

Granite State Electric Company and EnergyNorth Natural Gas, Inc. d/b/a Liberty Utilities

IR 13-244

Tech Session Data Requests, Set No. 1 - Investigation into Payment Hierarchy between
Competitive Energy Suppliers and Electric and Natural Gas Distribution Utilities

Date Request Received: September 20, 2013
Request No. Tech Session 1-1

Date of Response: September 25, 2013
Respondent: William T. Sherry

REQUEST:

Please provide a copy of the service agreement for billing services between your company and competitive suppliers. Please provide an explanation of how payments are applied when a partial payment is received from a customer.

RESPONSE:

See Attachment Tech Session 1-1 for a copy of the Supplier Services agreement, which was in use for Granite State Electric by National Grid prior to the sale to Liberty Utilities. Under the Transition Services Agreement (TSA) currently in effect, Liberty Utilities continues to use the same agreement for Granite State Electric.

In response to how customer payments are applied, payments are applied by Granite State Electric in the following order when partial payments are received from customers:

1. Distribution Service Arrears
2. Deposit Payments
3. Water Heater Rental - Arrears
4. Miscellaneous - Arrears
5. Premium Service - Arrears
6. Supplier Service - Arrears
7. Distribution Service - Current
8. Water Heater Rental - Current
9. Miscellaneous Current
10. Premium Service Current
11. Supplier Service Current

COMPETITIVE ENERGY SUPPLIER SERVICE AGREEMENT

This Agreement made this ___ day of _____, 200_, between Granite State Electric Company (“Company”), a New Hampshire corporation with a principal place of business at 9 Lowell Road, Salem, NH 03079, and _____, a _____ corporation with a principal place of business at _____ (“Supplier”).

I. Basic Understandings

Under the Company’s Restructuring Settlement Agreement approved by the New Hampshire Public Utilities Commission (“PUC”) by Order No. 23,041 (Oct. 7, 1998) in Docket No. DR 98-012; the Interim Procedures Establishing Registration Requirements for Competitive Energy Suppliers Serving Retail Customers of Granite State Electric Company (“Interim Procedures”) approved thereunder; and applicable regulations of the PUC, the Company has the authority and obligation to perform certain services for Competitive Energy Suppliers of electricity. In order to delineate their respective rights and obligations, Company and Supplier enter into this Agreement regarding the provision of such services, and Company agrees to provide services to Supplier in accordance with the terms hereunder.

This form of Agreement has been developed for use between Company and Competitive Energy Suppliers, and may not be waived, altered, amended, or modified, except as provided herein. Exhibits A and B, attached hereto and incorporated herein by reference, include additional terms which are a part of this Agreement.

II. Definitions

Capitalized terms used in this Agreement which are not otherwise defined shall have the meanings set forth in this section. Any capitalized terms used in this Agreement and not defined herein shall be as defined in the Interim Procedures or in the Company’s Tariff on file with the PUC.

"Competitive Energy Supplier" shall mean any entity registered with the PUC to sell electricity to retail Customers in New Hampshire, with the following exceptions: (1) a Distribution Company providing Transition or Default Service to its distribution Customers, and (2) a municipal light department providing energy supply and/or delivery services to its municipal customers.

"Customer" shall mean any person, partnership, corporation, or any other entity, whether public or private, who obtains Distribution Service at a Customer Delivery Point and who is a Customer of record of the Company.

"Customer Delivery Point" shall mean the Company's meter or a point designated by the Company located on the Customer's premises.

"Default Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving Generation Service from a Competitive Energy Supplier, or Transition Service from the Company in accordance with the provisions set forth in the Company's Tariff on file with the PUC.

"Distribution Company" or "Company" shall mean Granite State Electric Company.

"Distribution Service" shall mean the delivery of electricity to Customers by the Distribution Company pursuant to the Company's Tariff on file with the PUC.

"EDI Guidelines" shall mean the EDI transaction implementation guidelines prepared to enable electronic interchange of data between Competitive Energy Suppliers and the Company, for the transactions described in the EDI Working Group Report. This term shall refer to the EDI Guidelines prepared for use by Granite State Electric until such time as EDI Guidelines are approved and published by the EDI Working Group and the Commission for statewide use.

"EDI Working Group Report" or "Report" shall mean the report submitted by the Electronic Data Interchange Working Group on April 2, 1998, as on file with the PUC, and as adopted by the PUC pursuant to Order No. 22,919 (May 4, 1998).

"Enrollment period" shall mean, for a particular Customer, the period of time during which a Competitive Energy Supplier may submit an enrollment transaction to a Distribution Company for initiation of Generation Service concurrent with the start of the Customer's next billing cycle.

"Generation Service" shall mean the sale of electricity, including ancillary services such as the provision of reserves, to a Customer by a Competitive Energy Supplier.

"ISO-NE" shall mean Independent System Operator -- New England, Inc., or any successor entity or entities which performs the functions of ISO-NE.

"Interim Procedures" shall mean the Interim Procedures establishing registration

requirements for Competitive Energy Suppliers serving retail customers of Granite State Electric Company issued by the PUC in Order No. 23,041 (Oct. 7, 1998) Docket No. DR 98-012.

"NEPOOL" shall mean the New England Power Pool and its successors.

"NEPOOL PTF" shall mean pool transmission facilities included in the NEPOOL Open Access Transmission Tariff on file with the Federal Energy Regulatory Commission, as may be amended from time to time.

"Non-PTF" shall mean transmission facilities which do not constitute NEPOOL PTF.

"PUC" shall mean the New Hampshire Public Utilities Commission.

"Service Area" shall mean the Service Area described in the Company's Tariff, and as determined by the PUC.

"Settlement Account" shall mean the account utilized by NEPOOL to determine its Participants' settlement obligations, as set forth in the Restated NEPOOL Agreement, as amended from time to time, on file as a tariff with the Federal Energy Regulatory Commission.

"Tariff" shall mean the Company's Tariff for Retail Delivery Service, N.H.P.U.C. No. 17 on file with the PUC, or any successor tariff, as may be in effect and amended from time to time.

"Transition Service" shall mean the service provided by the Distribution Company to a Customer who is not receiving Generation Service from a Competitive Energy Supplier, or Default Service from the Company in accordance with the provisions set forth in the Company's Tariff.

III. **Term**

This Agreement shall become effective on the date hereof ("Effective Date") and shall continue in full force and effect from month to month unless terminated by either party by written notice given no less than sixty (60) days prior to the desired termination date, except as provided in Sections VI and XII of this Agreement. Notwithstanding the foregoing, the parties agree to abide by all terms of this Agreement until completing the processing of any transactions that are outstanding at termination. Notwithstanding the Effective Date, Supplier acknowledges that Company will provide Company Services as set forth in Section VII only upon satisfaction

or express, written waiver of the requirements of Section IV of this Agreement.

IV. **Conditions Precedent**

The following requirements shall be conditions precedent to Company's obligations hereunder:

- A. Supplier shall provide all information requested in Exhibit B attached hereto.
- B. Supplier shall register as a Competitive Energy Supplier pursuant to the Interim Procedures, or other applicable requirements which may be established by the PUC.
- C. If Supplier elects to utilize the Consolidated Billing Services from the Company, Supplier shall furnish to Company a complete schedule of its relevant rates and rate pricing options for Generation Service in an electronic format reasonably acceptable to Company, at Company's option, no less than ten (10) business days prior to initial Customer enrollment for any such rate or prior to a change in Supplier's existing rates or five (5) business days prior to a change in rate pricing options.
- D. Prior to Customer enrollment, Supplier shall participate in supplier training and successfully complete testing with the Company of the Electronic Data Interchange ("EDI") transactions as specified in the EDI Working Group Report and any other applicable EDI Working Group standards published under the direction of the EDI Working Group (all of which together are referred to herein as "EDI Standards").
- E. For purposes of this Agreement, Supplier may elect to arrange with a

third-party for the provision of necessary EDI services; *provided, however*, that in the event Supplier intends to terminate its third-party arrangement for EDI services, Supplier shall provide Company 60-days prior written notice of such intent to terminate.

V. **Representations**

Each party represents that it is and shall remain in compliance with all applicable laws, tariffs, and PUC regulations during the term of this Agreement.

Each person executing this Agreement for the respective parties represents and warrants that he or she has authority to bind that party.

Each party represents that: (a) it has the full power and authority to execute, deliver, and perform this Agreement; (b) the execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate or other action by such party; and (c) this Agreement constitutes that party's legal, valid and binding obligation, enforceable against such party in accordance with its terms.

Each party shall exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement, and carry out its duties in accordance with applicable recognized professional standards.

VI. **Supplier's Responsibilities**

A. **Registration Requirements and NEPOOL Status**

Supplier shall notify Company within twenty-four (24) hours in writing if its registration to act as a Competitive Energy Supplier, as provided for in the Interim Procedures, or other applicable PUC rule, is acted upon by the PUC in such a way that it materially affects Supplier's performance under this Agreement, including but not limited to, suspension, revocation, modification, or non-renewal of such registration. Revocation or non-renewal of Supplier's registration shall be grounds

for immediate termination of this Agreement by Company.

Supplier must either (i) be a NEPOOL Participant having its own Settlement Account, or (ii) have an agreement in place with a NEPOOL Participant whereby the NEPOOL Participant agrees to include the load to be served by the Supplier in such NEPOOL Participant's Settlement Account. Supplier shall notify Company within twenty-four (24) hours prior, as applicable, to an event reasonably within Supplier's knowledge, and of which Supplier has reason to believe Company has no knowledge, and that will render Supplier or its agent unable to maintain the status with NEPOOL required to serve load. Upon such notice or upon the occurrence of such an event, Company shall have the immediate right to switch Supplier's Customers so affected to the applicable Default Service Rate under the Company's tariffs.

Supplier shall update information requested in Exhibit B five (5) business days prior to any change in information contained in Exhibit B.

B. All-Requirements Service

Supplier shall be responsible for providing all-requirements service to meet each of its Customers' needs. Supplier is solely responsible for paying all costs incurred or to be incurred to provide all generation-related services associated with its all-requirements service obligation, including, without limitation, all costs or other requirements to furnish installed capability, operable capability, energy, operating reserves, automatic generation control, uplift costs, congestion costs or charges, and any ancillary services, expenses or charges incurred to provide all-requirements service; or costs imposed by NEPOOL, ISO-NE or any similar or successor entity in connection with such service. Supplier is also solely responsible for meeting any other requirements and paying any other costs now or hereafter imposed by the ISO-NE which are attributable to the provision of such service.

C. Losses

Supplier shall be responsible for any and all losses incurred on (i) local network

transmission systems and distribution systems, as determined by the Company; (ii) NEPOOL PTF, as determined by the ISO-NE; and (iii) facilities linking generation to NEPOOL PTF relating to providing Generation Service to its Customers. Supplier shall also be responsible for all transmission wheeling or other charges necessary to reach NEPOOL PTF.

D. **Other Requirements and Acknowledgments**

Supplier acknowledges that Company will select and may from time to time change the value added network (“VAN”) or other electronic transmission vehicle. Company acknowledges the benefit to both Company and Supplier in minimizing the transaction costs in selecting the VAN. Notwithstanding the above, Company will not change the VAN or other electronic transmission vehicle without first providing Supplier via Internet electronic mail at least seven (7) days notice of any such change. Supplier shall be responsible for the initial testing costs with the VAN and payment of all costs or charges associated with electronic transmittals over the VAN or other means of electronic transmittal.

Supplier acknowledges that Company will not include Supplier’s preexisting balances on Consolidated Billing for newly enrolled Customers.

Supplier acknowledges that Company is authorized to deny Generation Service to Customers if Company has terminated such Customer’s Distribution Service in accordance with the rules and regulations of the PUC, including the PUC’s billing and termination regulations, until such time as the Customer is reinstated by the Company. In order for Supplier to serve such a Customer after reinstatement, Supplier must re-enroll the Customer.

Supplier shall be responsible for obtaining the necessary authorization from each Customer prior to initiating Generation Service to the Customer. Such authorization shall be in accordance with the Interim Procedures and any other applicable rules promulgated by the PUC.

During the term of this Agreement, as to any EDI Standards implemented subsequent to

the initial testing period referenced in Section IV.D above, Supplier shall be required to successfully complete testing of and compliance with said standards in accordance with the EDI Standards.

VII. **Company Services and Responsibilities**

A. **Distribution Service**

The Company shall provide Distribution Service pursuant to the Company's Tariff. In the event the terms of this Agreement conflict with those of the Tariff, the terms of the Tariff shall govern.

In the event that the loading of the Distribution System, or a portion thereof, must be reduced for safe and reliable operation, such reduction in loading shall be proportionately allocated among all Customers whose load contributes to the need for the reduction, when such proportional curtailments can be accommodated within good utility practice. In the event of unplanned outages, service will be restored in accordance with good utility practice. The Company shall not be liable for any revenue losses to the Supplier as a result of any such curtailments or outages.

The Company may discontinue Distribution Service to a Customer in accordance with the provisions set forth in the Tariff and PUC regulations. The Company shall provide electronic notification, using the Customer "Usage and Billing transaction," to the Customer's Competitive Energy Supplier of record upon final billing to the Customer. Once disconnection occurs, the provision of Generation Service to the Customer is no longer the obligation of the Competitive Energy Supplier. The Company shall not be liable for any revenue losses to the Supplier as a result of any such disconnection.

The Company shall meter each Customer in accordance with Tariff provisions. The Company shall schedule meter reads on a monthly cycle or other allowed schedule as deemed

reasonable by the PUC.

B. Billing Services

Company agrees to offer two billing services to Supplier: (1) Standard (Passthrough) Billing Service; and (2) Consolidated Billing Service. All measured billing determinants provided by Company will be based on Company-owned metering, except as provided in Exhibit A or otherwise agreed to in a separate agreement.

1. Standard (Passthrough) Billing Service

In accordance with the provision of the Standard (Passthrough) Billing Service Option, Supplier agrees to separately bill Customers for the cost of Generation Service provided by the Supplier and for the collection of amounts due to the Supplier from the Customer. Company will provide Supplier a Customer “usage transaction,” in accordance with the EDI Standards.

2. Consolidated Billing Service

In accordance with the provision of the Consolidated Billing Service Option, Company agrees to issue a single bill for electric service. Company agrees to use the rates and pricing options supplied by Supplier to calculate the Supplier portion of Customer bills, and integrate this billing with Company’s billing in a single mailing to the Customer. Company will provide Supplier a Customer “usage and billing transaction,” in accordance with the EDI Standards. Upon receipt of Customer payments, Company will provide a “payment/adjustment transaction” to the Supplier, in accordance with the EDI Standards. Supplier agrees to be responsible for all bill collections relating to Generation Service, unless otherwise specified in Exhibit A.

Company shall input Supplier’s rates charged and pricing options for Generation Service. Supplier rates and pricing options must conform to the rate structure in use by Company for each specific rate class Service and be supported by meters in place. Changes in the rate levels of Supplier charges to be billed shall be prospective only and shall be implemented for the next

billed reading, provided that: (1) Supplier notifies Company of the rate changes in accordance with Section IV.C.; (2) the notification includes the old and new rates, pricing options, and effective date; (3) upon Company's request, Supplier provides a sample bill calculation of a 500 kWh Customer or another sample Customer if it better fits the rate structure; and (4) Supplier consents to the implementation of the new rate once Company has tested its billing processes.

3. **Transaction Processing**

Customer transactions will be processed in accordance with the EDI Standards. These transactions include, but are not limited to, account administration, reporting of Customer usage and billing, and reporting of Customer payments and adjustments. Any changes in these standard transactions will be in accordance with the EDI Standards.

4. **Conditions of Billing**

Customers that contact Company concerning the billed amount for Supplier Generation Service or any other Supplier issue will be referred to Supplier's customer service telephone number identified in Exhibit B. Company will not undertake bill investigations, Customer inquiries concerning Supplier charges, collection activities, or the settlement of billing disputes on behalf of Supplier unless otherwise specified in Exhibit A. For both Standard (Passthrough) Billing Service and Consolidated Billing Service, Supplier shall be responsible for the reporting and payment of all taxes or other fees assessed upon Generation Service by any local, state, federal or other taxing or administrative bodies.

5. **Rendering of Bills (Consolidated Billing Option Only)**

Rendering of bills is the preparation and mailing of statements of the amounts due from the Customer for Supplier Generation Service. These statements will be included as part of the regular monthly bill for Company's Distribution Service mailed to the Customer. These statements will include Supplier's toll free telephone number for Customer inquiries. The

Company shall not be required to include messages or inserts containing Supplier specific information except as otherwise required by the PUC or as provided in Exhibit A. Outstanding Customer balances for Generation Service will be identified on the bill following the time when Supplier is no longer the Customer's current Supplier as specified by the EDI Standards.

6. **Billing Errors**

If either party finds a billing error or other miscalculation on a bill or in the usage determinants used as the basis for either the Company's or the Supplier's bill calculation, that party shall within sixty (60) days from the date of the Customer's statement containing the error, notify the other party in writing or electronically and explain the nature of the error. In the event of an error by the Company, the Company shall either: (1) rebill the affected Customer reflecting an appropriate adjustment in the Customer's account; or (2) make an appropriate timely adjustment on a subsequent bill sent to Customer. In the event of an error by the Supplier, the Company will, upon Supplier's request, and as is reasonably practicable, either: (1) rebill the affected Customer reflecting an appropriate adjustment in the Customer's account; or (2) make an appropriate timely adjustment on a subsequent bill sent to Customer. If neither of the requested options is determined by the Company to be reasonably practicable, or if the Supplier affirmatively chooses, the Supplier may submit a rate pricing option correction as provided by the EDI Standards. Supplier will be responsible to pay any fees for any rebilling and/or adjustment caused by Supplier error. When either party reasonably believes that an error related to billing activity may have occurred, either party may request the production of documents required to verify the accuracy of such billing, which the other party will provide within ten (10) business days to the extent not restricted by law, regulation or agreements. Notwithstanding the foregoing, the parties acknowledge that the Company may send estimated bills to Customers in accordance with PUC regulations, and such estimated bills shall not be considered billing errors.

7. **Payment Processing**

For Customers under Consolidated Billing, Supplier hereby authorizes Company to process payments and apply monies in accordance with this Agreement. If a Customer pays Company less than the full amount billed, Company shall apply the payment first to amounts owed for Distribution Service, and if any payment remains, Company shall apply it to amounts owed for Generation Service.

Upon posting a received payment, Company shall notify Supplier prior to the close of the next business day that it has posted that payment, and shall send the payment to the Supplier within three (3) business days, or as otherwise specified in Exhibit A.

C. **Load Estimating and Reporting**

Company shall determine Supplier's hourly loads and report such to NEPOOL, its successor or its designated agent. In addition, upon Supplier's written request as indicated in Exhibit B, Company shall provide Supplier with the following reports: (1) daily report of Supplier's aggregated hourly loads; and (2) monthly reconciliation of Supplier's aggregated loads (completed once Company has read Customers' meters). Company will provide these reports to Supplier in a format designated by the Company and reasonably acceptable to Supplier. Upon Supplier's request, the Company shall provide the methodology used to calculate transmission and distribution line losses and unaccounted for energy.

Supplier's hourly loads for each day shall be estimated or telemetered and reported daily by the Company for inclusion in the Supplier's designated Settlement Account. Hourly load estimates for non-telemetered customers will be based upon load profiles developed for each customer class or Customer of the Company. The total hourly loads will be determined in accordance with the appropriate hourly load for the Company.

The Company shall normally report previous day's hourly loads in accordance with the

time specified by NEPOOL, its successor or its designated agent, which is then in effect. These loads shall be included in the Supplier's designated Settlement Account. To refine these estimates of Supplier's load, a monthly calculation shall be performed to incorporate the most recent customer usage information, which is available after the monthly meter readings are processed.

The process of Supplier load estimation involves statistical samples and estimating error. The Company shall not be responsible for any estimating errors and shall not be liable to Supplier for any costs that are associated with such estimating errors.

D. **Customer Usage Information**

To the extent available, the Company shall print twelve months' of historic usage data on Customers' bills, in addition to the usage data for the current billing period.

The Company shall provide up to twelve months' of a Customer's historic usage data (if such data are available) to Supplier, provided that Supplier has received the appropriate authorization. Such authorization shall consist of a (i) letter of authorization; (ii) third-party verification; or (iii) Customer-initiated call to an independent third-party. This information may be requested and provided in accordance with the EDI Guidelines for Historical Usage Data as described in the EDI Working Group Report.

E. **Additional Services**

Additional Services provided by Company are set forth in Exhibit A hereto.

VIII. **Initiation and Termination of Generation Service**

A. **Initiation of Generation Service**

To initiate Generation Service to a Customer, Supplier shall obtain the necessary authorization pursuant to the Interim Procedures and shall submit an "enroll customer" transaction to the Company, in accordance with the rules and procedures set forth in the EDI

Working Group Report. Supplier shall not submit the “enroll customer” transaction to the Company until any applicable right of rescission has lapsed.

If the information on the enrollment transaction is correct, the Company shall send Supplier a "successful enrollment" transaction, in accordance with the rules and procedures set forth in the EDI Working Group Report. Generation Service shall commence on the date of the Customer's next scheduled meter read, provided that the Company has received the valid enrollment transaction no fewer than two business days prior to the meter read date. If the Company has not received the valid enrollment transaction at least two days before the meter read date, Generation Service shall commence on the date of the Customer's subsequent scheduled meter read.

If more than one Competitive Energy Supplier submits an enrollment transaction for a given Customer during the same enrollment period, the first valid transaction (as determined in accordance with the EDI Working Group Report) that is received by the Company shall be accepted. All other enrollment transactions received during the enrollment period shall be rejected. Rejected transactions may be resubmitted during the Customer's next enrollment period.

B. Termination of Generation Service

To terminate Generation Service with a Customer, Supplier shall submit a "supplier drops customer" transaction, in accordance with the rules and procedures set forth in the EDI Working Group Report. Generation Service shall be terminated on the date of the Customer's next scheduled meter read, provided the Company has received this transaction no fewer than two business days prior to the meter read date. If the Company has not received this transaction at least two days before the meter read date, Generation Service shall be terminated on the date of the Customer's subsequent scheduled meter read. The Company shall send a "confirm drop date"

transaction to the Supplier, in accordance with the rules and procedures set forth in the EDI Working Group Report.

A Customer may terminate Generation Service with Supplier and take Default Service by so informing Supplier. In such case, Supplier shall send a "supplier drops customer" transaction to the Company in accordance with the rules and procedures set forth in the EDI Working Group Report. Generation Service shall be terminated on the date of the Customer's next scheduled meter read date provided that the Company receives the "supplier drops customer" transaction no fewer than two business days prior to the scheduled meter read date. If the Company has not received the "supplier drops customer" transaction at least two days before the Customer's next meter read date, the termination shall be effective on the date of the Customer's subsequent scheduled meter read. The Company shall send a "confirmation of drop date" transaction to the Supplier in accordance with the rules and procedures set forth in the EDI Working Group Report.

In those instances when a Customer who is receiving Generation Service from an existing Competitive Energy Supplier initiates such service with a new Competitive Energy Supplier, the Distribution Company shall send the existing Competitive Energy Supplier a "customer drops supplier" transaction, in accordance with the rules and procedures set forth in the EDI Working Group Report.

C. **Customer Moves**

A Customer of Supplier that moves within the Company's service territory shall have the opportunity to notify the Company that he/she seeks to continue Generation Service with the Supplier. Upon such notification, the Company shall send a "customer move" transaction to the Supplier, in accordance with the rules and procedures set forth in the EDI Working Group Report.

In those instances when a Customer of the Supplier moves into the Company's service

territory, the Supplier must submit an "enroll customer" transaction to the Company in order to initiate Generation Service for that Customer. Otherwise, the Customer shall receive Transition Service or Default Service in accordance with the Company's Tariff.

D. **Other Provisions**

The Company and the Supplier shall send "change enrollment detail" transactions to change any information included on the "enroll customer" transactions, in accordance with the rules and procedures set forth in the EDI Working Group Report.

If any of the transactions described in subparts A through D of this section are rejected by the Company due to incorrect or invalid data content, the Company shall send an "error" transaction to the Supplier identifying the reason for the rejection, in accordance with the rules and procedures set forth in the EDI Working Group Report.

E. **Fees**

The Company shall charge the Supplier an administrative fee of five (\$5) dollars for each submitted "enroll customer" transaction. This administrative fee shall be waived in connection with the enrollment of a Customer directly from Transition Service. When the Customer has made the decision to switch from one Competitive Energy Supplier to another, the new Competitive Energy Supplier will be charged the administrative fee. The Company may charge other fees to Supplier for processing the transactions described above, as approved by the PUC.

IX. **Fees**

Company may charge fees to Supplier as set forth in Exhibit A. Company shall have the right to subtract fees that Supplier owes to Company, and that are sixty (60) days or more past due, from amounts Company collects on behalf of Supplier for reimbursement to Supplier. Amounts subject to a good faith dispute will not be subject to deduction.

X. **Billing and Payment for Services**

Bills for services provided by Company under the terms of this Agreement shall be rendered to Supplier on a monthly basis and shall be due upon receipt of said bill, unless otherwise specified in Exhibit A. Failure of Supplier to pay within twenty-five (25) days of the posting date on the bill shall result in the addition of interest on any unpaid balance calculated at the rate of 1.5% per month commencing from the date said bill was posted. The posting date is the date the bill is transmitted to the Supplier. The bill may also be transmitted electronically if agreed to by the parties in Exhibit A.

XI. **Nondisclosure**

Neither party may disclose any Confidential Information obtained pursuant to this Agreement to any third party without the express prior written consent of the other party; except that Company may disclose such information to its affiliates or agents not involved in Generation Service or wholesale merchant functions to the extent that such disclosure is necessary to enable Company to perform its obligations under this Agreement. As used herein, the term “Confidential Information” shall include, but not be limited to, all business, financial, and commercial information pertaining to the parties, Customers of either or both parties, Suppliers for either party, personnel of either party; any trade secrets; and other information of a similar nature; whether written or in intangible form. Confidential Information shall not include information known to either party prior to obtaining the same from the other party, information in the public domain, or information obtained by a party from a third party who did not, directly or indirectly, receive the same from the other party to this Agreement or from a party who was under an obligation of confidentiality to the other party to this Agreement, or information developed by either party independent of any Confidential Information. The receiving party shall use the higher of the standard of care that the receiving party uses to preserve its own

Confidential Information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. Each receiving party shall, upon termination of this Agreement or at any time upon the request of the disclosing party, promptly return or destroy all Confidential Information of the disclosing party then in its possession.

Notwithstanding the preceding, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, provided that: (a) such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and (b) prior to such disclosure, the other party is given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any injunction to prohibit such disclosure.

XII. Termination

Notwithstanding anything to the contrary elsewhere in this Agreement, any party, by written notice to the other party (“Breaching Party”), may terminate this Agreement in whole or in part with respect to such Breaching Party or suspend further performance without terminating this Agreement upon the occurrence of any of the following: (a) the Breaching Party terminates or suspends doing business; (b) the Breaching Party becomes subject to any bankruptcy or insolvency proceeding under federal or state law (unless removed or dismissed within sixty (60) days from the filing thereof), or becomes insolvent, becomes subject to direct control of a transferee, receiver or similar authority, or makes an assignment for the benefit of creditors; or (c) the Breaching Party commits a material breach of any of its obligations under this Agreement and has not cured such breach within fifteen (15) days after receipt of a written notice from the other party specifying the nature of such.

No delay by either party in enforcing any of its rights hereunder shall be deemed a waiver of such rights, nor shall a waiver of one default be deemed a waiver of any other or subsequent default.

The enumeration of the foregoing remedies shall not be deemed a waiver of any other remedies to which either party is legally entitled.

XIII. Force Majeure

Neither party shall be considered in default under this Agreement or responsible in tort, strict liability, contract or other legal theory to the other party for damages of any description for any interruption or failure of service or deficiency in the quality or quantity of service, or any other failure to perform if such failure is not caused by the affected party's fault or negligence, is caused by factors beyond the party's reasonable control and that by exercise of reasonable diligence the party is unable to prevent or overcome, including without limitation, storm, flood, lightning, earthquake, explosion, civil disturbance, labor dispute, sabotage, war, insurrection, act of God or the public enemy, action of a court, public authority or Independent System Operator. In the event of a force majeure, both parties shall take all reasonable steps to comply with this Agreement.

XIV. Liability and Indemnification

Supplier shall indemnify and hold harmless the Company, its affiliates, and the directors, officers, employees, and agents of each of them (collectively, "Affiliates"), from and against any and all damages, costs (including attorneys' fees), fines, penalties, and liabilities, in tort, contract, or otherwise (collectively, "Liabilities"), resulting from claims of third parties arising, or claimed to have arisen, from the acts or omissions of Company in connection with the non-negligent performance of its obligations under this Agreement; and Supplier shall waive recourse against Company and its Affiliates for or arising from the non-negligent performance by Company in

connection with the performance of its obligations under this Agreement

For purposes of such liability and indemnification, however, the parties acknowledge and agree that nothing in this Agreement prohibits one party from impleading the other party as a third-party defendant, whether or not one or both parties are named as defendants in the initial claim of a third-party. The third-party claim shall be stayed pending resolution of any dispute regarding liability and indemnification under this Agreement. Such resolution shall be final and binding upon the parties only if agreed to by the parties, or after entry of a final judgment by a court or other body of competent jurisdiction.

The parties expressly acknowledge and agree that the dispute resolution provision in section XV of this Agreement shall apply to any and all disputes arising under this Agreement, including without limitation, those disputes that arise as a result of either of the parties being named as a defendant in the primary action or being named as a third-party defendant by a defendant in the primary action.

Notwithstanding anything in this Agreement to the contrary, in no event shall any party hereto be liable to any other party hereto for indirect, consequential, punitive, special, or exemplary damages under any theory of law that is now or may in the future be in effect, including without limitation: contract, tort, strict liability, or negligence.

The provisions of this Section shall survive the termination of this Agreement.

XV. **Dispute Resolution**

Disputes hereunder shall be reduced to writing and referred to the parties' representatives for resolution. The parties' representatives shall meet and make all reasonable efforts to resolve the dispute. Pending resolution, the parties shall continue to fulfill their obligations under this Agreement in good faith, unless this Agreement has been suspended or terminated as provided in Section XII. If the parties fail to resolve the dispute within thirty (30) days, they may mutually

agree to pursue mediation or arbitration to resolve such issues. The parties agree that the place of mediation or arbitration shall be Concord, New Hampshire.

Disputes between Supplier and its Customers shall be subject to the Dispute Resolution Procedures of the Interim Procedures. Any disputes relating to compliance with this Agreement or the regulations of the Commission may be referred by the Company, the Supplier, or the Customer to the Commission and such disputes shall be subject to the regulatory oversight of the Commission.

XVI. Notice

All notices and other communications shall be to the Company contacts listed on the Company's website except as provided in Exhibit A. Notices and other communications to Supplier shall be addressed as shown on Exhibit B. The parties agree that such written notice, upon confirmation of receipt, shall constitute an acceptable writing.

XVII. Governing Law

This Agreement is governed by the laws of the State of New Hampshire without regard to the conflict of laws in effect therein.

XVIII. Enforceability

In the event that any portion or part of this Agreement is deemed invalid, against public policy, void or otherwise unenforceable by a court of law, the validity and enforceability of the remaining portions thereof shall otherwise be fully enforceable.

XIX. Assignment and Delegation

Either party to this Agreement may assign any of its rights or obligations under this Agreement; provided however, that no assignment by Supplier shall take effect until the assignee has met the requirements of Section IV of this Agreement. No assignment of this Agreement shall relieve the assigning party of any of its obligations under this Agreement until such obligations

have been assumed by the assignee.

In addition, either party may subcontract its duties under this Agreement to a subcontractor provided that the subcontracting party shall remain fully responsible as a principal and not as a guarantor for performance of any subcontracted duties, and shall serve as the point of contact between its subcontractor and the other party, and the subcontractor shall meet the requirements of this Agreement and any applicable laws, rules, and regulations. The assigning or subcontracting party shall provide the other party with thirty (30) days' prior written notice of any such subcontracting or assignment, which notice shall include such information about the subcontractor as the other party shall reasonably require.

XX. Miscellaneous

This Agreement is the entire agreement between the parties and supersedes all other agreements, communications, and representations. This Agreement may be amended by written agreement of the parties. Paragraph headings are for convenience only and are not to be construed as part of this Agreement. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same document.

In witness whereof, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date above.

[SUPPLIER]

By _____
Title _____

GRANITE STATE ELECTRIC COMPANY

By _____
Title _____

Exhibit A

COMPANY SPECIFIC PROVISIONS

1. Budget and Payment Options

Supplier acknowledges that Company offers budget and payment plans. If such a Customer on Consolidated Billing Service pays the Company less than the full amount billed, the Company shall apply the payment first to the Distribution Service, and if any payment remains, the Company shall apply it to Generation Service.

2. Summary Billing

Supplier acknowledges that Company offers a Summary Billing option, which allows qualified Customers with multiple electric service accounts to consolidate multiple individual billings on a single bill format. If such a Customer on Consolidated Billing Service pays the Company less than the full amount billed, the Company shall apply the payment first to Distribution Service owed for all accounts, and if any payment remains, the Company shall apply it to Generation Service based on a predetermined cash posting sequence.

3. Fees

Supplier agrees to pay any fees if and as approved by the PUC. Company shall notify Supplier of the approval of any such fees, and will amend this Exhibit A as may be necessary to describe them.

Exhibit A, p. 2

4. Holidays and Time

Any reference made with respect to time either in this Agreement or the EDI Standards is understood to be Eastern Standard Time.

The Company observes the following holidays and will not receive or process electronic transactions on the following days: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, The Day After Thanksgiving, The Last Weekday Before Christmas Day, and Christmas Day. All holidays will be the nationally observed day, or as otherwise posted by the Company.

5. Money Transfers

The Company will transfer payments to the Supplier by way of Automated Clearing House within three business days of the Company's receipt of payment from the Customer.

6. Business Continuity Plan

If the electronic transmission vehicle used to send and receive files is out of service, the Company will use a business continuity plan which will be posted on the Company's web site. In such an event, Supplier agrees to cooperate with Company and abide by the contents of Company's business continuity plan. Supplier may contact Company's representative, as provided below, for further information about accessing the continuity plan.

7. Company Contact

Information on how to contact the Company's representative for the administration of this Agreement shall be posted on the Company's web site (www.granitestateelectric.com).

Exhibit B

COMPETITIVE SUPPLIER INFORMATION

Supplier must fill this form out completely and return it to Company prior to entering into a contract for services with Company. Failure to fill out this form completely will render Company unable to provide services for Supplier.

A. General Information (all suppliers)

1. Legal name of the supplier _____
2. d.b.a. name, if applicable _____
3. Supplier Address _____
4. Type of Business Entity _____
5. Supplier Customer Service phone number _____
6. Supplier Tax Identification number _____
7. Supplier Dun & Bradstreet number _____
8. Name of the Supplier's general contact & phone number _____
9. Supplier's general contact facsimile number _____
10. Supplier's general contact Internet address _____
11. Name of Supplier's technical contact and phone number _____
12. Supplier's technical contact facsimile number _____
13. Supplier's technical contact Internet address _____
14. Date Supplier attended New Hampshire supplier training _____
15. Has Supplier registered with the New Hampshire Public Utilities Commission? _____

B. Billing and Banking Information (for Suppliers opting for Consolidated Billing Service)

1. If the Supplier is planning to assign its own account number, provide format and size _____
2. Name of receiving bank (to accept electronic transfer of customer payments) _____
3. Routing and transit number (ABA number) _____

Exhibit B, p. 2

Exhibit B

4. Bank account number _____

C. Value Added Network (VAN)

1. Name of VAN Provider _____

2. ISA Qualifier _____

3. ISA ID _____

4. GS Identifier _____

D. Establishment of NEPOOL Settlement Account

1. Name of the NEPOOL Participant in whose NEPOOL Settlement Account the
Supplier's load obligation will be reflected _____

2. Settlement Account Number (if available) _____

3. Supplier Contact Name and phone number _____

4. Supplier Contact facsimile number _____

5. Supplier Contact e-mail address _____

6. Estimated Maximum Load (kW Demand) _____

7. Estimated Effective Date (mo/day/year) _____

E. Supplier Load Allocation, if requested

1. Check to receive load estimation results _____ Yes _____ No

2. Supplier Load Settlement Contact name, phone and fax number _____

3. Supplier Load Settlement Contact e-mail address _____

F. Notices to Supplier shall go to:

Name: _____

Address: _____

Telephone: _____

Telecopier _____

Electronic Mail _____

Authorized Signature: _____

Name (printed or typed):

Title: _____

Date: _____



September 25, 2013

Suzanne Amidon, Staff Counsel
N.H. Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301

Re: Docket No. IR 13-244

Dear Attorney Amidon:

During the prehearing conference in the above-captioned matter it was requested that the electric and natural gas distribution utilities provide a summary of their current payment posting priorities along with language found in company tariffs or supplier agreements.

Unitil Energy Systems, Inc.

Terms and Conditions for Competitive Suppliers – Part 6, Section B, Item 5 states: “If a Customer pays the Company less than the full amount billed, the Company shall apply the payment first to Distribution Service and, if any payment remains, it shall be applied to Generation Service.”

Supplier Service Agreement – Part VII, Section A, Item vii states: “If a Customer pays Company less than the full amount billed, Company shall apply the payment first to amounts owed for Distribution Service, and if any payment remains, Company shall apply it to amounts owed for Generation Service.”

Actual Practice – UES’s Customer Information System (CIS), which calculates billings and records payments, is set up to pay the oldest outstanding accounts receivable first and then pay the next oldest accounts receivable after the oldest has been entirely paid. If multiple tariff components have the same receivable aging, the payment will be applied proportionally.

For example, a customer’s bill contains two components, the distribution portion and the supply portion. The customer begins with an outstanding balance of \$0 and is billed \$100, made up of \$40 distribution charges and \$60 supply charges. The customer makes a

Gary Epler
Chief Regulatory Counsel
epler@unitil.com

6 Liberty Lane West
Hampton, NH 03842

partial payment of \$50. Since the outstanding receivable is aged the same the CIS will apply \$20 ($\$40/\$100 * \50) against distribution charges and \$30 ($\$60/\$100 * \50) against supply charges.

There are two exceptions. 1) A billed deposit will be paid first regardless of its aging. 2) The New Hampshire state consumption tax will be paid before other items in the same aging category.

Northern Utilities, Inc.

Terms and Conditions for Competitive Suppliers – Part 12, Section 2, Item 1 states: “If a Customer pays the Company less than the full amount billed, the Company shall apply the payment first to Delivery Service, and if any payment remains, it shall be applied to Supplier Service.”

Supplier Service Agreement – Part IX states: “Partial payments will be applied first to any outstanding charges relating to Company Delivery Service, and second to the most overdue Supplier charges associated with the Customer. If a Customer pays Company more than the full amount billed, Company shall apply any overpayment to the Delivery Service account.”

Actual Practice – Although there currently are no customers that participate in the complete billing service, Northern’s CIS is set up to perform the same way as described for UES, with the exception that consumption tax is not an applicable tariff component for gas.

Sincerely,



Gary Epler

Enclosures

cc: Service List (by e-mail only)

Request: Please provide a description of the utility's payment hierarchy process and indicate where such information is documented.

Response by witness Brenda Inman:

Description of NHEC Payment Hierarchy

1. Partial payments are first applied to any deposits owed to NHEC;
2. Then, partial payments are applied to any past due balances owed to NHEC: 90 days first, then 60 days, then 30 days;
3. Then partial payments are applied any to current balances owed to NHEC;
4. Then partial payments are applied to any past due balances owed to current Competitive Electric Supplier;
5. Then partial payments are applied to any current balances owed to current Competitive Electric Supplier;
6. Then partial payments are applied to any balances owed to prior Competitive Electric Suppliers.

Where to find information regarding the Utility's payment hierarchy

NHEC's Competitive Electric Supplier Agreements and other related documents, including that for consolidated billing, are available on NHEC's website (nhec.com), in the "Electric Choice" dropdown behind the RATES & TARIFFS tab. Section IV "Processing of Payments" of the Consolidated Billing Services Agreement, which is attached hereto, reads in part:

If a Member pays the Cooperative less than the full amount billed, the Cooperative shall apply the payment first to amounts owed for all charges not Energy Service related, and if any balance remains, the Cooperative shall apply it to amounts owed for Energy Service including any returned check charges.

NHEC's NHPUC No. 21 Electricity Tariff also describes this payment hierarchy in similar terms and is available on NHEC's website, in the "Summary of Rates & NHEC Tariff" dropdown behind the RATES & TARIFFS tab. The "Member Responsibilities & NHEC Transactions with Competitive Suppliers" section of that tariff, which is attached hereto, reads in part:

Payments received by the Cooperative under consolidated billing will be applied first to the member's balance owed to the Cooperative, then to the current supplier, then to any old suppliers. Any additional amount paid will be applied to the Cooperative's accounts receivable.

Public Service Company of New Hampshire
Docket No. IR 13-244

Date Request Received: 09/20/2013

Date of Response: 09/20/2013

Request No. Q-STAFF 1-001

Page 1 of 2

Request from: New Hampshire Public Utilities Commission Staff

Witness: Heather M. Tebbetts

Request:

Please provide an explanation of the utility's payment hierarchy process.

Response:

The Commission established an EDI working group in 1998 to establish many of the ground rules for implementation of the state's competitive electricity market. One of the recommendations of the working group involved the order in which utilities apply customer payments if such payment does not cover the total balance owed. In the "Supplier Guide" prepared by the Commission and available on the Commission's website, the Commission states:

5. CASH POSTING SEQUENCE (CONSOLIDATED BILLING OPTION)

Each Distribution Company will submit, as part of its compliance filing, a proposed cash posting sequence to be applied under the Consolidated Billing Option.

Consistent with this Commission guidance, PSNH has a tariff provision which controls the sequence of cash posting. Beginning at page 31, PSNH's tariff includes terms and conditions for energy service providers, otherwise referred to as "Suppliers" in the tariff. Suppliers have the option of using PSNH's billing and payment service under section 2.(f). Pursuant to that section, at page 36 of PSNH's tariff: "All Customer payments received by the Company shall be posted first to the Customer's balance with the Company and second to the Customer's balance with the Supplier." PSNH has attached the tariff page explaining the payment hierarchy process.

Accordingly, for those Suppliers opting to use PSNH's billing and payment service, when a payment is received from a customer, whether partial or full, the payment is first posted to the customer's balance with PSNH and the remainder is posted to the customer's balance with the supplier.

NHPUC NO. 8 - ELECTRICITY DELIVERY
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

Original Page 36
Terms and Conditions for Suppliers

The Company shall also provide, at its option, Billing and Payment Service for Supplier pricing options which require programming changes to the Company's billing systems. Suppliers will be assessed a one-time setup charge at the following rate to enable non-standard Supplier billing arrangements by the Company:

Programming Setup Charge.....\$95.00 per hour

Any request by the Supplier for Rate Maintenance and Error Correction service provided by the Company in support of Billing and Payment Service will be billed on a monthly basis using the hourly rate below. Rate Maintenance and Error Correction will include maintaining Supplier rates and pricing options in the Company's billing systems and calculating Customer billing adjustments due to Supplier errors in pricing.

Rate Maintenance and Error Correction Charge.....\$50.00 per hour

All Customer payments received by the Company shall be posted first to the Customer's balance with the Company and second to the Customer's balance with the Supplier.

(g) Collection Services

The Company will provide Collection Services in conjunction with Billing and Payment Service for Suppliers who have entered into a written agreement for such service with the Company for a minimum of one year. The Collection Services provided to Suppliers may be similar to collection activities employed by the Company for its own active and inactive delinquent accounts, except that such collection activities shall not include disconnection of service. Collection Services shall be billed monthly at the following rate:

Collection Services Charge.....0.252% of total monthly receivable dollars

3. Initiation and Termination of Supplier Service

(a) Initiation

To initiate Supplier Service to a Customer, the Supplier shall submit an Electronic Enrollment which shall comply with the EDI standard, as may be amended from time to time.

If the information on the Electronic Enrollment passes validation, the Company will send the Supplier a "Successful Enrollment" notice. Supplier Service shall commence on the date of the Customer's next meter read date, provided that the Supplier has submitted the Electronic Enrollment to the Company at least two business days prior to the scheduled meter read date. If the Company receives more than one Electronic Enrollment for the same Customer for the same enrollment period, the first successfully processed Electronic Enrollment shall be accepted. All subsequent Electronic Enrollments received during that enrollment period shall be rejected.

Issued: July 2, 2010

Issued by: Gary A. Long

Effective: July 1, 2010

Title: President and Chief Operating Officer

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

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

Docket No. IR 13-244

JOINT SUPPLIERS' PROPOSAL

Pursuant to the procedural schedule established in this docket, the Supplier Parties (Electricity N.H., LLC d/b/a E.N.H. Power, North American Power and Gas, LLC, PNE Energy Supply, LLC, and Retail Energy Supply Association) (collectively, "Suppliers") respectfully offer the following joint proposal to address issues raised in the above captioned docket.

I. PAYMENT HIERARCHY

A. Background

- 1) The current payment hierarchy in the Public Service Company of New Hampshire ("PSNH") and New Hampshire Electric Cooperative ("NHEC") territories relative to distribution and supplier charges is as follows: Distribution arrears, Distribution current, Suppliers arrears, Suppliers current. (Note: there may be additional charges that have higher or lower spots in a utility's hierarchy – such as a provision that customer deposits are repaid first – but the relative order of distribution and supplier charges are as set forth above.)
- 2) The current payment hierarchy in Granite State Electric d/b/a Liberty Utilities ("Liberty") territory relative to distribution and supplier charges is as follows: Distribution arrears, Suppliers arrears, Distribution current, Suppliers current.
- 3) The current tariffed payment hierarchy in Unitil Electric Service ("Unitil") territory relative to distribution and suppliers charges is the same as paragraph 1) supra, but in practice Unitil is paying the oldest outstanding accounts receivable first and then paying the next oldest accounts receivable after the oldest is entirely paid; and if multiple tariff components have the same receivable aging, the payment will be applied proportionally, allocating

Distribution and Suppliers arrears and current payments on a pro rata basis.

- 4) Important note: payment hierarchies are often more complex than described above, since additional cost items (such as customer deposits, line extension costs and the like) may be part of an expanded hierarchy. The following Proposal only references changes to the four specified items below, and does not propose to replace or modify additional cost elements in any Distribution company's current hierarchy.

B. Comments

Suppliers share the concerns of Commission Staff and the Office of Consumer Advocate ("OCA") that led to the recommendation to open the instant investigation relative to payment hierarchy issues. The combination of 1) Distribution arrears and Distribution current being prioritized over all Suppliers charges and 2) the current state law prohibition on customers being disconnected for non-Distribution charges means that Suppliers often experience nonpayment or underpayment for many months any time a customer fails to pay, makes only a partial payment or reaches a payment plan with the utility.

As an extreme potential example under current practices in at least the PSNH and NHEC areas, assume a customer elects to pay only its Distribution charges for a six month period. The Distribution charges would be paid in full and the Supplier would get nothing for the entire six month period. Furthermore, under state law the Supplier would have no right to request that PSNH disconnect the customer for nonpayment in order to induce the customer to pay outstanding Supplier arrears.

The Suppliers do not see similar payment hierarchy problems in most other jurisdictions. In most states, Suppliers receive timely payments through a purchase of receivables ("POR") program. In non-POR areas, utilities and/or regulators maintain more equitable payment arrangements. For example, in the non-POR Ohio utility areas, the hierarchy is Supplier arrears, Distribution arrears, Distribution current, Supplier current. Other utilities, including the PSNH affiliate, Western Massachusetts Electric Company, follow the same pro rata approach that has been implemented by Unitil.

C. Proposal

The Suppliers would prefer to resolve the current payment hierarchy problem expeditiously by settlement, without the delays and costs of a full proceeding. In consideration of settlement, they would accept and support (to the extent necessary) formalizing the payment allocation policies in place in Liberty and Unitil territories. With respect to PSNH and NHEC, the Suppliers would be flexible as to the approach chosen by the utility so long as it either adopts the pro rata allocation (implemented by Unitil and by WMECo in Massachusetts) or modifies the payment hierarchy such that at least one of the Supplier charge categories (arrears and current) is ahead of at least one of

the Distribution charge categories (arrears and current). Thus, the Ohio and Liberty approaches would both be acceptable solutions for settlement purposes.

All of these potential approaches would have advantages over current arrangements in PSNH, NHEC or the Unitil tariffs if enforced. Most notably, the improved hierarchy or assurance of pro rata payment would result in payment of all or virtually all of Supplier receivables within a month or at most two of incurrence. Supplier incentives to make payment status calls to customers would be significantly reduced and may be eliminated in many cases. Distribution companies and Suppliers also would more equitably bear the risks associated with customer nonpayment or partial payments on their consolidated electricity bills.

II. COMMUNICATIONS ISSUES

A. Background

Staff and OCA, among others, have expressed concerns regarding communications issues caused by, or related to, payment hierarchy issues. The issues could include, but are not limited to, (1) a lack of EDI or email notice from Distribution companies to Suppliers when customers have made only partial payments or are on or have entered into payment plans; and (2) potentially confusing Supplier calls to customers to ask about the status of apparently untimely generation payments when the customer already has fully paid pursuant to a payment plan agreed upon with the Distribution company.

B. Comments

The Suppliers believe that implementation of a revised payment hierarchy will resolve most, if not all, of the customer communications problems identified by Staff and OCA. Suppliers do not have a similar volume of customer communications issues in states with POR or more favorable hierarchy arrangements. Suppliers would, however, support targeted improvements to communications to them from the Distribution companies, especially until payment hierarchy issues can be addressed.

C. Proposal

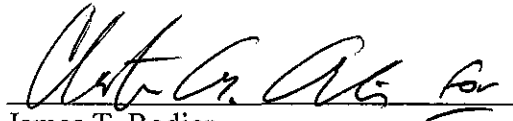
As a useful step that should reduce any remaining customer communications issues irrespective of payment hierarchy issues, Suppliers propose that the Distribution companies furnish a weekly or bi-weekly list to suppliers of their customers who have entered into utility-approved budget billing arrangements or payment plans. This will provide timely information about changes in the payment patterns of existing customers that may help reduce the volume of Supplier calls to customers seeking payment status. The Suppliers would request a technical session to work out the form of such a list with the Distribution companies, the OCA and Staff.

III. CONCLUSION

The Suppliers appreciate the consideration of the Distribution companies, the OCA, Staff and the Commissioners of the above proposals. We look forward to working with all of you to implement changes expeditiously.

PNE ENERGY SUPPLY, LLC

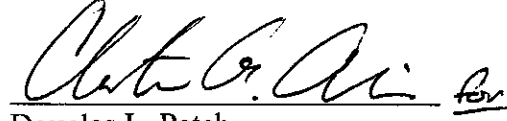
By Its Attorney,



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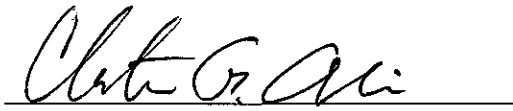
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AND GAS, LLC
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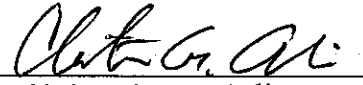


Robert J. Munnely, Jr.
Murtha Cullina LLP
99 High Street, 20th Fl.
Boston, MA 02110
617-457-4062
rmunnely@murthalaw.com

Dated: October 11, 2013

Certificate of Service

I hereby certify that a copy of the foregoing Joint Suppliers' Proposal has on this
11th day of October, 2013 been sent by email to the service list in Docket IR 13-244.

By: 
Christopher G. Aslin