



Michael J. Sheehan, Esq.
Senior Counsel
603-724-2135
Michael.Sheehan@libertyutilities.com

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Via Electronic Mail Only

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429

Re: Docket No. IR 20-089; New Hampshire Public Utilities

Investigation into Effects of the COVID-19 Emergency on Utilities and Utility Customers

Dear Ms. Howland:

On behalf of Liberty Utilities (EnergyNorth Natural Gas) Corp. and Liberty Utilities (Granite State Electric) Corp., both d/b/a/ Liberty, I write to provide two comments on Commission Staff's revised recommendation of November 13, 2020, that the Commission "not authorize a regulatory asset for waived fees" (emphasis in original).

First, Staff's recommendation concluded that the Commission should not allow a regulatory asset for late payment charges because the amount of those unpaid charges is relatively low:

Given the small amount of revenue generated from late payment charges prior to the pandemic and the Agreement on late payment charges, the evidence suggests that the amount of waived fees will not be material enough to create a substantial financial burden on the Utilities that warrants extraordinary relief.

Revised Recommendation at 8. It is Liberty's position that the Recommendation improperly imposed a materiality requirement before allowing the special accounting treatment arising from an extraordinary event.

The reason for special treatment of gains and losses resulting from an extraordinary event is the extraordinary nature of the event, not of the particular gains or losses. No one disputes the extraordinary nature of the COVID-19 pandemic, and the Company appreciates and supports the

recommendation that the Commission authorize a regulatory asset for bad debt. However, there are other consequences of the pandemic which, standing alone, may not meet the Recommendation's materiality requirement but, when combined, have substantial impact on the utilities. The consequences of the pandemic also include items such as reduced revenues due to load reductions, working capital reductions due to delayed and missed customer payments, and net cost increases (there are savings in some areas, but cost increases in others).

The Company suggests that the analysis should focus on whether a particular item of gain or loss results from the pandemic and, if so, allow special accounting treatment without regard to the relative size of those particular gains or losses.

Second, the Staff Recommendation may have misinterpreted Puc 1203.08. The Staff Recommendation states the following:

Puc 1203.08 prohibits the assessment of late payment charges on residential customer accounts that have been identified as financial hardship. Puc 1203.08 also limits the assessment of a late payment charge to payments not received prior to the due date printed on the bill. For customers who have established a payment arrangement to address arrearages, the effect of this provision of the rules is that no late payment charge would be assessed provided the customer makes timely payments compliant with the payment arrangement terms.

Staff Recommendation at 3 (emphasis added).

Liberty agrees that Puc 1203.08 precludes assessment of late payment charges on financial hardship customers, and that the rule limits assessment of late payment charges to those payments not received prior to the due date. However, Puc 2013.08 does not support the last sentence above, that "no late payment charge would be assessed" for customers with payment arrangements "provided the customer makes timely payments" This statement would be correct only as to financial hardship customers. Otherwise, Puc 1203.08 does *not* preclude late payment charges for those on payment arrangements who remain current on those payment plans. Liberty assesses late payment charges on such customers and it is Liberty's understanding that other utilities follow the same practice. Liberty respectfully asks the Commission not to incorporate this interpretation in any future order in this docket.

Thank you.

Sincerely,



Michael J. Sheehan

Cc: Service List