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Director, Rates & Regulatory Affairs
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8 MAY '17 PM4:25

May 5, 2017

Via Electronic Mail and US Mail

Debra A. Howland
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

**Re: DG 11-040 Liberty Utilities (Granite State Electric) Corp. and Liberty Utilities
(EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities**

Dear Ms. Howland:

In Order No. 26,005 issued April 12, 2017, in Docket No. DE 16-383 (Granite State Rate Case), the Commission approved a settlement agreement that provided, in part,

“Except as specifically modified in this Section II K – Customer Service, all the remaining customer service metrics and requirements from the settlement agreement in DG 11-040 continue to apply to the extent they are still applicable under the terms of that settlement agreement.”

The settlement agreement in Docket No. DG 11-040 contained various reporting requirements that terminated on “Day N plus 365.” Day N is defined as “the date on which all Transition Services have transferred from National Grid to Liberty Energy.” That date occurred on September 30, 2014.

Liberty has been voluntarily providing a monthly report for EnergyNorth and for Granite State beyond the deadline specified in the settlement in Docket No. DG 11-040. The report is titled Customer Service Metrics and it reports on Bill Accuracy, Estimated Bill Percentages, and Percent of Bills With Exceptions for each of the companies. Additionally, Liberty has been providing a Monthly Call Answering Report for EnergyNorth as well as for Granite State. In the recently approved settlement in Docket No. DE 16-383, Liberty agreed to continue to provide a similar call answering report for Granite State.

In order to reduce administrative burden, Liberty will no longer be providing the Customer Service Metrics reports and will also no longer provide the Monthly Call Answering Report for EnergyNorth to the Commission. I note that the reports referenced above have shown that for the last two years, both companies have consistently exceeded the metrics that were specified in the settlement.

Debra A. Howland
DG 11-040
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Additionally, under the settlement in Docket No. DG 11-040, Liberty has provided an annual report on the results of its customer satisfaction survey for EnergyNorth. The purpose of that provision was to ensure that there would not be a degradation in customer satisfaction and service levels during the transition period from National Grid ownership to Liberty ownership. In addition, Liberty was required to submit an action plan for improving customer satisfaction levels if the Baseline Customer Satisfaction Survey results were below eighty percent, until such time as subsequent customer satisfaction survey percentages exceed eighty percent. Liberty's interpretation of the settlement is that it is no longer required to report on EnergyNorth's customer satisfaction survey results, since EnergyNorth's customer satisfaction survey results in 2016 reached the target specified in the settlement.

Please do not hesitate to call if you have any questions regarding these matters.

Sincerely,

A handwritten signature in black ink that reads "Stephen R. Hall". The signature is written in a cursive style with a large, stylized 'S' and 'H'.

Stephen R. Hall

Enclosure
cc: Service List

STATE OF NEW HAMPSHIRE

Inter-Department Communication

NHPUC 21JUL'17AM10:01

DATE: July 21, 2017

AT (OFFICE): NHPUC

FROM: Amanda O. Noonan *awn*

SUBJECT: DG 11-040 Liberty Utilities service metrics

TO: Martin Honigberg
Kathryn Bailey
Debra Howland
F. Anne Ross

CC: Paul Dexter
Steve Frink

On May 5, 2017, Liberty Utilities (Granite State Electric) Corp and Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities submitted a letter in DG 11-040 advising the Commission that it would no longer be providing the Commission with monthly customer service metric performance reports, monthly call answering reports and the annual customer satisfaction survey results for EnergyNorth.

In its letter, Liberty states that it has voluntarily been providing the monthly reports beyond the deadline in the settlement agreement in DG 11-040. Additionally, Liberty stated that as it has met the baseline of 80% on its annual customer satisfaction survey for EnergyNorth, it was no longer required by the settlement agreement in DG 11-040 to continue to provide the Commission with the results of the customer satisfaction survey results for EnergyNorth.

Liberty is mistaken in its assertion that it is no longer required to report to the Commission its performance on the customer service metrics and call answer levels identified in the settlement agreement in DG 11-040. Further, the obligation to provide the Commission with the results of its annual customer satisfaction survey did not go away when EnergyNorth achieved a performance level of 80% on its 2016 customer satisfaction survey.

The settlement agreement in DG 11-040 states that National Grid's potential financial responsibility for Liberty's failure to achieve one or more of the metrics enumerated in the settlement agreement ends on Day N plus 365, where Day N is the date upon which all transition services have transferred from National Grid to Liberty. The settlement

agreement does not state that Liberty is no longer required to report on or to achieve the performance metrics.

Reporting of monthly call answering performance and performance on the annual customer satisfaction survey were established for National Grid in DG 06-107. See Order No. 24,777. These obligations carried forward to Liberty and remain in effect until such time as the Commission modifies its orders in DG 06-107 and DG 11-040 approving the settlement agreements. The monthly reporting of performance for the customer service metrics agreed to in DG 11-040 also have no end date and remain in effect until such time as the Commission modifies its order in DG 11-040 approving the settlement agreement.

Staff recommends the Commission direct Liberty to continue to report EnergyNorth's performance relative to the call answering and the customer service metrics established in DG 11-040 and to continue to provide the Commission with the results of the annual customer satisfaction survey for EnergyNorth.

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Docket #: 11-040-1 Printed: July 21, 2017

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**

DEBRA A HOWLAND
EXECUTIVE DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
CONCORD NH 03301-2429

- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**

PURSUANT TO N.H. ADMIN RULE PUC 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

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BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

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Stephen R. Hall
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NHPUC 1AUG'17AM11:57

July 31, 2017

Via Electronic Mail and US Mail

Debra A. Howland
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

**Re: DG 11-040 Liberty Utilities (Granite State Electric) Corp. and Liberty Utilities
(EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities**

Dear Ms. Howland:

On May 5, 2017, Liberty Utilities submitted a letter to the Commission stating that the Company would no longer be filing monthly Customer Service Metrics reports (Bill Accuracy, Estimated Bill Percentages, and Percent of Bills with Exceptions) and Monthly Call Answering reports for each of Granite State Electric and EnergyNorth in an effort to reduce administrative burden. Liberty also stated that its interpretation of the settlement agreement in Docket No. DG 11-040 is that the Company is no longer required to report on EnergyNorth's customer satisfaction survey results, since EnergyNorth's customer satisfaction survey results in 2016 reached the target specified in the settlement in DG 11-040 at which there is no longer a need to file an improvement plan for customer satisfaction.

In the May 5, 2017 letter, Liberty noted that the Company agreed in a subsequent settlement in Docket No. DE 16-383 to continue to provide a call answering report for Granite State. Liberty also agreed in that settlement to provide reports pertaining to bills on hold for Granite State and to continue to provide a report on customer satisfaction results for Granite State.

On July 21, 2017, the Commission Staff filed a memorandum with the Commission stating that Liberty is mistaken in its assertion that it is no longer required to report on customer service metrics. Staff also asserted that the obligation to provide the results of the annual customer satisfaction survey for EnergyNorth did not terminate upon reaching the achievement specified in the settlement in DG 11-040 that eliminated the need to file an improvement plan for customer satisfaction. Staff recommended that the Commission direct Liberty to continue to report EnergyNorth's performance regarding customer service metrics and call answering, and to continue to provide the Commission with the results of the annual customer satisfaction survey for EnergyNorth. This letter responds to the Staff's recommendations.

Regarding the customer satisfaction survey results for EnergyNorth, the settlement in Docket No. DG 11-040 lacks specificity regarding the time frame during which the results of such surveys must

be provided to the Commission. Notwithstanding this, Liberty will agree to continue to file the results of the EnergyNorth survey annually, pending any future agreement otherwise.

With respect to filing customer service metrics, however, the settlement is clear. The settlement agreement requires Liberty to submit certain monthly reports during the Transition Period, which is defined as the period of time between the Closing Date (the date that Liberty acquired EnergyNorth and Granite State) and the completion of the last transition service under the Transition Service Agreements (TSAs). The last TSA, and thus the Transition Period, terminated on September 30, 2014, (defined as "Day N" in the settlement), as reported to the Commission on September 26, 2014.

Regarding customer service metrics (call center service level, bill accuracy, estimated bill percentages, and percent of bills with exceptions), the settlement agreement specified that monthly reports be filed on the root cause analysis for any failure to achieve specific metrics. For call answer time, the settlement specifies:

"During the period following the cutover of call center services and continuing through Day N and 365 days thereafter, the Companies shall work to identify the root cause of any failure to achieve the call answer time metrics set forth above. If the Companies have reason to believe that the root cause relates to National Grid's failure to comply with its obligations under the TSAs or a system, database, process and/or procedure error that is attributable to National Grid, they shall request that National Grid cooperate with them in determining the root cause of the failure to achieve such metrics. National Grid agrees to comply with such request." DG 11-040 Settlement, Bates 28 – 29 (emphasis added).

For the other customer service metrics, the settlement specifies:

"During the Transition Period, the Companies and National Grid commit to working together to identify the root cause of any failure to achieve the Performance Metrics set forth in Attachments N and O. During the period from Day N and 365 days thereafter, the Companies shall work to identify the root cause of any failure to achieve the Performance Metrics (as defined in Section E.3.c. below) in Attachment N. If the Companies have reason to believe that the root cause relates to National Grid's failure to comply with its obligations under the TSAs or a system, database, process and/or procedure error that is attributable to National Grid, they shall request that National Grid cooperate with them in determining the root cause of the failure to achieve such metrics. National Grid agrees to comply with such request."

"During the transition period and the period Day N plus 365 days thereafter, the Companies shall provide National Grid with all information necessary for National Grid to file its monthly performance reports."

"The Companies will provide National Grid with information relevant to the performance metrics, and will maintain the National Grid performance metrics in Attachment N following the termination of each associated transition service and through Day N plus 365 days thereafter." DG 11-040 Settlement, Bates 31 – 32 (emphasis added).

These provisions were intended to ensure that there would be a smooth transition of customer service from National Grid to Liberty. Attachment N to the settlement contained a matrix showing metrics for each of the above performance areas. That matrix shows metrics during the Transition Period as well as metrics for Day N plus 365. Notably, there are no metrics specified for the time frame beyond Day N plus 365. Based on the plain language of the settlement and the lack of any metrics for the time period beyond Day N plus 365, it is clear that the metrics and the related monthly reporting requirements ended 365 days after Day N.

The Commission Staff also agreed that the metrics and reporting requirements for some of the customer service focus areas ended 365 days after Day N. In the hearing on the settlement, Staff stated the following:

“In addition to those, we've established a number of metrics, and I'll address the customer service metrics specifically, that both Liberty and Grid have responsibility for meeting. National Grid is responsible, obviously, during the transition period. Liberty will continue to meet the metrics established by Grid -- established for Grid *in the period Day N plus 365*. And, those metrics are designed to help identify potential problems before they become very big problems. They focus on areas such as billing, with metrics regarding the billing accuracy, percentage of bills that are estimated, bills with exceptions.” DG 11-040 Transcript, Day 2, pp. 71 – 72 (emphasis added).

The Commission Staff also opined on the time frame during which call answering metrics would apply, in contrast to the time frame for applicability of the other customer service metrics:

“They also focus on call center responsiveness, with the carryover of the commitments that National Grid had from 06-107 for certain service levels in their call center. Liberty continues those commitments. And, that commitment will extend beyond global Day N plus 365, that will be a continuing obligation of Liberty. *Whereas these others are only through the global Day N plus 365 day period.* DG 11-040 Transcript, Day 2, p. 75 (emphasis added).

Based on the plain language of the settlement and Staff's testimony in DG 11-040, there can be no reasonable disagreement regarding the end date for the metrics and reporting requirements for bill accuracy, estimated bill percentages, and percent of bills with exceptions. That end date is September 30, 2015, which is 365 days after Day N.

With respect to call answering metrics, the Commission Staff's interpretation of the time frame for applicability differs from Liberty's, but in view of Staff's testimony in DG 11-040, and in view of Liberty's agreement in DE 16-383 to continue to provide call answering information for Granite State, Liberty will continue to provide such data for EnergyNorth.

Liberty requests that the Commission deny Staff's request to require Liberty to continue to provide monthly reports for bill accuracy, estimated bill percentages, and percent of bills with exceptions for EnergyNorth and Granite State. Liberty makes this request in an effort to reduce administrative burden and in view of Liberty's very high level of performance in these areas over the last two years. Liberty agrees that it will provide annually to the Commission the results of the customer satisfaction survey for EnergyNorth, and will also resume providing to the Commission monthly call

answering information for EnergyNorth in view of Staff's testimony in DG 11-040, and notwithstanding Liberty's very high level of performance on call answering over the last two years.

Sincerely,

A handwritten signature in black ink that reads "Stephen R. Hall". The signature is written in a cursive style with a large, stylized 'S' and 'H'.

Stephen R. Hall

Enclosure

cc: Service List

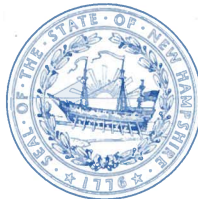
THE STATE OF NEW HAMPSHIRE

EXHIBIT D
DG 11-040

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PUBLIC UTILITIES COMMISSION

21 S. Fruit Street, Suite 10
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September 26, 2017

Stephen R. Hall
Director, Rates & Regulatory Affairs
Liberty Utilities
15 Buttrick Rd.
Londonderry, NH 03053

Re: DG 11-040, Granite State Electric Company and EnergyNorth Natural Gas, Inc.
d/b/a Liberty Utilities
Customer Service Reports

Dear Mr. Hall:

The Commission has reviewed your letters dated May 5 and July 31, 2017, in which you indicated that Liberty Utilities (Granite State Electric) Corp. and Liberty Utilities (EnergyNorth Natural Gas Corp.) (collectively, Liberty or the Companies) will no longer provide the Commission with monthly reports on the following Customer Service metrics: Bill Accuracy, Estimated Bill Percentages and Percent of Bills with Exceptions. Your letters accurately note that the Companies have reported to the Commission on these metrics since at least 2012, when Liberty acquired Granite State Electric and EnergyNorth.

The Commission understands that the Companies are seeking to reduce administrative burden. Nevertheless, the Commission has decided to require these (or similar) reports as a gauge of Liberty's customer service performance, given that the Companies will be implementing a new customer information system in the near future.

Accordingly, in order to maintain a baseline for measuring customer service performance, the Commission directs Liberty to continue to provide the customer service reports that have been provided in the past and to work with Staff to develop a mutually agreeable successor set of customer service metrics and reporting framework by December 1, 2017. These successor metrics (which may be a continuation of the existing metrics, as Staff deems appropriate) should reflect Liberty's current operations.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script that reads "Debra A. Howland".

Debra A. Howland
Executive Director

Cc: Service List DG 11-040

SERVICE LIST - EMAIL ADDRESSES- DOCKET RELATED

Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.

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Docket #: 11-040-1 Printed: September 26, 2017

FILING INSTRUCTIONS:

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with: DEBRA A HOWLAND
EXEC DIRECTOR
NHPUC
21 S. FRUIT ST, SUITE 10
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- c) Serve a written copy on each person on the service list not able to receive electronic mail.