

**Public Service of New Hampshire d/b/a Eversource Energy**  
**Docket No. DE 19-057**

**Date Request Received: 08/13/2019**

**Date of Response: 08/27/2019**

**Request No. STAFF 9-031**

**Page 1 of 1**

**Request from: New Hampshire Public Utilities Commission Staff**

**Witness: Penelope Conner**

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**Request:**

Reference Testimony of Penelope McLean Connor. For 2014, 2015, 2016, 2017, 2018 and 2019, please provide both the number and percentage of payments received from PSNH customers via the following payment channels: mail, online, auto debit, credit/debit card, payment agents, other.

**Response:**

Please see Attachment Staff 9-031 for the requested information.

As shown in Attachment Staff 9-031, changes in customer payment patterns are taking place. For example, over the six-year period, 2014 through 2019, mail-in payments have declined from 39% of total transactions to 29% of the total. Similarly, use of walk-in payment has declined from approximately 4% of the total to two-tenths of a percent. On-line check payments from the customer's bank are virtually the same at 20% of the total; however online checks through Eversource have increased from approximately 35% of the total transactions to 47%. Credit and debit card payments have increased from approximately 2.5% to 3.5% over the same time period, which is a relatively small change given widespread adoption of mobile applications for purchase of a variety of services over that time period.

Payment Channel	2014		2015		2016		2017		2018		2019 ***	
	Volume	Percentage	Volume	Percentage	Volume	Percentage	Volume	Percentage	Volume	Percentage	Volume	Percentage
Mail	2,081,143	38.78%	1,960,887	36.72%	1,831,683	33.51%	1,762,481	31.53%	1,689,063	30.53%	952,828	29.32%
Online Check - Customer Bank	1,075,004	20.03%	1,082,541	20.27%	1,097,373	20.07%	1,122,879	20.09%	1,146,043	20.71%	661,176	20.35%
Online Check - Eversource.com	1,874,578	34.93%	1,990,036	37.26%	2,233,459	40.86%	2,427,475	43.42%	2,503,101	45.24%	1,520,088	46.78%
Debit/Credit Card	132,246	2.46%	127,308	2.38%	134,509	2.46%	130,295	2.33%	173,000	3.13%	109,800	3.38%
Walk-In	203,495	3.79%	179,885	3.37%	169,617	3.10%	147,307	2.63%	21,230	0.38%	5,591	0.17%
Total	5,366,466		5,340,657		5,466,641		5,590,437		5,532,437		3,249,483	

\*\*\* Data is through July 2019.

**Public Service of New Hampshire d/b/a Eversource Energy**  
**Docket No. DE 19-057**

**Date Request Received: 10/28/2019**

**Date of Response: 11/14/2019**

**Request No. TS 2-001**

**Page 1 of 1**

**Request from: New Hampshire Public Utilities Commission Staff**

**Witness: Penelope Conner**

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**Request:**

Please describe the specific monitoring activities and metrics pertaining to the Company's affiliates' fee free offerings in Connecticut. Provide a copy of the relevant section of the Connecticut settlement agreement.

**Response:**

The monitoring activities and metrics pertaining to the fee free offering of the Company's Connecticut affiliate, CL&P, are outlined below:

CL&P is required to file an annual compliance filing in its latest rate case docket each March 1<sup>st</sup> that includes the following data for the immediately preceding calendar year:

- (i) the number of credit/debit card payments,
- (ii) costs associated with the credit/debit card payments,
- (iii) monitoring how quickly payments are being received from the date a bill is issued,
- (iv) number of credit card payments made by financially challenged/hardship customers
- (v) annual amount of uncollectibles, and
- (vi) qualitative improvements in customer satisfaction with this option.

In its first annual compliance filing, CL&P was also required to file data relating to (i) through (vi), above, for the Test Year in its rate case (which was calendar year 2016) and calendar year 2017.

Attachment TS 2-001 provides the amended Settlement Agreement from the 2017 CL&P rate case, in which Section 3, pages 2-3, allow Fee Free to be extended to residential customers. Section 3(c), pages 2-3, lists the metrics and monitoring CL&P must report on annually to the Public Utilities Regulatory Authority for the Fee Free program.

**STATE OF CONNECTICUT  
PUBLIC UTILITIES REGULATORY AUTHORITY**

<b>APPLICATION OF THE</b>	<b>:</b>	<b>DOCKET NO. 17-10-46</b>
<b>CONNECTICUT LIGHT AND</b>	<b>:</b>	
<b>POWER COMPANY D/B/A</b>	<b>:</b>	
<b>EVERSOURCE ENERGY TO</b>	<b>:</b>	
<b>AMEND ITS RATE SCHEDULES</b>	<b>:</b>	
	<b>:</b>	<b>MARCH 23, 2018</b>

**AMENDMENT ONE TO SETTLEMENT AGREEMENT**

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**STATE OF CONNECTICUT**

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**APPLICATION OF THE** : **DOCKET NO. 17-10-46**  
**CONNECTICUT LIGHT AND** :  
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**EVERSOURCE ENERGY TO** :  
**AMEND ITS RATE SCHEDULES** : **MARCH 23, 2018**

**AMENDMENT ONE TO THE SETTLEMENT AGREEMENT**

The Connecticut Light and Power Company d/b/a Eversource Energy (“CL&P” or the “Company”), the Office of Consumer Counsel (“OCC”) and the Prosecutorial Staff of the Public Utilities Regulatory Authority (“PRO”) (collectively, the “Settling Parties”) enter into this Amendment One to the Settlement Agreement regarding the Company’s November 22, 2017 application (“Application”) filed with the Public Utilities Regulatory Authority (“PURA” or the “Authority”) pursuant to Conn. Gen. Stat. §§ 16-19 and 16-19e.

WHEREAS, on January 11, 2018, the Settling Parties filed a settlement agreement in this Docket (the “Settlement Agreement”); and

WHEREAS, on March 19, 2018, PURA issued a Proposed Interim Decision in this Docket (the “Interim Decision”) directing the Settling Parties to address the issues set forth therein; and

WHEREAS, the Settling Parties have entered into this Amendment One to the Settlement Agreement (the “Amendment”) to address the issues set forth in the Interim Decision.

NOW THEREFORE, in consideration of the exchange of promises and covenants contained herein, the legal sufficiency of which is hereby acknowledged, the Settling Parties agree, subject to the Authority’s approval, to amend the Settlement Agreement as follows:

- 1) Definitions. Capitalized terms used but not defined herein have the meanings assigned to such terms in the Settlement Agreement.
- 2) Enhanced Tree Trimming and Enhanced Tree Removal. Section 3.a.ii.2. (concerning system resiliency) and Section 11 (concerning enhanced tree trimming) of the Settlement Agreement are amended as follows to reflect the following text taken verbatim from Section II(C), Pages 13-14, of the Interim Decision:

- “• ETT will be funded as filed in the Application for calendar year 2018.”
  - “• ETT will be funded at 50% of proposed cost for calendar years 2019 and 2020.”
  - “• In its November New Capital Tracker compliance filings, the Company may seek Authority approval for the additional funding for incremental ETT miles in upcoming calendar years 2019 and 2020. The Company may justify the additional mileage based on need, cost reductions expected, or any other reason it deems appropriate.”
  - “• For calendar years 2019 and 2020, any remaining mileage not trimmed under ETT will be performed as part of the routine maintenance by the Company to maintain its routine maintenance four year trim cycle. Funding will be recoverable in the New Capital Tracker.”
  - “• ETR will be funded as filed in the Application for calendar year 2018.”
  - “• ETR will be funded at 66.67% of proposed costs for calendar years 2019 and 2020.”
  - “• In its November New Capital Tracker compliance filings, the Company may seek Authority approval for additional funding for incremental ETR miles in upcoming calendar years 2019 and 2020. The Company may justify the additional mileage based on need, cost reductions expected or any other reason it deems appropriate.”
- 3) Credit/Debit Card Fees. Section 14 of the Settlement Agreement concerning the “Fee Free” credit and debit card fees is amended as follows:
- a) In response to the concerns raised in the Interim Decision, the Settling Parties agree to: (i) delete that portion of Section 14 of the Settlement Agreement that applied a 100% discount toward the credit and debit card transaction fees assessed to small business customers; and (ii) delete that portion of Section 14 that provided a 25% discount toward the credit and debit card transaction fees assessed to commercial and industrial customers. As a result of these additional amendments, only residential customers are eligible to participate in the Fee Free program, and therefore, only residential customers will not be assessed a credit or debit card transaction fee. The cost of this modified program will be charged to all residential customers.
  - b) As a result of the above-described additional amendments to Section 14 of the Settlement Agreement, the revenue requirement for Rate Year 1, Rate Year 2 and Rate Year 3, in the aggregate, for the Fee Free Program described herein shall decrease from \$12.015 million to \$5.3 million.
  - c) The Company shall file an annual compliance filing in this Docket each March 1<sup>st</sup> that includes the following data for the immediately preceding calendar year: (i)

the number of credit/debit card payments, (ii) costs associated with the credit/debit card payments, (iii) monitoring how quickly payments are being received from the date a bill is issued, (iv) number of credit card payments made by financially challenged/hardship customers, (v) annual amount of uncollectibles, and (vi) qualitative improvements in customer satisfaction with this option. In its first annual compliance filing, the Company shall also file data relating to (i) through (v), above, for the Test Year in this rate case (which is calendar year 2016) and calendar year 2017.

- d) Based on a comparison of actual total Fee Free credit card/debit program costs incurred by the Company to the amount allowed in rates, any over-collection shall be credited to customers and any under-collection shall be deferred for recovery in rates at the time of the next rate case.
  - e) At the time of the Company's next rate case, PURA shall determine whether additional changes are necessary or appropriate to the modified Fee Free program described in this Amendment.
- 4) Accounting Adjustments. The Settling Parties agree to address the "Accounting Adjustments" described in Section II.A of the Interim Decision as follows:
- a) Rate Base Adjustments.
    - i) The Settling Parties accept all of the adjustments shown in the following rate base adjustment sections on Pages 3-6 of the Interim Decision: Section II.A.1.a (entitled "Regulatory Assets/Liabilities"), Section II.A.1.b (entitled "Regulatory Liabilities/Reserves"), Section II.A.1.c (entitled "Deferred Taxes on CIAC, Net of Gross-up") and Section II.A.1.d (entitled "Summary of Rate Base Adjustments (\$ million)").
    - ii) ADIT. The Company will prepare exhibits concerning the adjustments shown on Page 6, Section II.A.1.e (entitled "Accumulated Deferred Income Taxes") of the Interim Decision. The timing of the Company's filing of these tax calculations is described in Section 5 of this Amendment.
    - iii) Post-2016 Storm Cost Reserve. The Settling Parties agree that rate base shall be adjusted by \$18.625 million<sup>1</sup> to account for the amortization adjustments described in Section 4.b.i.A below of this Amendment related to costs for catastrophic storms that occurred after December 31, 2016. December 31, 2016 was the original cut-off date used by the Company for quantifying catastrophic storm costs for this rate case.

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<sup>1</sup> The Company informed OCC and PRO that storm costs in excess of \$60 million have thus far been incurred since December 31, 2016. The \$18.625 million of rate base recognition proposed herein represents just over 30% of these costs, yet their inclusion allows for the continued amortizations as per the Settlement Agreement.



b) Expense Adjustments.

- i) Amortization Expense. The Settling Parties accept the adjustments shown on Page 7, Section II.A.2.a (entitled “Amortization Expense”) of the Interim Decision; provided, however, in order to mitigate future bill impacts on customers resulting from the impact of post-December 31, 2016 catastrophic storm costs that continue to build-up in the Company’s reserve for catastrophic storms from, among other events, the October 2017 catastrophic storm and the catastrophic storms that have occurred in March 2018, the Settling Parties agree that:
- (A) the total amount shown in the Table entitled “Summary of Adjustments to Amortization Expenses” on Page 7, Section II.A.2.a of the Interim Decision shall not be removed from the Company’s revenue requirements for Rate Years 1, 2 and 3, and therefore, the amounts shown in the Table shall instead be utilized to pay-down \$18.625 million<sup>2</sup> of post-December 31, 2016 catastrophic storm costs that are hereby allowed in rate base effective May 1, 2018 (the “Post-December 31, 2016 Storm Costs”), provided that if PURA’s subsequent prudence review of these storm costs in a future contested case authorizes the Company to recover an amount that is less than \$18.625 million, then the Company must credit customers for the difference plus carrying charges;
  - (B) the Post-December 31, 2016 Storm Costs are subject to a full prudence review by PURA, the OCC, PRO and any other entities granted intervenor or party status in a future contested case convened by PURA (the “Future Docket”), and therefore, OCC and PRO do not waive their right to challenge the prudence of the Post-December 31, 2016 Storm Costs in the Future Docket; and
  - (C) the Company can elect to have PURA evaluate the prudence of all Post-December 31, 2016 Storm Costs in either (i) its next rate case or (ii) elect to initiate such review sooner in a separate contested case involving such storm costs any time after the conclusion of this pending rate case in Docket No. 17-10-46 (the “Future Storm

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<sup>2</sup> The adjustments to amortizations on Page 7 of the Interim Decision for Rate Year 1 (\$1.804 million), Rate Year 2 (\$2.226 million) and Rate Year 3 (\$18.764 million) total \$22.794 million. In this Section of the Amendment to the Settlement Agreement, allowing \$18.625 million of storm costs to be placed in rate base starting in 2018 totals \$22.794 million over the three-year rate plan, and therefore, this approach utilizes the \$22.794 million of amortization adjustments on Page 7 of the Interim Decision to pay-down new storm costs in an equivalent amount by the end of Rate Year 3. Placing \$18.625 million of new storm costs in rate base in 2018 yields revenue requirements for Rate Year 1 (\$1.684 million), Rate Year 2 (\$1.654 million) and Rate Year 3 (\$19.457 million) totaling \$22.794 million, which matches the \$22.794 million shown on Page 7 of the Interim Decision.

Docket”),<sup>3</sup>

- (D) Any funds (\$43.9 million) attributable to storm amortizations approved in Docket No. 14-05-06 after Rate Year 3 shall be applied to the Company’s reserve for catastrophic storms up until the time the Company files its next application to amend distribution rates.
- ii) EESCO Capital Funding. The Settling Parties accept the adjustments shown on Pages 7-8, Section II.A.2.b (entitled “EESCO Capital Funding”) of the Interim Decision; provided, however, that: (A) Attachment 3, row 31 of the Settlement Agreement contains a “catch-all” settlement reduction totaling \$2 million per year to the revenue requirements in the Company’s Application that was intended to address additional reductions identified by PURA staff that had not been anticipated by the Settling Parties; (B) \$1 million of this \$2 million “catch-all” adjustment was intended to address the working capital portion of the Company’s revenue requirement; and (C) therefore, the remaining \$1 million per year of this “catch all” adjustment shall be netted against the reduction to revenue requirements for EESCO Capital Funding for Rate Years 1, 2 and 3 shown on Page 8, Section II.A.2.b of the Interim Decision.
- iii) Summary of Expense Adjustments. Because Page 8, Section II.A.2.c of the Interim Decision summarizes the above-described adjustments to amortization expense and EESCO capital funding, the Settling Parties have already addressed this subject matter in Sections 4.b.i and 4.b.ii above of this Amendment.
- iv) Income Taxes. The Company will prepare exhibits concerning the adjustments shown on Pages 8-10, Section II.A.2.d (entitled “Income Taxes”) of the Interim Decision. The timing of the Company’s filing of these tax calculations is described in Section 5 below of this Amendment.

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<sup>3</sup> Any additional post-December 31, 2016 Storm Costs approved by PURA in a Future Storm Docket, less the \$18.625 million included herein, can be recovered in base distribution rates at the time of the Company’s next closest May 1<sup>st</sup> adjustment to base distribution rates under the three-year rate plan for this rate case (i.e., Rate Year 2 commences on May 1, 2019 and Rate Year 3 commences on May 1, 2020).

- 5) Timing of Filing of Tax Calculations in Orders 1 and 2 of the Interim Decision. Orders 1 and 2 on Page 14 of the Interim Decision directed the Settling Parties to file exhibits containing additional calculations resulting from the Federal Tax Law Change. The Company has attached calculations as Attachment 2 to the March 23, 2018 joint motion the Settling Parties will file in this Docket.<sup>4</sup>
- 6) Remainder of the Settlement Agreement. Subject to the amendments set forth in this Amendment, the remainder of the Settlement Agreement remains unchanged and in full force and effect. In the event of any conflict or inconsistency between this Amendment and the Settlement Agreement, this Amendment shall control.

*[signature page follows]*

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<sup>4</sup> All tax calculations resulting from the Federal Tax Law Change that are filed by the Company with PURA pursuant to this Amendment constitute estimated calculations that are subject to final true-up pursuant to the processes described in Sections 18.b.i, 18.b.ii, 18.b.iii and 18.b.iv of the Settlement Agreement.

The foregoing Amendment to the Settlement Agreement is executed as of March 23, 2018.

**The Connecticut Light and Power  
Company d/b/a Eversource Energy**

**Office of Consumer Counsel**

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