

1. Provide information regarding changes in payment behavior or patterns and account receivables levels since the declaration of the State of Emergency on March 13 and the Governor’s Emergency Order #3 issued on March 17. Such information should be provided for each utility rate class.

Since the declaration of the State of Emergency on March 13, and issuance of Governor’s Emergency Order #3 on March 17, New Hampshire Electric Cooperative (NHEC) has seen member arrearages increase, in total numbers, amount, and length of non-payment. As illustrated in Figure 1, arrearages over 90 days are far exceeding historic norms for this time of year. Figure 2 shows arrearage by member class – residential and non-residential. The non-residential member group is comprised of commercial, industrial, primary, large primary, and ski areas.

Figure 1.

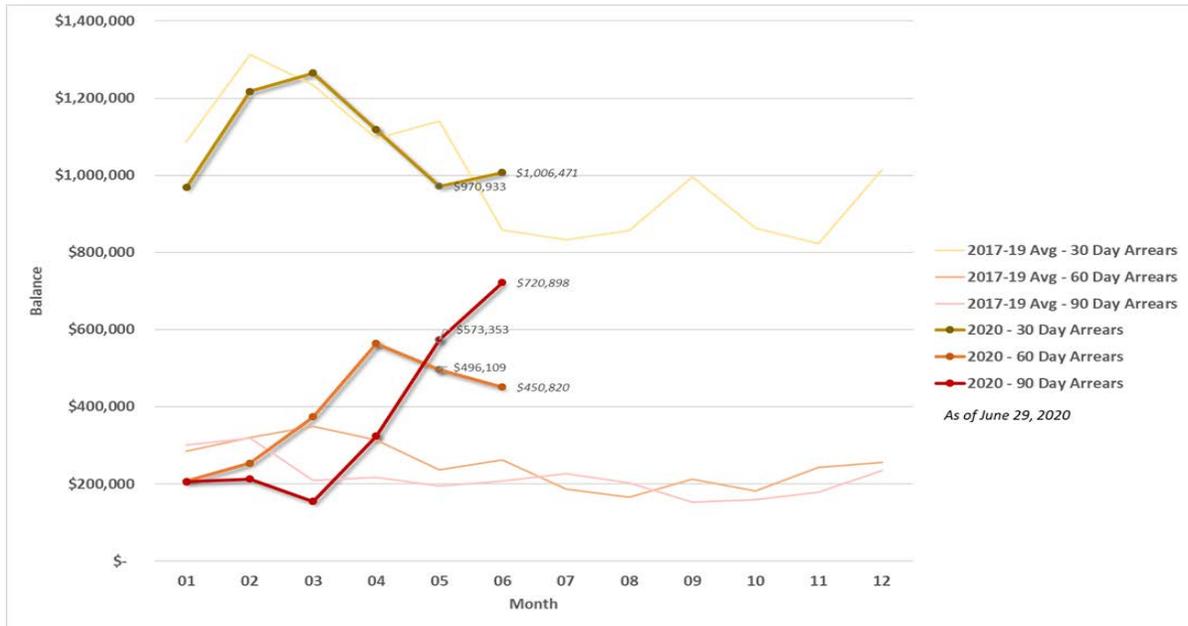
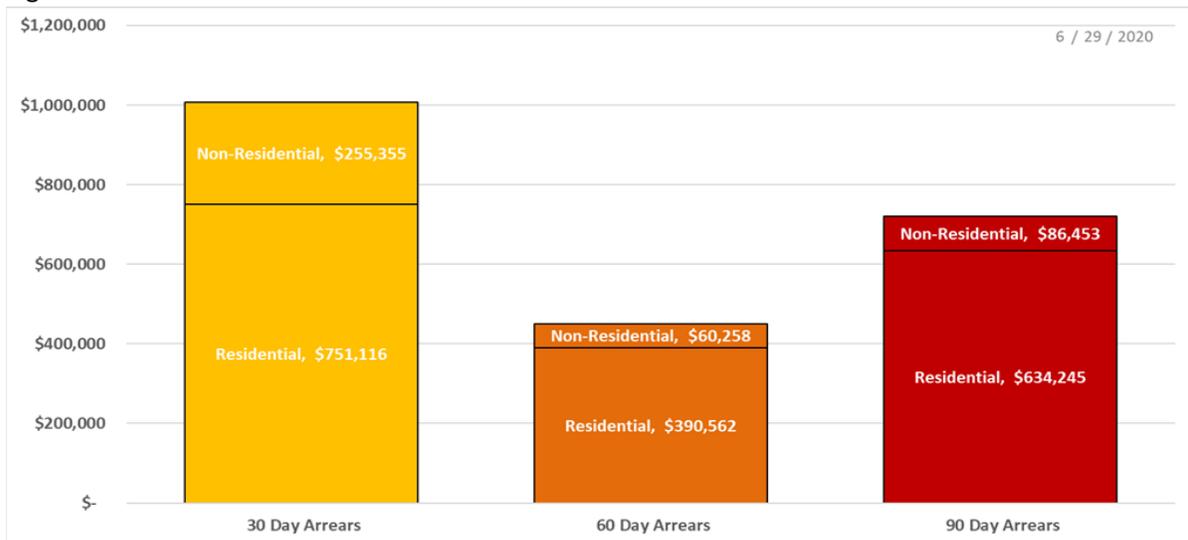


Figure 2.



2. Provide the following data for each utility rate class:

- The number, and percentage, of customers who made partial or no payment in March, April, and May of 2019 and 2020.

March, April, May 2020		
	<u>Delinquent Members</u>	<u>Delinquency Percentage</u>
Residential	12,297	17%
Commercial	1,310	13%
Industrial	55	19%

March, April, May 2019		
	<u>Delinquent Members</u>	<u>Delinquency Percentage</u>
Residential	14,517	20%
Commercial	1,374	14%
Industrial	48	16%

- The number, and percentage, of customers who made partial or no payment in March, April, and May of 2019 and 2020 and did not have an outstanding balance during the prior six months.

March, April, May 2020		
	<u>Members</u>	<u>Percentage</u>
Residential	2,622	21%
Commercial	413	32%
Industrial	22	40%

March, April, May 2019		
	<u>Members</u>	<u>Percentage</u>
Residential	3,126	22%
Commercial	438	32%
Industrial	25	52%

3. Describe any programs or initiatives undertaken to assist customers specifically as a result of the COVID-19 pandemic, the State of Emergency, Emergency Order #3, and the related stay-at-home restrictions.

NHEC members have two primary channels for providing payment assistance and community giving. Project Care is a nonprofit, tax-exempt 501(c)(3) organization that was formed in 1990 to assist NHEC members in need with their electric bills. Members eligible to receive Project Care assistance

receive a credit applied to their bill. Project Care is primarily funded by member donations and contributions from the NHEC Foundation, in addition Project Care received a \$50,000 donation from NHEC in April 2020. To better assist members during the COVID-19 pandemic, the Project Care Board of Directors has waived the requirement that members obtain a referral from a social service agency to apply for financial assistance. Project Care currently has a positive balance, but its outlays in support of members are closely tracked by NHEC.

The NHEC Foundation is a nonprofit, tax-exempt 501(c)(3) organization that provides grants to charitable organizations throughout NHEC's service territory. The NHEC Foundation is funded by members who elect to round up their monthly electric bills to the nearest dollar. The rounded amounts fund the NHEC Foundation. On April 9, the NHEC Foundation donated \$10,000 to the New Hampshire Food Bank. This donation was distributed to 28 local food pantries throughout NHEC's service territory. NHEC employees have matched this donation with an additional \$10,000 in personal contributions to the Food Bank.

NHEC has also extended the length of payment arrangements offered to members with arrearages up to 12 months.

NHEC continues to evaluate various initiatives and mechanisms to provide members impacted by the COVID-19 pandemic with assistance and greater flexibility.

4. Provide a detailed description of customer outreach undertaken to date.

NHEC's communications goal during the COVID-19 pandemic has been to provide members with practical, useful information, without increasing anxiety, or overwhelming them. NHEC has sought to assure members that the organization has taken the appropriate steps to respond to the pandemic and will continue providing safe, reliable electricity service.

As the financial impacts of the pandemic worsened, NHEC has encouraged members who are struggling financially to contact the organization for financial assistance and to set up flexible payment arrangements. NHEC's normal communications promoting energy efficiency and its Social and Environmental Responsibility programs were temporarily suspended, but have subsequently resumed.

Starting on March 16, with NHEC's first public statement, the organization has issued twenty-three communications related to the COVID-19 pandemic. These communications, comprised of social media posts, emails, and website posts, have focused on NHEC's operational changes, warnings of potential scams, resources and financial assistance available to members struggling financially, charitable giving, state and federal programs available for commercial members, and information on how to monitor energy use.

NHEC's May and June member newsletters also featured stories regarding the organization's response, financial assistance programs available to help members pay their bills, and energy saving tips.

In addition to these communications, NHEC also created a page on its website devoted to the organization's COVID-19 response. This page provides members with information regarding financial assistance programs, bill pay options, and updates on operational changes.

5. Describe the Utility’s review and evaluation of best practices and successful initiatives undertaken in other states.

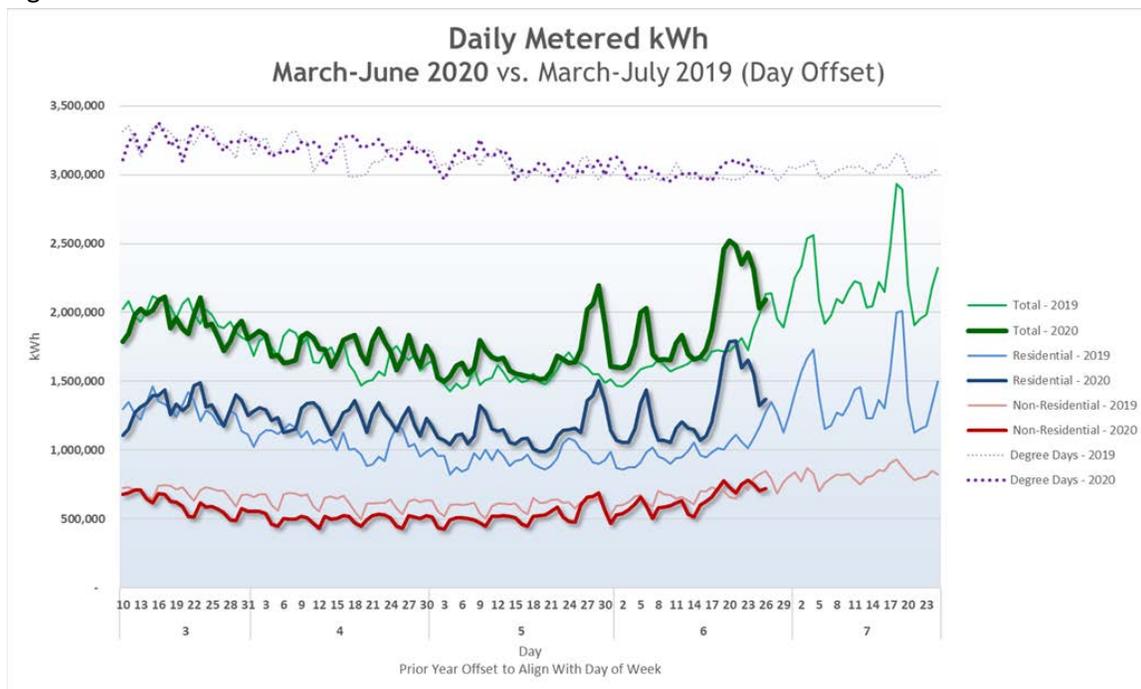
NHEC has engaged with several organizations throughout the COVID-19 pandemic. These organizations include the National Rural Electric Cooperative Association, American Public Power Association, Northeast Public Power Association, Edison Electric Institute, and National Rural Utilities Cooperative Finance Corporation. Several NHEC employees engage in working groups and committees through which the electric cooperative community shares information and best practices.

In addition, NHEC employees have participated in daily conference calls with the New Hampshire Emergency Operations Center, the state’s other electric utilities, and weekly calls with the Public Utilities Commission Safety Division. These calls provided NHEC with additional information and awareness of other utilities’ response plans and insights into states’ actions. The frequency of these calls has since been reduced, but can be increased on an as need basis. NHEC has also engaged in regular calls with the PUC Consumer Affairs Division and the other electric utilities, which are focused on arrearages, communication strategies, and member assistance programs.

6. Describe whether the Utility has updated its sales forecasts in light of the pandemic and its effects on the economy.

Since the onset of the pandemic NHEC has utilized data from its advanced metering infrastructure (AMI) meters to monitor member usage on a daily basis. NHEC’s kWh billed to date have been approximately 3% less than budgeted projections. Due to the relatively small variation in sales from forecast, NHEC does not plan on updating its 2020 projections, at this time. Figure 3 illustrates that residential member metered load has increased over this time period, while non-residential metered load has been lower over the same period.

Figure 3.



7. Describe any operational changes the Utility is making or planning to make in response to the effects of the pandemic, including changes in budgets or personnel.

NHEC made numerous changes to its operations designed to limit the spread of COVID-19 and protect its employees, members, and the communities it serves. NHEC has followed its Pandemic Response Plan, which calls for maximizing remote work, increasing employee and facility sanitization, and ensuring social distancing when necessary.

NHEC requires all employees whose job function allows to work remotely. Currently, a limited number of employees report to NHEC facilities (e.g. field and control center personnel). All other employees, including NHEC's call center, are working remotely. Employees whose job function requires them to report to an NHEC facility are required to practice social distancing when possible, wear face coverings when social distancing is not possible, and take separate vehicles at all times. NHEC has also increased the frequency and level of facility sanitization.

In accordance with the state's Universal Guidelines for All New Hampshire Employers and Employees, the temperatures of all employees reporting to an NHEC facility are certified daily and employees are asked a series of questions regarding any potential COVID-19 symptoms they may be experiencing. Employees who are experiencing any COVID-19 symptoms, or a temperature exceeding 100.0 degrees Fahrenheit, are not permitted to report to work and are instructed to contact their healthcare provider.

NHEC has also suspended all non-essential work and appointments that require a technician to enter a home or come in close, physical contact with other individuals. This includes but is not limited to the following programs: Home Performance with ENERGY STAR, Home Energy Assistance, and Small Business programs. NHEC continues to evaluate its response plan based on updated guidance from state and federal public health officials.

NHEC closely monitors the financial impact of the pandemic on its operations and members. Prior to the issuance of the Governor's Emergency Order #3, NHEC had suspended member disconnections for nonpayment and late fees. The organization has engaged in a thorough review of its 2020 budget and identified areas where savings could be achieved. NHEC has instituted a hiring freeze on new positions, and hiring replacement personnel for open positions requires authorization from the President and CEO. The organization has also deferred consideration of the annual salary adjustment for non-union employees making over \$75,000.

8. Describe any changes to capital projects and related planning budgets the Utility has made or is planning to make in response to the effects of the pandemic.

NHEC conducted a review of its capital budget and identified four projects that have been deferred in 2020. These projects total \$2,200,000. Deferring these projects will not have any significant impact on member reliability in 2020.

9. Describe any supply chain disruptions the Utility is experiencing or expects may occur and the effects of such supply chain disruptions.

NHEC has not experienced any significant supply chain disruptions and does not expect any in the foreseeable future.

10. Describe whether the Utility and/or its parent company has adequate access to capital or has been negatively affected in accessing the capital markets or has been downgraded by any credit rating services.

NHEC has adequate access to capital and its lending relationships have been unaffected by the COVID-19 pandemic. NHEC has maintained an A+/stable rating from S&P. NHEC's rating has not been downgraded and the organization has not been contacted by the rating agency requesting information.

11. Describe incremental costs associated with the COVID-19 pandemic since the State of Emergency order, how the cost is calculated, cost to date, accounting treatment, impact on earnings, and proposed or planned rate treatment.

NHEC has incurred approximately \$225,000 in expenses associated with the COVID-19 pandemic since the State of Emergency order. These costs largely consist of personnel time, expenditures related to added cleaning procedures, sanitization, and the purchase of equipment required to enable remote working. These costs have been tracked and expensed by the company, with the exception of equipment which is capitalized. NHEC will seek FEMA reimbursement for eligible expenses.