

**BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION**

In Re.)	
)	
)	
Public Service Company)	
of New Hampshire d/b/a Eversource)	Docket No. DE 19-057
Energy Notice of Intent to File Rate)	
Schedules)	
)	

REBUTTAL TESTIMONY OF
ROGER D. COLTON

ON BEHALF OF THE
The Way Home

March 3, 2020

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Roger Colton. My business address is 34 Warwick Road, Belmont, MA
3 02478.

4
5 **Q. ARE YOU THE SAME ROGER COLTON WHO PREVIOUSLY PREPARED**
6 **DIRECT TESTIMONY IN THIS PROCEEDING?**

7 A. Yes.

8

9 **Q. PLEASE STATE THE PURPOSE OF YOUR REBUTTAL TESTIMONY.**

10 A. The purpose of my rebuttal testimony is to respond to the Direct Testimony of Staff
11 Witness Amanda Noonan with respect to the proposed New Start program. To the extent
12 that I do not respond to other aspects of Noonan’s testimony, I either agree with her
13 testimony or the scope and nature of any disagreement was fully explained in my Direct
14 Testimony and needs no further expansion.

15

16 **Q. IS THERE ANY ASPECT OF MS. NOONAN’S TESTIMONY REGARDING**
17 **NEW START WITH WHICH YOU DISAGREE?**

18 A. The aspect of Staff Witness Noonan’s testimony to which I respond does not represent a
19 “disagreement” so much as it represents an explanation of how I believe her testimony
20 was incomplete. Ms. Noonan testified in relevant part as follows with respect to New
21 Start:

22 The plan should provide for the collection and reporting of data prior to the
23 start of the program in order to provide a baseline for comparison in
24 subsequent years. The plan should address how the Company will measure

1 and report on program performance each year and include, at a minimum, the
2 following:

- 3
- 4 i) Number of customer accounts coded financial hardship.
 - 5 ii) Number of customers enrolled in the program.
 - 6 iii) Number of customers who successfully completed the program.
 - 7 iv) Number of customers dropped from the program.
 - 8 v) Number of customers who re-enroll in the program after being
9 dropped and length of time before re-enrollment.
 - 10 vi) Number of customers who re-enroll in the program after
11 successful completion and length of time before re-enrollment.
 - 12 vii) Number of customers who remain on budget plan after automatic
13 enrollment upon completion and for how long.
 - 14 viii) Total dollar amount of arrearages forgiven.
 - 15 ix) Average dollar amount per participating customer of arrearages
16 forgiven.
 - 17 x) Comparison of disconnections before and after program start.
 - 18 xi) Comparison of lead-lag before and after program start.
 - 19 xii) Comparison of bills behind for hardship customers before and
20 after program start.
 - 21 xiii) Quantification of impact of program on field visits and customer
22 service.
 - 23 xiv) Quantification of impact of program on re-connections.
 - 24 xv) Quantification of impact of program on uncollectibles.

25
26 (Noonan Direct, at Bates 8 -9).

27

28 While I do not disagree with the substance of any particular item in the list which Ms.
29 Noonan included in her Direct Testimony – she does state that her recommended list is
30 “at a minimum” – the list which Ms. Noonan recommends is incomplete.¹

31

¹ The closest I come to a “disagreement” is with Ms. Noonan’s data elements “iv” and “v.” My disagreement with these two particular elements, however, is not with these data elements, as such, but rather with the fact that, as I explain in my Direct Testimony, New Start participants should not be “dropped from the program” and subsequently “re-enrolled.” In contrast, “re-enrollment” as that term is used in data element “vi” is entirely appropriate and should, as Ms. Noonan recommends, be tracked.

1 **Q. DO YOU HAVE ANY CLARIFYING OR DEFINITIONAL COMMENTS YOU**
2 **WISH TO MAKE ABOUT YOUR RECOMMENDATIONS BEFORE YOU**
3 **BEGIN?**

4 A. Yes. Before I begin, let me note four observations about my recommendations. First,
5 there are data elements that I would want to have Eversource collect, and there are other
6 data elements that I think are not particularly helpful. I will note both below. Second,
7 within that data that I recommend being collected, my references to “accounts” (and
8 related terms, e.g., “customers”) is intended to be limited to New Start participants.
9 Third, whenever I talk about “arrears,” I mean unpaid bills for current service incurred
10 after someone enters New Start. By definition, someone who is in New Start is going to
11 have a pre-existing arrears. What we want to know is how people are performing after
12 they enter New Start. So, what their arrears were when they entered New Start should be
13 excluded from these reports of arrears. Fourth, while I state that data should be collected
14 “by month,” what I mean is that the data should be monthly data. That “monthly data,”
15 however, could be filed (or submitted or whatever term is most appropriate) on a
16 quarterly, bi-annual or on an annual basis. We don’t need to receive the data each month.
17 It’s just that when we do get data, we want data “by month.”

18
19 **Q. GIVEN THE ABOVE OBSERVATIONS, WHAT DATA REPORTING**
20 **ELEMENTS DO YOU RECOMMEND THE COMPANY ADOPT TO ALLOW**
21 **STAKEHOLDERS TO ADEQUATELY ASSESS THE NEW START PROGRAM?**

22 A. Noting that what I recommend below should not be construed as being in contravention
23 of that which was recommended by Ms. Noonan, I recommend as follows:

- 1 1. The dollars of bills for current service by month.
- 2 2. The dollars of actual receipts from customers² by month.³
- 3 3. The number of accounts receiving a bill by month.
- 4 4. The number of accounts making a payment by month.⁴
- 5 5. The number of disconnect notices issued by month.^{5, 6}
- 6 6. The number of accounts in arrears (setting aside the New Start arrears. This
7 would, in other words, be limited to arrears incurred since they entered the
8 program) by month;
- 9 7. The dollars of arrears (with the same disclaimers) by month;
- 10 8. The average arrears of accounts with arrears (other than their New Start arrears)
11 by month;

² The source of revenue is irrelevant. The phrase here “from customers” is, for example, not intended to distinguish receipts from LIHEAP and receipts paid out-of-pocket by customers.

³ The combination of Metric #1 and Metric #2 allows us to look at the percentage of bills that are paid each month. If you place the dollars of bills (Metric #1) in the denominator and the dollars of receipts (Metric #2) in the numerator, you can calculate what percentage of bills is being paid on a monthly basis. You can also aggregate these monthly bills (and payments) so that you can examine the results (the term for this calculation is “payment coverage ratio”) on an annual basis, on a seasonal basis, or on any other time period which you desire. For example, in an evaluation I performed of a Colorado energy affordability program, one question was the extent to which customers made payments after receiving a disconnect notice. I calculated a bill payment coverage ratio for the four months after the receipt of a disconnect notice. One additional question was the extent to which customers made payments after having service disconnected and reconnected (or whether customers simply fell back into arrears again). Again, that was tested by examining the payment coverage ratio for the four months subsequent to the reconnection.

⁴ This allows us to see what percentage of people make some payment (while Metric #1 and Metric #2 allow us to see what percentage of the bill is paid).

⁵ This is more important than the number of disconnections. As I spend a considerable amount of time in my Direct Testimony demonstrating, whether someone actually gets disconnected bears little relationship to whether they are in payment trouble. As I demonstrate, lots of folks are in arrears, and are sufficiently far in arrears to merit disconnection, but don’t get disconnected. In contrast, the disconnect notices are computerized.

⁶ Data elements 1, 2, 3, 4 and 5 also allow us to calculate a number of other metrics. For example, the number of disconnect notices per \$1,000 in bills (or, similarly, the number of disconnect notices per \$1,000 in payments) lets us see how hard the Company has to work to collect its revenue. Similarly, the number of disconnect notices per 1,000 bills provides insights into the extent of payment troubled status of customers. You can also “flip” these metrics. Looking at the amount of dollars received per disconnect notice allows us to assess the efficiency of collection. An increasing amount of revenue per disconnect notice may mean that the Company is issuing fewer disconnect notices, or that the Company is collecting more dollars, either of which is a positive development.

- 1 9. Conversely, the number of accounts with a \$0 balance⁷ by month;⁸
- 2 10. The number of Final Bills by month (as I explain below, this is a better metric
- 3 than disconnections); and
- 4 11. Finally, the number of Final Bills disaggregated by those with an arrearage
- 5 (beyond the New Start arrears) and those with no arrearage⁹ by month.¹⁰
- 6

7 **Q. IS THERE ANY DATA THAT WAS ON MS. NOONAN’S LIST THAT YOU**

8 **HAVE EXCLUDED?**

9 A. What is conspicuously absent from above is the number of shutoffs. I don’t *object* to

10 counting the number of shutoffs. I just don’t think it is a very meaningful piece of

11 information, given how it does not relate to whether you have arrears, or to how much

12 arrears you might have. I think the other twelve data points are better. “Final bills,” I

13 believe, are better than “shutoffs” because Final Bills shows the number of customers

14 actually leaving the system, whether due to a shutoff, or because they’re “running” from

15 a debt, or for some other reason. And, if we get Final Bills disaggregated by whether

16 they had an arrearage or not, we can see how many folks with Final Bills were in

17 payment trouble when they left the system (and thus got a Final Bill).

⁷ Experience counsels that testing for whether an account has a \$0 balance is easier than tracking whether a customer has made a payment “in-full” and “on-time” each month. In fact, it is the \$0 balance which a utility should have the most interest in.

⁸ In contrast, the extent to which customers make partial payments is determined through the “payment coverage ratio” discussed above. A “payment coverage ratio” of more than 0% and less than 100% indicates a partial payment.

⁹ By definition, a “Final Bill” will have a balance for usage incurred prior to the bill. The metric tracked here is whether the Final Bill has an unpaid balance from a *prior* billing period (i.e., an arrearage).

¹⁰ The Final Bills metric does not allow us to directly measure who receives a Final Bill because of payment troubles and who receives a Final Bill simply because they are moving. However, we can gain some insights into that question by examining the extent to which someone was current on their account at the time they receive a Final Bill.

1

2 **Q. DOES THIS COMPLETE YOUR REBUTTAL TESTIMONY?**

3 A. Yes, it does.