, as the system is picking up those  
9 readings, it's identifying failed reads. So, a remote  
10 transponder net may not be working, something else, we're  
11 not getting the reading through the system. So, that  
12 flags a message. So, a meter reader has to physically go  
13 to that site and find out if something is wrong with the  
14 meter, if we need a meter reading, we have to replace  
15 something called a "remote" -- "ERT transponder". So, the  
16 schedule is built around a four-day window to capture  
17 those readings, as many as we can, to then upload them in  
18 our billing system. Could be weather impacts, could be  
19 something else going on. The same staff that's doing the  
20 meter readings is also responding, in some cases, to gas  
21 emergencies, turning off services, doing credit  
22 collections work. So, it all rolls together. If that  
23 answers your question?

24 CMSR. HONIGBERG: It does, in part.

1 But, then, the next part of it is, so, the meters read on  
2 day one of the four-day cycle bill, are billed at the same  
3 time as the meters read on day four of the four-day cycle?

4 MR. SHERRY: Conceivably.

5 CMSR. HONIGBERG: Okay.

6 MR. SHERRY: Conceivably.

7 CMSR. HONIGBERG: That's all I have.

8 Thanks.

9 CHAIRMAN IGNATIUS: Ms. Cook, I wanted  
10 to ask you one follow-up to something you had said, that,  
11 with the changes you've already instituted, you're seeing  
12 a positive trend --

13 MS. COOK: Uh-huh.

14 CHAIRMAN IGNATIUS: -- in meeting the  
15 target. Can you be more specific in what you're seeing  
16 and what your -- what period you're measuring?

17 MS. COOK: Well, as I just looked at our  
18 May performance, and we see the number of bills that have  
19 been -- the number of -- the timeliness of the bills going  
20 out. So, where we've taken that original bill date, as  
21 opposed to any adjusted bill date, we're seeing that, you  
22 know, in May, the run rate was over 90 percent, which  
23 would demonstrate that getting these bills out the door is  
24 happening much more quickly than when we were holding, you

1 know, a few cycles at a time. The delay is minimized.

2 I think the other trending we see is we  
3 usually track at what step a delay can occur, right? So,  
4 was there a meter reading delay that occurred? Was there  
5 a bill processing or calculation delay? And, then, was  
6 there a delay with our vendor? And, I think we're seeing  
7 consistently, in April and May, that any delays at the  
8 vendor are being minimized, which would indicate that  
9 addressing that batch file and addressing the rejects is  
10 improving the process.

11 CHAIRMAN IGNATIUS: So, you said that  
12 you're currently seeing, in looking at the May performance  
13 thus far, over 90 percent being billed on time, correct?

14 MS. COOK: Uh-huh. Yes.

15 CHAIRMAN IGNATIUS: Do you have any  
16 other statistics or any other measurements that you're  
17 looking at right now, since these changes have gone in and  
18 started to be implemented?

19 MS. COOK: Are you referring to, have I  
20 looked at other months' data or --

21 CHAIRMAN IGNATIUS: Since making some  
22 improvements, --

23 MS. COOK: Yes.

24 CHAIRMAN IGNATIUS: -- is there anything

1       else that you can see that shows whether those are  
2       improving the situation?

3                   MS. COOK:   Yes.   No, no, --

4                   MR. SHERRY:  Commissioner, if I could  
5       add to that.  We track the performance of, and we'll speak  
6       about service levels later, but we track the performance  
7       of the billing process on a daily basis.  So, Nicole and I  
8       are seeing data on a daily basis.  Are we on track for the  
9       meter reading cycles?  Are we on track for the billing  
10      calculation and the data review or the scrubbing process?  
11      And, are we on track sending the bills to Fiserv and is  
12      Fiserv getting them out the door on time?  So, we're  
13      tracking that on a daily basis with the team.  And, if  
14      something is amiss, then we're talking to the team to  
15      identify, is it a process issue?  You know, were people  
16      out sick?  Were we short-staffed?  Is there a system  
17      issue?  And, then -- so, we're acting on that daily.  Go  
18      ahead.

19                   MS. COOK:  Sorry, I was just -- and Mark  
20      could hopefully jump in.  But just the number of reject  
21      files.  So, we get the rejects back from the vendor when  
22      we sent it.  And, so, where we used to get a batch file  
23      returned with the total numbers, we're now, obviously,  
24      getting the individual returns.  And, so, you're seeing

1       that improvement. And, I think that's the real-time  
2       improvement that you notice. And, I'm not sure if there's  
3       any --

4                       CHAIRMAN IGNATIUS: Mr. Sherry, you said  
5       you're "tracking" those things. And, I'm just wondering,  
6       do you have any indication of the results of the tracking?  
7       Is it flat? Is it trending upward? Is it trending  
8       downward?

9                       MR. SHERRY: It's trending -- well, for  
10      the month of May, as Ms. Cook said, we're trending --

11                      (Court reporter interruption.)

12                      MR. SHERRY: Sure. We're tracking it  
13      towards, you know, 90 percent in the month of May, and  
14      that's what we're monitoring right now. So, in terms of  
15      tracking it, so, that's tracking better than it had been  
16      previous months. I think, as Amanda had mentioned, we had  
17      some problems in the November/December time period for  
18      some of the issues articulated earlier. The "Process and  
19      Hold" step that we had in place in the winter, coupled  
20      with bad weather, caused us some trouble in February. So,  
21      we saw an impact in February. And, those were our worst  
22      months. And, since then, March got a little bit better,  
23      April has gotten a little bit better, May is getting  
24      better.

1                   And, so, in addition, we've added staff  
2     to the billing team at the local level in New Hampshire.  
3     We're conducting all of this here. And, we're adding  
4     additional staff in anticipation of the electric  
5     conversion. And, the staff is getting more experienced.  
6     They started doing this last August and September. So, as  
7     the months go by, they're getting more familiar with the  
8     processes. Working with Mark Smith and the team in  
9     Oakville, we've developed improved checklists and  
10    procedures to go through this, to go through the smart  
11    lists, to go through the billing routines. So, the team  
12    is working it faster as the billing data comes in.

13                   CHAIRMAN IGNATIUS: Thank you. Then,  
14    why don't we move to the next area, which is payment  
15    posting delays.

16                   MS. COOK: It's Slide 10. Issue is that  
17    there have been delays in posting payments to accounts.  
18    So, there are several reasons why a small group of  
19    customers may have received -- may have experienced  
20    delayed posting to their accounts. I wanted to speak to a  
21    few of the most common issues that we've seen, and then  
22    what steps we've taken.

23                   There have been delays in addressing and  
24    managing situations where unidentified -- where there have



1       been unidentified account numbers. So, this is when a  
2       customer sends a payment through a lock box. And, if  
3       there is any -- you know, the account number is not  
4       clearly identified, or they're unable to reconcile it to  
5       an account, that payment -- that payment gets put into a  
6       suspense account. The process we have with our vendor,  
7       Fiserv, is that they send those payments electronically to  
8       us. So, we have a 48-hour window to review the payment  
9       and identify the appropriate -- where the appropriate  
10      allocation needs to be. If there's any delay in doing  
11      that, they, after 48 hours, they remove it, in part from  
12      security reasons, and they actually send us the hard  
13      copies for us to manage internally. I would say, early on  
14      in the conversion, we had some delays at meeting that  
15      48-hour window, which meant that we were getting a higher  
16      number of payments sent to us that we then needed to  
17      manually reconcile. So, there would have been a delay  
18      seeing that payment post to that customer account, because  
19      we were unable to turn that around in a timely way.

20               I'm happy to report that right now, in  
21      that suspense accounts, we have 66 payments. And, I think  
22      that is a reasonable expectation, to say that we are now  
23      achieving the target that we want to get to.

24               CHAIRMAN IGNATIUS: Is there a metric

1       for that? Is there an actual measurement?

2                   MS. COOK: No. There is not a  
3       measurement.

4                   CHAIRMAN IGNATIUS: What's an example of  
5       where you were when things were not going as well,  
6       compared to the 66?

7                   MS. COOK: I do not have an example of  
8       what it was in call it the September and October time  
9       frame.

10                  CHAIRMAN IGNATIUS: Anything else on  
11       that issue, before we see if there are any questions? Ms.  
12       Cook?

13                  MR. ECKBERG: Just one quick question.  
14       You said that Liberty has 48 hours to review those  
15       payments?

16                  MS. COOK: Uh-huh.

17                  MR. ECKBERG: Is that 48-hour period  
18       measured again in business days, --

19                  MS. COOK: Yes.

20                  MR. ECKBERG: -- as going the other  
21       direction?

22                  MS. COOK: Yes.

23                  MR. ECKBERG: Okay. Thank you.

24                  CHAIRMAN IGNATIUS: Does Staff have any

1 questions on this issue?

2 MS. HOLLENBERG: I'm sorry,  
3 Commissioner. I actually had a question.

4 CHAIRMAN IGNATIUS: Oh, I'm sorry.

5 MS. HOLLENBERG: I wasn't totally sure  
6 if you were done. When you say a "small group of  
7 customers", what's the number of customers that is  
8 impacted by --

9 MS. COOK: Well, there's a few other  
10 issues here. And, so, then maybe I'll go over the numbers  
11 that I know of. I mean, I don't have the exact number of  
12 unbankables. I can speak to the number I just -- the  
13 numbers I just spoke to, which is those 66 payments.  
14 However, there are other issues that cause delays. And,  
15 so, let's, if you don't mind, I could maybe talk to them  
16 and it will flag a few numbers.

17 CHAIRMAN IGNATIUS: So, I misunderstood.  
18 I thought you were done. So, go ahead --

19 MS. COOK: Yes. No.

20 CHAIRMAN IGNATIUS: -- and finish this  
21 issue.

22 MS. COOK: Yes. So, customers  
23 continuing to make payments to either their old account  
24 number or the old remittance address. So, one of the --

1 and these are customers who are making their payments to  
2 National Grid.

3 MS. HOLLENBERG: Uh-huh.

4 MS. COOK: One of the things we had done  
5 with National Grid, during any transition of the sale,  
6 there is a need for that last month, prior to when I've  
7 got an old account under and a new account number, I make  
8 a payment, and, you know, let's say we do the conversion  
9 one weekend, we still -- the old remittance address is  
10 still on all those payments that are sort of "in-transit",  
11 as it were. So, there's a period of time where National  
12 Grid would continue to get those payments. We had set up  
13 a process with National Grid, where they would process the  
14 payments, and then send us the file. And, we continue to  
15 run that process. And, so, in April and March, as an  
16 example, there were some -- I think it's 500 accounts  
17 where customers were continuing to pay National Grid. We  
18 have since contacted all of those customers, along with  
19 there are some details in the notes about communications  
20 that we've had with those customers. And, National Grid  
21 is now, as of April 1st, begun returning those payments to  
22 the customer.

23 So, the lesson learned here is that we  
24 tried to do something that would create a smoother

1 transition for the customer by enabling National Grid to  
2 take the payments on our behalf and make it smooth. I  
3 think that we stayed in that process too long. And, as we  
4 look to our electric conversion, you know, we're working  
5 with National Grid right now to say what is the  
6 appropriate time frame, before we kind of draw the line  
7 for the customer and say "no, you must change, you must  
8 change your remittance address, you must update your  
9 account numbers". Because, in hindsight, that's caused  
10 some delay. And, so, you asked about a number. So, the  
11 March and April number of customers were 500 that had gone  
12 down that path that we had contacted.

13 Another issue that we had were customers  
14 who have electronic payments that they have set up at  
15 their own financial institutions. So, there were some  
16 3,000 customers at conversion who paid National Grid  
17 electronically, and, when we made the switch, would need  
18 to, on their own accord, go in and change their account  
19 number. And, that number is now somewhere less than 200,  
20 and we have also contacted those customers.

21 CHAIRMAN IGNATIUS: Anything else on the  
22 posting issue?

23 (No verbal response)

24 CHAIRMAN IGNATIUS: All right. If not,

1 Ms. Cook, you're done on the posting issues?

2 MS. COOK: I am done on the posting  
3 issues. I just wanted to -- I wondered if there was  
4 any -- if I should review one of the questions that were  
5 answered as well, if you don't mind?

6 CHAIRMAN IGNATIUS: Please.

7 MS. COOK: So, "apparent discrepancy  
8 between Liberty's self-reported payment posting timeliness  
9 in the April 24 response and" --

10 (Court reporter interruption.)

11 MS. COOK: -- "recent customer  
12 reports to the Commission regarding payment posting  
13 timelines [timeliness?]. Have there been any recent  
14 changes to Liberty's payment posting process that would  
15 account for this discrepancy?" So, we have not had any  
16 changes to our payment processing. However, I believe our  
17 response focused on payment process with our vendor on the  
18 April 24th response.

19 And, we did not address the issue with  
20 customers continuing to pay to National Grid. I think I  
21 just walked through the process with Grid. And, I think  
22 that may account for some of the discrepancy that was  
23 felt.

24 MR. SHERRY: Commissioner, if I could

1       just -- I'm sorry, are you good? If I could add, in terms  
2       of what lessons -- what lesson did we learn from that  
3       particular piece of the conversion. Customers can pay us  
4       about five different ways. But I'll just focus, the  
5       customer who has their own -- their payment set up through  
6       their own financial institution, their bank, credit union  
7       or PayPal, where they direct the payment once the bill  
8       comes in, needed to go in and take action to change  
9       account numbers and to change the remittance address.

10               Clearly, we thought we communicated  
11       enough with those customers prior to the conversion. And,  
12       they received all the same pre-conversion communications  
13       as the rest of our remembers. Since January, that group  
14       of -- and, there was around 3,000 customers in that group  
15       at the time of the conversion. Since conversion, those  
16       customers have received two direct mailing pieces. I  
17       should note, they've also received now eight monthly gas  
18       bills, with the proper account number and the proper  
19       remittance address. And, in trying to make it easy for  
20       the customer, National Grid was continuing to process the  
21       payments and move them back to us, it was creating a long  
22       time to post those payments, because there was handling of  
23       those funds that were going back and forth. Working with  
24       National Grid, we shut off that process on April 1st. So,

1 if that payment now comes in and National Grid receives  
2 it, if they receive an -- if your bank tried to send an  
3 electronic payment to National Grid, National Grid would  
4 reject it. But, in some cases, the bank or PayPal would  
5 drop it to a paper check and automatically mail it to  
6 National Grid, without you knowing anything about it. So,  
7 now, National Grid gets the check, and then refunds it  
8 with another check back to the customer, with a  
9 personalized letter saying "Please contact Liberty  
10 Utilities to update your number." We have also called all  
11 those customers directly. And, as those payments continue  
12 to trickle in over the next billing cycle or so, we'll  
13 continue to call all of them directly to try to wrap this  
14 up.

15 What did we learn from it, in  
16 anticipation of the electric conversion, was significantly  
17 more communications with this group of customers in  
18 advance. And, I don't have examples of the communications  
19 with me today, but we'll share them with Amanda and her  
20 staff over time.

21 But, regarding this, these payment  
22 channels, you'll see bright bold red, you know, "you need  
23 to do something. Take action here. Change your account  
24 number." And, then, working with National Grid, we're



1 going to shut this off very quickly after conversion, so  
2 we don't exacerbate the situation.

3 CHAIRMAN IGNATIUS: Thank you. Anything  
4 further, Ms. Hollenberg?

5 MS. HOLLENBERG: No thank you.

6 CHAIRMAN IGNATIUS: All right. Does  
7 Staff have any questions on this issue?

8 MS. NOONAN: Yes, we do have a couple.  
9 I just wanted to confirm, when a customer mails their  
10 payment to Liberty, where that payment is going to?

11 MS. COOK: So, it goes to the -- to  
12 Chicago.

13 MS. NOONAN: Okay. And, once it gets to  
14 Chicago, does it go into a lock box? Could you kind of  
15 walk me through that process.

16 MS. COOK: Yes. The lock box is in  
17 Chicago. So, they would receive it. And, they -- and,  
18 Mark, jump in, if I -- just from my terminology, I think  
19 basically auto-open and scan and process it, --

20 MR. SMITH: Correct.

21 MS. COOK: -- as received. And, then,  
22 electronically send the files the same day.

23 MR. SMITH: That's right.

24 MS. NOONAN: Okay. And, so, then

1 Liberty gets the files, and you have a 48 or two business  
2 day window to process those payments and post them to the  
3 customer's account?

4 MR. SMITH: No. The payments are  
5 processed the day we receive the file. The 48 hours  
6 applies to accounts where they can't locate --

7 MS. NOONAN: Okay.

8 MR. SMITH: -- the payments where they  
9 can't locate an account.

10 MS. COOK: That's the exception.

11 MR. SMITH: In that case, we've got an  
12 electronic notification for two business days to attempt  
13 to find the account. If we can't find the account in the  
14 two business days, they then send us the paper. So, the  
15 payment and the information is never lost. It's just that  
16 we lose the opportunity to send it electronically, "here's  
17 the account we would like to apply the payment to." They  
18 will send us the paper, and it gets a little -- obviously,  
19 it takes a little more time to research that and get it  
20 applied appropriately.

21 MS. NOONAN: Okay. And, so, I guess I'm  
22 trying to reconcile all of that with the accounts that  
23 we've gotten from customers that it's taken 14 days or 15  
24 days for their payment to post to their account after

1       having mailed it here in New Hampshire, with the proper  
2       remittance slip and the proper envelope and so forth. Is  
3       there a step in there that I'm missing?

4                   MR. SHERRY: Hang on just a second,  
5       Amanda.

6                   MS. NOONAN: Sure.

7                   MR. SHERRY: I mean, it's a difficult  
8       one to answer, in that if the customer says they mailed a  
9       payment here in New Hampshire 14 days prior to when it was  
10      posted. But we can't, until the payment is received at  
11      our lock box, I don't know -- we don't know when they  
12      actually mailed it, and how long it took the Post Office  
13      to deliver it. So, it's a tough one to, you know,  
14      quantify. I think, if we, you know, if we had a specific  
15      customer, where, you know, take the bill, go to the Post  
16      Office in Londonderry, mail it, and we could track it,  
17      that's something we could do. But I can't think of a way  
18      to answer that otherwise.

19                  MS. NOONAN: Okay.

20                  MR. SMITH: Our print provider  
21      process -- or, sorry, our payment provider process  
22      100 percent of the payments they receive daily.

23                  MS. NOONAN: Uh-huh.

24                  MR. SMITH: They don't have a backlog

1 waiting to be processed. And, they send us the file  
2 overnight and we apply it the next business day.

3 MS. NOONAN: Uh-huh. Would there be  
4 advantages to New Hampshire customers, if the payments  
5 were being mailed locally, instead of to Chicago, in terms  
6 of timeliness for payment posting and so forth?

7 MS. COOK: You know, I'm not sure I  
8 can --

9 MR. SHERRY: I don't know if we can --

10 MS. COOK: Truthfully, I don't think I  
11 could answer -- answer that here.

12 MS. NOONAN: Okay.

13 MS. COOK: Yes.

14 MS. NOONAN: And, the other methods that  
15 Liberty has for accepting payments, other than through the  
16 mail, that go to your vendor, an agent, walk-in,  
17 check-by-phone, credit card-by-phone, those various  
18 payment channels, and I guess, particularly, the payments  
19 through an agent might be the most problematic. The  
20 posting date for those payments, does it reflect the date  
21 that the payment was actually made to either that payment  
22 agent or through that payment channel? So, even if you  
23 don't receive it from the agent for four or five days,  
24 because of whatever might transpire, is that payment

1 posted effective the date it was made?

2 MR. SHERRY: Hang on just one second.

3 (Mr. Sherry conferring with Company  
4 representatives.)

5 MR. SHERRY: Amanda, I think we're going  
6 to need to give you some more specifics on that detailed  
7 stuff. The files come in through our payment agent,  
8 they're transferred to us, to our Finance Department.  
9 Finance posts the payments. There's a -- we just need to  
10 find out some more information on how fast that occurs.

11 MS. NOONAN: Okay. And, I'm just  
12 talking about your authorized payment agents, your walk-in  
13 centers, --

14 MR. SHERRY: Right.

15 MS. NOONAN: -- all your authorized  
16 payment channels?

17 MS. COOK: Yes.

18 MR. SMITH: And, those payments also are  
19 received daily, and processed the next business day.

20 MS. NOONAN: Okay.

21 MR. SMITH: And, in some cases, daily,  
22 including the weekend. Like, the walk-in centers send us  
23 a file on the weekends as well.

24 MS. NOONAN: Okay.

1                   MR. SMITH: But they're processed the  
2 next day by Finance.

3                   MS. NOONAN: Okay. Thank you.

4                   MR. CONNOLLY: I have just a couple of  
5 questions. In the April 24 letter from staff back to the  
6 Commission, under the paragraph "Delays in posting of  
7 payments to accounts", Liberty says that there's  
8 "electronic payments which are received by Fiserv from a  
9 customer after the 4:00 p.m. EST cut-off on a particular  
10 day are processed the following day." Is that cut-off  
11 date established by Fiserv or by Liberty? Meaning, Fiserv  
12 can't send it or Liberty can't receive it?

13                  MS. COOK: Well, I believe when we --

14                  MR. SMITH: We agreed to it.

15                  MS. COOK: Yes. We agreed to the  
16 recommendation that they gave us when we established the  
17 relationship. So, --

18                  MR. CONNOLLY: So, it serves Fiserv's  
19 purpose?

20                  MR. SMITH: Well, they have to have a  
21 time to send the file. They have to have a cut-off for  
22 the business day to know when to send the files. It's not  
23 a real-time system. They send -- we receive one file a  
24 day, they need to know what time that file should be sent.

1 MR. CONNOLLY: And, I'm just trying to  
2 make it clear how 4:00 p.m. Eastern Standard Time was  
3 constructed?

4 MR. SMITH: It was by mutual agreement  
5 between Liberty and Fiserv.

6 MS. COOK: Yes.

7 MR. CONNOLLY: The four payment channels  
8 that Fiserv provides, could you identify those for us  
9 please?

10 MS. COOK: So, you have your lock box.

11 MR. CONNOLLY: I'm sorry?

12 MS. COOK: Lock box.

13 MR. CONNOLLY: All right.

14 MS. COOK: You have your IVR and Web  
15 payment channels. So, the one-time payment channels. You  
16 have your walk-in centers. And, you also have the  
17 recurring billing, electronic billing.

18 MR. CONNOLLY: Okay. The use of the  
19 lock box process means that the payments, customer  
20 payments and their notices and whatnot, all go to a bank  
21 in Chicago, is that correct? That's a lock box?

22 MR. SMITH: It's not a bank.

23 MS. COOK: Yes.

24 MR. SMITH: It's Fiserv. It's a

1 financial services company.

2 MR. CONNOLLY: So, Fiserv, with this  
3 lock box, opens the mail, processes the payments, and puts  
4 the payments into Liberty's bank account?

5 MR. SMITH: Yes.

6 MR. CONNOLLY: So, Liberty has the cash  
7 upon receipt in that processing by Fiserv?

8 MR. SMITH: Yes. Next day.

9 MR. CONNOLLY: The customer's account  
10 gets the payment posted to it, satisfying the customer's  
11 obligation to Liberty, whenever Liberty posts the payment  
12 to their account receivable in your Cogsdale billing  
13 system, is that right?

14 MR. SMITH: I sorry. I didn't follow  
15 your question.

16 MR. CONNOLLY: Cogsdale -- Liberty  
17 receives the payment notice from Fiserv, process it into  
18 your Cogsdale database, that's where the customer's  
19 account receivable reflects that payment was made?

20 MR. SMITH: Yes.

21 MR. CONNOLLY: And, that can be any  
22 number of these days after the payment was received in the  
23 lock box?

24 MR. SMITH: It's the next business day.



1 MR. CONNOLLY: I'm sorry?

2 MR. SMITH: It's the next business day.

3 MR. CONNOLLY: Without exceptions, it  
4 would be the next business day?

5 MR. SMITH: If there was -- excepting  
6 any errors in processing, yes.

7 MR. CONNOLLY: Right.

8 MR. SMITH: It would be the next  
9 business day.

10 MR. CONNOLLY: Okay. Great. Thanks.

11 CHAIRMAN IGNATIUS: All right. Then,  
12 let's -- oh, I'm sorry. Questions, Commissioner Scott?

13 CMSR. SCOTT: No. Nothing.

14 CHAIRMAN IGNATIUS: Commissioner  
15 Honigberg? I don't. Is there anything else on the  
16 posting issue?

17 (No verbal response)

18 CHAIRMAN IGNATIUS: Appears not.

19 MS. COOK: Just wondering if we wanted  
20 to, to advise that the number of dollars sitting in those  
21 66 payments has a value of \$16,400, I believe right now.  
22 So, it's a fairly low dollar value that's sitting in that  
23 suspense account, which is the one where we don't know  
24 where the payments goes.

1                   CHAIRMAN IGNATIUS: And, did we ask how  
2 long those 66 accounts have been sitting?

3                   MS. COOK: You know what, it's a dynamic  
4 number, because you work it every day as you get it. I  
5 don't have the timeline on those specific ones. I could  
6 find out from our Finance group.

7                   CHAIRMAN IGNATIUS: Yes. I think the  
8 question would be, how quickly are these issues resolved?

9                   MS. COOK: Yes.

10                  CHAIRMAN IGNATIUS: And, if it's -- it  
11 must be frustrating to you, when you've told people, you  
12 know, who to be dealing with and where to send their  
13 payments, and they don't comply. But are there reasons  
14 other than those that you have things in that suspense  
15 account?

16                  MR. SMITH: Sometimes. I mean,  
17 customers will sometimes do unusual things. And, you can  
18 get -- you know, you can get a check with no account  
19 number and no address on it. How do you know who to apply  
20 that to? You're trying to read the customer's signature  
21 and find a name to track that person down, like, that does  
22 happen. So, you know, it's sometimes difficult, if the  
23 check doesn't come with the appropriate documents, to  
24 trace where it should be.

1                   CHAIRMAN IGNATIUS: All right. Thank  
2     you. Then, shall we turn to the next area, which was on  
3     the issue of "Bills Not Rendered".

4                   MS. COOK: Okay. So, the issue or the  
5     concern is that customers' bills have not been rendered.  
6     We are not aware of accounts that have not been -- that  
7     have remained unbilled for the entire period. There are a  
8     limited number of customers who did miss bills. There  
9     were, if I can refer to the notes here, 33 customers not  
10    billed for three months, and 129 customers that were not  
11    billed for two months. We've identified some specific  
12    scenarios where the bill calculation totals did not match  
13    the print file. And, I think -- I'm hoping this may help  
14    address Commissioner Scott's question earlier. So, what  
15    do we do when we have this situation?

16                   So, a file was sent to the bill print  
17    provider, and it said "this is the total due." The output  
18    at the print file didn't match. So, one of our quality  
19    checks is to say "Sent 100, is it showing 100? And, if  
20    the answer is "no", it rejects. When we receive those  
21    reject files, we go in and we pull the file and we  
22    investigate. So, we look at "what is the discrepancy?  
23    Why would there be a reject?"

24                   If it's something that can be corrected

1 real-time, then, the team in the field, in New Hampshire,  
2 would do that correction. If it appears to be something  
3 that they can't explain, so, it's not a human error,  
4 potentially, or a process error that's established, they  
5 would open up what we call a "case ticket". Which is  
6 really just a trouble ticket that we open up with our IT  
7 team, and we would track the issues that way. The IT team  
8 then, in conjunction with the local representatives, a  
9 head office representative, somebody on my team, and the  
10 vendors, work together to identify "why would these two  
11 files not match?"

12 In the instance here, when we think  
13 about the bills not rendering, and some of the exceptions  
14 that we were seeing, we identified two specific scenarios.  
15 One of the scenarios was, in our bill calculation, if a  
16 customer -- if we were voiding a late payment charge, we  
17 send a file to the bill print provider that says how we're  
18 doing the calculation. That file did not have the  
19 appropriate credit showing. So, when we put a credit  
20 through on the bill calculation on the bill print file, it  
21 wasn't reflecting that credit, which would cause the  
22 customer's account to fail.

23 The second issue that we identified, I  
24 just want to make sure I tell you the right -- is, when

1       there was a meter exchange, if there was a minimum charge  
2       on an old meter, it was not included in that bill file.  
3       So, a second reason why the balances wouldn't balance out  
4       and it would reject that file.

5               So, those were instances where, when the  
6       rejects came back, we opened up case -- these help desk  
7       tickets to our IT team to work with the vendor to revolve.

8               I think that the good news here is that  
9       the vendor did identify a resolution to these. And, with  
10      our release, which we did last weekend, of their version  
11      of their software, 11.29.1, these two specific issues,  
12      where we were getting rejects, were corrected. So, now,  
13      the appropriate voided payment that should be credited is  
14      actually going over and voiding onto the print file. So  
15      that, when I send an account through with that situation,  
16      it will have the right charges coming back. This will  
17      help to eliminate or further reduce the number of  
18      exceptions that we were seeing. But that would be one of  
19      the reasons why we saw customer bills failing.

20              I think, if we want to maybe go into the  
21      Staff questions, to just answer any of the questions that  
22      didn't get answered with that overview?

23              CHAIRMAN IGNATIUS: Thank you.

24              MS. COOK: "Please verify that the data

1 provided in the April 24th, 2014 response accurately  
2 reflects all the accounts for which bills were not  
3 issued." So, we're not aware of an individual customer  
4 who has failed to receive a bill since conversion. Out of  
5 approximately 90,000 EnergyNorth customers, I think I  
6 reiterated the stat, that 33 customers were not billed for  
7 three months and 129 were not billed for two months.

8 "Describe the actions taken by Liberty  
9 taken to identify all accounts that experienced delays in  
10 billing." The number of bills is tracked throughout the  
11 billing process. And, it's validated three times through  
12 the 16-step billing process. I think here this is saying  
13 we get the number of bills that were calculated, and then  
14 we have a process check again about the number of bills  
15 that were sent to the bill print provider, and then we  
16 have a process check again when the bills come back, to  
17 validate that the total number of bills that we originally  
18 sent and that we originally calculated, sent, and were  
19 returned to us actually all equal.

20 "Have all accounts identified as having  
21 delayed bills now received bills?" The identified  
22 customers have received bills; however, only those who  
23 requested a specific month's bill had a manual bill  
24 generated. For the others, the charge is rolled over to

1       their next bill.

2                   The next one is about the root cause. I  
3 spoke to the root cause. So, I will proceed, unless asked  
4 to repeat.

5                   "Regarding the scheduled upgrade to  
6 Liberty's new billing system referenced on April 24th,  
7 please describe the areas of the billing system that are  
8 being upgraded. Will the planned upgrade provide enhanced  
9 functionality for the billing system or is it focused only  
10 on correcting known issues within the billing system?"

11 The upgrade contains both upgraded functionality and  
12 corrections. In addition to the items already mentioned,  
13 significant aspects of the system have been upgraded to  
14 include: Improved performance of batch programs; minor  
15 enhancements to many aspects of business including  
16 collections, credit ratings, meter reading, billing and  
17 service order processing.

18                   Breakdown of the bills -- oh, I'm done  
19 answering the questions regarding that.

20                   CHAIRMAN IGNATIUS: Thank you. Does the  
21 OCA have any questions on this issue?

22                   MS. HOLLENBERG: No thank you.

23                   CHAIRMAN IGNATIUS: Staff? Mr.  
24 Connolly.

1 MR. CONNOLLY: Yes, I have one please.  
2 In the 33 customers not billed for three months, how many  
3 of those were in the 129 that were not billed for two  
4 months?

5 MS. COOK: I'm sorry. Can you repeat  
6 the question?

7 MR. CONNOLLY: There's 33 customers who  
8 were not billed for three months. How many of them are  
9 also in the 129 customers who were not billed for two  
10 months?

11 MR. SHERRY: I don't know. We'll have  
12 to get back to you on that.

13 MS. COOK: Yes. I think we should get  
14 back to you on that, just to validate it.

15 CHAIRMAN IGNATIUS: So, just to be  
16 clear, does the number "129" include --

17 MS. COOK: Yes.

18 CHAIRMAN IGNATIUS: -- the 33 that were  
19 not billed for three months, or are those two different  
20 categories that need to be added together for a total?

21 MS. COOK: Yes. I'd just like to  
22 confirm.

23 CHAIRMAN IGNATIUS: That's fine.

24 MR. CONNOLLY: And, in (c), your



1 response to (c), about the manual bill rolling over into  
2 the following month?

3 MS. COOK: Uh-huh.

4 MR. CONNOLLY: Is that considered a  
5 customer default, and, under an obligation, is there a  
6 late payment associated with that, a late payment fee,  
7 since it's being adjusted out of that extra month?

8 MS. COOK: Right. So, we had not run  
9 the late payment fee. So, there was no impact to the  
10 customer for that delay.

11 MR. CONNOLLY: Thanks.

12 CHAIRMAN IGNATIUS: Commissioner Scott,  
13 a question?

14 CMSR. SCOTT: Thank you. Quickly, on  
15 the meter changes, is that analogous, is it the same issue  
16 for electric meters also? So, is the fix comparable to  
17 both?

18 MR. LOWSON: Yes.

19 (Court reporter interruption.)

20 MR. SHERRY: I'm concurring, "yes".

21 It's comparable to both.

22 CHAIRMAN IGNATIUS: All right. And, I  
23 think that's it for questions from the Commissioners.  
24 And, the next item is "Clarity of Multiple Month Bills".

1       Let's go off the record for a moment.

2                       (Brief off-the-record discussion  
3                       ensued.)

4                       CHAIRMAN IGNATIUS: All right. So,  
5       we're back on the record. "Clarity of Multiple Month  
6       Bills" is the next section.

7                       MS. COOK: Okay. So, the issue is that  
8       bills spanning a multiple month billing period, while  
9       accurate, have been confusing to the customer. The system  
10      is actually functioning as designed, and it does render  
11      the bills for multiple months accurately. We've reviewed  
12      the bills in question to validate the accuracy of those  
13      charges. We also worked with the vendor to develop code  
14      change to allow individual month calculation and  
15      re-billing on one bill. This code change was implemented  
16      on May -- May of this year. Executing the daily quality  
17      assurance process, we're able to validate that it is  
18      indeed working. And, for customer requests prior to the  
19      May code change, we are doing a manual re-calculate  
20      monthly bills as requested.

21                      CHAIRMAN IGNATIUS: And, let me just  
22      note, some of the questions in the Staff filing are fairly  
23      long. You don't need to read those full questions.

24                      MS. COOK: Probably good for me to read.

1       Okay. So, let's jump into the Staff questions.

2       "Breakdown of those covering more than one period." I'm  
3       not missing the Staff questions. Gotcha. (a) Our use of  
4       the words "unusual requirement" was solely to explain  
5       that, as it pertains to our billing system, the condition  
6       is not regularly occurring and is not occurring in other  
7       states. We acknowledge that several thousand customers  
8       make this an important activity. And, we will continue to  
9       commit to billing it accurately.

10               I'll transfer to Number 2. Or (b)? Oh,  
11       sorry. I jumped to Number 2, before talking about our  
12       LIHEAP customers. The question was, "there were  
13       approximately 5,000 customer accounts that became eligible  
14       for the low income rate as resulted from the LIHEAP  
15       eligibility manually rebilled?" So, yes. Here are the  
16       billing steps taken to ensure these customers received the  
17       discounted rate: Received and processed the weekly  
18       enrollment files from Community Action Agencies; coded the  
19       fuel assistance customers in Cogsdale; added collection  
20       exception to the accounts; updated the accounts with the  
21       low income rate; canceled/rebilled those customers on the  
22       low income rate back to November bill and billed on their  
23       next cycle read. Bill.

24               MR. SHERRY: Sure. And, the next

1 question relates to "meter tests that resulted in a  
2 failure of plus or minus 2 percent". This has been a  
3 discussion that several staff have been having with the  
4 Company. And, what's provided here in the chart are the  
5 number of meters that were tested in the January to April  
6 2014 period, the number that resulted in "fast" and  
7 "slow". So, we tested 1,052: 54 tested fast/18 tested  
8 slow. In the year 2013, you'll see the corresponding  
9 data.

10 We're finishing -- there's been recent  
11 discussions between Staff and the Company on how we will  
12 apply the credits or debits for those accounts. And,  
13 we're finalizing that process now. Nicole is going to be  
14 following up with Amanda this week with some questions  
15 about how we apply the 2 percent credit towards the  
16 accounts who were billed fast. And, we have our manual  
17 process in place to take care of applying those credits  
18 needed under the 1200 rules.

19 CHAIRMAN IGNATIUS: Thank you.

20 MR. SHERRY: Now, just one final note.  
21 This lists the Company-tested meters, not  
22 customer-requested tests. Those are handled on a -- the  
23 meters, the numbers listed on this handout reflect  
24 Company-tested meters. If a customer calls in and

1 requests a meter test, it follows a distinctly separate  
2 process.

3 CHAIRMAN IGNATIUS: All right.

4 MS. COOK: I've move to Question 3. So,  
5 the Cogsdale system was designed to rebill multiple months  
6 in a single calculation. Effective with Cogsdale's  
7 release version 11.29, our staff can now select a  
8 month-to-month option for rebilling of accounts. This  
9 should provide greater clarity for our LIHEAP customers  
10 and other affected customers.

11 The month-to-month rebilling upon  
12 request is being enabled. Customers on Fuel Assistance  
13 would be identified by the commitment letters and the  
14 rebill request processed when the letter are received with  
15 no action required from the customer. That was the answer  
16 to Number 4.

17 CHAIRMAN IGNATIUS: I'm sorry. Can you  
18 just repeat that? The answer was about things being  
19 automated, and --

20 MS. COOK: Yes. So, --

21 CHAIRMAN IGNATIUS: -- also about  
22 customer requesting -- the question blended both  
23 automation and customer requests. So, I was sort of  
24 confused by the question, I guess, more than the answer.

1 MS. COOK: Okay. So, I will re-read it,  
2 just for my own sanity. "Regarding the referenced upgrade  
3 to the billing system scheduled for May 2014, please  
4 clarify which process is being automated: Month-to-month  
5 rebilling as a matter of course; or month-to-month  
6 rebilling upon request." And, the answer is  
7 month-to-month billing upon request is being enabled.  
8 Customers on Fuel Assistance would be identified by the  
9 commitment letter and the rebill request processed when  
10 the letters are received with no action required from the  
11 customer.

12 CHAIRMAN IGNATIUS: So, unless someone  
13 seeks to go to the month-to-month rebilling, what happens?

14 (Mr. Lowson conferring with Mr. Sherry  
15 and Ms. Cook.)

16 MS. COOK: Yes. So, I'm not sure if  
17 this will clarify for folks, but maybe, I'll reiterate.  
18 The customer does not, we will, in choosing the  
19 month-to-month calculation. So, the person generating  
20 that bill can now choose, being the user, would now choose  
21 "do I want month-to-month billing on this recalculation?"  
22 And, if the answer is "yes", it will do a month-to-month  
23 recalculation. So, the customer doesn't need to do  
24 anything. Internally, we need to make the decision. The

1 option is, "do you want to do a month-to-month or not?"  
2 So, there's really an option to choose.

3 Doesn't sound like I helped at all in  
4 that description. Maybe I would -- would it benefit  
5 somebody else speaking to it?

6 MR. LOWSON: Yes. Well, I can -- am I  
7 on? I think we're getting -- the way the answer is  
8 described feels like we're getting -- we're introducing  
9 confusion between the way the system works and what the  
10 users need to do and what we're expecting of our  
11 customers. So, maybe just to reiterate. The change  
12 that's been implemented in the billing system enables a  
13 user to select, when needing to cancel and rebill a  
14 customer over multiple months, the functionality is in  
15 place to allow that to take place month by month. So, the  
16 customer can get -- if the customer was being rebilled for  
17 three months, they can see those three months separately.  
18 I think that's the key, the key part of the answer to the  
19 question.

20 What we're saying, I think, in the  
21 second piece, maybe the Customer Service team can speak  
22 to. But, if there are situations, like the one described  
23 here on Fuel Assistance, where it's known in advance what  
24 the appropriate form of cancel and rebill should be, then,

1 we don't need to ask -- you know, we don't need to ask the  
2 customer what option you want, we'll just effect what is  
3 the most appropriate option for rebilling in that specific  
4 scenario.

5 CHAIRMAN IGNATIUS: Why would "cancel  
6 and rebill" be something that you would be discussing at  
7 the outset? It seems like an odd situation.

8 MS. COOK: So, this is when the customer  
9 is -- becomes eligible for the energy assistance/fuel  
10 assistance. Do you want to just speak to the process?

11 MS. HARRIS: Yes. So, what happens, we  
12 receive fuel commitments from November through April, or  
13 through end of March. And, upon receipt of that  
14 commitment, we'll do a cancellation back to November. So,  
15 it's a cancellation, to go back, change the rate to the  
16 low income rate, and rebill with the next cycle reading.  
17 So, that has been coming -- you know, going to customers  
18 as a lump-sum bill for that time frame, instead of month  
19 by month, with the readings that were obtained originally.

20 CHAIRMAN IGNATIUS: And, so, would your  
21 plan be that you would ask customers, "in the event you  
22 become eligible for the LIHEAP benefit, do you want to be  
23 rebilled on a month-to-month basis?"

24 MS. HARRIS: It's not something that we



1 would ask the customers, no.

2 CHAIRMAN IGNATIUS: Okay. Then --

3 MS. HARRIS: It's more of an internal  
4 business process that we need to define as a company.

5 CHAIRMAN IGNATIUS: All right. The  
6 answer makes sense, except now I don't understand the  
7 first part of the answer, which was, I thought you said,  
8 "if the customer has already told you which way to go,  
9 then you don't need any more customer input." So, that's  
10 where I'm getting lost.

11 MS. COOK: I think that the customers  
12 are the feedback, and one of the reasons why we requested  
13 this change with our billing system, is that customers,  
14 from what we've heard, are showing a preference for the  
15 month-to-month. And, so, we will be going month-to-month  
16 when we receive those requests. So, we're not going to  
17 then try and contact the customer to make that decision.  
18 We'll just go month-to-month.

19 I don't know if that is helpful.

20 CHAIRMAN IGNATIUS: Should we, a little  
21 more on this question, before we -- all right. Then, why  
22 don't we work our way around the other parties. Is there  
23 anything else that you had, Ms. Cook, on the --

24 MS. COOK: No.

1 CHAIRMAN IGNATIUS: -- the general topic  
2 of the multiple month bills?

3 MS. COOK: No.

4 CHAIRMAN IGNATIUS: All right. Then,  
5 Ms. Hollenberg.

6 MS. HOLLENBERG: Thank you. What are  
7 the types of reasons are there for having to issue a  
8 multiple month bill, besides the example that you've  
9 given, which is the customer becoming eligible for the Low  
10 Income Assistance Program that the gas utilities offer?

11 MS. HARRIS: It could be a situation  
12 where there is a meter exchange, and maybe we didn't  
13 process it in a timely manner. So, it could equal it to a  
14 two month bill and a delay in processing. Another reason  
15 may be -- those are the two main reasons, actually, for a  
16 cumulative bill.

17 Or, if a customer has taken  
18 responsibility for a bill that was already rendered, say  
19 they, you know, moved in in January, and it was in the  
20 landlord's name, you can't take it out of the owner's  
21 name, and then cancel, and then put in the new person, and  
22 then rebill them to date. Those are probably the three  
23 most common scenarios.

24 MS. HOLLENBERG: And, with the Low

1       Income Gas Program customers, you are manually doing that  
2       process for all of the customers that are on that program?

3               MS. HARRIS: That's correct.

4               MS. HOLLENBERG: As they're -- as you  
5       receive notification that they're eligible, in one way or  
6       another, you take that step, you take the steps that you  
7       need to for each of those accounts?

8               MS. HARRIS: That's correct. As soon as  
9       we receive the commitment letter, it will get canceled and  
10      rebilled with the next bill cycle, the customer's next  
11      bill cycle.

12              MS. HOLLENBERG: Thank you. No other  
13      questions. Thank you.

14              CHAIRMAN IGNATIUS: Thank you. Does  
15      Commission Staff have questions?

16              MS. NOONAN: Just a couple, just to  
17      clarify. So, not only does Cogsdale now have the  
18      functionally to automatically do the month-to-month  
19      rebilling, it will be the Company's business practice that  
20      any cancel/rebill, for whatever reason, would provide the  
21      monthly detail for each billing period within that  
22      cancel/rebill period?

23              MS. HARRIS: Yes.

24              MS. NOONAN: Okay. Just wanted to make

1       sure we were all on the same page on that. But the  
2       customers that went on the gas low income discount this  
3       year, as a result of enrolling in the Fuel Assistance  
4       Program, the cancel/rebills they received were for the  
5       consolidated period of the cancel/rebill. You didn't  
6       manually calculate each month separately?

7                       MS. HARRIS: Unless requested.

8                       MS. NOONAN: Okay. Okay. And, then,  
9       you mentioned that the chart showing the Company  
10      request -- the Company tests, in accordance with the gas  
11      rules, have a different process than customer-requested  
12      meter tests. What's the difference in the billing  
13      adjustment process? I mean, understandably, one's  
14      initiated because you have a requirement to test so many  
15      meters a year, the other is initiated by the customer, as  
16      a result of a high bill or some other reason. But, in  
17      terms of the billing adjustment, what's the difference in  
18      the process?

19                      MS. HARRIS: There isn't.

20                      MS. NOONAN: There isn't.

21                      MS. HARRIS: I think we were just  
22      clarifying that these accounts or meters in this chart  
23      were as a result of the random sampling, --

24                      MS. NOONAN: Okay.

1 MS. HARRIS: -- and not  
2 customer-requested.

3 MS. NOONAN: Okay. So, have there been  
4 a number of customer-requested meter tests with  
5 outstanding bill adjustments that need to be worked,  
6 similar to the Company tests?

7 MS. HARRIS: I'm not aware of any.

8 MS. NOONAN: Okay.

9 MR. CONNOLLY: Yes. One quick -- or,  
10 two quick questions. The change to Cogsdale for the  
11 month-to-month option for rebilling, is that something  
12 that was exclusive to Liberty EnergyNorth Gas that you  
13 asked Cogsdale to put that feature in?

14 MR. SMITH: I don't believe it's  
15 exclusive to Liberty.

16 MR. CONNOLLY: But did you ask  
17 Cogsdale -- did Liberty ask Cogsdale to implement that  
18 month-to-month option for rebilling?

19 MS. COOK: Yes.

20 MR. CONNOLLY: When did you make that  
21 request?

22 MS. COOK: You know, I don't have that  
23 date with me right now.

24 MR. CONNOLLY: But you can get that date

1       for us.

2                       MS. COOK: I believe the answer is  
3       "yes".

4                       MR. CONNOLLY: Thank you.

5                       CHAIRMAN IGNATIUS: Thank you.  
6       Commissioner Scott.

7                       CMSR. SCOTT: Thank you. I wanted to  
8       revisit the chart with the meter tests. And, so, this is  
9       for my edification. That's a representative sample of  
10      those numbers? You don't target age of meters or anything  
11      like that, is that correct?

12                      MR. SHERRY: Commissioner, I'm not  
13      familiar enough with the testing requirements under that.  
14      We'd have to defer to our Operations colleagues. I'll  
15      look into it. I don't know if, Randy, can you speak to  
16      the "pick for" test criteria at all?

17                      MR. KNEPPER: Yes. You have to take the  
18      age into consideration. There are specific rules --

19                      (Court reporter interruption.)

20                      MR. KNEPPER: Sorry, Steve. You do have  
21      to take the age into consideration. We have specific  
22      requirements within our rules that describe exactly what  
23      those are.

24                      CMSR. SCOTT: Well, my question really

1 goes to, if I understand the -- assuming it is a  
2 representative sample, and not skewed by just old meters  
3 that hopefully maybe need replacing, it would appear that,  
4 you know, in the first block, we were talking about  
5 roughly 7 percent are outside the 2 percent tolerance, and  
6 the bottom block we're talking closer to 13 percent are  
7 outside the 2 percent tolerance. So, roughly speaking,  
8 we're talking one out of ten meters are out of tolerance.  
9 So, I'm just questioning, is that normal and should I be  
10 concerned with that?

11 MR. SHERRY: Commissioner, we'll get  
12 some more information and get back to you on that  
13 question.

14 CMSR. SCOTT: Okay. Thank you.

15 CHAIRMAN IGNATIUS: All right. I don't  
16 think there are any other questions from the  
17 Commissioners.

18 The next issue then is "Repetitive or  
19 Cumulative Bills".

20 MS. COOK: Customers have received  
21 duplicate or cumulative bills. So, why would this occur?  
22 Meter reading remained open in the system when  
23 transitioning from one customer account to another. What  
24 did we do to resolve the issue? Additional training was

1 provided to the Customer Service staff in February to  
2 avoid the error. And, then, we requested the vendor  
3 develop a permanent solution. The training was completed,  
4 and the IT code change was completed and implemented in  
5 May. And, executing the daily quality assurance process  
6 ensures that this has been corrected.

7 I'm going to move to address some of the  
8 Staff questions. So, I'm on Page 5, Question 1, under  
9 "Repetitive or cumulative bills". There's a bit of an  
10 explanation here. When a meter reading is received in  
11 Cogsdale, it is in an "open" status until it is used for  
12 billing or otherwise closed. Depending on the timing,  
13 it's possible to receive a meter read after the date the  
14 customer was due to move out, but before the account is  
15 finalized. These reads -- reads are held at the location  
16 level. So, when this happens, the "open" read can be  
17 applied to the new customer, even though it may have been  
18 for a date before they moved in. In cases such as  
19 landlords assuming responsibility between tenants, they  
20 could receive multiple bills because of this issue.

21 On an interim basis, the issue is  
22 corrected manually by closing the "open" read when the  
23 service order is finalized -- the service order to  
24 finalize the account is completed. The automated closing



1 of the open reads was corrected as part of the release  
2 11.29 in May of this year.

3 In Question 2, we refer to the  
4 description in Section 1. I won't bore you with my  
5 reading it again. And, in Question 3, it also refers to  
6 the same process that's causing this issue. I've moved on  
7 to Question 4: "Describe the resolution of this issue  
8 that Liberty has stated its software vendor is currently  
9 working on. What's the proposed resolution?" The  
10 solution will automatically close "open" reads. This will  
11 ensure that a new customer is not charged for usage for a  
12 period prior to moving into the location. Liberty is  
13 finalizing proposed changes to its occupant billing  
14 process and will present those changes to the PUC Staff  
15 and OCA in June.

16 Question 5 is about the manual -- the  
17 manual process used by Liberty to resolve the issue. At  
18 Step 8 of the 16 -- of the 16 of the billing process,  
19 company staff run a smart list which filters out accounts  
20 with reads greater than 35 days and less than 10 days.  
21 Once these accounts are identified, they are set aside to  
22 work as exceptions, which are handled on a daily basis.  
23 Any follow-up customer contact would occur as part of this  
24 manual process. Any customer refunds are processed on a

1 weekly basis.

2 And, our famous answer in Number 1 is  
3 repeated at Point Number 6. I'm not sure if there are  
4 questions?

5 CHAIRMAN IGNATIUS: All right. Any  
6 questions, OCA, on this issue?

7 MS. HOLLENBERG: Yes. I wanted to -- I  
8 had a question about how this issue relates to the  
9 occupant accounts. And, based on your response to Number  
10 4, I'm curious if you envision a number of occupant  
11 accounts increasing as a result of this new process, where  
12 your open reads are going to be automatically closed and  
13 not billed to the next customer?

14 MS. COOK: Let's digest your question.  
15 (Short pause.)

16 MR. SHERRY: Let me try to answer that.  
17 We're -- the Company, we're aware of the fact that our  
18 occupant billing process has been the subject of  
19 discussion for some time. And, as the previous answer  
20 mentioned, we're having internal discusses right now and  
21 making some significant changes to the occupant billing  
22 process.

23 MS. HOLLENBERG: Uh-huh.

24 MR. SHERRY: So, we'll be back to you

1 and Staff hopefully in early June, but before the end of  
2 the month of June. We need to talk it through with  
3 Operations right now. In particular, there are some items  
4 related to inside meters, are something we need to sort  
5 out a little bit. And, once we change the occupant  
6 billing process, we think it will address that piece of  
7 your question. So, --

8 MS. HOLLENBERG: Okay. But can I -- I  
9 mean, is it not logical that, if, before the change that  
10 you talk about in (4), if the open meter reads were left  
11 open until the new customer was billed for usage that  
12 didn't even occur when that customer was there, now that  
13 the open reads are being closed, and the new customer is  
14 not being billed for that usage, where is that usage being  
15 billed?

16 MS. HARRIS: That is billed to occupant.

17 MS. HOLLENBERG: Okay.

18 MS. HARRIS: Yes.

19 MS. HOLLENBERG: So, my question was, is  
20 it logical that, now that you're adding more to "occupant  
21 account" category, there will be more occupant account --

22 MS. HARRIS: Not necessarily, because we  
23 would catch that anyways. It's just, it was a crossover  
24 in the timeframe where the open read with the final bill

1 for the occupant hadn't been closed yet within the system.  
2 So, I mean, we'd have to close it anyways, either way.  
3 So, I don't think it would be an increase of occupant  
4 usage.

5 MS. HOLLENBERG: Okay. Thank you.

6 CHAIRMAN IGNATIUS: Mr. Wiesner.

7 MS. NOONAN: I really kind of hate to  
8 get like so far down into the weeds, but I'm having a  
9 difficult time understanding the explanation about the  
10 "open" status, and closing it out, and how that all  
11 relates with the occupant accounts. So, let me just draw  
12 out a scenario and see if I'm understanding it correctly.

13 A customer has an account in their name,  
14 and they move out on April 15th, and their read is  
15 April 30th. So, their bill is final as of April 15th,  
16 based on the April 30 read. And, if a customer moves in  
17 April 26th, you still have this open read. You have a  
18 period of time for occupant usage, from the 16th to the  
19 26th, and that open read is what caused this issue of  
20 continually going back to that read on April 30th every  
21 time the customer was subsequently billed?

22 MS. COOK: Yes. Yes, you are correct.

23 MS. NOONAN: Yes. Okay.

24 MS. COOK: Because the system bills to

1 the open read.

2 MR. SMITH: Bills to the open read.

3 MS. NOONAN: Okay. All right. So, on  
4 the answer to Question 6, where you said "see the response  
5 to Question 1", is there a -- are there parameters in the  
6 billing exceptions process that would look at the usage or  
7 the dollar amount on an account and kick that bill out and  
8 say "this just doesn't look right"? So, you know, for  
9 example, and I realize the winter months are problematic,  
10 but suppose it's spring or summer, and all of a sudden you  
11 have a \$500 bill being generated in June. Does that --  
12 are there parameters that says "this usage or this dollar  
13 amount isn't right", and pushes it out for somebody to  
14 look at, that would potentially catch this open read  
15 issue? Is really kind of what I was trying to ask with  
16 that question.

17 MS. HARRIS: Yes. Well, our system  
18 doesn't kick out exceptions --

19 (Court reporter interruption.)

20 MS. HARRIS: The system doesn't kick out  
21 exceptions.

22 MS. NOONAN: Uh-huh.

23 MS. HARRIS: We have to run queries or  
24 smart lists in order to identify that, you know, the open

1 read situation. And, you know, there is a smart list, we  
2 call it a "smart list", or query, that does catch that for  
3 reads -- for bills with readings greater than 35 days or  
4 less than 10 days, and that's where they're catching them  
5 manually.

6 MS. NOONAN: And, so, is that  
7 calculation of the read from the open read, which I'll  
8 make up a new date, let's say was January 1st. And, then,  
9 in March, you're looking at it, and now it's beyond 35  
10 days. Is it calculating the time from March back to  
11 January?

12 MS. HARRIS: Well, if the read is open,  
13 it's picking up that open read.

14 MS. NOONAN: Okay.

15 MS. HARRIS: So, you're seeing that  
16 larger usage for a smaller time frame.

17 MS. NOONAN: Okay. So, even though  
18 you've read in between, it doesn't calculate to that  
19 interim read date. It goes back to the --

20 MS. HARRIS: -- first open read, yes.

21 MS. NOONAN: Okay.

22 MR. CONNOLLY: Yes, just a couple  
23 please. As I understand it, the way the system was  
24 working was to design. With this open read, and the

1       intervening subscriber coming in, that was -- it was  
2       operating the way that you wanted it to operate, is that  
3       right?

4                   MR. SMITH:  Yes.  It was operating as  
5       the system was designed, but there was a procedural step  
6       that needed to occur, whereby, when the account -- when an  
7       account was finalized, somebody went in and manually  
8       closed the open reads to ensure that this situation  
9       wouldn't happen.  The design was simply to use all  
10      available readings for billing.

11                   MR. CONNOLLY:  Right.  So, as you're  
12      moving forward towards Granite State, the same system  
13      would work exactly the same way?

14                   MR. SMITH:  Well, we deployed a new  
15      version on May 16th, where the open reads are now  
16      automatically closed when the account finalizes.

17                   MR. CONNOLLY:  Okay.

18                   MR. SMITH:  So, we eliminated that need  
19      for that manual step to --

20                   MR. CONNOLLY:  For an external process?

21                   MS. COOK:  Right.

22                   MR. SMITH:  Correct.

23                   MR. CONNOLLY:  Now, there's a new  
24      occupant -- revised occupant billing process that is being

1       worked on, that will be proposed in June. When would you  
2       expect to implement that?

3                   MR. SHERRY: Shortly thereafter.

4                   MR. SMITH: Yes.

5                   MR. SHERRY: Shortly thereafter. Once  
6       we've agreed upon it with Staff, I expect we can put it in  
7       place relatively quickly.

8                   MR. CONNOLLY: So, is it -- so, then, is  
9       that a manual process that's outside the system or is it  
10      inside one of these applications?

11                   MR. SHERRY: The system supports it.  
12      There won't be any changes --

13                   (Court reporter interruption.)

14                   MR. SHERRY: There will not be any  
15      additional changes needed in Cogsdale.

16                   MR. CONNOLLY: So, it's manual  
17      intervention?

18                   MR. SHERRY: No. No. Without getting  
19      into it in a lot of detail, we take -- Staff has provided  
20      us with examples of occupant billing processes used by  
21      other New Hampshire utilities. We've taken those under  
22      advisement. We're looking at it from an operating  
23      perspective what makes sense for Liberty, to try to  
24      tighten this up significantly.



1                   So, at a high-level example, a customer  
2 moves out. We don't have a subsequent tenant moving in to  
3 take -- or, a customer moving in to take over that  
4 account. We would set a disconnect notice potentially 10  
5 days out, 15 days out, 30 days out, depending on what  
6 works operationally. And, if a customer hasn't taken over  
7 that account in that time period, the account is closed,  
8 the meter is locked out. So, there is no -- it would  
9 eliminate customers moving to occupant completely. We  
10 still have some issues to work around related to inside  
11 meters, landlord situations, and so forth. And, then,  
12 Cogsdale would be able to accommodate going from one to  
13 the other without the occupant billing step.

14                   MR. CONNOLLY: Okay. So that the  
15 testing, prior to implementation of Granite State, will  
16 consider these configurations of customers and tenants and  
17 landlords?

18                   MS. HARRIS: We would follow the same  
19 process for gas and electric, where the process wouldn't  
20 change.

21                   MR. CONNOLLY: So, testing that would go  
22 on would come up with exactly the same results for gas and  
23 electric?

24                   MR. SMITH: Right.

1 MR. LOWSON: Right.

2 MR. CONNOLLY: Where you're experiencing  
3 with gas live, testing would show the same kind of results  
4 for electric?

5 MR. SMITH: Yes.

6 MR. LOWSON: Yes.

7 MR. CONNOLLY: And, that would be in --  
8 what test cycle would we see those in?

9 MR. LOWSON: Well, it would certainly be  
10 in Test Cycle 4. I can't answer as to whether it would --  
11 those scripts would also have occurred in earlier test  
12 cycles. But it would definitely be in Test Cycle 4.

13 MR. SHERRY: Definitely in 4.

14 MR. CONNOLLY: Thank you.

15 CHAIRMAN IGNATIUS: Anything further  
16 from the Staff?

17 MS. NOONAN: I just had one last  
18 follow-up question. The smart list which filters for  
19 accounts with readings greater than 35 days and less than  
20 ten days, is that something that was recently implemented?

21 MS. HARRIS: I believe, Amanda, it was  
22 in January.

23 MS. NOONAN: Okay. Thank you.

24 CHAIRMAN IGNATIUS: I had one other

1 question on the smart list. You had said that it is only  
2 run when you ask it to, the queries that it puts it  
3 through. Why do you not just automatically have it run as  
4 a filter on everything, so you don't have to actively  
5 remember to go and ask it the questions?

6 MS. HARRIS: We actually have a  
7 checklist of all the smart lists. I believe it was 18  
8 steps --

9 MR. SHERRY: Sixteen.

10 MS. HARRIS: 16 steps, I'm sorry. And,  
11 one of those -- you know, that smart list is included in  
12 that 16 steps, or substeps of one of the steps.

13 CHAIRMAN IGNATIUS: So, is there ever a  
14 process where you don't run the smart list queries?

15 MS. HARRIS: No. It's just a whole part  
16 of the billing routine. It's just incorporated within,  
17 you know, on how we get the bill out the door, and the  
18 validation that goes along with that.

19 CHAIRMAN IGNATIUS: Good. Thank you.  
20 There's one final billing issue on dealing with "online  
21 bills". Perhaps we can finish that, and then take a lunch  
22 break.

23 MS. COOK: Customers who are enrolled in  
24 eBilling can view their balance prior to viewing their

1 bill detail. So, the root cause is that the bill  
2 presentment and the account balance presentment for eBill  
3 customers are updated by two different files. When we  
4 deployed the "Process and Hold" practice at Fiserv in  
5 January, the bill presentment was delayed, but there was  
6 no synchronization with the account balance. So, that  
7 window, where we were holding -- what we did was, to  
8 correct it, we removed the "Process and Hold" feature,  
9 which eliminated the online viewing delay. I think the  
10 "Process and Hold" meant that we were holding those  
11 electronic bills for 24 hours or more to review them, but  
12 the account balance file had been sent, which did -- we  
13 created, to some extent, we created our own issue by  
14 putting "Process and Hold" in place. And, so, now that we  
15 have removed the "Process and Hold" feature, we've  
16 minimized what that window is. They are still two  
17 separate files. So, there's a small window, usually in  
18 the early a.m. hours, where the account -- the bill  
19 presentment and the account balance may be seen -- may not  
20 be -- may be seen differently from the customer  
21 perspective. But the issue with customers actually having  
22 that delay has been removed by removing that process, and  
23 we removed that process in April.

24 I guess I'll read, on Page 7, the

1 response. We previously deployed "Process and Hold", the  
2 bills were held at the print vendor for review by Liberty  
3 prior to release to the USPS and the eBill site. Liberty  
4 terminated this feature in April. Fiserv receives two  
5 updates each day, one of which includes the current  
6 account balance for all Liberty accounts at 3:00 a.m. and  
7 another at 4:00 a.m. that contains the file for printing  
8 and eBills. This information is presented to customers  
9 who register in Fiserv. Fiserv's bill printing and  
10 eBilling are two distinct processes that commence each day  
11 at 4:00 a.m., and are usually completed by 10:00 a.m.,  
12 with the eBill notification being sent shortly thereafter.  
13 Since bills are calculated one day and printed the next,  
14 there is a short period of time when the current bill  
15 amount can be viewed, but the eBill has not been issued.  
16 This period may have been a day or more during the billing  
17 delays noted above when bills were being held for review.

18 There's a question here about the  
19 Web-based customer portal referenced in Liberty's 2014  
20 response. We will be soliciting Staff and OCA for dates  
21 in June to discuss our web site and provide feedback. We  
22 have not finalized the timeline for updating the web site.  
23 And, that's it.

24 CHAIRMAN IGNATIUS: Is there any

1 question, Ms. Honig -- excuse me -- Ms. Hollenberg?

2 MS. HOLLENBERG: This used to happen  
3 where we used to work, too, right?

4 CMSR. HONIGBERG: I've been waiting for  
5 someone to do it, Rorie. Going back to days at the AG's  
6 Office.

7 MS. HOLLENBERG: How many customers has  
8 this impacted? How many customers use the online billing?  
9 What proportion of customers, total customers, just to get  
10 a sense of what we're talking about?

11 MS. COOK: You know what, I could, maybe  
12 at lunch, pull up the report that has the exact number of  
13 customers, and give you a number.

14 MS. HOLLENBERG: Okay. Okay. That's  
15 the only question I have. Thank you.

16 CHAIRMAN IGNATIUS: Thank you.

17 MS. COOK: It's in the thousands, not in  
18 the tens of thousands.

19 MS. HOLLENBERG: Uh-huh. Thank you.

20 MR. WIESNER: Does the Company expect to  
21 have the upgrades to the customer web portal completely  
22 prior to the Granite State conversion?

23 MS. COOK: No.

24 MS. NOONAN: Again, just for

1 clarification. The small window that you talked about,  
2 Katy, is that the hour, from 3:00 a.m. to 4:00 a.m.? So,  
3 if I happen to work the third shift and still be up in the  
4 morning, I could see the balance due at 3:00, but not see  
5 my bill until 4:00?

6 MR. SMITH: It would be a little later  
7 in the day than that, probably between 8:00 and 10:00.  
8 So, the file that contains the account balance, if it's  
9 sent at 3:00, they process it immediately -- they commence  
10 processing immediately. It's a large file, because it  
11 includes all of our accounts. Takes them four to five  
12 hours to complete the load. Meanwhile, they receive the  
13 billing file, that commences at 4:00 a.m., usually ends  
14 about 10:00, and the eBill notification goes out. So,  
15 some -- you know, approximately between 8:00 a.m. and  
16 10:00 a.m., if a customer logged into the website to look  
17 at their eBill balance, they could see that, you know,  
18 there was a balance from yesterday's billing run that  
19 hasn't been reflected in an eBill yet.

20 MS. NOONAN: Okay. Does the  
21 functionality exist to swap the two processes, so that the  
22 processing of the eBill happens before the processing of  
23 the bill amount?

24 MR. SMITH: We'd have to -- we would

1 have to discuss that with the vendor.

2 MS. NOONAN: Okay. So, there may be  
3 some implications beyond just simply sending one before  
4 the other? Okay.

5 MS. COOK: They're the ones, actually --  
6 so, just for clarity, they're the ones that are doing that  
7 sending of the files.

8 MS. NOONAN: Uh-huh.

9 MS. COOK: So, that's why we would want  
10 to work with them on it.

11 MS. NOONAN: Okay. Thank you.

12 CHAIRMAN IGNATIUS: Just a couple more  
13 questions on this. Is there any customer notification put  
14 on the website to say that "there may be a short delay in  
15 your account showing any payment that's been made"?

16 MS. COOK: Yes, I'm --

17 MR. SHERRY: We're not specifically  
18 aware of it.

19 MS. COOK: We would have to check.

20 CHAIRMAN IGNATIUS: Would that be  
21 useful, if the problem is a customer is expecting to see  
22 something that they don't?

23 MS. COOK: It sounds like it would be  
24 useful and fairly easy to accomplish. So, --



1 CHAIRMAN IGNATIUS: And, the other  
2 question is, is this an issue just of customer confusion,  
3 that they think "well, I sent that thing off, you know, at  
4 midnight, and why is it not showing this morning?" Or are  
5 there any consequences, where the person thinks that they  
6 have come in under a deadline to avoid a late charge,  
7 let's say? And, because your processing is taking a few  
8 hours longer, I mean, this is not a long period of time it  
9 doesn't sound like, but I guess there are sometimes where  
10 a matter of a few hours could make a difference, where the  
11 sequencing of the processing is usually causing the  
12 customer to incur a charge?

13 MR. SMITH: No. This is a processing  
14 that's occurring at the time the bill is being rendered,  
15 not when they're paying or would be subject to late  
16 charge. So, the confusion seems to be that the -- that  
17 during that period when we had the bills on "Process and  
18 Hold", a customer would log into the website, see a  
19 balance of \$100 on their account, but they haven't  
20 received a bill for \$100 yet, and wonder "why does your  
21 web site say I owe you \$100, when I haven't got a bill  
22 yet?"

23 CHAIRMAN IGNATIUS: Okay. You're right.  
24 I was crossing into payment issues, and that's not what

1       this situation is.

2                       MR. SMITH:   Right.

3                       CHAIRMAN IGNATIUS:   Okay.   Thank you.

4       All right.   Then, it looks like we're done with the online  
5       bills, and that concludes the issues that were directly  
6       related to billing.

7                       We should take a break, at least a break  
8       for 15 minutes or so.   But the issues yet to come are  
9       fairly complex.   And, so, my expectation is that a lunch  
10      break would be more appropriate.   Does anyone have any  
11      concerns with that?

12                      (No verbal response)

13                      CHAIRMAN IGNATIUS:   All right.

14                      MS. KNOWLTON:   I think we would, if it's  
15      helpful, continue to proceed in the same manner that we've  
16      been proceeding this morning after we take a lunch break?

17                      CHAIRMAN IGNATIUS:   Yes.   It's been very  
18      helpful to us.   So, thank you.   All right.   Then, why  
19      don't we take a break.   Let's try to keep it to an hour.  
20      It's now 12:30.   So, if we can resume at 1:30.   Thank you.

21                      (Whereupon a recess was taken at 12:30  
22                      p.m. and the status conference resumed  
23                      at 1:37 p.m.)

24                      CHAIRMAN IGNATIUS:   We're back for the

1       afternoon session in DG 11-040. Where we left off is with  
2       the beginning of the section on Customer Service. And,  
3       should we -- anything we need to take up before we dive  
4       into this section?

5                       MS. KNOWLTON: I just have a few reports  
6       back that we wanted to give, things that we were able to  
7       follow up on during the lunch break.

8                       The first is on the occupant account  
9       issue. I wanted to clarify for the record where we are on  
10      that. Which is, the Staff had previously asked the  
11      Company to consider changing its occupant account process,  
12      and has suggested that we look at the Northern Utilities'  
13      process, which we are currently doing. And, what we're  
14      going to do is sit down with the OCA and the Staff in June  
15      and talk about a change to that policy, and then talk  
16      about "what are the steps that need to be undertaken to  
17      implement a change to that policy?" So, I think we might  
18      have gotten a little ahead of ourselves in the discussion  
19      this morning on that, and I want to be clear about what  
20      we're doing. But it is very much on the forefront of our  
21      agenda to follow up on.

22                      The second issue I wanted to address is  
23      with regard to the number of customers that use the online  
24      billing feature, and that is 14,000.

1                   And, the last question to follow up on  
2                   relates to the questioning regarding accounts without  
3                   bills. This is on Page 2 of the question and answer  
4                   handout, Question Number 1(a). G3 I believe had a  
5                   question about the 33 customers that were not billed for  
6                   three months, and whether that was -- those 33 were among  
7                   the 129 customers that were not billed for two months.  
8                   And, they are not. It is not. The 33 is not a subset of  
9                   the 129.

10                   CHAIRMAN IGNATIUS: Thank you.

11                   MS. KNOWLTON: So, with that, I'll turn  
12                   this over to Mr. Pasieka.

13                   MR. PASIEKA: Thank you, Commissioners.  
14                   To move into -- I guess we're moving into the next section  
15                   on Customer Service. So, we're going to ask Bill Sherry,  
16                   our Vice President of Customer Service to take the lead.  
17                   And, as per the morning session, he will be supported by  
18                   Nicole and Katy.

19                   MR. SHERRY: Good afternoon,  
20                   Commissioners.

21                   (Court reporter interruption.)

22                   MR. SHERRY: I'm sorry. We're on, the  
23                   lights are connected. Can you hear me now?

24                   MR. PATNAUDE: Yes.

1 MR. SHERRY: Okay. The issue was the  
2 12-month call answering performance had dropped below the  
3 agreed upon performance level. Just as a reminder, the  
4 Company is very cognizant of its commitments to the -- I'm  
5 sorry, Commissioner? You're looking perplexed?

6 CHAIRMAN IGNATIUS: No, we were --  
7 sorry.

8 MR. SHERRY: Okay.

9 CHAIRMAN IGNATIUS: We were debating  
10 whether we had another microphone to move to not have as  
11 much need for passing back and forth. And, we do have  
12 some extras, if you want, but I don't want to --

13 MR. SHERRY: There we go.

14 MS. COOK: I had promised to be quiet.

15 MR. SHERRY: The issue was the 12-month  
16 call answering performance had dropped below the agreed  
17 upon performance level. And, just to remind the  
18 Commission, the Company has agreed to meet an 80 percent  
19 of the calls answered in 30 seconds on a 12-month rolling  
20 average for EnergyNorth, and the corresponding standard  
21 for Granite State Electric will be 80 percent of the calls  
22 answered in 20 seconds.

23 Just some data points for the Commission  
24 to consider as we go into the root cause and the

1 discussion. In the period September 2013 through  
2 April 2014, when compared to the same period the prior  
3 year, we took over 13,500 additional calls in a comparable  
4 period, in September of 2013 to April 2014, compared to  
5 September 2012 to April of 2013. We had also seen  
6 increasing monthly call volume in the months prior to  
7 conversion. May, June, July, and August of 2013, call  
8 volumes were increasing. Why at this point? You know,  
9 don't know. But call volumes had been jumping, 3,000 in  
10 the month of April, 1,600 in the month of June, 1,800 in  
11 the month of July, and 500 in the month of August. So,  
12 customers were calling more.

13 What was the root cause behind our  
14 failure to meet the performance level in February? It's a  
15 combination of multiple factors. Seasonal call volumes  
16 were way up this year. This was a tremendously difficult  
17 winter, prices were up, customer bills were up. And, we  
18 introduced a new bill format, new phone numbers,  
19 everything new about dealing with Liberty, new Staff, new  
20 procedures. Were we able to distinguish one from another  
21 in what drove the call volume? No. But all these things  
22 were contributing to increased call volume.

23 What are some of the actions that we've  
24 taken to address this? Additional staff has been added,

1 and is being added, and I'll speak to that in a moment.  
2 We've increased the training of our Customer Service  
3 staff. And, where possible, we're moving non-call related  
4 activities to off hours and weekends.

5 Our service level, again, as I  
6 mentioned, we're very aware of our commitment to  
7 80 percent of non-emergency calls in 30 seconds.

8 Post implementation monitoring: We're  
9 monitoring -- we're assessing and adjusting staffing on a  
10 daily basis based on the business needs. That's what  
11 Nicole and her team do daily. We adjusted the staffing  
12 levels to correspond to peak calling patterns. For  
13 example, just in recent weeks, we have discovered we have  
14 a significant level of call activity Monday and Tuesday  
15 mornings early. So, we're bringing in additional staff  
16 early Monday and Tuesday mornings to meet those call  
17 volumes as they're coming in. We're communicating these  
18 results to our front line employees. Our Customer Service  
19 Supervisor, Christine Downing, has a number of senior  
20 customer service reps who help run the team of customer  
21 service reps. She communicates with them on a daily  
22 basis. How did we do with service levels yesterday? How  
23 was call handling time? What is our focus for today?  
24 We're also increasing the level of communications with the

1 front line reps.

2 Looking ahead, we're looking at  
3 alternatives where we could possibly bring in maybe  
4 part-time employees, or, using technology, even engage the  
5 other Liberty regions to potentially field some calls in  
6 emergency situations or in high call volume situations.  
7 That would be a ways off. And, we could do the same thing  
8 for the other Liberty regions.

9 Now, speaking about staffing. When we  
10 entered into the gas conversion in September of last year,  
11 we had 25 customer service reps on the property, and that  
12 was 15 permanent reps and 10 temporary reps. Today, we  
13 have 34 reps on the property. In anticipation of the  
14 electric conversion, we're bringing on six more next week  
15 who will go through training. So, we'll have 40 on the  
16 property in -- around, ready, trained, and ready to go for  
17 July 1st. So, we're -- based on everything we're looking  
18 at for information right now, we're expecting about 400  
19 more calls per day as a result of the Granite State  
20 Electric addition.

21 Now, going to the questions. I'll start  
22 on Page Number 7. I won't read the entire question.  
23 Under "Call Center", Granite State Electric and  
24 EnergyNorth will have two distinct Customer Service



1 numbers. We're able to set two -- we are able and will be  
2 able to set two distinct queues and to monitor the two  
3 separate service levels. If necessary, we can even  
4 designate certain customer service reps to be primary gas  
5 reps or primary electric reps. As I mentioned, we're  
6 hiring additional resources to handle the electric  
7 conversion. Our customer service reps are cross-skilled,  
8 and they will be able to handle both gas and electric  
9 calls.

10 We're continuing to drive non-call  
11 activities to the off hours. And, I just wanted to point  
12 out, you know, these are all jobs we've added in New  
13 Hampshire. Customers are calling and speaking to our  
14 Customer Service staff in mostly, today, in Londonderry.  
15 And, as David mentioned earlier, we're opening walk-in  
16 centers not only in Londonderry, but in Salem, Tilton, and  
17 Lebanon. And, if you think of those other locations, this  
18 will be a virtual customer service organization. And, so,  
19 the customer service reps staffing that walk-in center  
20 will also be connected on the phone. So, if they're not  
21 handling a walk-in customer, they will be connected and  
22 taking calls. And, I mentioned earlier, going forward,  
23 we'll be considering alternate staffing ideas, such as  
24 permanent/part-time CSRs and improvements in technology.

1                   Lastly, and something I just wanted to  
2                   point out regarding service levels. Going through the  
3                   process of responding to the letters and the questions of  
4                   the Commission and the Staff, we discovered in our monthly  
5                   service level reporting we were only reporting on our  
6                   normal business calls answered in 30 seconds. The metric,  
7                   we should be reporting on all calls answered; normal  
8                   business calls, emergency calls, and calls through the  
9                   IVR. So, we're handling all of those calls. But the data  
10                  that we provided so far only reflected, and we just  
11                  discovered this yesterday, only reflected the normal  
12                  business calls. So, we're going back now to revisit those  
13                  numbers and review them. And, we'll be reporting back  
14                  shortly.

15                 CHAIRMAN IGNATIUS: And, do you know, in  
16                 a general sense, whether, by adding the other categories,  
17                 the performance improves or declines?

18                 MR. SHERRY: The performance appears to  
19                 improve.

20                 CHAIRMAN IGNATIUS: Thank you. All  
21                 right. Any questions from Ms. Hollenberg?

22                 MS. HOLLENBERG: Yes. Thank you. I  
23                 just wanted to note, and have the Company confirm, that,  
24                 after the response to the Staff's memo, you have filed a

1 call answering report for the month of April. And that,  
2 again, you are below the standard set by the Settlement  
3 Agreement and order, is that correct?

4 MR. SHERRY: That was correct.

5 MS. HOLLENBERG: And, I appreciate how  
6 you talked about the steps that the Company is taking to  
7 prevent the performance from dipping below the 80 percent  
8 going forward. What I wonder, though, is that, for three  
9 months at this point now, and setting aside the fact that  
10 you are going to scrub the numbers again and see whether  
11 or not there are changes, that adding the other calls in  
12 change your performance for April and February and  
13 January, where they were all below the 80 percent. I  
14 wonder what, if anything, the Company is prepared to offer  
15 customers on account of not meeting standards set by the  
16 agreement and the order in the -- in the merger case?

17 MR. SHERRY: I don't think we're  
18 prepared to discuss that right now. I would note, Rorie,  
19 that, in regards to the winter months, several different  
20 dynamics are at play. In January of this year, compared  
21 to last year, we had 2,600 more calls; in February, 1,800  
22 more calls; in March, 1,600 more calls; and, in April,  
23 1,300 more calls. Also, in particular, in March -- excuse  
24 me, in April, as we were anticipating the electric

1 conversion coming up, originally scheduled for Memorial  
2 Day, we had a significant amount of training that was  
3 taking place for our Customer Service staff. So, on any  
4 given day, for several weeks, in particular, in April, we  
5 had a number of reps off the phone, so they could go  
6 through training in anticipation of the electric  
7 conversion. We have since delayed -- deferred that  
8 training, and we saw the immediate uptick in the end of  
9 April. For the month of May so far, we're at 85 and a  
10 half percent for the month of May. And, as we prepare for  
11 an eventual electric conversion July 4th, we'll be  
12 scheduling training off hours, to minimize the number of  
13 people taken off the phone during the day when customers  
14 are calling.

15 CMSR. HONIGBERG: Quick question. Is  
16 the 85 and a half percent the recalculated number or the  
17 apples-to-apples number?

18 MR. SHERRY: That's the apples-to-apples  
19 number right now, Commissioner.

20 MS. HOLLENBERG: If I could follow up?

21 CHAIRMAN IGNATIUS: Yes, please.

22 MS. HOLLENBERG: Thank you. I thought I  
23 had heard you say, Mr. Sherry, that you weren't certain as  
24 to why the call volumes increased as they did. Do you

1 have a sense of why they increased, for what reason you  
2 had higher call volumes?

3 MR. SHERRY: Well, let me clarify my  
4 statement, Rorie.

5 MS. HOLLENBERG: Okay.

6 MR. SHERRY: There were a number of  
7 contributing factors we believe that contributed to  
8 overall higher call volumes. We introduced, on our end,  
9 we introduced a new billing format, new call center, new  
10 website, a new experience for customers. On the customer  
11 side, this winter we saw some of the highest bills  
12 customers have seen in many years. So, volumes of bills  
13 went up and cost of bills went up.

14 What I intended to say earlier is that  
15 we weren't able to distinguish between those various  
16 causes, as to what individual one might have been  
17 contributing more.

18 MS. HOLLENBERG: I understood it that  
19 way. But thank you for clarifying.

20 MR. SHERRY: You're welcome.

21 MS. HOLLENBERG: I don't have any other  
22 questions. Thank you.

23 CHAIRMAN IGNATIUS: Thank you. Staff,  
24 questions? Ms. Noonan.

1 MS. NOONAN: Yes. I just wanted to  
2 clarify an earlier statement. I thought I heard Mr.  
3 Sherry say that emergency calls and calls handled through  
4 the IVR were not being calculated in the service levels  
5 being reported?

6 MR. SHERRY: That is correct, Amanda.  
7 We just discovered that yesterday. We had just been  
8 reporting on the normal business calls answered in 30  
9 seconds.

10 MS. NOONAN: Okay. Why would emergency  
11 calls be included in that calculation? I believe there's  
12 a separate service level for response time for emergency  
13 calls.

14 MR. SHERRY: That is correct. There's a  
15 separate 90 percent in 10 seconds. That's a separate --  
16 separate metric reported for emergency. But, prior to the  
17 conversion, the numbers that had been reported by National  
18 Grid included all calls answered. So, in terms of  
19 comparing apples-to-apples, we would need to include  
20 normal calls, emergency calls, and IVR calls to capture  
21 everything.

22 MS. NOONAN: To do an apples-to-apples  
23 comparison to Grid's performance. But, I guess, you know,  
24 the Commission needs to determine what an appropriate

1 calculation is for Liberty. Certainly, calls going  
2 through the IVR is usually a typical component of the  
3 service level calculation. I would agree with that.  
4 Sorry, just one more question.

5 CHAIRMAN IGNATIUS: Take your time.

6 MR. CONNOLLY: Thank you. Just a couple  
7 of questions, Bill. You said that call volumes in 2012 --  
8 or, 2013 versus 2012 show increases in 2013, is that  
9 correct?

10 MR. SHERRY: That's correct.

11 MR. CONNOLLY: In 2012, those calls were  
12 being handled by National Grid, is that right?

13 MR. SHERRY: That's correct.

14 MR. CONNOLLY: So, just since September  
15 or so of 2013 has Liberty been handling those EnergyNorth  
16 Gas calls?

17 MR. SHERRY: That's correct.

18 MR. CONNOLLY: Under reporting, because  
19 of these exclusions that were -- the emergency calls and  
20 the IVR calls are not in either the numerator nor the  
21 denominator of the performance statistic? Is that  
22 correct?

23 MR. SHERRY: That's correct.

24 MR. CONNOLLY: So, when you add those

1 back in, we're going to see even more volume of calls  
2 received?

3 MR. SHERRY: Let me restate that, Tim.  
4 We just discovered this yesterday. So, we still need to  
5 do some analysis on the numbers. We've been reporting on  
6 calls answered in 30 seconds, compared to total calls  
7 answered. So, we have some more work to do in this area.

8 MR. CONNOLLY: Okay. So, those  
9 emergency and IVR calls are in the statistic reported when  
10 National Grid was handling the calls?

11 MR. SHERRY: I believe so, yes.

12 MR. CONNOLLY: And, they're not in --  
13 your current assessment is that they're not in since the  
14 September of 2013 reported?

15 MR. SHERRY: That's correct. That's  
16 correct.

17 MR. CONNOLLY: So -- okay. So, well, I  
18 guess we don't know how much of an increase, because we  
19 don't know how many -- what those volumes of calls are  
20 yet. How would -- how does Liberty in its system, since  
21 September, know an emergency call from a regular business  
22 call? What data on that call record do you look at that  
23 tells you it's an emergency call?

24 MS. HARRIS: It's within the IVR. And,



1       it's a separate queue that's established. So, it's  
2       separating out by all business calls, and then it's a  
3       separate queue that tracks the emergency calls.

4               MR. CONNOLLY: Does the customer call in  
5       to an emergency number? Or does it call the regular --

6               MS. HARRIS: It's the regular  
7       1-800-833-4200. And, it's Option 1 for emergency.

8               MR. CONNOLLY: So, when the customer  
9       keys in that choice, that's what drives it to that part of  
10      the queue for counting?

11              MS. HARRIS: That's correct.

12              MR. CONNOLLY: And also for call  
13      answering?

14              MS. HARRIS: Yes.

15              MR. CONNOLLY: And, that's how you'll be  
16      able to know how long it took for that secondary queue,  
17      the call that went into that second queue to get answered?

18              MS. HARRIS: Yes.

19              MR. CONNOLLY: That's it for me. Thank  
20      you.

21              CHAIRMAN IGNATIUS: Commissioner Scott.

22              MR. SHERRY: Excuse me just one second.  
23      Sarah -- pardon me just a minute.

24              CHAIRMAN IGNATIUS: That's fine.

1 (Mr. Sherry conferring with Ms.  
2 Knowlton.)

3 CMSR. SCOTT: Ready?

4 MR. SHERRY: Ready.

5 CMSR. SCOTT: What are the standard  
6 hours for the call-in centers for people to call in?

7 MS. HARRIS: 7:00 a.m. to 5:00 p.m.,  
8 Monday through Friday.

9 CMSR. SCOTT: And, during the Granite  
10 State cutover, it sounds like you expect increased volume  
11 due to increased issues, is that fair?

12 MS. HARRIS: Not necessarily. We  
13 will -- we'll be looking at different shifts, and  
14 potentially 24-hour coverage.

15 CMSR. SCOTT: That is where I was going.  
16 Do you plan to expand your hours available for people to  
17 call in?

18 MS. HARRIS: We're looking into that  
19 right now.

20 CMSR. SCOTT: Okay. Thank you.

21 CHAIRMAN IGNATIUS: Thank you. I guess,  
22 following up on Commissioner Scott's question, I assume  
23 that whatever you structure going into it for staffing,  
24 that you'll have some sort of ability to assess and

1       revise, if things get more difficult than you're  
2       expecting?

3                       MR. SHERRY:   Yes.

4                       (Ms. Harris nodding in the affirmative.)

5                       CHAIRMAN IGNATIUS:   Have you thought  
6       about kind of a backup plan on what you would do if call  
7       volume really does go up significantly, as we have seen in  
8       at least one other large merger transition?

9                       MR. SHERRY:   Our long-term plan, of  
10      those numbers I mentioned earlier, our current staffing  
11      budget this year is carrying 25 permanent customer service  
12      reps, anticipating an eventual steady state.  So, already  
13      we'll have 15 temporary customer service reps on staff  
14      booked for the conversion, through the conversion, until  
15      we stabilize.

16                      Lessons learned from the gas conversion,  
17      we brought in resources from the other Liberty Utilities'  
18      regions, to assist with the Customer Service staff in  
19      handling calls, as well as potentially take calls.  And,  
20      as I mentioned earlier, one alternative we're examining is  
21      being able to handle calls in some of the other regions at  
22      the same time.  We'll have to do some minor technology  
23      adjustments, so people have access to the various Cogsdale  
24      databases, but that's not a problem, and it's just a case

1 of directing a call. They're trained Customer Service  
2 staff, they will clearly be able to handle, you know, we  
3 could designate certain types of calls to be covered in  
4 those other regions. That's one of the plans we're  
5 considering.

6 CHAIRMAN IGNATIUS: Mr. Sherry, when you  
7 said you can measure the increased volume that you've had,  
8 but you can't be certain what each of the different  
9 possible contributing factors leads to what percentage of  
10 the increase in calls, I didn't say that very well, but is  
11 that fair?

12 MR. SHERRY: That's fair. We're not  
13 tracking calls in a individual call type at this point.

14 CHAIRMAN IGNATIUS: And, that surprised  
15 me when you said that, and I would have assumed, maybe  
16 based on how our Consumer Affairs Division records calls,  
17 that there's a coding of a call to be able to run reports  
18 whenever needed to see the kinds of calls that are coming  
19 in. And, so, they're down to some general categories of  
20 the types of things that people are calling about. You  
21 don't have that sort of coding system on your customer  
22 calls?

23 MS. HARRIS: The only level that we have  
24 is how the -- how they come in on the IVR options. So,

1       it's Option 1, which is emergency, and then, I should know  
2       this off the top of my head, but the other options are  
3       billing, general inquiries, and then there's another queue  
4       for collections, and then as well as sales.

5                   CHAIRMAN IGNATIUS: Thank you.  
6       Commissioner Scott.

7                   CMSR. SCOTT: Another follow-up on the  
8       calls. Is there an average duration of a call or is it  
9       just they're all over the map?

10                  MS. COOK: So, we use a Cisco telecom  
11       system, and it does give you an average handle time on the  
12       calls. I don't have the exact number for you for what the  
13       run rate in New Hampshire is. But, certainly, it's an  
14       accessible stat that we can present to people. And, in  
15       the queues, it's divided into, so, there's a payment  
16       queue, --

17                   (Court reporter interruption.)

18                  MS. COOK: Oh, I'm sorry. The payment  
19       queue has a specific handle time, and then the general  
20       queue would have another handle time. So, we could share  
21       with you that information.

22                  CMSR. SCOTT: I was just curious.

23                  MS. COOK: Yes.

24                  CMSR. SCOTT: So, I assume I'm correct

1 in saying some calls are fairly easy, some are fairly  
2 difficult, and there's a range in between, obviously?

3 MS. COOK: Yes. There is a range in  
4 between. I think, you know, the objective is really to  
5 answer the customer's question to the best of our ability  
6 in one call. So, sometimes a call takes a little longer,  
7 some are quicker. I would say that we're cognizant that  
8 customers generally don't want to spend lots of time with  
9 us. So, if we can effectively and efficiently answer  
10 their call accurately, they will be most well served. So,  
11 we do look at the handle time and it is available.

12 CMSR. SCOTT: And, do you also track  
13 repeat callers for the same issue?

14 MS. COOK: We do not track repeat  
15 callers at this time.

16 CMSR. SCOTT: Hopefully, you don't need  
17 to. Thank you.

18 CHAIRMAN IGNATIUS: I see Mr. Knepper's  
19 hand. Did you have a question for the Staff?

20 MR. KNEPPER: Yes, I have a question.  
21 Maybe Mr. Sherry can answer it. I want to make sure I  
22 heard this correctly. You don't have a separate number to  
23 call in for emergencies or that you -- someone that calls  
24 the general number could also click for emergencies?

1 MS. HARRIS: One number. Just one  
2 number, the main customer service number.

3 MR. KNEPPER: Well, I wasn't aware of  
4 that. Most companies have a separate number for  
5 emergencies, whether they be electric or gas, in this  
6 state. It's the first I've heard that.

7 CHAIRMAN IGNATIUS: And, is the response  
8 the same, both electric and gas, that there's no separate  
9 emergency number for either?

10 MS. HARRIS: The electric, there will be  
11 a separate emergency line.

12 CHAIRMAN IGNATIUS: All right. The next  
13 category is under the heading of "Reporting of Customer  
14 Service Metrics". And, Mr. Sherry, is that you again?

15 MR. SHERRY: That's me.

16 CHAIRMAN IGNATIUS: All right.

17 MR. SHERRY: The issue at hand, there  
18 were three required reports that were not submitted  
19 September 2013 through March 2014, referencing bill  
20 accuracy, estimated bills percentage, and percentage of  
21 bills with exceptions.

22 The root cause: The requirements for  
23 the reports were previously identified. Our ability to  
24 test for the reports prior to conversion was limited due

1 to the lack of production data that was available. Post  
2 conversion, the development of the query reports proved  
3 problematic. And, the problem escalation process  
4 internally was not sufficiently formalized.

5 Action taken: In the interim, a manual  
6 process was developed to calculate the data for these  
7 reports, relying on monthly billing reports, and to  
8 continue to work to finalize the query reports. The  
9 reports were provided on April 24, 2014 showing acceptable  
10 performance in these areas.

11 Post implementation monitoring: The  
12 data collection process has been modified to produce the  
13 monthly reports on a timely basis. And, we're preparing  
14 to file this month's reports this week. And, we'll be  
15 reporting -- we're monitoring compliance for the reporting  
16 going forward.

17 We clearly were delayed and not formally  
18 communicating this to the Commission during this process.  
19 We thought we were communicating informally adequately  
20 enough. Clearly, that wasn't the case. And, you know,  
21 for that, we apologize that they weren't provided. And,  
22 going forward, we don't expect a problem with complying  
23 with the reports.

24 Included with the package is a chart on



1 Page 18, that shows exactly how we've been performing  
2 regarding the billing accuracy, the Liberty numbers are in  
3 the dark line, I believe it's blue in color, I have it in  
4 black and white here, the billing accuracy line, estimated  
5 bills, and bills with exceptions. I'd like to point out,  
6 in particular, the estimated bills and bills with  
7 exceptions lines. We talked earlier about how our process  
8 might take a day or two longer to work those exceptions  
9 and deal with the estimated bills prior to the bills going  
10 out. What you're seeing here is the effect of less bills  
11 being set aside, in terms of setting them aside to work  
12 later. So, we're producing less estimated bills and we're  
13 producing less bills with exceptions.

14 CHAIRMAN IGNATIUS: Before you leave  
15 that chart, just for clarification, --

16 MR. SHERRY: Sure.

17 CHAIRMAN IGNATIUS: -- because there may  
18 be more questions on it. "System level" means what?

19 MR. SHERRY: The "system level", again,  
20 these reports were provided prior to the conversion and  
21 prior to the sale. And, these reports date back to the  
22 National Grid/KeySpan transaction. And, it was a  
23 comparative between EnergyNorth, or now Liberty, and what  
24 was happening across New England for the gas system. So,

1 at this point in time, it would have been a comparison  
2 against what otherwise would have been happening within  
3 the prior system. Going forward, it probably is not a  
4 relevant comparison. So, we can discuss that going  
5 forward, in terms of what we compare against.

6 CMSR. HONIGBERG: I'm confused by that  
7 answer. So, the yellow line post September of 2013, what  
8 is the source of the data there?

9 MR. SHERRY: The source of the data was  
10 National Grid.

11 CMSR. HONIGBERG: Oh. So, these are  
12 actual --

13 MR. SHERRY: Okay. So, these --

14 CMSR. HONIGBERG: Let me finish the  
15 question. So, these are actual National Grid numbers that  
16 are shown?

17 MR. SHERRY: Correct.

18 CHAIRMAN IGNATIUS: All right. And, the  
19 blue line in "Liberty" is EnergyNorth specifically?

20 MR. SHERRY: Correct.

21 CHAIRMAN IGNATIUS: And, the percentages  
22 are percentages of what?

23 MR. SHERRY: Stand by.

24 (Mr. Sherry conferring with Ms. Harris.)

1 MS. HARRIS: "Billing Accuracy" consists  
2 of the number of off-cycle bills divided by total bills.  
3 The percent of "Estimated Bills" is the number of  
4 estimated bills divided by the number of cycle bills.  
5 And, the percent of "Bills with Exceptions" are your total  
6 exceptions on and off cycle divided by your total bills.

7 MR. CONNOLLY: Nicole, would you give  
8 that last one one more time please.

9 MS. HARRIS: The percent of "Bills with  
10 Exceptions" are your total exceptions, which includes on  
11 and off cycle, divided by total bills.

12 CHAIRMAN IGNATIUS: Thank you. All  
13 right. More on this topic, Mr. Sherry?

14 MR. SHERRY: I was just going to the  
15 answers to the specific questions. And, in particular,  
16 the definition of the metrics is on the bottom of Page 8,  
17 going into Page 9, under Question 4, for anybody who was  
18 trying to keep up with writing your notes, the definitions  
19 of those, "bill accuracy", "estimated bills percentage",  
20 and "percentage of bills with exceptions" are clarified  
21 there.

22 And, as I mentioned before, under the  
23 "Performance Metrics", repeating myself a little bit, we  
24 clearly identified the reporting requirements identified

1 in Attachment N prior to the conversion. We were  
2 developing and testing queries to generate the data. But  
3 our ability to validate the production of the reports was  
4 limited due to lack of representative data in the test  
5 environment.

6 The next -- I'm sorry, go ahead. Any  
7 questions? No?

8 CHAIRMAN IGNATIUS: I guess I just don't  
9 know what that means, the "lack of representative data in  
10 the test environment"?

11 MR. SHERRY: I'm going to ask Mr. Lowson  
12 to answer that.

13 MR. LOWSON: So, the question was asking  
14 "What type of testing was performed to ensure that the  
15 associated systems could generate required reports that  
16 are both accurate and timely?" And, I guess the context  
17 was "in advance of the conversion in September". So, the  
18 question was getting at "how come we couldn't have tested  
19 and made sure that these reports were going to be  
20 available prior to Labor Day weekend last year, when we  
21 converted?" So, the way in which inside the systems you  
22 attempt to furnish these reports is to write queries, that  
23 are essentially interrogating the data inside the billing  
24 system and pulling up the data. And, then, there's a

1 human task associated with taking that data and populating  
2 a report that satisfies the definition of the metric.

3 The challenge that we have before  
4 conversion is that there's -- you don't have large volumes  
5 of -- you're not billing large volumes of accounts day  
6 after day in a test environment prior to the conversion.  
7 So, the amount of data that you can draw upon, you've  
8 written the query, and you established, with a relatively  
9 small amount of dataset, that the query does what you  
10 think it needs to do. But, when you go into production,  
11 you have much larger volumes of data, then, you know, the  
12 person responsible for creating the report starts to look  
13 at that, at the results that that query is producing, and  
14 we determined that it wasn't, the query was, in fact, not  
15 fulfilling the definition of the metric. So, we had to,  
16 you know, adopt alternative reporting measures,  
17 essentially, to ensure that we were pulling data that  
18 would produce the report that was required in the -- for  
19 the performance metric.

20 CHAIRMAN IGNATIUS: I think I can come  
21 back to that. I'll let people go through the questions.  
22 Thank you. Please continue.

23 MR. SHERRY: Mr. Lowson effectively, you  
24 know, answered the statement in Question Number 2, which

1 is, when we were testing the reports post conversion, the  
2 data did not prove timely and accurate. So, we developed  
3 manual processes to produce the reports. And, in  
4 hindsight, we should have formally requested an extension  
5 from the Commission due to the delay.

6 CHAIRMAN IGNATIUS: Okay. Anything more  
7 on that issue?

8 MR. SHERRY: No.

9 CHAIRMAN IGNATIUS: All right. Then,  
10 Ms. Hollenberg, do you have questions?

11 MS. HOLLENBERG: Yes. Thank you. Could  
12 I take you back to Page 18, the "Customer Service Metrics"  
13 tables there. And, just ask a little bit for more clarity  
14 on what these tables reflect. I understand that the blue  
15 line reflects Liberty's performance with respect to each  
16 of these metrics during the time period April 2013 to  
17 March 2014. And, is the yellow reflective of National  
18 Grid's performance during that same time period?

19 MR. SHERRY: That's correct.

20 MS. HOLLENBERG: What National Grid and  
21 what customers are --

22 MR. SHERRY: It represented the gas  
23 customers in New England to National Grid's system.

24 MS. HOLLENBERG: Okay. Is the

1 information that you relied on to develop those tables  
2 related to National Grid public information or is that  
3 just information, like information that would have  
4 otherwise been reported to another commission or --

5 MR. SHERRY: No. It was provided  
6 internally.

7 MS. HOLLENBERG: Okay. And, then, on  
8 the Slide 17, under "Root Cause", we talked about the  
9 first couple of sentences. What does "Post conversion,  
10 development of query reports proved problematic" mean?

11 MR. SHERRY: If I could refer you to the  
12 answer to Question Number 2, on Page 8.

13 MS. HOLLENBERG: Uh-huh.

14 MR. SHERRY: The "development of the  
15 query reports proved problematic" in that they weren't  
16 producing consistent results. So, I think, as Mr. Lowson  
17 articulated, we were testing the reports against the full  
18 production database. And, they weren't -- the results  
19 weren't being produced consistently according to these  
20 metrics. So, we shifted to an alternative method to  
21 develop the reports.

22 MS. HOLLENBERG: Okay. And, then, the  
23 "problem escalation process was not sufficiently  
24 formalized", what does that mean?

1 MR. SHERRY: Internally, we didn't  
2 escalate it quickly enough internally.

3 MS. HOLLENBERG: Okay. Is there a  
4 different problem escalation process in place now?

5 MR. SHERRY: Yes.

6 MS. HOLLENBERG: How is that different?

7 MR. SHERRY: If something like this were  
8 to occur today, it would be a combination of a case  
9 ticket, as we described earlier, an IT ticket, if it was  
10 routine business. If it needed to be escalated to -- it  
11 would be escalated to a phone call or, you know, a  
12 conference call or a meeting, depending on the condition.  
13 And, in my case, I would escalate it to Katy or to John  
14 Lowson.

15 MS. HOLLENBERG: And, with regards to  
16 the topic we just talked about, which is the call  
17 answering metrics, in that the Company just discovered  
18 yesterday that there were certain pieces of information  
19 that might be needed to be added for the calculations to  
20 be correct, are we at a point where you can say that the  
21 calculations that are representative for customer service  
22 metrics include all the information that they need to  
23 include and are accurate?

24 MR. SHERRY: Reflecting these customer



1 service metrics on this report?

2 MS. HOLLENBERG: Uh-huh.

3 MR. SHERRY: Yes, they do.

4 MS. HOLLENBERG: Okay. Nothing further.

5 Thank you.

6 CHAIRMAN IGNATIUS: Thank you.

7 Mr. Wiesner.

8 MS. HOLLENBERG: Thank you.

9 MR. WIESNER: Just to clarify, will  
10 there continue to be a manual component of the process of  
11 producing these metrics reports going forward?

12 MR. SHERRY: I'm sorry?

13 MR. WIESNER: You indicated in the  
14 response that the April reports on these metrics were  
15 produced manually.

16 MR. SHERRY: Yes.

17 MR. WIESNER: Will that continue to be  
18 the case going forward?

19 MR. SHERRY: Yes.

20 MR. WIESNER: So, it's not possible to  
21 automate the process of producing these reports?

22 MR. SHERRY: We'll be working on  
23 developing the query reports. But, in the meantime, we'll  
24 continue producing them through the manual method we've

1 developed.

2 MR. WIESNER: Okay. Thank you.

3 CHAIRMAN IGNATIUS: Ms. Noonan.

4 MS. NOONAN: Yes. Thank you. And, I  
5 apologize, I don't have the Settlement Agreement in front  
6 of me, or have it committed to memory. But, on your  
7 response to Question 4, under "Performance Metrics",  
8 provides the calculations for each of the three metrics.  
9 Is this the same formula that's set forth in the  
10 Settlement?

11 MR. SHERRY: Yes. I believe so. Okay,  
12 we have the Settlement.

13 MS. NOONAN: You're more prepared than I  
14 am.

15 MR. SHERRY: And, thank you, Sarah  
16 Knowlton. Attachment N.

17 (Short pause.)

18 MR. SHERRY: I'll read from the  
19 Settlement. Attachment, Page 2 of 9 in Attachment N.

20 (Court reporter interruption.)

21 MR. SHERRY: N, as in "November". "Bill  
22 accuracy percentage, using correct" -- "(using corrected  
23 bill level) this value represents a percentage of total  
24 bills delivered that are corrected bills considered" --

1 "considering billing errors. Several types of rebills are  
2 excluded as not considered "corrections due to error"  
3 (Example: Rebills replacing estimated bills with actual  
4 bills; rebills due to start/stop of a balanced or budget  
5 billing plan on a current cycle."

6 Now, this calculation, as we defined it  
7 in the answer, Amanda, came right from the report as it's  
8 been provided.

9 MS. NOONAN: Thank you. I think what I  
10 was trying to determine is if this calculation  
11 consistently counts the same types of situations that  
12 National Grid used in the calculation. So that, as we  
13 look at comparing to the benchmark, we have a calculation  
14 that would come up with the same number either way.

15 MS. HARRIS: So, the off-cycle bills,  
16 that's -- when we're working through our exceptions  
17 with -- those are exceptions as we work through the  
18 regular batch billing. And, that's what we're looking at,  
19 is off cycle.

20 MS. NOONAN: So, those are the ones that  
21 you place on hold and you work afterwards to correct the  
22 issues?

23 MS. HARRIS: That's correct.

24 MS. NOONAN: Not the ones that you can

1 easily correct in advance of issuing all the bills?

2 MS. HARRIS: Correct.

3 MS. NOONAN: Now, on the other two, are  
4 they the same calculations?

5 MR. SHERRY: Sorry. Closed  
6 Attachment N.

7 MS. NOONAN: That's okay. I can -- I  
8 just want to verify that you're counting the same things  
9 and dividing by the same things?

10 MR. SHERRY: Yes.

11 MS. NOONAN: Okay. Thank you.

12 MR. CONNOLLY: Yes. Hi, Bill, and maybe  
13 John, I have a question about the testing that was done  
14 during conversion -- or, pre-conversion rather. It's my  
15 understanding that Test Cycle 3 and 4 involve, in some  
16 measure, involve production of bills. Is that -- am I  
17 right on that?

18 MR. LOWSON: Yes.

19 MR. CONNOLLY: In each of those, you  
20 would have some of these off-cycle situations generated?

21 MR. LOWSON: Yes.

22 MR. CONNOLLY: And, this is for the  
23 customer service metric bill accuracy. So, there would be  
24 a number of off-cycle bills generated. And, the volumes

1 of bills generated is such that somebody could probably  
2 count those by hand?

3 MR. LOWSON: Right.

4 MR. CONNOLLY: And, the total number of  
5 bills generated also is a relatively small number, and  
6 somebody could count those by hand?

7 MR. LOWSON: I mean, there would be  
8 hundreds of bills generated during the test cycles, but,  
9 yes.

10 MR. CONNOLLY: Right. But, you know,  
11 when you got your test defined and your predicted outcome  
12 is established, then, you know that, when you run the  
13 test, you're going to have a certain number of bills  
14 produced accurately, you're going to have other ones that  
15 are going to go to this off-cycle process. And, you would  
16 know that your expected results for total bills and  
17 off-cycle bills would match?

18 (Mr. Lowson nodding in the affirmative.)

19 MR. CONNOLLY: So, you would have had  
20 the ability to calculate this performance metric on that  
21 testbed?

22 MR. LOWSON: That's correct. Yes.

23 MR. CONNOLLY: And, I think what I  
24 understood, your advice earlier was that, as you went into

1 production, there were more things that became off-cycle  
2 bills than were in the test environment?

3 MR. LOWSON: Right. And, there's,  
4 obviously, a much, much, much, much richer environment of  
5 data once you're in production.

6 MR. CONNOLLY: So, there were more types  
7 of off-cycle bills and more volumes of each type of  
8 off-cycle bills?

9 MR. LOWSON: Right.

10 MR. CONNOLLY: Which go to -- would grow  
11 the numerator, and the number of total bills expected to  
12 be generated would still be the control over everything  
13 that went to Fiserv or whoever you use to calculate that?

14 MR. LOWSON: Yes.

15 MR. CONNOLLY: So, I don't understand,  
16 from what you said, how we couldn't get a calculation of  
17 this statistic for six months?

18 MR. LOWSON: Yes. So, can we, Nicole --

19 MR. SHERRY: Excuse us, Commissioner.

20 CHAIRMAN IGNATIUS: No, that's fine.

21 Yes. Take your time.

22 (Mr. Lowson conferring with Mr. Sherry  
23 and Ms. Harris.)

24 MR. LOWSON: Sorry. So, I think the

1       answer --

2                       CHAIRMAN IGNATIUS:  I'm sorry.

3                       CMSR. HONIGBERG:  Hang on.

4                       MR. LOWSON:  Oh, I'm sorry.

5                       CHAIRMAN IGNATIUS:  We're having our own  
6       little caucus.

7                       (Chairman and Commissioners conferring.)

8                       CHAIRMAN IGNATIUS:  So, back on the  
9       record.  Please.

10                      MR. LOWSON:  Yes.  So, to try to explain  
11       what I was getting at with the definition of the data that  
12       we're trying to pull from the database, in order to create  
13       the data necessary to fulfill the reports, that those are  
14       what we're describing as "queries" that had been generated  
15       and tested before the -- before the conversion.

16                      Two kind of fundamental issues as we put  
17       those queries in practice to generate the reports that  
18       fulfill the requirements, and to make sure that we were  
19       generating reports that met the definition.  One was to  
20       ensure that the queries were actually running correctly  
21       across the correct accounts, if you like, within the  
22       database.  And, we had issues associated with that.

23                      The other issue is that the reports --  
24       the reports to fulfill the requirements of the definitions

1       require us to generate a numerator and denominator  
2       information over a given period of time, so, a month, say.  
3       The problem that we encountered with these queries that  
4       were being run was that they were -- they're snapshots in  
5       time. So that there was a problem in trying to make sure  
6       that a query or a set of queries, when added together,  
7       would actually create the data that covered the correct  
8       transactions or accounts, if you like, that need to be  
9       matched both in the numerator and the denominator, to give  
10      you the -- to fulfill the definition of that report.

11                   MR. CONNOLLY: As these conditions are  
12      encountered during the production cycles and during the  
13      month, or whenever these conditions are manifest that  
14      causes a bill to go into the numerator, are those codes or  
15      indicators posted to the account that are within the  
16      Cogsdale processing or is it -- can you describe how that  
17      gets inputted or reflected in the database?

18                   MS. HARRIS: So, we pull the numbers  
19      based upon the end of each of the bill calculation, once  
20      we're done calculating the batch and exporting it, we get  
21      the numbers at that point. And, then, that's where we get  
22      the numbers that we put on hold, which we count as  
23      exceptions. So, as a result of the end of each cycle  
24      billing is when we accumulate or compile the numbers.



1 MR. CONNOLLY: So, is it the Cogsdale  
2 system that does that calculation and provides that number  
3 or is it something else --

4 MS. HARRIS: It's manual.

5 MR. CONNOLLY: There's a source for the  
6 data?

7 MS. HARRIS: That's correct. As a  
8 result of the end of the bill calculation routine, where  
9 we get the number, so we know how many are actually  
10 exported.

11 MR. CONNOLLY: And, what system does the  
12 accounting?

13 MS. HARRIS: It's a report that comes  
14 up, and then we track the numbers on a spreadsheet.

15 MR. CONNOLLY: But does the number come  
16 up from Cogsdale or does it come from Fiserv? Does it  
17 come from ABC or --

18 MS. HARRIS: Cogsdale.

19 MR. CONNOLLY: Okay. So, someone at  
20 some point said to Cogsdale "I need to have this count  
21 produced every time you do these things"?

22 (Ms. Harris nodding in the affirmative.)

23 MR. CONNOLLY: And, was that somebody in  
24 Liberty that did that?

1 MS. HARRIS: We did have a requirement  
2 session.

3 MR. CONNOLLY: So, when you talked  
4 about --

5 MS. HARRIS: We talked about reporting.

6 MR. CONNOLLY: -- what you would require  
7 for their system to do, that's part of that dialogue that  
8 you had?

9 MS. HARRIS: Yes. We did have  
10 conversions about several reports.

11 MR. CONNOLLY: Both for numerator and  
12 for denominator?

13 MS. HARRIS: Correct.

14 MR. CONNOLLY: Okay. So, when you asked  
15 Cogsdale to do work like this, to produce those counts, is  
16 there -- when they deliver the system to you meeting those  
17 requirements, they have tested that and they know that  
18 they can produce that number, is that correct?

19 MR. LOWSON: Well, I think the answer  
20 would be that we -- clearly, we believe that we had. But,  
21 whether you regard it as the means to generate the data,  
22 but the report was defective, or the requirements hadn't  
23 been sufficiently well understood, and, clearly, what we  
24 did before conversion we knew was inadequate. So, we

1 needed to rethink the method by which we draw the data  
2 from the database in order to fulfill the requirement.

3 MR. CONNOLLY: So, a collaborative  
4 effort with Liberty and Cogsdale is necessary to come up  
5 with a solution to these information requirements?

6 MR. LOWSON: Yes. I think, in general,  
7 yes.

8 MR. CONNOLLY: Yes.

9 MR. LOWSON: But, again, the -- I mean,  
10 we're capable of creating smart lists. So, we're not --  
11 it's not necessarily a requirement that's fulfilled by  
12 Cogsdale. But, I mean, in general terms, the answer to  
13 your question is "yes".

14 MR. CONNOLLY: Okay. Great. The  
15 requirements for Cogsdale billing, well, and the Cogsdale  
16 system, I guess, the CIS, those were started at some point  
17 in time back in 2012, and they iterate, change and get  
18 modified. And, to this date, we've got -- there was  
19 another set of requirements that came up for delivery in  
20 the Version 29 that was just installed?

21 MR. LOWSON: Correct.

22 MR. CONNOLLY: So that this process of  
23 "I need this" or "I need this system to count this way",  
24 "I need it to give me this information", as a result of

1       some many cycles, all of that conversation goes on from  
2       time to time?

3                   MR. LOWSON:   Correct.

4                   MR. CONNOLLY:   And, it goes back and  
5       forth, that "I need this", and they say "yes, we can do  
6       that, but it's going to take this time", the typical  
7       dialogue between vendor and customer systems?

8                   MR. LOWSON:   Yes.

9                   MR. CONNOLLY:   Okay.   Okay.   Thank you.

10                  CHAIRMAN IGNATIUS:   Commissioner  
11       Honigberg, questions?

12                  CMSR. HONIGBERG:   The graphs on Page 18,  
13       the yellow line prior to September of 2013, actual  
14       National Grid numbers, do those numbers include the  
15       EnergyNorth numbers from that period of time or were the  
16       EnergyNorth numbers peeled out of that.

17                  MR. SHERRY:   That included all of New  
18       England for National Grid --

19                               (Court reporter interruption.)

20                  MR. SHERRY:   The yellow number prior to  
21       September 2013 for National Grid's system level included  
22       the New England gas operations across Massachusetts, New  
23       Hampshire, and Rhode Island.

24                  CMSR. HONIGBERG:   And, then, from

1 September '13 on, the yellow line would no longer have  
2 included EnergyNorth?

3 MR. SHERRY: That's correct.

4 CMSR. HONIGBERG: Okay. It strikes me  
5 that that's going to make that graph hard to apply,  
6 because the yellow line changes characteristics of what's  
7 included and what's not included. Maybe -- it's probably  
8 not significant. But it strikes me as a difficult way to  
9 use that, use those graphs. And, I'm just making a  
10 statement, not really asking a question, I think. I guess  
11 I'll ask it. Am I right about that?

12 MR. SHERRY: I would say that's a fair  
13 statement, Commissioner.

14 CMSR. HONIGBERG: Okay.

15 MR. SHERRY: I would say that it --

16 (Court reporter interruption.)

17 MR. SHERRY: Sure. I'm sorry. Use the  
18 microphone. I would say that's a fair statement,  
19 Commissioner.

20 CMSR. HONIGBERG: Okay. Thanks. That's  
21 all I have.

22 CHAIRMAN IGNATIUS: If you're on Page 18  
23 anyway, let me ask, the "Billing Accuracy" chart has a  
24 significant decline from November to January, "decline"

1 meaning "drop in accuracy", correct? And, then makes a  
2 similar sharp incline in improvement in accuracy between  
3 January and March, correct?

4 MR. SHERRY: That's correct.

5 CHAIRMAN IGNATIUS: Can you explain what  
6 was going on that caused both the drop and the regaining  
7 ground?

8 MR. SHERRY: Just hold on a minute.

9 (Mr. Sherry conferring with Ms. Harris.)

10 MR. SHERRY: Commissioner, to the best  
11 of our knowledge right now, we had a number of challenges  
12 we mentioned earlier with billing delays and billing in  
13 that time period, in the November/December time period in  
14 particular. We'd have to do some more specific digging.  
15 We mentioned some root causes earlier as to what caused  
16 those billing challenges, but that would contribute to it.

17 CHAIRMAN IGNATIUS: I want to make sure  
18 I understand the scenario on these reports accurately.  
19 The Company knew what it was required to report post  
20 conversion, and had set up a mechanism to be ready to be  
21 able to make those reports, correct?

22 MR. SHERRY: Correct.

23 CHAIRMAN IGNATIUS: And, then, once  
24 conversion occurred, the queries to generate the reports

1       proved inadequate, and the reports weren't meaningful,  
2       weren't representative? What was the problem with the  
3       reporting?

4                   MR. LOWSON: Well, we recognized that  
5       the data that was being pulled was producing a report that  
6       wasn't conforming to the definition.

7                   CHAIRMAN IGNATIUS: Because the  
8       questions turned out to not be properly queried after all?

9                   MR. LOWSON: Because the -- yes. The  
10      data that was being pulled either was pulling on accounts  
11      that it shouldn't have been pulling on or was not  
12      adequately reflecting both the numerator and the  
13      denominator in the same time period in order to arrive at  
14      a monthly data point that was accurate.

15                  CHAIRMAN IGNATIUS: And, at that point,  
16      you began a couple of different things. To manually  
17      produce reports -- or, I guess that came later.

18                  MR. LOWSON: Yes.

19                  CHAIRMAN IGNATIUS: To rethink how to  
20      make those queries --

21                  MR. LOWSON: Correct.

22                  CHAIRMAN IGNATIUS: -- produce the right  
23      information.

24                  MR. LOWSON: Right.

1                   CHAIRMAN IGNATIUS: And, to discuss that  
2 with the Commission Staff, identify that the system wasn't  
3 working the way you'd hoped?

4                   MR. LOWSON: Correct. Bill?

5                   MR. SHERRY: That's correct. It was a  
6 running dialogue, Commissioner. And, I mean, we kept  
7 trying to get them to work, and the month would go by, and  
8 we kept trying, and our reports were getting delayed.  
9 And, we got to January and we realized we had to come up  
10 with an alternative method.

11                  CHAIRMAN IGNATIUS: Okay.

12                  MR. SHERRY: So, we started to focus on  
13 the alternative methods.

14                  CHAIRMAN IGNATIUS: And, then, in April,  
15 you produced reports for that period of time?

16                  MR. SHERRY: From September through  
17 March, correct.

18                  CHAIRMAN IGNATIUS: Have you run testing  
19 in anticipation of the electric conversion, to be sure, in  
20 these or any other reports, that what you think are the  
21 right queries are going to prove to be correct and are  
22 going to work the way you want them to?

23                  MR. LOWSON: Well, as we mentioned  
24 earlier, so, we're going to continue to use the current



1 method that now works for electric, and ultimately seek to  
2 go back to a more automated form of generating those  
3 reports, because what we're currently doing is more  
4 time-consuming, but we know that it's reliable. And,  
5 because we're querying the same data in the same way for  
6 electric, then, obviously, we have a much higher level of  
7 confidence that the current method will work for electric.

8 CHAIRMAN IGNATIUS: And, why, when you  
9 had said a moment ago that you can "create your own  
10 smart", what was your phrase?

11 MS. HARRIS: Smart lists.

12 MR. SMITH: Smart lists.

13 CHAIRMAN IGNATIUS: "Smart lists", thank  
14 you. You don't have to have that done at all times  
15 through Cogsdale. Why is it still necessary then to do  
16 all of this manually? Or, am I getting it wrong, that  
17 some things have been automated now, and some others still  
18 have to be done manually?

19 MR. LOWSON: Yes, that's correct. It's  
20 capable ultimately of being done manually. We just have  
21 to go back now and codify what the -- what the manual  
22 process is doing for us and turn that into an automated  
23 report.

24 CHAIRMAN IGNATIUS: So, as we look

1       towards the electric conversion, do you have confidence  
2       that this type of problem, not just with these three  
3       reports, but that, overall, that this will not be a  
4       problem? And, if you do, what's that based on? What kind  
5       of testing have you run that shows that you're gathering  
6       the right information?

7               MR. LOWSON: Yes. I mean, I think it's  
8       partly the experience of the people involved, and partly  
9       more thoroughness now with, in hindsight, of doing deeper  
10      dives to make sure that, if we have an expectation that a  
11      certain form of reporting will fulfill a requirement,  
12      we're more cognizant of the kinds of issues that can  
13      arise, so we can test more thoroughly to ensure that the  
14      kinds of issues that we've experienced in the past won't  
15      recur.

16              But part of it is also, I mean, in any  
17      IT system, there is a -- sort of a tradeoff between  
18      generating reports through programming that are predefined  
19      and always produce the same result. Once you know that  
20      that is the result that you want, then, obviously, that's  
21      the more efficient way of doing it, versus the use of  
22      essentially user queries, which are more flexible, but  
23      require the user to more thoroughly understand what it is  
24      that that query is actually -- you know, what result that

1 query is actually producing for you.

2 CHAIRMAN IGNATIUS: All right. Thank  
3 you. I think that concludes this section.

4 MS. COOK: Do you mind? I just have a  
5 point of -- sorry, a quick point of clarification. There  
6 was a question earlier about whether or not we had a  
7 dedicated emergency number. We do indeed have an  
8 emergency number. And, we also have an option for  
9 emergencies from the Customer Service number. Both of  
10 those point to one queue that has a service level of 90/10  
11 associated with it. Thank you.

12 CHAIRMAN IGNATIUS: So, for the gas  
13 customers, there is a dedicated emergency number they can  
14 call, or they can call the general number and press  
15 "Option 1" for emergency?

16 MR. SHERRY: That's correct.

17 MS. COOK: Perfect.

18 CHAIRMAN IGNATIUS: And, how do they --  
19 how do they find that emergency number? Where is that  
20 listed for them?

21 MS. COOK: It's on the website is one  
22 location. It's on all of their bills when they go out, on  
23 most of our communications.

24 CHAIRMAN IGNATIUS: Thank you.

1 MS. KNOWLTON: And, I just would also  
2 like to add, my understanding is is that there are  
3 separate numbers for the police and the fire departments,  
4 we don't publish those to the public, but there are  
5 additional numbers that we give to them.

6 CHAIRMAN IGNATIUS: All right. So, the  
7 next section is on "Network Security Assessments".

8 MR. PASIEKA: Yes. Okay. He's no  
9 stranger to our group here today. I'd just like to spend  
10 a couple minutes talking about John Lowson. John has been  
11 with our group for just over a year. In fact, we've been  
12 chasing John to join our group going back three years.  
13 So, it was with great delight that he finally accepted to  
14 join us last year. And, joined us in the summer of last  
15 year, so got to participate on the sidelines, if you will,  
16 with the gas conversion. So, he actually took a couple of  
17 conversion teams and was monitoring the cycle testing  
18 going into last September's Labor Day conversion for  
19 EnergyNorth.

20 John, as you can tell from his accent,  
21 was not born here in New Hampshire, but went to school in  
22 Cambridge, and has over 18 years of utility experience,  
23 with over 15 of it as a senior partner in the Accenture  
24 organization, specifically working on utility and utility

1       billing. Prior to joining us, John spent the last year  
2       and a half working with one of Canada's largest electrical  
3       utilities, working on billing and care solutions. So,  
4       he's got a good pedigree, if you will, relative to what  
5       we're doing.

6               John's role in our organization, he runs  
7       the transition. So, the success of those conversion  
8       weekends rest with him. As John says, he had a lot of fun  
9       this last weekend in our dress rehearsal. So, he was  
10      active in that. And, also owns the IT strategy for the  
11      organization.

12             And, also joining John today is David  
13      Carleton. And, David Carleton is our Director of IT.  
14      David has been with our process here for three years. So,  
15      part of the original application, and the author of many  
16      of the data requests that ultimately resulted in the  
17      Settlement Agreement.

18             So, we've got some good background here.  
19      So, I'm going to hand it off to John to take us through  
20      this exciting section associated with IT and security.

21             CHAIRMAN IGNATIUS: Thank you.

22             MR. LOWSON: Okay. Thank you, David.  
23      So, obviously, this is a very important topic. And, I  
24      just want to open by saying that we take this whole area

1 very seriously. We had engaged PwC, Liberty had engaged  
2 PwC to assist us in this area over two years ago. And, we  
3 felt, for this session, it was important to bring, you  
4 know, PwC advisors with us to this meeting. So, I'll be  
5 introducing both shortly. But I'll speak to this first  
6 slide.

7 And, so, the issue that was raised was  
8 that the third party Network Security Assessment, the  
9 compliance with ISO 27001 that was defined in the  
10 Settlement Agreement, had not been performed. And, I want  
11 to speak to a bit of the background there and what actions  
12 we're taking in this area.

13 So, the Settlement Agreement in DG  
14 11-040 did contain the engagement letter for the scope of  
15 work that was to be performed by PwC. And, Liberty  
16 believed at that time that the -- that that April 2012  
17 Network Security Assessment formed an adequate baseline  
18 for network security, and gave us the basis of an action  
19 plan to go forward. G3, however, raised a concern with  
20 Liberty on this issue in October 2013.

21 So, I guess to cut to the chase, we, as  
22 a result of my kind of looking into what had happened  
23 here, and wanting to make sure that we were -- that we're  
24 secure, essentially, we formulated an action plan for the

1 current year, which is summarized here on the slide.

2 So, it's kind of a three-part process.  
3 Part one is a Maturity Assessment of our network security.  
4 And, Salim, from PwC, will explain shortly in more detail  
5 what that consists of. The next step would be the  
6 remediation of gaps and issues identified in the Maturity  
7 Assessment, which we would undertake over the summer as we  
8 complete the IT transition of Granite State. And, then,  
9 the final step, for this year, as defined in the  
10 Settlement Agreement, would be a reassessment,  
11 essentially, a third party reassessment of our compliance  
12 with network security provisions of ISO 27001.

13 So, where we're at right now is that we  
14 have -- we've issued the engagement letter for the  
15 Maturity Assessment, were actually initiated and we're  
16 quite a long way through, the performance of the Maturity  
17 Assessment, which is the first step in the process. We  
18 did have a call last where we discussed the Maturity  
19 Assessment methodology with G3. And, we would, as we have  
20 been doing throughout the process, provide the results of  
21 these assessment in due course to the Commission and to  
22 G3.

23 And, now, obviously, as we've said,  
24 beyond that, there would be our remediation. And, then, I

1 think the important step that we want to talk about,  
2 because part of the challenge here has been the definition  
3 of "compliance". So, we want to talk about the plan that  
4 we have to conduct the final assessment, the reassessment,  
5 which would create -- which would speak to our compliance  
6 to the standard. And, there's a line cut off the bottom  
7 of the slide here, but one of the things that we committed  
8 to the Staff is that we would share both the RFP and the  
9 list of companies that we would solicit to actually  
10 perform the assessment.

11 So, with that said, I'll let Salim  
12 Hasham introduce himself from PwC. And, he'll talk  
13 through the next two slides that speak to the current  
14 phase of work that's underway, which is the so-called  
15 "Maturity Assessment".

16 MR. HASHAM: Good afternoon. I'll focus  
17 on the diagram on Slide 21. But, before that, perhaps  
18 just a brief moment to introduce myself. As John  
19 mentioned, I am a Partner at PwC Canada. I essentially  
20 run our information security practice nationally. Prior  
21 to that, 15 years in PwC, including the UK, where I've  
22 worked across a large number of private and public sector  
23 organizations, including the energy and utility concerns,  
24 principally as a security advisor.



1                   So, I'm here, I think, to help clarify  
2     the approach to the Maturity Assessment and see the work  
3     that's currently underway. And, in essence, it really  
4     comprises a few elements. The ISO 2001 [2700-1?]   
5     components really defines the controls to be assessed,  
6     which they're not as prescriptive as one would like in  
7     standards. But beneath them is ISO 2000 -- 27002, which  
8     provides implementation, guidance, and these are  
9     high-level principles.

10                  In order to build a -- I think a  
11     meaningful approach and framework to do the Maturity  
12     Assessment, we took the high-level principles and the  
13     implementation guidance for the selected controls, and  
14     then broke them down, in essence, into 21 very clear  
15     control statements.

16                  In order to do the Maturity Assessment,  
17     we've leveraged a third party tool, it's a tool that's  
18     been involved by an organization called the "Information  
19     Security Forum". It's a very well-regarded independent  
20     think tank. And, we've collaborated, as many other  
21     organizations certainly have, in the development of this  
22     tool. It's a very thorough and rigorous way of getting to  
23     a high-level Maturity Assessment.

24                  In essence, the tool utilizes

1 interviews, questionnaires, and review of evidence against  
2 some criteria to help assess relative maturity. And, in  
3 order to assess maturity, the scale, in many of these  
4 cases, is a zero to four scale. For the purposes of  
5 Liberty, we really set two goal posts. The bottom goal  
6 post, or the minimum standard, we set as a Maturity Level  
7 2, which, in essence, is one that demonstrates alignment  
8 with the ISO standard, but is repeatable and intuitive.  
9 On the upper end, we set the goal posts at a Maturity  
10 Level 3, which is regarded by industry as "good practice",  
11 and also, within the case of Liberty, is the established  
12 targets. So, the intent, over time, is to have all of the  
13 maturity results at around a Level 3. And, a 3 really is  
14 differentiated from a 3 in the fact that it's a -- it's  
15 repeatable, it's measurable, and it's formalized.

16 And, in essence, the results of the  
17 assessment will be a series of recommendations that  
18 demonstrate an alignment to the ISO principles with their  
19 corresponding maturity, and our recommendations that move  
20 all of those towards a 3 by completion.

21 MR. LOWSON: So, that takes us through  
22 Slides 21 and 22. So, just to recap, ISO defines control  
23 statements or network security at a high level. And,  
24 then, using the implementation guidance in 27002, coupled

1 with advice and guidance from PwC, we've established a  
2 means of assessing our so-called "maturity". So, if you  
3 read the control statements, I mean, it's not a "yes" or  
4 "no" answer. So that the exercise is geared to, as we  
5 call it, a "Maturity Assessment" of where are you on a  
6 scale? We've set for ourselves, as Salim said, 2 as a  
7 minimum, and 3 as the target. So, from our perspective,  
8 you know, we're shooting to be a 3, and we would kind of  
9 ultimately regard that as being compliant. So, coming out  
10 of this exercise, we have the remediations necessary to  
11 move us to that Level 3.

12 If I turn now to the next slide, the  
13 Slide 23, then the final point in this process, which is  
14 the reassessment that's defined in the Settlement  
15 Agreement, we were planning to perform in the fall, after  
16 we completed the transition from Granite State. And, in  
17 that instance, then, the -- it then becomes a question of  
18 "what is the most appropriate form for that assessment to  
19 take?" So, we've had some discussions with PwC about how  
20 we would undertake that assessment, because, at this  
21 point, we want to actually start testing the controls  
22 we've defined through 27001 and through our own work  
23 coming out of this Maturity Assessment. At that point, we  
24 would be wanting to perform some type of specified

1 procedures test to ensure that the controls were actually  
2 being, you know, were operating as planned.

3 So, I want to allow my other -- the  
4 other person we've invited here from PwC, Jennifer, who  
5 has the expertise in this area, to discuss and describe  
6 how we would plan to perform this final assessment.

7 CHAIRMAN IGNATIUS: And, before you  
8 begin, let me just say, I have to step out briefly for  
9 something else. I'll be back. And, Commissioner Scott  
10 will preside in my absence.

11 MS. JOHNSON: So, maybe before I get  
12 started, just a moment to introduce myself to all of you.  
13 I'm an Insurance Partner with PwC Canada, based in  
14 Toronto. I specialize in providing audits and reviews of  
15 IT controls in particular, and I work significantly with  
16 the utilities in the technology sectors over the last 16  
17 years. And, really, the goal is to provide both internal  
18 and external stakeholders, such as regulators, with  
19 comfort over the design and the effectiveness of internal  
20 controls in the IT space.

21 As John mentioned, the reassessment plan  
22 for the fall is proposed to be a specified procedures type  
23 engagement, that is also commonly called an "agreed upon  
24 procedures engagement" in the U.S. So, some folks may be

1 more familiar with that particular term.

2 It is a flexible review option, where  
3 Liberty and the Staff can really define the scope of the  
4 internal controls to be evaluated, as well as the period  
5 of time over which those controls will be evaluated for  
6 their effectiveness, *per se*. The procedures can very  
7 easily be aligned from the 21 control statements that  
8 Salim mentioned as an extension of the Maturity Assessment  
9 that is currently ongoing. So, this dovetails quite  
10 nicely with what's already in process.

11 Additionally, Liberty and the Staff have  
12 the ability to determine both the nature and the extent of  
13 the test procedures to be performed here. And, what I  
14 mean by that is, the nature of the tests, what type of  
15 test procedure or audit type procedure would be performed.  
16 Whether it be observation of the performance of a control,  
17 inspection of evidence that a control has been performed,  
18 or, in some cases, actually re-performing a control to  
19 ensure that the same outcome was derived. So, these are  
20 the different types of nature of the tests. And, the  
21 extent of the test, how many samples would be selected?  
22 How far do we want to take this test? And, again, over  
23 what period of time do you want to conduct this test? The  
24 specified procedures type engagement has a lot of

1 flexibility around it, so you can really customize it to  
2 the focus areas that are pertinent in this example.

3 The last part really is the independent  
4 third party assessor. And, that is where the third party  
5 firm comes in to actual execute those specified  
6 procedures, and report those in a fact-based pattern, I  
7 applied the tests that were described. And, here are the  
8 results that we saw. Those results are provided in great  
9 detail, such that both Liberty and the Commission, the  
10 Staff, can evaluate the impact of those results on the  
11 organization. This type of report is issued under  
12 accounting standards, both in the U.S. and in Canada.  
13 And, so, it must be performed by Certified Public  
14 Accountants.

15 John, I don't know if you had anything  
16 you want to add to that?

17 CMSR. SCOTT: Before you continue, can  
18 you give us an example what kind of test you're talking  
19 about?

20 MS. JOHNSON: Sure. So, if one of the  
21 control statements --

22 (Court reporter interruption.)

23 MS. JOHNSON: If one of the control  
24 statements were to say that "users of the environment must

1 have a formal request and must be authorized by an  
2 authorized approver before access is granted to the  
3 environment", so, safety of the active directory network,  
4 then we would select a sample of users that were granted  
5 access during the period of the review, and make sure that  
6 that request form had been in place, that there was an  
7 approval, the approval came from an authorized person, and  
8 the approval was received before the access was granted.  
9 That is the type of control test that you might apply to a  
10 security control, such as the ones that are being  
11 evaluated here.

12 CMSR. SCOTT: Thank you.

13 MR. LOWSON: So, that really covers the  
14 description of the 2014 work that we have planned. The  
15 other question that was raised that we thought it was  
16 worth just pulling a slide together. So, if I could go  
17 back to the beginning of this, we commissioned -- I mean,  
18 at time of the Settlement Agreement, the concept of our  
19 network security was, you know, an important topic. So,  
20 this is the origin of this commitment. We had PwC perform  
21 a network architecture assessment. So, they're looking at  
22 how we had designed the network. And, I just put this in  
23 context. Back in early 2012, we were anticipating quite  
24 significant growth in our network due to the acquisitions

1       that Liberty was undertaking. So, we knew that this thing  
2       was going to grow, and we needed to perform repeated  
3       assessments, which is what we committed to do and what we  
4       are doing here.

5                       So, 2012 consisted of both a network  
6       architecture assessment, with associated recommendations,  
7       as well as a vulnerability assessment of devices in our  
8       network. And, then, in 2013, we basically re-performed  
9       the vulnerability assessment, plus some of the other  
10      components, and essentially take a kind of check on what  
11      our progress had been between 2012 and 2013.

12                     So, I'll let David Carleton, who oversaw  
13      that work, describe what happened in 2013, and what the --  
14      really, what the comparison was between 2012 and 2013.

15                     MR. CARLETON: Good afternoon. Can  
16      everybody hear me okay? Okay. So, the 2013 assessment  
17      was, as John mentioned, grew out of the 2012. And, we  
18      continued some parts of that assessment, which were the  
19      network architecture design and the vulnerability  
20      assessment. We added two more sections to that to monitor  
21      what we did in 2012, its findings. So, one of the  
22      findings in 2012 is that we needed to have configuration  
23      standards for our network and server architecture. So,  
24      they did an assessment of our configurations against those



1 standards. And, they also performed an assessment of our  
2 DMZ plan, which we had implemented previously, but we're  
3 continuing on a three-phase approach for that.

4 So, the comparison of the two results  
5 were significantly improved in 2013. We had a per device  
6 move down from a 74 vulnerability or 73 vulnerabilities  
7 per device, down to 6. So, that was over 74 percent  
8 improvement in our total vulnerabilities identified. We  
9 had five items come out of our 2012 report, high-level  
10 findings. And, then, we had four. Three of them in 2012  
11 are high, two of them were this year were low -- or, I  
12 mean, high. And, then, we had two mediums to correspond  
13 to mediums from the following report.

14 The key findings that we had in 2013  
15 were around our configuration standards weren't following  
16 close enough our current standards. Now, that doesn't  
17 mean that our current standards were supportive enough of  
18 the environment. We needed to do more, based on device  
19 usage, customization of our standards. So, an example of  
20 that would be a Web server for Windows has different  
21 configuration standards than an application server,  
22 however, we kept them in one single standard. And, we  
23 want to make it over two to make those two different use  
24 cases. So, we'll be modifying those ones.

1           So, the first part in the security is  
2 always document, second part is understanding a little bit  
3 better, and then put improved standards in place. And,  
4 so, that's where we'll be working on that area.

5           Our patching, we had a finding that we  
6 needed to have a better patching strategy; we implemented  
7 that. As always, as everybody knows around here, we  
8 probably have security patches coming up daily and weekly.  
9 So, we have a cycle of going through that. As of last  
10 weekend, we did all of our patches in our major ERP and  
11 CIS environment when we did the May 16th upgrade. So,  
12 we're up-to-date on our patches as best we can be in this  
13 vulnerable environment we're in today.

14          The third finding was around new  
15 hardware and software deployment. So, we want to make  
16 sure that, when we put in new networks, that these  
17 standards are adhered to and that they're checked, and  
18 that was something that we're working on. And, we did  
19 that and completed that item.

20          The fourth item was around the -- we  
21 sometimes acquire assets and purchases. And, sometimes  
22 these assets will have end-of-life issues and other type  
23 of items. So, we have looked at those ones, except for a  
24 metering software in a neighboring state that we purchase

1 the utility, we will be putting them onto our overall  
2 metering solution. But, for now, we segmented that  
3 solution from our network, and also realized it had some  
4 issues with end-of-life. But it's going to be replaced in  
5 an 18-month to 24-month time frame, and we just mitigated  
6 it that way, as opposed to try to put in a brand new  
7 metering system currently.

8 The final one of the findings was  
9 implementing our DMZ. It wasn't findings that say from --  
10 just take a look to make sure you're still making progress  
11 in your DMZ strategy. And, we are, we're on time for  
12 that, and we just have to continue with that particular  
13 approach.

14 So, all in all, it was a positive 2013  
15 report versus 2012. However, we still have to  
16 continuously improve the security and improve some of  
17 those items, like making sure we have improved  
18 configuration standards.

19 MR. LOWSON: So, that completes what we  
20 were planning to present. I would just run through the  
21 questions, to make sure that we've counted them all off.

22 CMSR. SCOTT: Please do.

23 MR. LOWSON: So, I mean, I won't read  
24 them all out, but I'll summarize. So, the first question

1 was, have we undertaken an assessment of server  
2 infrastructure and data network other than 2012 and 2013  
3 assessment? So, yes. The Maturity Assessment that we  
4 just described is the additional piece performed this  
5 year. And, the answer to the second question, it was not  
6 self-performed. It was performed by PwC. And, then,  
7 1(c), the consequences for non-compliance findings as I  
8 described would be remediating those items where our  
9 maturity on the scale that we described is below a 3, and  
10 remediate those prior to the reassessment that we just  
11 discussed, performing upon completion of the IT migration  
12 plan.

13 So, the second question really speaks to  
14 what standards we followed, and the relationship between  
15 that standard and the ISO 27001. So, again, as we  
16 described, the network security architecture assessment  
17 was the basis upon which we got input into our network  
18 design and the features necessary to incorporate into the  
19 design to make the network secure. 27001 is a management  
20 standard. So, that's the basis that we used to derive the  
21 control statements that kind of sit on top of the actual  
22 network itself, if you like. So, I think it's kind of  
23 like the American, I know has statements around leading to  
24 combine risk-based and compliance-based approaches, and,

1 to me, this is kind of the same thing.

2 So, "did the 2013 assessment assess  
3 compliance with the ISO 27001 standard?" No. As we've  
4 just described, it was a repeat of the vulnerability  
5 assessment, and, obviously, it was designed to review and  
6 build upon the progress from 2012. So, the 2014  
7 assessment that we're doing now gets directly at  
8 compliance with the 27001 standard.

9 Question 4 asks about the 2013  
10 assessment. I believe we answered that in the slide.  
11 And, we've also provided the report from that assessment  
12 in answer to data requests.

13 So, Question 5, I mean, I can go through  
14 these, if necessary, but I think we answered Question 5 in  
15 our slides.

16 And, Question 6. So, yes, Question 6,  
17 yes, we do plan to provide a draft of the RFP, and also  
18 the list of third parties that will be contacted. We're  
19 very willing to do that.

20 Question 7 was about a term that was  
21 used in one of our documents, "ONTRAAC". ONTRAAC is the  
22 name of an IT application, which we use to capture both  
23 our automated and manual controls data. So, it just  
24 assists us with capturing both kind of alerts from our

1 network, as well as results from manual controls.

2 So, Question 8 asked -- we submitted a  
3 project plan in answer to a data request that laid out the  
4 2014 activities. So, Question 8 is asking us to provide  
5 updates to that plan. So, we'll do that as a -- through a  
6 data request. But, in essence, the plan -- the plan that  
7 was submitted was as of late February. So, the updates  
8 would be -- it's, obviously, to show the tasks that have  
9 been completed, to move the Granite State conversion date,  
10 because in that plan it was shown as Memorial Day, and  
11 then add the detail associated with the tasks around the  
12 reassessment coming up later in the year.

13 And, then, Question 9 is asking "what  
14 assurance can Liberty provide to the Commission that it  
15 will engage a third party to conduct an independent  
16 assessment?" And, as I said, you know, we're committed to  
17 doing that. And, we'll, you know, we'll share the draft  
18 RFP with Commission Staff prior to its issuance.

19 That really completes what we had to  
20 say.

21 CMSR. SCOTT: Okay. Thank you. And,  
22 any questions from the OCA?

23 MS. HOLLENBERG: Yes. Thank you. One  
24 moment please.

1 (Short pause.)

2 MS. HOLLENBERG: The Settlement  
3 Agreement in the merger docket, specifically Section --  
4 I'm trying to find -- Section D.2(c) of the Settlement  
5 Agreement, required the Company to get a "network security  
6 compliance with International Organization for  
7 Standardization Standard 2700-1 (Baseline Assessment) will  
8 be performed prior to the Closing Date". That did not  
9 happen, is that correct?

10 MR. LOWSON: Correct.

11 MS. HOLLENBERG: Okay. That hasn't  
12 happened yet, right?

13 MR. LOWSON: Well, our Maturity  
14 Assessment we regard as being the completion of the  
15 definition of the baseline, if you like. So, the Maturity  
16 Assessment does assess compliance, as we described, on a  
17 scale of, you know, it's actually zero to 4.

18 MS. HOLLENBERG: Uh-huh. And, the  
19 Maturity Assessment is done at this point in time?

20 MR. LOWSON: I mean, the work is  
21 completed. You know, we've circulated draft reports.

22 MS. HOLLENBERG: Okay. So, the  
23 compliance with that requirement hasn't been accomplished  
24 yet, it is under -- in the works?

1 MR. LOWSON: Correct. Correct.

2 MS. HOLLENBERG: Okay. No questions.

3 Thank you.

4 CMSR. SCOTT: Any questions by Staff?

5 MR. WIESNER: I'd like to invite our  
6 consultants from G3 to take first crack at questions, and  
7 then we may have follow-up.

8 MR. CONNOLLY: Following up on Rorie's  
9 question, about the security assessment baseline report,  
10 it's our understanding that PwC's 2012 work and 2013 work,  
11 which result -- both of which resulted in reports to  
12 Liberty, don't go to satisfy the requirements in that,  
13 that Rorie just mentioned, is that right?

14 MR. LOWSON: Correct.

15 MR. CONNOLLY: I wanted to clarify a  
16 comment that David made about the 2013 assessment. That  
17 was conducted in July 2013 by PwC?

18 MR. CARLETON: Correct.

19 MR. CONNOLLY: The work that -- that was  
20 the technical work that assessed the assets and resources  
21 of Liberty, it was in July of 2013. The conversion of  
22 EnergyNorth Gas to the Liberty system happened in  
23 September 2013, is that right?

24 MR. CARLETON: Correct.



1 MR. CONNOLLY: We've had some  
2 discussions about these control statements that PwC has  
3 been asked to review in the current network assessment,  
4 that is the 2014 work. We understand those to be  
5 involving access control and network security management  
6 within the ISO 2700-1 standards, four control statements.  
7 And, as we look at the ISO standard, it's a family of some  
8 114 control statements, of which Liberty has chosen these  
9 four to work on with PwC. Some of those that are not  
10 being addressed, and, as we understand PwC's work, we  
11 don't see that there is focus on the ISO standard for  
12 leadership, for policy, planning, risk assessment,  
13 operations planning and control, performance evaluation,  
14 and improvement. "Improvement", meaning continuous  
15 reinforcement of the mechanisms, and looking at security  
16 problems and looking at the systems, finding problems,  
17 finding intrusions, repairing them, so on and so forth.

18 So, as we look at the work that PwC has  
19 been assigned to do, we think that their approach of  
20 focusing on these network control statements is probably  
21 very good. We don't quite have a handle yet on what the  
22 21 control statements are that are in its methodology. We  
23 expect to have access to that information when we get the  
24 report that Liberty is currently reviewing for PwC. But

1     what we understand from our discussions is that the other  
2     parts of the ISO standard are not within the purview of  
3     PwC, as has been assigned to Liberty. That's some of the  
4     questioning behind "Where will the other aspects of the  
5     compliance review for compliance with the standard, where  
6     will those come? Will Liberty do those independently?  
7     Will Liberty do those through another engagement with  
8     another third party assessor or evaluator?" And, those  
9     are why we come across with additional questions that we  
10    don't yet have answers for, relative to the Settlement  
11    Agreement requirement to have the IT world at Liberty  
12    assessed against the ISO standard.

13                   MR. LOWSON: Can I respond?

14                   CMSR. SCOTT: Please do.

15                   MR. LOWSON: Yes. So, I think, I mean,  
16    for context, we -- this piece of work arose as a result of  
17    the Settlement Agreement. And, we believe that the  
18    language in the Settlement Agreement is clear, in terms of  
19    its network security. And, so, we've selected those  
20    aspects of ISO 27001 that relate to network security as  
21    being the scope of this, of this piece of work. But I  
22    think it's important to understand that this is not the  
23    only -- these are not the only IT controls that Liberty  
24    has. We have, you know, we're a publicly listed company,

1 we have various compliance obligations. So, we have an IT  
2 controls environment. And, I think, as folks might be  
3 aware, there are various standards that I've used around  
4 IT controls. Obviously, COBIT being one.

5 (Court reporter interruption.)

6 MR. LOWSON: COBIT.

7 MR. CARLETON: C-O-B-I-T.

8 MR. LOWSON: So, the choice of ISO  
9 27001, specifically to derive the network security  
10 controls, I believe has its origins in the view that that  
11 was an area where COBIT was not so strong. So, ISO 27001  
12 tends to be used as a source of control frameworks  
13 specific to network security.

14 MS. KNOWLTON: And, I would just like to  
15 add to that that my understanding is is that, I mean, the  
16 Company has been talking to G3 about the scope of this  
17 next phase. And, that there's a divergence of opinion  
18 about what the Settlement language means and what it  
19 requires. And, I think the position that none of us want  
20 to be in is conducting that assessment, and then having  
21 someone later say "Jeez, we don't think that measures up."

22 And, so, I think what we would like is,  
23 and we would welcome the opportunity, whether, you know, a  
24 representative from the Staff that sits with the Company

1 and G3 and reaches some consensus on what that scope is.  
2 I think we're open to that process. But I think we don't  
3 want to leave that issue open, and we'd like some  
4 resolution to that. And, that's one suggestion about how  
5 to get there.

6 MR. PASIEKA: Yes, Commissioners.  
7 Further to that, you know, on Page 22 of the Settlement  
8 Agreement, and I'll just read a little section here just  
9 to -- it says "the Liberty Utilities Family of Companies'  
10 network security" -- I'm sorry. "To ensure the security  
11 and integrity of Liberty Utilities Family of Companies'  
12 server infrastructure and data network, a third party  
13 security assessment of the Liberty Utilities Family of  
14 Companies' network security compliance with the ISO 2700-1  
15 (Baseline Assessment) will be performed prior to closing.  
16 Any instance of non-compliance," blah, blah, blah, blah,  
17 blah.

18 So, it's very clear in the Settlement  
19 language that it was very specific, 2700-1, for the  
20 network security component, not the complete standard,  
21 which would have these other controls in it. So, this is,  
22 I think, forms the basis of our dialogue here. You know,  
23 it seems very clear in the language, it also, in the  
24 language, references the engagement letter that we had

1 with PwC on 2012. It's actually attached to the  
2 Settlement document. So, from our perspective, it's very  
3 clear as to what the scope was, and also very clear, from  
4 the dialogue and the attachments with the PwC document, as  
5 to what we were planning on doing.

6 And, you know, I'm here to tell you that  
7 we did execute around, you know, engaging them and getting  
8 that -- that early work done, consistent with the letter  
9 that was attached to the Settlement Agreement.

10 CMSR. SCOTT: Anything more from  
11 Liberty, before I go back to G3?

12 (No verbal response)

13 CMSR. SCOTT: You had more, Mr.  
14 Connolly?

15 MR. CONNOLLY: I was going to say,  
16 Commissioners, that, in our discussions with Liberty and  
17 with PwC on that same discussion, we've offered and  
18 extended the willingness to participate in a collaborative  
19 effort or a give-and-take back and forth, whatever it  
20 takes to get the scope ironed out before work gets done,  
21 and would have to be redone. We also believe that we  
22 should scope this thing properly and then go forward.

23 As regards the engaging -- the  
24 engagement letter with PwC that Mr. Pasieka referenced, if

1 we look through that engagement letter, you will not find  
2 any reference at all to the ISO standard. You won't find  
3 any reference at all to the server infrastructure and data  
4 network security assessment. It's just not there. So,  
5 the adequacy of that to discharge the obligation, you  
6 know, we just don't find that that was -- that that was  
7 part of the engagement that PwC was being recruited to do  
8 at that time. I apologize for talking so fast.

9 MS. KNOWLTON: I have one response to  
10 that, if I may?

11 CMSR. SCOTT: We'll let Steve catch up.  
12 All right.

13 MS. KNOWLTON: I think our -- the  
14 historic piece of this, our point in bringing this up, is  
15 that, from the Company's perspective, it was clear about  
16 what it was doing. You know, the PwC engagement letter  
17 was attached to the Settlement Agreement that was filed.  
18 And, then, when the work was completed, it was filed with  
19 the Commission, actually, it was submitted to the Staff,  
20 the security assessment report pursuant to that 2012  
21 engagement letter, and the Company's response was filed  
22 with the Staff on June 28th, 2012. And, subsequently, in  
23 the Fall of 2013, there were issues that were raised about  
24 the scope of that work that was conducted. And, honestly,

1 my understanding is that the purpose of that 2012 work was  
2 to establish a baseline in the system at that time. We  
3 can't go back and do something different than what was  
4 done. So, what was done is done. And, I think Mr. Lowson  
5 has described in detail, along with the representatives of  
6 PwC that are here today, the work that's being done now  
7 for the Maturity Assessment and what is to be done. And,  
8 I think what we're wanting to convey is that we wanted to  
9 make sure that, for the pieces that remain, that it is  
10 what the Commission is looking for, and having clarity  
11 about that. And, again, inviting the Staff to come to the  
12 table with G3 and the Company to sort through what that  
13 is, to the extent that there is a divergence of opinion.

14 CMSR. SCOTT: So, before I relinquish  
15 back to the Chair, --

16 CHAIRMAN IGNATIUS: Keep going.

17 CMSR. SCOTT: -- so, it sounds like  
18 everybody is in agreement, I haven't heard from Staff yet,  
19 but it sounds like everybody thinks it's good to have a  
20 sit-down to make sure everybody is agreeing on the next  
21 steps before anybody continues to work on something that  
22 may be in the wrong direction?

23 MS. KNOWLTON: I think that's right. I  
24 think the discussions so far have been between the Company

1 and G3. And, we'd like to invite the Staff to the table  
2 to join in that discussion.

3 CMSR. SCOTT: And, maybe the OCA?

4 MS. KNOWLTON: Anyone who wants to join  
5 us is welcome.

6 CMSR. SCOTT: All right. Thank you.  
7 Anything else from Staff?

8 MR. WIESNER: We're all set.

9 CMSR. SCOTT: Well, I have some  
10 questions. Well, you just answered one. I'm just  
11 curious, on your assessments, do you also look at the --  
12 you have your, my words, network policies you're looking  
13 at. Do you also, looking at the vendors, we mentioned  
14 earlier this morning, you have vendors that process  
15 different billing aspects and payment aspects, how do you  
16 look at the integration for them?

17 MR. CARLETON: I can speak to that. All  
18 of our vendors must sign a third party security affidavit  
19 as part of their contracts. And, part of that is the data  
20 security, they must protect their source, we have the  
21 right to audit. They must have encryption, they must have  
22 information detection and prevention programs in place,  
23 they must have logs and so forth and so on. It's about a  
24 three-page document, and we make them sign that.



1 CMSR. SCOTT: And, do they do third  
2 party audits of their systems --

3 MR. CARLETON: Well, they will all,  
4 because they will do the SOX compliance ones. So, they  
5 will do that affidavit. That's what we request of them.  
6 But we also, and I shouldn't say this, but, if we get a  
7 request for something special from a regulator, they have  
8 to adhere to us for that, we put that in as well.

9 CMSR. SCOTT: Well, that's good to know.

10 MR. CARLETON: I didn't say that.

11 CMSR. SCOTT: And, your documents  
12 mentioned a "DMZ". Is that -- are we talking "firewalls"?  
13 What are we talking about?

14 MR. CARLETON: Pardon.

15 CMSR. SCOTT: I'll restate. Some of  
16 your documents reference a "DMZ".

17 MR. CARLETON: Demilitarized Zone.  
18 That's our shared area of protection between applications  
19 we want to be outside of our area, as well as applications  
20 inside. So, we like to have that. So, if we're dealing  
21 between companies as well, or as we have -- if we had a  
22 website that we were hosting internally, it would be  
23 there.

24 CMSR. SCOTT: Thank you. And, you

1 mentioned, it sounds like, for 2012, you did what you're  
2 terming a "baseline", or at least that was the intent, if  
3 I understood right, and 2013, looking at it again in 2014.  
4 Is there an expectation it will be an annual assessment?

5 MR. CARLETON: That is something we  
6 would like to engage with Staff on. This year, we were  
7 looking at doing the ISO 27001 compliance assessment, as  
8 opposed to necessarily a network assessment for  
9 vulnerabilities. That was our plan. But we will relook  
10 at that this year, based on discussions.

11 MR. LOWSON: If I could just add a  
12 comment. There's -- I'm sorry. As you, I think, are very  
13 well aware, this is a pretty evolving field. So, we are  
14 in conversations with regulators in a number of the states  
15 in which we operate, and, obviously, cybersecurity  
16 regulations, and plans are being put forward. So, I  
17 think, you know, our view is that we've got, both from a  
18 controls perspective, and then the kind of risk  
19 assessment, you know, we've got the kind of base -- the  
20 base program in place. But we fully expect that that will  
21 need to adapt as the world moves on.

22 CMSR. SCOTT: And, you've kind of  
23 touched on it, perhaps it was Mr. Carleton on the phone, I  
24 know we went to --

1 MR. CARLETON: Correct.

2 CMSR. SCOTT: -- some of our team went  
3 to Liberty, and --

4 MR. CARLETON: You missed my beautiful  
5 face.

6 CMSR. SCOTT: And -- true.

7 (Laughter.)

8 MR. CARLETON: I didn't know what else  
9 to say.

10 CMSR. SCOTT: So, it is -- cybersecurity  
11 of your SCADA controls is certainly of interest to us  
12 also.

13 MR. CARLETON: Sorry, yes. And, we  
14 perform assessments on that environment as well.

15 CMSR. SCOTT: Great.

16 MR. CARLETON: And, we would --

17 CMSR. SCOTT: I didn't hear your last  
18 statement?

19 MR. CARLETON: And, we would be willing  
20 to share that in a confidential session with you.

21 CMSR. SCOTT: Thank you. That's all I  
22 have.

23 CHAIRMAN IGNATIUS: I did have a  
24 question. If this has already been covered, somebody wave

1 at me and I'll get it elsewhere. On Page 24, under  
2 "Acquired IT Assets", the left-hand column, it says it's  
3 been "completed except for a Massachusetts database which  
4 was mitigated through segmentation." If that hasn't  
5 already been discussed, can somebody tell me what that  
6 means?

7 MR. CARLETON: I will recap it.

8 CHAIRMAN IGNATIUS: Thank you.

9 MR. CARLETON: As you know, we purchased  
10 New England Gas. And, they have a metering database there  
11 that they're using. And, we weren't -- and, we weren't  
12 happy, and neither was PwC on the assessment, with it,  
13 because it's a little bit antiquated in its technology,  
14 and it had some security concerns. So, we are going to be  
15 replacing that with our own metering solution when we put  
16 our suite of applications in there. And, at this point,  
17 we segmented it on the network to protect it. And, we're  
18 not going to upgrade the software, because it's going to  
19 be 18 to 24 months by the time we replace it, so, it's  
20 just not worth that investment.

21 CHAIRMAN IGNATIUS: What implications  
22 does that have on the EnergyNorth system?

23 MR. CARLETON: That resegmentation  
24 separates it from that area. So, we will separate it from

1       that, from all of New Hampshire -- it's separated from  
2       ourselves, it's separated from New Hampshire, EnergyNorth  
3       and Granite State. It's separated from our other  
4       companies that we have in the other states.

5                     CHAIRMAN IGNATIUS: Thank you.

6                     MR. CARLETON: You're very welcome.

7                     CHAIRMAN IGNATIUS: All right. It  
8       sounds like that completes the --

9                     MS. NOONAN: I'm sorry.

10                    CHAIRMAN IGNATIUS: That's all right.

11                    MS. NOONAN: I just had one follow-up  
12       question that I don't think we covered. And, I don't know  
13       where this falls, in terms of your assessment. But could  
14       you please address how or what standard or what process  
15       you have in place to protect sensitive customer  
16       information, such as Social Security numbers, banking  
17       account numbers, and so forth?

18                    MR. CARLETON: Well, I'll start off  
19       with, we don't keep banking information. That was a  
20       strategic decision for us. That is at Fiserv, that --  
21       they process our payments. They are professionals, and  
22       they have to go through all the audits there, POS, and  
23       everything else. And, they look after all of that  
24       customer credit cards, the bank account information, for

1 the payments that are processed.

2 The other parts of it are protected from  
3 our -- we have basic controls around access controls that  
4 we do with our ITGCs, which are --

5 (Court reporter interruption.)

6 MR. CARLETON: ITGCs, IT General  
7 Controls, that we must do to be traded on the New York  
8 Stock Exchange as it relates to making sure people can't  
9 get access remotely into our system, so making sure that  
10 we protect the data at rest. So, we use those controls.

11 MS. NOONAN: So, that access component,  
12 does that fall under one of the four ISO 2700-1 standards  
13 that PwC is going to be looking at?

14 MR. CARLETON: We use the COBIT standard  
15 for that, because that's what our audit audits us against.  
16 They don't audit us against ISO. They audit us against  
17 COBIT. So, we would always use the COBIT standard there.  
18 We wouldn't want to have duplicate standards, which costs  
19 us and our ratepayers more money, to have a standard for  
20 ISO that we have to maintain, plus the COBIT standard.

21 MS. NOONAN: And, how do those standards  
22 compare? Are they comparable or is one more stringent  
23 than the other?

24 MR. HASHAM: If I can just answer that

1 one. So, think of ISO as a principles-based standard. It  
2 will tell you that you need to govern access control, but  
3 it will not tell you how to do it. Think of COBIT, and  
4 other technical standards, as being subordinate, in that  
5 they -- they're very prescriptive in what you should  
6 implement and how you should measure effectiveness. So,  
7 actually, the two are coexistent.

8 MS. NOONAN: Thank you.

9 CHAIRMAN IGNATIUS: That appears to  
10 conclude the security assessment section. There's one  
11 more section in the Company's submission on IT transition.  
12 And, that's, obviously, a critical issue that all of us  
13 are concerned about. What I would suggest is that we take  
14 a break for the sake of the court reporter, and everybody  
15 stretch a bit, and then we finish up.

16 (Brief off-the-record discussion  
17 ensued.)

18 CHAIRMAN IGNATIUS: All right. So, why  
19 don't we try to resume at, it's 3:30 now, to resume at  
20 3:40, be back here and finish up.

21 (Recess taken at 3:30 p.m. and the  
22 hearing resumed at 3:45 p.m.)

23 CHAIRMAN IGNATIUS: All right. We are  
24 back for the final phase of this. Talking about the IT

1 transition planning and testing status. And, I guess, who  
2 is going to lead off on this? Mr. Pasieka?

3 MR. PASIEKA: John Lowson is going to  
4 lead us.

5 CHAIRMAN IGNATIUS: Thank you.

6 MR. LOWSON: So, yes. I've been coached  
7 enough now.

8 (Referring to use of the microphone.)

9 MR. LOWSON: So, we thought, obviously,  
10 given the topics at hand here, it would be appropriate to  
11 provide a status on the electric conversion. I don't -- I  
12 mean, we can go into a lot more detail in questions, but I  
13 kept the slide fairly high level. So, on Slide 26, we  
14 kind of summarize the status by the various work streams.  
15 And, so, "CIS and related" is the first row. And,  
16 that's -- what's in that work stream is kind of most of  
17 what we've been discussing today. So, it includes the  
18 Cogsdale Customer Information System, the Cisco IVR, the  
19 ITRON metering systems, and the Fiserv bill print and  
20 payment systems. The "EDI and Settlement" are closely  
21 related to customer -- to CIS. So, there is a, obviously,  
22 a customer choice component to Granite State. So, the EDI  
23 System is the means by which we exchange transactions at  
24 the retail level with the market -- I mean, between the



1 retail market participants and ourselves. And, then,  
2 settlement is the solution by which we provide the  
3 information that we're obligated to provide to ISO-New  
4 England from a wholesale settlement perspective. The rest  
5 of the work streams here are, obviously, very important,  
6 but they're less relevant to the conversation that we're  
7 having today.

8 So, "Work Management" is the system that  
9 interacts with Cogsdale and gets service orders and other  
10 types of work orders distributed out to our field  
11 workforce, ultimately through kind of mobile devices in  
12 their trucks, and then closure information associated with  
13 those work orders feeds back into the CIS system.

14 The "GIS, Quadra, OMS, FORTIS", those  
15 are all essentially kind of around engineering and --  
16 engineering and operations applications. Obviously, the  
17 OMS is the Outage Management System. So, that has a very  
18 critical customer component to it. It sits in this work  
19 stream, because it's related to our GIS, our Geographic  
20 Information System. But it's also -- it also interfaces  
21 with the CIS, which is where it gets its customer data  
22 from. And, then, the IVR, obviously, is the primary means  
23 by which customers interact with that Outage Management  
24 System.

1                   Then, finally, the SCADA systems, which,  
2                   you know, are relatively separate work streams, and,  
3                   obviously, not directly related to the customer system  
4                   implementation.

5                   So, to give you the status at a high  
6                   level, I mean, as a precursor step, and we touched on this  
7                   two or three times today, there's a version of Cogsdale  
8                   that we recently implemented for EnergyNorth. And, we've  
9                   been referring to as "Version 11.29", which was  
10                  implemented in our five regions the weekend before last.  
11                  So, that version is the version that we will go live with  
12                  for Granite State. And, we've actually had that version  
13                  in our test environments since early March. So, we've  
14                  been testing with that system for the electric accounts  
15                  since that time.

16                  So, the high-level status here is that  
17                  all the Granite State Electric applications and  
18                  integrations are in place. We're in our final test cycle.  
19                  We typically do or we do do four system test cycles, "QA  
20                  cycles" we call them, followed by a final User Acceptance  
21                  Testing phase. So, we're in -- we're at 90 percent  
22                  complete through our final QA test cycle on the CIS and  
23                  related. And, that test cycle contains around 1,100 test  
24                  scripts.

1           As mentioned earlier in today's session,  
2   each of these CIS conversions includes a number of  
3   exercises where we convert the customer data from Grid's  
4   system into our CIS system. That's, obviously, a  
5   critical -- not just getting the application ready, but  
6   getting the data converted is, obviously, a critical part  
7   of these exercises. So, we just completed a dress  
8   rehearsal this past weekend. And, there is sort of two  
9   key components to that, really. One is to ensure that all  
10   of the data did convert correctly. So, there are a bunch  
11   of reconciliations and checks that are performed at the  
12   end of each of these data conversions to satisfy ourselves  
13   that we got all the data, that we got all the dollars, we  
14   got all the meters and so on and so forth.

15           The other component of it, which in lots  
16   of ways is just as critical, is to make sure that it  
17   actually fits within -- fits within the timeframe. We  
18   have a three-day weekend to do these conversions. And,  
19   for both companies, you know, from the point of view of  
20   being able to deliver service to our customers, knowing  
21   that you can get that conversion fitted within the  
22   requisite period of time is critical. So, the dress  
23   rehearsal was to be a dry run, if you like, of testing out  
24   those components.

1                   And, I mean, the results that came from  
2                   that were that the, you know, quality of the data  
3                   conversion was satisfactory for what we need. We've got  
4                   some work to do to get our timings refined, so that we  
5                   know exactly what starts when, what, you know, we're clear  
6                   on all the interdependencies, so that we're -- both  
7                   companies get satisfied that they can undertake all the  
8                   activities that they need to take within that weekend.  
9                   So, these are very important exercises to do and put us in  
10                  good shape for Independence Day weekend.

11                  So, what follows from here is, as we  
12                  said, completing the final QA test cycle, Cycle 4, doing  
13                  our User Acceptance Testing, which we kick off this week.  
14                  And, there are other forms of testing that we do. Some  
15                  performance testing, other forms of testing, just to make  
16                  sure, or to reduce the risk as much as we can, that all  
17                  the activities that need to happen once we cutover, you  
18                  know, are going to be able to get done satisfactorily.

19                  From a training point of view, you know,  
20                  we talked about this earlier, so, given that we were  
21                  working towards a Memorial Day weekend cutover, and we had  
22                  started the training for the customer service reps, both  
23                  the existing EnergyNorth, if you like, customer service  
24                  reps, who are already provided customer service to our gas

1 customers, do have to learn the sort of electric version  
2 of the same job, and plus the incremental staff that Bill  
3 Sherry mentioned in his presentation, who are being hired  
4 on to, you know, to support us when we're doing both gas  
5 and electric. So, some of that training has occurred. We  
6 deferred some of it, when we moved the date back to  
7 Independence Day. So, we have that to complete by the  
8 20th of June.

9 In the EDI and Settlement area, I mean,  
10 most of this is really tied to the CIS. So, the testing  
11 really goes hand-in-hand. There are some specific aspects  
12 of testing that are kind of unique to those applications.  
13 So, we're required to test our EDI interaction. If the  
14 utility switches over and the retailers all have to kind  
15 of retest, if you like, so that process is actually almost  
16 complete. And, then, we have a number of cycles where we  
17 simulate the end-to-end process of producing all of the  
18 data that we need to provide to the ISO with respect to  
19 settlement. So, that's -- we've completed four test  
20 cycles there, but we have one more to come.

21 And, then, I mean, work management,  
22 it's -- you know, we've completed our QA, we're in User  
23 Acceptance Testing. That, you know, a piece of that, and  
24 in conjunction with the CIS to configure our meter orders.

1 With respect to the GIS and related components, we've  
2 completed, I mean, the vendor -- we use Schneider Electric  
3 to provide these systems. You know, they provided all the  
4 systems long ago. We've done, you know, functional  
5 testing, we've done all our integration testing. So,  
6 we're ready now. We've got the applications up in the  
7 control room, for instance, in a test environment, and the  
8 staff are using them. And, we needed to make some  
9 adjustments to the GIS data, to -- as we kind of peeled  
10 back the way Grid's GIS data is put together, compared to  
11 what we need, we discovered that there was some  
12 differences in the way it works for its translating into  
13 our GIS. So, we're working through making those data  
14 adjustments, to ensure that the Outage Management -- well,  
15 for a bunch of reasons, but most importantly that the  
16 Outage Management System will actually kind of function as  
17 it needs to when we're up and running.

18 And, then, with respect to the SCADA  
19 systems, again, we're well down the path. We've completed  
20 site acceptance testing of the applications. We're  
21 working very, very closely with Grid to commission and  
22 test all the data points in the electric SCADA network.  
23 And, we're very close to completing that commissioning  
24 activity, so that we can position ourselves to actually do

1 the -- you know, the hand over of control at some point in  
2 June, when both parties are comfortable with that.

3 So, I'll stop there. I mean, obviously,  
4 we could go into lots more detail than that. But that's  
5 the situation at a very high level.

6 If you flip to Slide 27, I mean, 27 was  
7 there just to sort of try to depict the overall process.  
8 As we indicate here, we, you know, we're doing remaining  
9 stages of Test Cycle 4. And, these are acceptance  
10 testing. Training is partially completed, but some  
11 remains. And, we have a series of management checkpoints,  
12 you know, obviously, we're supporting status on a weekly  
13 basis here to monitor progress and satisfy ourselves that  
14 we're, you know, we're good to go.

15 And, then, during the cutover weekend  
16 itself, there are a series of go/no go decisions of where,  
17 you know, between ourselves and Grid, to ensure that, you  
18 know, everything is proceeding according to plan, we're  
19 both comfortable. And, obviously, there's a, you know, a  
20 set of protocols in place, even on that last weekend. If  
21 it's determined that we need to back out and not cutover,  
22 then, you know, the process is set up to do that.

23 So, I mean, the summary is, you know,  
24 we're marching towards that date. You know, we feel very

1       confident about it. There's a lot of momentum. There's a  
2       huge amount of effort that I'm sure you can appreciate in  
3       both companies. So, you know, we're anxious to get there  
4       and get it completed.

5                     CHAIRMAN IGNATIUS: Mr. Pasieka.

6                     MR. PASIEKA: Yes. I'd just like to add  
7       a couple things, if I could, Commissioners. First of all,  
8       that go/no go decision, we spent a lot of time working  
9       through that. We meet with John on a weekly basis. He  
10      does a complete status report. Ian, myself, and the CFO  
11      sit in on those meetings. So, we're very engaged right to  
12      the top of the house on where he's at, where he's  
13      struggling, where he needs some help. And, we work in a  
14      very transparent environment. So, if he's got something  
15      that's red, he'll declare it's red, and we'll figure out  
16      how to solve that for him. So, that's very key.

17                    The other thing is, we've done this a  
18      couple of times before. So, we've done these conversions,  
19      and so we know what it takes. And, I would also say to  
20      you that that go/no go weekend, there's usually a  
21      checkpoint on Friday night. So, I usually get a call, I'm  
22      usually asked to dial into a call on Friday night. And,  
23      then, there's another one on Sunday morning, after the  
24      data has spent some time converting, just to see how the



1 data converted. And, then, we decide on Sunday morning  
2 whether or not we're going backwards or we're going  
3 forward. And, so, that's the process that we use. And,  
4 Madeleine from National Grid is connected into that  
5 process, along with her team.

6 The last time, on Labor Day weekend,  
7 too, I also believe that we had a couple of phone numbers  
8 from Staff. And, Bill kept the Staff informed through the  
9 weekend, and we plan to do that for this conversion, too,  
10 so that there's no surprises. No one is waiting to come  
11 in on Tuesday morning to know what it is or what it isn't.  
12 So, I think there's a pretty transparent process there  
13 that we've exercised a couple of times.

14 CHAIRMAN IGNATIUS: Thank you. All  
15 right. Should we take questions from OCA?

16 MS. HOLLENBERG: I don't have any  
17 questions. Thank you for asking.

18 CHAIRMAN IGNATIUS: Does Staff? All  
19 right. Mr. Knepper, do you want to begin?

20 MR. KNEPPER: Yes. I have a question on  
21 the -- even though it's not all that important, I guess  
22 it's not the CIS system, but I'm worried about the OMS  
23 system, because right now you're using National Grid.  
24 And, I'm worried about the graphic display that goes to

1 the customers, that kind of goes down to a street level or  
2 neighborhood level of where the outage is. I mean, that's  
3 what we're used to seeing. Is that still going to be  
4 available in the new system?

5 MR. LOWSON: Yes. So, I think the  
6 feedback that we've had on -- I think we had some  
7 conversations, your group, as I understand, on the -- I  
8 don't know whether it was demo or whatever it was, your  
9 description, but we got the feedback. We are actually  
10 able to modify the way the information is displayed on  
11 that website. So, based on that feedback, we're making  
12 some modifications to the way that the information is  
13 displayed, which I believe, I mean, I haven't been  
14 directly involved, but I know that my team are working on  
15 that. And, the intent would be to give you an opportunity  
16 to see what the end product was going to look like.

17 MR. KNEPPER: Okay. Just my concern is,  
18 wait until there's a large, significant widespread outage  
19 is not the time to find out that's not what people --

20 (Court reporter interruption.)

21 MR. KNEPPER: When there's a widespread  
22 outage in the state is not the time to find out that  
23 that's not the information that people want. They're used  
24 to going in and looking at it a certain way, and this is

1 one thing that, really, your customers see. And, so, when  
2 you disturb things or if it's not exactly the same, we'll  
3 get direct feedback here at the Commission. So, I look  
4 forward to whatever -- the first cut didn't seem to get  
5 down deep enough, maybe the second cut will.

6 MR. LOWSON: Okay.

7 CHAIRMAN IGNATIUS: Other questions from  
8 Staff? Mr. Connolly.

9 MR. CONNOLLY: Yes. Excuse me. A  
10 question for John, I think, maybe for David Pasieka. The  
11 go/no go decision, are there any issues that are hovering  
12 in that neighborhood at this time that we should know  
13 about?

14 MR. LOWSON: I mean, I don't -- there  
15 are always issues. But I don't see any that are of a  
16 magnitude that would, you know, be worth going through in  
17 any detail at this point.

18 MR. CONNOLLY: So, clear sailing, as far  
19 as all indicators are as of now?

20 MR. LOWSON: Yes. I mean, it's -- yes.  
21 We're on track. You know, as we've laid out what work  
22 remains in front of us, in terms of what we've got left to  
23 do, we feel pretty comfortable that we can get through  
24 that and be successful.

1 MR. CONNOLLY: Good. Thank you.

2 CHAIRMAN IGNATIUS: Is that it?

3 MR. CONNOLLY: Yes.

4 CHAIRMAN IGNATIUS: Oh. All right.

5 Sorry. Commissioner Scott, a question?

6 CMSR. SCOTT: Thank you. I was just  
7 curious. So, it sounds like the dry run over the Labor  
8 Day -- Labor Day, excuse me -- the Memorial Day, this last  
9 weekend, that sounded like it was productive it sounded?

10 MR. LOWSON: Very productive, yes. I  
11 mean, it was very tiring as well.

12 CMSR. SCOTT: And, obviously, and I'm  
13 not aware of any other three-day weekends between now and  
14 the Fourth of July weekend. But do you plan on doing any  
15 other dry run type activity or was really you needed that  
16 three-day block?

17 MR. LOWSON: No. I mean, we're not --  
18 at this point, we don't see a need to do a repeat of that.  
19 I think it gave us the results that we needed.

20 CMSR. SCOTT: Good. Thank you.

21 CHAIRMAN IGNATIUS: Commissioner  
22 Honigberg.

23 CMSR. HONIGBERG: How many hours roughly  
24 would you say testing did you perform at each of the test

1 cycles?

2 MR. LOWSON: That's a good question. I  
3 mean, I could give you a rough order of magnitude. It's  
4 probably, in any given cycle, it's probably, you know,  
5 eight to ten people, for six weeks on average, something  
6 like that.

7 CMSR. HONIGBERG: So, those people,  
8 that's their job for those weeks?

9 MR. LOWSON: Correct.

10 CMSR. HONIGBERG: How confident are you,  
11 personally, that the IT aspects of this transition will  
12 go, I don't want to use the word "smoothly", because  
13 that's an unfair word, that it will work correctly over  
14 the Fourth of July weekend?

15 MR. LOWSON: Right. So, I'm pretty  
16 confident. And, the basis for that is really that we are,  
17 you know, if I look at the indicators that I look at, you  
18 know, our completion rates on testing, our, you know,  
19 defect rates and the rates of clearance of those defects,  
20 you know, data quality through the conversions and so on.  
21 I mean, the indicators are looking kind of where they need  
22 to be. I mean, I say to everyone, you can't ever  
23 guarantee no issues. But these are always, you know,  
24 assessments that you make based on indicators and the

1 experience that you have of trying to -- of similar  
2 conversions. So, based on all those things, we feel  
3 pretty confident.

4 CMSR. HONIGBERG: Thank you.

5 CHAIRMAN IGNATIUS: Mr. Lowson, at this  
6 point, it sounds like you are verifying that the data that  
7 was transferred in the mock process over this past weekend  
8 came through the way it was supposed to, correct?

9 MR. LOWSON: Yes.

10 CHAIRMAN IGNATIUS: And, do you have any  
11 preliminary analysis to show that it was accurate?

12 MR. LOWSON: Yes. So, the one I -- I  
13 haven't got the kind of full, you know, we just finished  
14 it last night, but I mean one of the headline numbers is  
15 the financial, you do a comparison or reconciliation on  
16 various financial amounts out of the two systems. And,  
17 the headline financial reconciliations, we call it  
18 "control total", matched very, very closely. In fact,  
19 more closely than we have in previous versions of this  
20 conversion, so -- and, that's a key point, I mean, because  
21 that represents a go/no go decision. If you can't get the  
22 financials to reconcile, then, obviously, there's a  
23 problem.

24 CHAIRMAN IGNATIUS: As you go through

1 all of the findings of that transfer, that mock  
2 conversion, will you be notifying the Staff of what the  
3 results were?

4 MR. LOWSON: Yes. I mean, what we  
5 normally do is we provide, I believe, the monthly status  
6 report goes to Staff. So, that would be the means by  
7 which we would provide overall status reporting, including  
8 that component. I mean, we're very comfortable to  
9 providing more information, if that's appropriate.

10 CHAIRMAN IGNATIUS: The monthly, as  
11 we're getting down, --

12 MR. LOWSON: Right.

13 CHAIRMAN IGNATIUS: -- we have barely  
14 more than a month to go. So, maybe a new system of  
15 reporting that's a little more regular would be  
16 appropriate. And, I don't know if we want to define that  
17 here, but might ask that the Company and Staff talk about  
18 that.

19 Similarly, you're about to commence  
20 testing on the User Acceptance Testing protocol. That  
21 says it's going to go on through -- it's not just a couple  
22 of days testing. What does that mean? What goes on over  
23 those four weeks?

24 MR. LOWSON: So, again, it's scripted.

1       So, I mean, each test cycle has a defined set of scripts  
2       across all the different functions within the system.  
3       User Acceptance Testing is primarily designed to give kind  
4       of real end-users the opportunity to experience the  
5       system. So, the purists would say that it's not, it's as  
6       much a test of the user's ability to use the system, as it  
7       is of the actual system itself. I mean, the reality is  
8       that it's, you know, it's a combination of both. So, it  
9       is scripted. And, we make sure that the users have  
10      covered all of the relevant system functions through that  
11      time. And, they typically borrow scripts that were used  
12      in earlier test cycles to conduct that exercise, but  
13      they're actually free to, you know, try something, I mean,  
14      to try something completely different, if they wish. It  
15      can be a more free format, because the earlier stages of  
16      testing are where the very structured testing has  
17      occurred.

18                   CHAIRMAN IGNATIUS: Who are the users  
19      here we're talking about?

20                   MR. LOWSON: People within the calls  
21      team, and then others within our utility here.

22                   MR. LEEHR: If I may, I'd like to  
23      supplement John's remarks on behalf of the users. A lot  
24      of the groups are under my responsibility. It's primarily



1 the Operations group and the Customer Care group. We've  
2 had several readiness sessions, two-day sessions, going  
3 through extensively some of the gap analysis processes,  
4 how the systems will work, and how the users have to  
5 address the processes in order to assure accurate and  
6 timely reporting and controls. And, for example, we have,  
7 in the dispatch center, we have a new bank of control  
8 stations for the electric utility, in addition to the gas  
9 utility. We have added several Staff in both operations  
10 and Customer Service, to address the cutover and the  
11 responsibilities coming over to us as a company.

12 I think we've exceeded what was done for  
13 the gas conversion with the electric conversion, and have  
14 had the benefit of lessons learned from the gas side. So,  
15 there's a high degree of confidence from the users' side  
16 that the cutover will be successful, both with the past  
17 experience, as well as the additional resources dedicated  
18 and available. Thank you.

19 CHAIRMAN IGNATIUS: Thank you.  
20 Commissioner Scott.

21 CMSR. SCOTT: Just one follow-up.  
22 Obviously, it sounds like there was agreement with all  
23 parties on the need for a sit-down on the post transition  
24 assessment RFP prior to that happening. What's the

1 timing, from Liberty's point of view?

2 (Telephone ringing over the speakers.)

3 CMSR. SCOTT: We're out of time. Sorry.

4 CHAIRMAN IGNATIUS: Let's go off the  
5 record.

6 (Off the record.)

7 CHAIRMAN IGNATIUS: Okay. Let's go back  
8 to where we were.

9 MR. LOWSON: Yes. I think you're  
10 referring to the network security assessment.

11 CMSR. SCOTT: Yes.

12 MR. LOWSON: Yes. So, I think we were  
13 targeting to have the assessment performed in September or  
14 October maybe. So, we would be looking to have the  
15 conversations around scope with someone to be discussed  
16 kind of relatively soon. Ideally, within the next month,  
17 I'd say, but certainly in July, if not in June.

18 CMSR. SCOTT: Thank you.

19 CHAIRMAN IGNATIUS: Let's go back to a  
20 couple more things that still have to happen. On the EDI  
21 testing, I assume that's working with the competitive  
22 suppliers?

23 MR. LOWSON: Yes.

24 CHAIRMAN IGNATIUS: And, have you

1 already done what you're going to do with them or is that  
2 still in process?

3 MR. LOWSON: Yes. There's actually one  
4 retailer where this is --

5 (Court reporter interruption.)

6 MR. LOWSON: So, the answer is "yes".  
7 Most of it is complete, the testing that has to be  
8 performed with the retailers themselves, barring one, as  
9 of the last status that I had, which I think was late last  
10 week. And, that's really an issue, as I understand it,  
11 with that retailer's connectivity to the EDI supplier, and  
12 Grid has the same issues with that retailer. And, I can't  
13 remember who it is, but -- so, we're close to complete on  
14 that.

15 CHAIRMAN IGNATIUS: And, if anyone new  
16 is registered by this Commission to take customers between  
17 now and then, how do we make sure that they're in touch  
18 with you and you're in touch with them?

19 MR. LOWSON: That is a good question,  
20 and I don't know the answer to that, to be perfectly  
21 honest. And, I could take that as a follow-up. I don't  
22 know what the obligations and the time frame are  
23 associated with that, because there's obviously some  
24 process that they have to go through. So, I'd have to

1 follow up on that.

2 CHAIRMAN IGNATIUS: All right. And, I  
3 think we will as well. You had said that one of the  
4 positives or reasons to feel confident going into this is  
5 that you've been through this a couple of times now. Can  
6 you describe what sorts of conversions you've been  
7 involved in? How similar they are to this system or these  
8 systems?

9 MR. LOWSON: Yes. So, I mean, sort of  
10 two pieces to that. In terms of Liberty's experience,  
11 this is the -- correct me if I'm wrong, David -- the  
12 fourth in kind of recent history, including EnergyNorth as  
13 the last of those four. Where, I mean, obviously, each of  
14 these conversions has some differences, but the core  
15 application set that we're using, particularly in the  
16 customer field, it is the same. So, Cisco, Fiserv, --

17 (Court reporter interruption.)

18 MR. LOWSON: Sorry. Cisco, ITRON,  
19 Fiserv, and Cogsdale.

20 CHAIRMAN IGNATIUS: And, of the four  
21 that have been done, were they both gas and electric?

22 MR. LOWSON: Two gas -- well, three gas,  
23 including EnergyNorth, and one electric.

24 CHAIRMAN IGNATIUS: And, were they of a

1 similar size?

2 MR. LOWSON: Yes. So, our CALPECO  
3 utility is actually a very similar size to Granite State,  
4 I think around 45,000 customers.

5 CHAIRMAN IGNATIUS: Did they involve  
6 competitive suppliers?

7 MR. LOWSON: CALPECO did not.

8 CHAIRMAN IGNATIUS: So, --

9 MR. LOWSON: So, that aspect, that  
10 aspect of the Granite State conversion, is new; the EDI  
11 and the electric wholesale settlement component.

12 CHAIRMAN IGNATIUS: That's something you  
13 have not done previously?

14 MR. LOWSON: No, I'm sorry. I have done  
15 that in outside of Liberty. But, within Liberty, it's the  
16 first time that we're doing an electric conversion  
17 involving interactions with competitive suppliers.

18 CHAIRMAN IGNATIUS: All right. And,  
19 then, the clarification you were making, that you, for  
20 other clients, have done it prior to going to Liberty?

21 MR. LOWSON: Right. I mean, this is --  
22 this is the seventh CIS conversion that I've done where I  
23 was heavily involved. There have been others where I was,  
24 you know, had more peripheral involvement, including

1 conversions that are involving electric, gas, and  
2 involving competitive suppliers.

3 MR. PASIEKA: I think, maybe just to  
4 supplement that a bit. In addition to John, John is just  
5 one guy, we've actually got most of the people, we haven't  
6 had any people leave our conversion team. So, the same  
7 Cisco tester is the same Cisco tester. And, the test team  
8 that we used in the last four conversions is still intact.  
9 So, you know, it was good, from our perspective, that we  
10 had multiple conversions to move these folks onto other  
11 projects. So, we've got a stable of people who have done  
12 it multiple times at the detailed nuts-and-bolts level.

13 CHAIRMAN IGNATIUS: One of the areas  
14 that went wrong in another large conversion involved  
15 customer lists that had to be transferred from one system  
16 to another. And, it turned out the customer lists were  
17 out-of-date and had misinformation, because they were a  
18 month or two old. Is there any risk of that in this case  
19 or are you already working the customer lists, that  
20 nothing needs to be transferred in that sense?

21 MR. LOWSON: Well, the customer data is  
22 part of what is transferred in this, what we were calling  
23 the "conversion weekend". So, we take a cut from Grid's  
24 Customer Information System at the end of their business

1 day on the last day before the conversion. So, because we  
2 have to, we have to get their most current customer data,  
3 and specifically we have to get the account balances and  
4 so on. So, it's a very standard process in utility CIS  
5 conversions. That you basically take the customers from  
6 the legacy system, you know, as of the last point of  
7 operation, you know, the last meter read, the last bill,  
8 the last payment, and then you transfer that, and that  
9 forms your -- like your kind of opening balance in the new  
10 system.

11 CHAIRMAN IGNATIUS: So, there shouldn't  
12 be any way that the data that you start with the moment  
13 after the cutover is out-of-date, it's exactly what you  
14 came into with it?

15 MR. LOWSON: It's what Grid was using at  
16 kind of 5:00 p.m. on Friday of the day before the  
17 conversion weekend.

18 CHAIRMAN IGNATIUS: And, on the SCADA  
19 systems, on the bottom of your Page 26, you said the  
20 cutover of those systems will begin in June?

21 MR. LOWSON: Yes. So, that's a -- I  
22 mean, there's a, you know, a technology piece to the SCADA  
23 cutovers, and then there's, obviously, the control  
24 room-to-control room, the actual transfer of control. So,

1        what we're saying here is this, I mean, if you like, kind  
2        of I'm the IT guy. So, we get them into a position where  
3        the system is -- the SCADA system itself, the software is  
4        in place, the displays are all working. We put all the  
5        communications in place around, you know, the devices in  
6        the field that we're communicating with, and then we  
7        commission. So, the point-to-point testing of each of  
8        those. And, that whole process is kind of essentially  
9        almost completed. At that point, from our perspective,  
10       it's control room-to-control room, where they, you know,  
11       they run through their procedures and establish at what  
12       point in time they want to do the actual formal handover  
13       of control.

14                    CHAIRMAN IGNATIUS: Is it correct that  
15       you need a full three days to do the transition?

16                    MR. LOWSON: Yes.

17                    CHAIRMAN IGNATIUS: Does it have to be a  
18       long weekend or could it, you know, sort of formal  
19       holiday/long weekend, or could it be any three-day block?

20                    MR. LOWSON: Well, I mean, in theory, it  
21       could be any three-day weekend. But the impact is that  
22       the systems on Grid's side are essentially down until --  
23       until we get through this thing. So, that's -- so, you  
24       know, there's a sequence of events that takes a certain



1 amount of time. And, during that time, the normal  
2 operations of call center, in particular, would be  
3 impacted. So, I mean, the net of all that is that it  
4 needs to be a three-day weekend.

5 Well, I guess, again, in theory, it  
6 could be. But, I'm sure, if you ask them to close their  
7 call center on a regular -- you don't want to do that.

8 CHAIRMAN IGNATIUS: Because you disrupt  
9 all of National Grid's other business?

10 MR. LOWSON: Right. Right.

11 CHAIRMAN IGNATIUS: The National Grid  
12 people are nodding emphatically back there.

13 If there were a decision to delay the  
14 cutover, either by the Company or by order of the  
15 Commission, what harm would that cause? What's the  
16 downside to more time to test?

17 MR. LOWSON: I mean, it's really the --  
18 from my perspective, it's the, you know, it's the loss of  
19 momentum. I mean, in theory, you could do more testing.  
20 But, kind of when you're ready, you're ready. And, the  
21 real challenge is maintaining the momentum of a team, the  
22 impact on the, you know, the user community, the impact on  
23 our vendors. I mean, I don't want to make it sound like,  
24 you know, they're all just going to walk away. I mean,

1 but that's a challenge that you have. If you, I mean, if  
2 you keep postponing, when the -- from the point of view of  
3 the people in the project were ready to go, then  
4 maintaining that momentum becomes difficult.

5 MS. KNOWLTON: I would add to that that  
6 I think we're eager to make this transition this summer  
7 and have it done before the storm season comes upon us,  
8 you know, because of the systems that are involved. Mr.  
9 Lowson has talked about the Outage Management System, and  
10 we want to have that up and running July 4th weekend. We  
11 don't want to be doing that later on in the year.

12 CHAIRMAN IGNATIUS: Commissioner Scott.

13 CMSR. SCOTT: Real quick. So, am I  
14 correct then, for the three-day weekend which the cutover  
15 happens, I assume there's no transactions that happen  
16 during that timeframe, no bill paying, no EDI  
17 transactions, is that true?

18 MR. LOWSON: Correct.

19 MR. SMITH: The customers could pay  
20 through any of the various channels existing, customers  
21 could pay through the various channels, the files are just  
22 held on the server, and they will be processed when we're  
23 open for business.

24 CMSR. SCOTT: Okay. In the EDI

1 transactions, how would that work?

2 MR. SMITH: I can't comment on that.

3 MR. LOWSON: I think it -- I'd have to  
4 get into the detail, but I believe it's essentially the  
5 same process. That they could be transmitted, but they  
6 wouldn't be processed.

7 CMSR. SCOTT: And, do the -- the parties  
8 that are impacted by that, how do you notify them?

9 MR. LOWSON: Yes. We've already -- I  
10 mean, those notifications are already in process.

11 CMSR. SCOTT: Okay. Thank you.

12 CHAIRMAN IGNATIUS: That concludes the  
13 questions that we have. I don't know if -- I know the  
14 Company had another slide about other achievements. And,  
15 I just -- I want to be sure we don't run out of time on  
16 sort of the final question of cutover. Well, I might as  
17 well tell you, just so that you're not wondering what am I  
18 about to say. I think our intention is to review all of  
19 the information that we received, and if any of the  
20 Company, the Staff or the OCA want to make a  
21 recommendation on whether they think the July 3rd cutover  
22 date is appropriate, or whether an extension would be  
23 appropriate, to submit that in writing. Our preference  
24 would be, because I know you're on a time schedule and a

1 lot has got to fall into place, to have those received  
2 within, say, a week, if you think that that would be  
3 acceptable. If that's too short or too long, I'm happy to  
4 hear people's comments. It doesn't have to be a lengthy  
5 brief. But, if you do have a recommendation on whether to  
6 go forward or not on the date scheduled or to delay, and  
7 to what date, we'd want to hear that. It seems as though  
8 it's an awful lot to digest to try to do that orally this  
9 afternoon, so, we were thinking of written submissions.  
10 Does a week cause difficulty for the Company to then --  
11 because we then will have to digest what we receive and  
12 rule on it?

13 MS. KNOWLTON: I think that's fine. I  
14 mean, we're going to continue down the path of preparing  
15 for July 4th. That's what we need to do. Full steam  
16 ahead. So, we'll submit our comments. And, the sooner  
17 that we have a decision, the better. But we need to  
18 continue with our preparations.

19 CHAIRMAN IGNATIUS: All right. Thank  
20 you.

21 MR. WIESNER: We think it would be  
22 helpful, before preparing a final recommendation, to have  
23 some more detailed reports back from the Company regarding  
24 the results of the dry run that occurred this past

1 weekend, and any problems that were identified, and maybe  
2 specific action plans to address those issues, and  
3 timelines associated with any necessary action steps.

4 CHAIRMAN IGNATIUS: That before you  
5 could make a recommendation?

6 MR. WIESNER: It would aid Staff in its  
7 review.

8 CHAIRMAN IGNATIUS: And, is that  
9 something that you think could be done in the next couple  
10 of days? And, maybe sitting face-to-face, more than  
11 filing reports back and forth, I don't know. But --

12 MS. KNOWLTON: We can prepare something  
13 and submit it by Friday.

14 CHAIRMAN IGNATIUS: Of sort of major  
15 findings coming from your dry run?

16 MS. KNOWLTON: Yes. Yes. We're also  
17 happy to have a live discussion, if that's preferable.

18 CHAIRMAN IGNATIUS: All right. I guess  
19 I want to leave that to maybe you can talk to each other  
20 afterwards on what the best way to do that, is the least  
21 cumbersome and most effective way of getting the  
22 information, and any follow-up questions people have.

23 Mr. Eckberg, I know Ms. Hollenberg  
24 stepped out. But do you have a view on whether a

1 submission within about a week on a recommendation is  
2 acceptable?

3 MR. ECKBERG: I think that, of course, I  
4 would need to confer with Attorney Hollenberg, but I think  
5 that that timeframe is certainly sufficient for the OCA to  
6 offer any feedback or recommendation that we would have to  
7 the Commission, on what I construe to be -- the purpose of  
8 that feedback would be a recommendation regarding the  
9 proposed cutover date of July 4th weekend.

10 CHAIRMAN IGNATIUS: Yes. All right.  
11 Then, why don't we take you up, Ms. Knowlton, take you up  
12 on your offer to have a written report on the mock  
13 conversion by this Friday, delivered to OCA and Staff.  
14 And, then, if there are any follow-up meetings,  
15 discussions, phone calls, leave it to you to work out with  
16 the parties on how that's done. And, then, let's ask for  
17 any written recommendations on the cutover date to be no  
18 later than close of business Wednesday next week, which I  
19 think is June 4th.

20 CMSR. SCOTT: Yes.

21 CHAIRMAN IGNATIUS: All right. Thank  
22 you for getting that business out of the way, in case we  
23 lose people. It's now 4:30.

24 Ms. Knowlton, do you want to have the

1       Company walk through the achievements since the cutover?  
2       We may have picked up a lot of those already through the  
3       course of the day, but --

4                   MS. KNOWLTON: I think we have some  
5       brief comments we'd like to offer to wrap things up, if  
6       that would be okay?

7                   CHAIRMAN IGNATIUS: All right. That  
8       would be fine. Thank you.

9                   MR. PASIEKA: Okay. Commissioners, in  
10      the deck, we did have a series of accomplishments that  
11      Dick Leehr was going to walk us through, but, I guess, in  
12      the interest of time and wrapping it up. It's certainly  
13      been a long and, hopefully, an informative day for  
14      everyone around the table. I hope that you would agree  
15      that the army of people that we brought here today were  
16      certainly transparent, and we provided the information in  
17      a concise manner, and we didn't hold anything back. We  
18      gave you the good and the bad and the ugly. Less emphasis  
19      on the good. There are lots of good things that have been  
20      happening in the last nine months, as you can appreciate.

21                   We certainly tried to highlight some of  
22      those things from a technology change perspective, that  
23      needed to happen, that have happened, that will actually  
24      make a significant difference. There's some process

1 changes that we identified as a result of the issues that  
2 popped up. And, you know, I hope that you would see that  
3 we have lived up to that Liberty spirit, which is to be  
4 nimble and responsive. And, I think we take this very  
5 seriously. And, our customers are paramount in our minds.

6 I think, hopefully, you've also seen  
7 that we've moved the needle relative to the billing  
8 cycles, the billing accuracy, the posting of the  
9 information, repetitive bills. And, I think, through our  
10 security dialogue, too, I think you can see that we  
11 actually do have a good plan, and we've engaged some very  
12 serious people to help us through that.

13 I think we've addressed all of the  
14 outstanding issues that were in the various documents.  
15 And, as I indicated in the last dialogue, we're quite  
16 confident that July 4th is going to be a very appropriate  
17 day for Liberty, as we move to Independence Day, and cut  
18 the cord, if you will.

19 So, with that, I thank the Commissioners  
20 for their time and attention, as well as Staff, G3, and  
21 the OCA.

22 CHAIRMAN IGNATIUS: Thank you, Mr.  
23 Pasieka. And, that you were right, the army you brought  
24 here has been very helpful. And, I know that's a big



1       undertaking for the Company to free up so many people to  
2       come on relatively short notice. But it was important to  
3       us to have people who knew the specifics as we get to a  
4       kind of final decision about cutover. And, the detail  
5       that you were able to give today, all of you, was  
6       extremely helpful. So, thanks to you for that.

7                       Is there anything further to take up  
8       this afternoon?

9                       (No verbal response)

10                      CHAIRMAN IGNATIUS: If not, we'll take  
11       all of this under consideration. And, we'll await the  
12       final submissions for those who want to make a  
13       recommendation on a date. And, we know that time is of  
14       the essence, and we will act as expeditiously as we can.  
15       Thank you, everyone, for your help today. We're  
16       adjourned.

17                      **(Whereupon the status conference was**  
18                      **adjourned 4:34 p.m.)**