

**NORTHERN UTILITIES, INC.**

**DIRECT TESTIMONY  
OF  
CAROLE A. BEAULIEU**

**EXHIBIT CAB-1**

**New Hampshire Public Utilities Commission**

**Docket No. DG 21-104**

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Carole Beaulieu. My business address is 5 McGuire Street, Concord, NH  
4 03301.

5 **Q. What is your position and what are your responsibilities?**

6 A. I am the Manager of Credit and Collections of Unitil Service. Unitil Service provides  
7 centralized utility management services to Unitil Corporation's utility operating  
8 subsidiaries including Northern Utilities, Inc. ("Northern" or the "Company"). I am  
9 responsible for maximizing the collection of Accounts Receivables and minimizing  
10 future bad debt on behalf of all of our customers. I plan and direct the activities within  
11 the department as it relates to customer and systems processes for the various  
12 collections activities, such as proactive communications to customers with delinquent  
13 balances, generation of disconnection notices, shut offs for non-payment and pursuit of  
14 unpaid final account balances. I oversee the activities of Customer Service and Credit  
15 Representatives relating to support of customers who need assistance with paying their  
16 bill, such as offering a variety of payment plans, advice on reducing energy costs, and  
17 referral to external agencies such as the Community Action Agency programs ("CAP")  
18 for additional financial assistance.

19 **Q. Please describe your educational and professional background.**

20 A. I hold a Bachelors of Arts degree in Psychology from the University of Rhode Island. I  
21 started my career with AT&T and held a variety of management positions in the

1 company for over 18 years. My roles included management roles within the Customer  
2 Service and Collections Department of the AT&T call center, and various Marketing  
3 and Program Management roles. I joined Unitil Service as the Supervisor of Credit in  
4 October 2009 and was promoted to my current role as the Manager of Credit and  
5 Collections in February 2011.

6 **Q. Have you previously testified before the New Hampshire Public Utilities**  
7 **Commission (“Commission”)?**

8 A. I have submitted pre-filed direct testimony in the Unitil Energy Systems, Inc. (“UES”)  
9 Arrearage Management Program (“AMP”) proposal in Docket DE 21-030.

10 **Q. What is the purpose of your testimony?**

11 A. The purpose of my testimony is to propose a new program that the Company views as  
12 an impactful and necessary step to assist customers who may be facing financial  
13 challenges as well as difficulty in paying often significant energy arrears. Northern is  
14 proposing an AMP for residential financial hardship customers who are struggling to  
15 pay their gas bill.

16 **Q. Please summarize your testimony.**

17 A. The Company is seeking approval to offer an AMP. The AMP will offer qualifying  
18 residential customers of Northern immediate relief to reduce their current and future  
19 energy burdens through a flexible payment arrangement and arrears forgiveness  
20 program. In addition, while the CAP is working with the customer to determine their  
21 income eligibility, they will offer budget counseling services, home weatherization and

1 other energy efficiency initiatives, as appropriate. It is the goal of the Company that this  
2 program will provide relief and education to income eligible customers who are  
3 overwhelmed by their current arrearage balances. The Company's AMP offering will  
4 provide assistance to improve the customer's ability to better manage their payments  
5 more effectively. I also discuss how the Company proposes to recover costs associated  
6 with the AMP.

7 **Q. How have you organized your testimony?**

8 A. My testimony will first discuss the program design, followed by the cost to implement  
9 the program and the how the Company proposes to recover the cost.

10 **II. ARREARAGE MANAGEMENT PROGRAM PROPOSAL**

11 **Q. Please explain the program that the Company is proposing to offer.**

12 A. This program will be offered to all Northern customers who are coded as Financial  
13 Hardship according to the NH PUC 1200 rules. Financial Hardship customers will be  
14 offered enrollment in a budget billing payment plan where they will pay their average  
15 bill each month.

16 All customers will be referred to their local CAP to apply for Fuel Assistance. If a  
17 customer receives a Fuel Assistance or other social agency pledge for their gas service,  
18 their monthly payment amount will be reduced, reinforcing the value of seeking out  
19 assistance annually. Each month that a customer pays their monthly payment plan  
20 amount, Northern will forgive up to \$400 per month, for a maximum annual arrearage  
21 forgiveness of \$4,800. For customers with an arrearage that exceeds the annual

1 forgiveness allowed, as long as the customer continues to pay their monthly payment  
2 plan amount, the program will continue each year until the customer's past due amount  
3 is fully forgiven.

4 **Q. Please describe how the AMP will benefit the customer.**

5 A. The goal of the AMP is to provide Northern's customers the opportunity to successfully  
6 manage and pay for their energy usage. Successfully accomplishing this goal will stop  
7 the pattern of building arrears, being disconnected, and carrying additional debt.  
8 Through participation in this program, Northern's customers will be afforded many  
9 benefits, such as the prevention of late fees and disconnection of their service, the  
10 opportunity to have past due balances forgiven over a minimum of a 12 month period, a  
11 reminder to seek assistance programs that would provide them with the discounted gas  
12 rate, and refer them to their local CAP for Fuel Assistance and other monetary grants.  
13 Once their arrearages are reduced to a manageable level, it is our goal that the customer  
14 will acquire a long term habit of consistent monthly payment behavior, which will also  
15 help them avoid future delinquency with all their monthly personal expenses.  
16 Participating customers will also have a better opportunity to improve their overall  
17 credit rating and the ability to better manage other bills. With the COVID pandemic,  
18 customers have faced significant financial challenges, and this program will enhance  
19 communications between Northern, customers, and social agencies to best support  
20 customers in their time of need.

21 **Q. Have similar programs been approved by the Commission?**

1 A. Yes. The Commission recently approved a similar arrearage forgiveness program in  
2 Docket DE 19-057. In that docket Commission Staff provided general support for an  
3 arrearage forgiveness program and explained that the benefits of such a program include  
4 “the enhancement of communications between customers, social service agencies and the  
5 utility and other non-utility benefits that are difficult to measure such as the impact on  
6 customers’ safety, health, and nutrition.” Docket No. 19-197, Noonan Testimony at 6.  
7 The Staff also noted that any such program “should also reduce the utility’s costs for  
8 collections, field visits, disconnections, reconnections, lead lag, carrying costs and  
9 uncollectables.”

10 Unitil anticipates being an active participant in a Stakeholder Group with peer NH utilities  
11 to discuss shared AMP learnings and ideas for potential program improvements.

12 **Q. What are the eligibility criteria for a customer to qualify to be enrolled in the**  
13 **AMP?**

14 A. To be eligible for this proposed AMP, a customer must meet the following:

- 15 • Be an active residential customer of record with Northern.
- 16 • The customer of record must reside at the location where the utility service is  
17 provided.
- 18 • The customer must be coded as Financial Hardship in our Customer Information  
19 System, evidenced by participation in one of the programs identified in the NHPUC  
20 1200 rules.
- 21 • Have an arrearage of at least \$300 that is a minimum 60 days delinquent.

1 **Q. How will the program be administered?**

2 A. The program will be administered as follows:

- 3 • When a customer calls into the Company, once the Customer Service Representative  
4 has determined that the customer meets the eligibility criteria, they will be offered the  
5 AMP and then be transferred to the AMP Coordinator for enrollment if they choose to  
6 participate.
- 7 • In addition, the Company will proactively reach out to individual customers who meet  
8 the criteria for the AMP program to discuss the program benefits and enroll customers  
9 who choose to participate.
- 10 • Customers who are enrolled in the program will receive an AMP welcome letter  
11 which includes the required monthly payment amount, direction to pay each month on  
12 or before the bill's due date, and the monthly forgiveness credit amount.
- 13 • Customers who were disconnected for non-payment can be reconnected after  
14 enrolling in the AMP and paying their first month's payment plan amount.
- 15 • The AMP Coordinator will review the enrollees' accounts each month and will issue  
16 the advised monthly forgiveness credits when the customer pays the monthly payment  
17 plan amount.
- 18 • The customer's account will be reviewed quarterly to determine if the amount of the  
19 agreed-upon payment is in line with their actual usage. In the event the payment  
20 amount is not sufficient to cover the actual usage or the amount the customer is  
21 paying is more than the average amount originally calculated, the customer will be

1 notified and the payment plan will be adjusted. Payment plans will only be adjusted if  
2 the amount is different by more than \$10.00 per month.

- 3 • If a customer fails to make the agreed upon payment by the due date, the customer  
4 will be notified that in order to remain in the program, the missed payment must be  
5 received. After two months of missed payments, the customer will be removed from  
6 the program and they will be notified by letter, which will include direction that they  
7 can be re-instated into the program by making up all missed payments.
- 8 • Once a customer has successfully completed the program, the AMP Coordinator will  
9 encourage them to enroll in a standard budget plan so that they can continue their  
10 previous year's success maintaining an average monthly bill payment.

11 **Q. Are there opportunities for re-enrollment in the AMP?**

12 A. Yes. There are two circumstances when a customer may re-enroll in the AMP:

13 1 Twelve (12) months after a customer is removed from the AMP for non-  
14 payment, customers will be afforded the opportunity to enroll in a new  
15 AMP payment plan for their entire balance, if they continue to meet the  
16 program eligibility requirements.

17 2 When 12 months have passed after successfully completing the AMP  
18 program, a customer may enroll in the program again by meeting the same  
19 original criteria.

20 **Q. When is the Company requesting to begin offering the AMP?**

1 A. The Company is seeking approval to begin offering the AMP on August 1, 2022 at the  
2 time the Company proposes that permanent rates will be effective.

3 **III. ESTIMATED ANNUAL PROGRAM COSTS**

4 **Q. What are the estimated costs to offer the program?**

5 A. Based on current program eligible arrearage balances, the Company estimates the  
6 annual cost of arrearage forgiveness to be \$74,000. This assumes an average enrollment  
7 rate of approximately 75 percent and an annual success rate of approximately 60  
8 percent, based on the current eligible population of over 185 customers. See chart below  
9 for supporting calculations:

| Forecasted AMP Forgiveness              |                            |  |                            |                         |                    |
|---|----------------------------|--|----------------------------|-------------------------|--------------------|
| Forecasted Number of Eligible Customers | Amount of Eligible Arrears | Max Amount that Could be Forgiven in 12 Months | Forecasted Enrollment Rate | Forecasted Success Rate | Forgiveness Amount |
| 185                                     | \$175,441                  | \$163,401                                      | 75%                        | 60%                     | \$74,000           |

10

11 **Q. Are there other costs associated with the program?**

12 A. Yes, in order to administer the program, the Company will need to hire an AMP  
13 Coordinator who will be in charge with enrolling and monitoring the participants in the  
14 program and make necessary adjustments to individual customers payment terms. This  
15 estimated cost associated with the new full time position including benefits is estimated  
16 to be \$84,000. The Company has proposed a similar AMP for its New Hampshire  
17 electric division, UES in Docket DE 21-030. The AMP Coordinator will be in charge of  
18 both Northern and UES AMP administration so the Company has allocated 22%, or

1           \$18,480, of the estimated costs associated with the position to Northern based on the  
2           Company's estimated amount of enrollees between Northern and UES.

3   **Q.   How does the Company propose to recover the costs associated with the AMP?**

4   A.   The Company is proposing to recover \$92,480<sup>1</sup> (\$74,000 + \$18,480) in distribution  
5       rates. Actual incremental costs directly related to the AMP will be tracked and any  
6       difference between the actual costs above or below the amount in distribution rates will  
7       be reconciled through the Regulatory Cost Adjustment Mechanism ("RCAM"). This  
8       mechanism has been proposed in the Company's recent filing in Docket DG 21-123,  
9       which will conclude prior to the Order in this proceeding. The Company will update its  
10      cost recovery mechanism proposal as required as a part of that proceeding. Incremental  
11      costs include, but are not limited to, labor to administer the AMP and amounts forgiven  
12      under the AMP.

13   **IV.   CONCLUSION**

14   **Q.   Does this conclude your testimony?**

15   A.   Yes, it does.

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<sup>1</sup> Refer to Schedule RevReq-3-14, Line 5.

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