

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

**IR 13-244**

**ELECTRIC AND GAS DISTRIBUTION UTILITIES**

**Investigation into Payment Hierarchy between Competitive Energy Suppliers  
and Electric and Natural Gas Distribution Utilities**

**ORDER OF NOTICE**

On May 9, 2013, Staff and the Office of Consumer Advocate (OCA) filed a letter in Docket No. DE 12-097, *Investigation into Purchase of Receivables, Customer Referral and Electronic Interface for Electric Distribution Utilities*, recommending that the Commission open a proceeding to investigate the merits of establishing a revised payment hierarchy between electric distribution utilities and competitive energy suppliers that allocates payment in a more equitable manner than provided by current practice. The Retail Energy Supply Association, North America Power & Gas, LLC, and Electricity N.H., LLC d/b/a/ E.N.H. Power supported the recommendation.

In the May 9, 2013 letter, Staff and the OCA stated that the issue of payment hierarchy had been raised at technical sessions in Docket No. DE 12-097. The term “payment hierarchy” refers to the order of applying customer payments to balances due to competitive suppliers and the electric or gas distribution utility where the competitive supplier has elected to bill for electric or gas service through the distribution utility bill (consolidated billing).

According to Staff and the OCA, for those customers who take energy supply from a competitive supplier and pay their bills in full each month, the supplier receives its billed revenue in a timely manner. For customers who pay less than the full amount owed, whether as

a result of a budget payment plan, a negotiated payment arrangement, or simply a partial payment, the Staff and the OCA reported that it appears the distribution utilities apply the full amount of the partial payment to its own past-due and current amounts first, and only when the utility's bill is fully paid is payment applied to amounts owed to competitive suppliers. As a result, suppliers have reported considerable delays in receiving payment from the distribution company for electricity supplied to the customer.

The Staff and the OCA further reported that with some exceptions, there apparently is no communication from the distribution utility to the supplier as to why the supplier is not receiving payment. As a result, suppliers may issue past-due notices to customers. This has resulted in confusion for customers who have made the required payment on their bill and customer dissatisfaction with the competitive supplier as well as the distribution utility.

Staff and the OCA said that by opening a proceeding, the Commission could investigate the merits of establishing a different payment hierarchy between distribution utilities and competitive suppliers to ensure equitable allocation of partial payments to the charges owed. According to Staff and the OCA, a more equitable payment arrangement would help to reduce customer dissatisfaction and encourage continued participation in the competitive energy supply market.

The petition and subsequent docket filings, other than any information for which confidential treatment is requested of or granted by the Commission, will be posted to the Commission's website at <http://www.puc.nh.gov/Regulatory/Docketbk/2013/13-244.html>.

The filing raises, *inter alia*, issues related to whether the current payment hierarchy is consistent with the restructuring principles of RSA 374-F:3, whether changes in the current payment hierarchy are warranted, and the effects, if any, of such changes on electric and gas

distribution utilities. The State's electric and natural gas distribution utilities are made mandatory parties to this proceeding. Each party has the right to have an attorney represent the party at the party's own expense.

**Based upon the foregoing, it is hereby**

**ORDERED**, that a Prehearing Conference, pursuant to N.H. Code Admin. Rules Puc 203.15, be held before the Commission located at 21 S. Fruit St., Suite 10, Concord, New Hampshire on September 20, 2013 at 1:30 p.m., at which each party will provide a preliminary statement of its position with regard to the petition and any of the issues set forth in N.H. Code Admin. Rules Puc 203.15 shall be considered; and it is

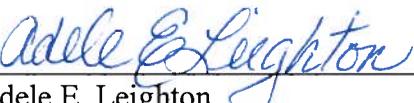
**FURTHER ORDERED**, that, immediately following the Prehearing Conference, the Staff of the Commission and any Intervenors hold a Technical Session to review the petition; and it is

**FURTHER ORDERED**, that pursuant to N.H. Code Admin. Rules Puc 203.12, the Commission shall notify all persons desiring to be heard at this hearing by publishing a copy of this Order of Notice no later than August 23, 2013, in a newspaper with general circulation in those portions of the state in which operations are conducted; and it is

**FURTHER ORDERED**, that pursuant to N.H. Code Admin. Rules Puc 203.17, any party seeking to intervene in the proceeding shall submit to the Commission seven copies of a Petition to Intervene with copies sent to the Office of the Consumer Advocate on or before September 17, 2013, such Petition stating the facts demonstrating how its rights, duties, privileges, immunities or other substantial interest may be affected by the proceeding, as required by N.H. Code Admin. Rules Puc 203.17 and RSA 541-A:32,I(b); and it is

**FURTHER ORDERED**, that any party objecting to a Petition to Intervene make said Objection on or before September 20, 2013.

By order of the Public Utilities Commission of New Hampshire this twentieth day of August, 2013.

  
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Adele E. Leighton  
Assistant to the Executive Director

Individuals needing assistance or auxiliary communication aids due to sensory impairment or other disability should contact the Americans with Disabilities Act Coordinator, NHPUC, 21 S. Fruit St., Suite 10, Concord, New Hampshire 03301-2429; 603-271-2431; TDD Access: Relay N.H. 1-800-735-2964. Notification of the need for assistance should be made one week prior to the scheduled event.

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 #: 13-244-1 Printed: August 20, 2013

**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  
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.