

DM 00-280

IMPOSITION OF DISCONNECTION MORATORIUM

**Moratorium on Winter Disconnections - Gas and Electric
Utilities**

Order Imposing Moratorium and Scheduling Technical Session

O R D E R N O. 23,614

January 8, 2001

In response to the Order of Notice issued in this docket on December 15, 2000, written comments were filed with the New Hampshire Public Utilities Commission (Commission) regarding the proposed moratorium on disconnections of service mandated by N.H. Code of Admin. Rules Puc 1203.11(z) "when there exists an imminent peril to the public's health, safety or welfare."

The written comments address the threshold question of whether current circumstances are sufficient to trigger Puc 1203.11(z) and, further, how to implement the moratorium if it is triggered.

The Commission received comments from New Hampshire Legal Assistance (NHLA) on behalf of Save Our Homes Organization, New Hampshire Electric Cooperative (NHEC), the Governor's Office of Energy and Community Services (ECS), the Office of Consumer Advocate(OCA), Public Service of New Hampshire (PSNH), EnergyNorth Natural Gas, Inc. d/b/a KeySpan

Energy Delivery New England (KeySpan), and Unitil Service Corp. on behalf of Concord Electric Company and Exeter & Hampton Electric Company (Unitil).

I. SUMMARY OF THE COMMENTS

NHLA, ECS, OCA, KeySpan and Unitil support the proposed moratorium. NHEC and PSNH suggest that no imminent peril to the public's health, safety or welfare exist and, therefore, a blanket moratorium is not necessary. In addition, PSNH asserts that the high fuel prices cited in the Commission's December 15, 2000 order of notice are not impacting their customers. This lack of impact on PSNH's customers, in conjunction with the 5% decrease which PSNH customers saw on October 1, 2000, according to PSNH, counteracts the events that the Commission identified as leading to an imminent peril, and accordingly, PSNH requests to be exempt from any moratorium which the Commission may impose.

NHEC points to its reduced accounts receivables as an indication that no imminent peril exists, and suggests that its interim low income assistance program, its Project CARE program, and its new collections methods are adequate protection for its customers. PSNH and NHEC also express concerns, in their comments, about the impact of a moratorium

on their accounts receivables.

PSNH suggests that if the Commission imposes such a moratorium the carrying costs of the increased accounts receivables should be recovered from revenues obtained through the system benefits charge.

II. COMMISSION ANALYSIS

On the threshold question of whether Puc 1203.11(z) is triggered, we find that imminent peril to the New Hampshire public's welfare exists as a result of winter weather conditions, fuel prices and supply, and the availability of energy assistance funds for low income residents.

We appreciate the fact raised by PSNH that more funds have been released by the federal government for fuel assistance in New Hampshire, in recognition of the crisis situation here. However, according to ECS, all of those funds are already obligated. We are also sensitive to the comment made by PSNH regarding the small number of customers using electricity for heat. While this is true, most customers rely on electricity to power their oil and gas furnaces.

As pointed out by ECS in its comments, even with the additional federal monies, the Low Income Home Energy Assistance Program (LIHEAP) will only provide benefits to

23,500 households in New Hampshire this year out of a total eligible population in the state of 114,000. The situation is seen as so dire by ECS that it has suspended the weatherization component of LIHEAP and redirected all LIHEAP funds to heating benefits, in order to make more funds available during this crisis. We interpret these efforts as further confirmation of the peril threatening our low income citizens. Hence, we believe that Puc 1203.11(z) requires imposition of a moratorium on disconnections.

While we applaud NHEC for its efforts to assist its customers in need, we believe it is essential that all customers have the same opportunities for protection from disconnection during the winter period.

The moratorium we hereby impose is a blanket moratorium. However, customers who have the ability to pay a part or all of their gas and/or electric bills have a responsibility to make payments. To help ensure customers do not take advantage of the moratorium and use it as an opportunity to shirk responsibility for their utility bills, we will implement the moratorium in such a way as to mitigate the potential for abuse.

We will require the utilities to issue Late Payment Notices in lieu of disconnect notices. The Late Payment

Notices should include instructions to the consumer to contact the utility to arrange reasonable payment plans.

Utilities shall not be prohibited from following their regular collection procedures during the moratorium, but are prohibited from disconnecting a customer without express permission from the Commission. We believe that by substituting late payment notices for disconnect notices, by requiring customers to enter into an income appropriate payment arrangement, by allowing utilities to continue to work their accounts receivables up to the point of, but not including, disconnection, and by providing the opportunity to receive a waiver of the moratorium in certain circumstances, the impact on accounts receivables should be small. Accordingly, we do not accept PSNH's recommendation to recover any costs resulting from the moratorium from the system benefits charge.

We will convene a technical session to determine the circumstances for, and the expedited process by which a utility can obtain, a customer specific waiver of the moratorium. The technical session will also address the format and language of the Late Payment Notices. We will also direct our Staff to reach out to the various municipal welfare offices and other social service agencies to communicate this

change in process.

Based upon the foregoing, it is hereby

ORDERED, that a moratorium is hereby imposed on gas and electric service disconnections during the period of January 9, 2001 to March 31, 2001; and it is

FURTHER ORDERED, that during the moratorium period, gas and electric utilities shall issue Late Payment Notices in lieu of disconnect notices; and it is

FURTHER ORDERED, that a technical session shall be held at the offices of the New Hampshire Public Utilities Commission, 8 Old Suncook Road, Concord, New Hampshire, on January 16, 2001 at 10 a.m. for the purposes detailed above; and it is

FURTHER ORDERED, that the Commission's Director of Consumer Affairs contact the municipal welfare offices and other social service agencies to communicate this change in process to them.

By order of the Public Utilities Commission of New
Hampshire this eighth day of January, 2001.

Douglas L. Patch
Chairman

Susan S. Geiger
Commissioner

Nancy Brockway
Commissioner

Attested by:

Thomas B. Getz
Executive Director and Secretary