

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**Re: EnergyNorth Natural Gas, Inc.
d/b/a KeySpan Energy Delivery New England**

Indirect Gas Costs

DG 07-050

PREFILED TESTIMONY OF KIMBERLY AHERN

August 31, 2007

ENERGY NORTH NATURAL GAS INC.
d/b/a KeySpan Energy Delivery N.E.
Indirect Gas Costs
DG-07-050

Prefiled Direct Testimony of Kimberly Ahern

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Northern Utilities vs. KeySpan Uncollectible Expense

	Northern Utilities					KeySpan					
	Revenue	Gas Cost	Uncollectible Expense	Uncollectible Expense Gas Cost only	Uncollect % Rev	Revenue	Gas Cost	Uncollectible Expense	Uncollectible Expense Gas cost only	Net Writeoff	Uncollect % Rev
1999	\$34,162,300	\$19,712,549		\$64,115	0.33%	85,570,756	46,344,983	850,000	450,629	1,069,000	0.97%
2005	\$66,804,218		\$564,874		0.85%	\$165,286,895		\$4,960,971		\$3,918,737	3.00%
1999 vs. 2005 Uncollectible Expense					260%						309%

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**Responses of the New Hampshire Public Utilities Commission
To EnergyNorth Natural Gas, Inc. (ENGI) First Set of Data Requests**

Date Received: July 2, 2007
Data Request No.: 1-1

Date of Response: July 16, 2007
Respondent: Amanda Noonan

REQUEST:

Ms. Noonan states that her testimony "addresses the justness and reasonableness of KeySpan's bad debt allowance." What specific standard did the Staff apply in determining what is just and reasonable in this case? (For example, was it by reference to a recognized industry standard, the performance of other specific utilities or some other identified reference point?) Your answer should set forth the Staff's basis for its determination that the standard applied was appropriate to the KeySpan's circumstances.

RESPONSE:

The standard which Staff used in determining the justness and reasonableness of the bad debt allowance it recommended for KeySpan was the performance of other similar utilities. In Ms. Noonan's testimony, KeySpan's collection performance was compared to that of Northern Utilities. This comparison is appropriate because Northern and KeySpan provide the same commodity service to their customers; Northern and KeySpan are susceptible to the same changes in gas costs; and the income characteristics of Northern's and KeySpan's service areas are very similar.

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**Responses of the New Hampshire Public Utilities Commission
To EnergyNorth Natural Gas, Inc. (ENGI) First Set of Data Requests**

Date Received: July 2, 2007
Data Request No.: 1-6

Data of Response: July 16, 2007
Respondent: Amanda Noonan

REQUEST:

Ms. Noonan appears to indicate on page 5 of her testimony that there are differences between electric and gas utilities that explain some of the difference between them with regard to their write-off percentages. If that is a correct understanding of her testimony, please identify the differences between the two industries and the service they provide that contributes to the difference in writeoff percentages. If that is not a correct understanding of Ms. Noonan's testimony, please explain the purpose of the discussion at lines 3 to 7.

RESPONSE:

Page 5, lines 3 – 7 is an acknowledgement that electric utilities and natural gas utilities provide a different product to customers. Since Northern Utilities provides the same product to its customers as KeySpan, KeySpan's collection performance and bad debt percentage was compared to that of Northern Utilities rather than that of New Hampshire's electric distribution utilities.

ANALYSIS OF CALLS RELATED TO COLLECTION MATTERS

TOTAL RESIDENTIAL AND COMMERCIAL CUSTOMERS

KEYSPAN	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
RESIDENTIAL:	63,992	65,623	67,414	68,077	68,862	70,274	71,381
COMMERCIAL:	8,794	9,221	9,437	9,166	9,837	10,111	10,291
TOTAL:	72,786	74,844	76,851	77,243	78,699	80,385	81,672

CUSTOMER CALLS

KEYSPAN	<u>2000 *</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
TOTAL CALLS:	241	387	194	294	466	508	388
# OF CALLS RE: COLLECTION MATTERS **:	58	173	91	104	194	210	186
% OF COLLECTION CALLS AS % OF ALL CUSTOMERS:	0.08%	0.23%	0.12%	0.13%	0.25%	0.26%	0.23%
COLLECTION CALLS AS % OF ALL CALLS:	24.07%	44.70%	46.91%	35.37%	41.63%	41.34%	47.94%

* Includes data for EnergyNorth Natural Gas, Inc. and KeySpan

** Based on data provided by PUC Staff. Includes billing, denial of service, deposit, disconnection, medical emergency, meter notice/arrangement, tenant/landlord, termination, and theft of service

ANALYSIS OF CALLS RELATED TO COLLECTION MATTERS

TOTAL RESIDENTIAL AND COMMERCIAL CUSTOMERS

NORTHERN UTILITIES	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
RESIDENTIAL:	18,752	19,137	19,730	20,093	20,533	20,958	21,147
COMMERCIAL:	5,695	6,015	5,761	5,859	5,956	6,033	5,812
TOTAL:	24,447	25,152	25,491	25,952	26,489	26,991	26,959

COLLECTION CALLS *

NORTHERN UTILITIES	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
TOTAL CALLS:	235	220	175	181	130	171	121
# OF CALLS RE: COLLECTION MATTERS:	78	80	90	108	71	68	56
% OF COLLECTION CALLS AS % OF ALL CUSTOMERS:	0.32%	0.32%	0.35%	0.42%	0.27%	0.25%	0.21%
COLLECTION CALLS AS % OF ALL CALLS:	33.19%	36.36%	51.43%	59.67%	54.62%	39.77%	46.28%

* Based on data provided by PUC Staff. Includes billing, denial of service, deposit, disconnection, medical emergency, meter notice/arrangement, tenant/landlord, termination, and theft of service

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