

STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

DOCKET NO. DE 24-070
REQUEST FOR CHANGE IN RATES

DIRECT TESTIMONY OF
Daniel M. Traynor and Christopher G. Kishimoto

Customer Operations and Digital Strategy

On behalf of Public Service Company of New Hampshire
d/b/a Eversource Energy
June 11, 2024

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PETITION OF PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
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1 **I. INTRODUCTION**

2 *Daniel M. Traynor*

3 **Q. Please state your full name, position and business address.**

4 A. My name is Daniel M. Traynor. I am employed by Eversource Energy Service Company
5 as Director, Credit and Collections. My business address is 1985 Blue Hills Ave. Ext.
6 Windsor CT, 06095. As the Director of Credit & Collections, I am responsible for activities
7 related to the collection of past due balances and administration of Public Service Company
8 of New Hampshire's ("PSNH" or the "Company") low-income programs in New
9 Hampshire, Connecticut, and Massachusetts.

10 **Q. Please summarize your educational background.**

11 A. I hold a Bachelor's degree in Energy Management from Bismarck State College in
12 Bismarck, North Dakota.

1 **Q. Please summarize your professional experience.**

2 A. In 2005, I joined Northeast Utilities which subsequently became Eversource Energy
3 (“Eversource”) and have worked for Eversource Energy Service Company (“ESC”) since
4 that time. ESC provides centralized services to the natural gas and electric operating
5 subsidiaries of Eversource. I began my career with ESC in the Customer Service
6 department answering incoming customers calls and held various staff positions until I
7 transitioned to the Credit and Collections department in 2012. In Credit and Collections,
8 I’ve held various staff and supervisor level positions and was promoted to Manager of
9 Credit Planning and Analysis in 2020 and then promoted to Acting Director of Credit and
10 Collections in February 2022. I was promoted to Director of Credit and Collections in
11 July 2022.

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

14 A. No. I have not, but I have testified before the Connecticut Public Utilities Regulatory
15 Authority (“PURA”) numerous times.

16 *Christopher G. Kishimoto*

17 **Q. Please state your full name, position and business address.**

18 A. My name is Christopher G. Kishimoto. I am employed by ESC as Manager, Payments and
19 Print. My business address is 107 Selden Street, Berlin, Connecticut 06037. In my role, I
20 manage payment and print operations on behalf of the operating companies of Eversource,
21 including PSNH.

1 **Q. Please summarize your educational background.**

2 A. I earned a Bachelor of Science degree in Accounting from the University of Connecticut
3 School of Business. I received my Master of Business Administration degree from
4 Quinnipiac University in 2022.

5 **Q. Please summarize your professional experience.**

6 A. I have 14 years of experience in the energy industry after joining Eversource, formerly
7 Northeast Utilities, as an accountant in 2010. In 2018, I joined Eversource's Customer
8 Operations organization as a Meter-to-Cash Strategist, then transitioned to the Payments
9 and Print department as a Customer Service Consultant in 2019, before accepting a
10 Supervisor role in 2020. In that role, I helped lead the team to implement PSNH's Fee Free
11 payment option in February 2021. In April 2021, I accepted my current role as Manager,
12 Payments and Print, where, as previously stated, I manage payment and print operations
13 on behalf of the operating companies of Eversource, including PSNH.

14 **Q. Have you previously testified before the Commission?**

15 A. Yes, I have previously testified before the Commission in support of the Company's Fee
16 Free payment option in Docket No. DE 19-057.

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

18 A. In accordance with the Settlement Agreement on Permanent Distribution Rates dated
19 October 9, 2020 (the "Settlement Agreement") approved by the Commission in Order No.
20 26,433 (December 15, 2020) in Docket No. DE 19-057, the Company implemented two
21 customer programs, the fee free credit/debit card payment ("Fee Free") option and the new

1 start arrears management (“New Start”) program. The Fee Free option is for residential
2 customers to make one-time payments using their credit or debit cards. This was proposed
3 by the Company and approved by the Commission based on customer outreach and
4 businesses generally moving to cashless transactions for a better customer experience.
5 New Start is an arrears forgiveness program that provides assistance for residential
6 customers with a financial hardship. For every monthly payment a customer on New Start
7 makes, the Company forgives one twelfth of their past due balance. New Start has helped
8 many customers make significant reductions to their total past due balance and their service
9 remains protected while they’re on it.

10 The purpose of our testimony is to describe the Fee Free payment option and the New Start
11 program in greater detail and provide the Commission with an update on the progress of
12 each. Since credit/debit card payment fees were removed for residential customers in 2021
13 and New Start was implemented in 2020, both have been successful in helping customers
14 who need help reducing their energy burden.

15 **Q. Are you sponsoring any attachments through your testimony?**

16 A. Yes, Attachment ES-CG-1 is the secretarial letter approving the recommendations of the
17 New Start program stakeholder group report, which is described in more detail further
18 below.

19 **Q. How is your testimony organized?**

20 A. Section I of this testimony is the introduction and describes the Company’s continued
21 efforts to enhance the customer experience and the overall approach to customer outreach

1 and engagement. Section II explains the implementation of the Company’s Fee Free
2 credit/debit card bill payments for residential customers. Section III discusses the
3 Company’s New Start program and its demonstrated successes with assisting customers
4 in arrearages. Section IV is the conclusion.

5 **II. FEE FREE CREDIT/DEBIT CARD PAYMENT OPTION**

6 **Q. Please describe the Company’s Fee Free payment option as implemented through the**
7 **Settlement Agreement.**

8 A. In recognition of customers increasingly both expecting and preferring to use their
9 credit/debit cards – and doing so without a fee - to pay their bills through mobile or online
10 channels, as well as customer dissatisfaction with charging a fee to pay with credit/debit
11 card, the Company proposed implementing a “fee free” credit/debit card payment option
12 for customers through its payment processing vendor that would allow residential
13 customers to pay their bills with a credit/debit card without incurring a transaction fee.
14 Through the Settlement Agreement in Docket No. DE 19-057, the Company agreed to a
15 modified version of its proposal, which allowed the Company to implement a fee free
16 credit/debit card payment option through its third-party vendor, SpeedPay Inc. (“SPI”).
17 SPI provides the services necessary to offer credit/debit card transactions to the Company’s
18 residential customers on a “fee free” basis where the cost of the service is charged to the
19 Company and recovered through distribution rates. Following Commission approval of the
20 Settlement Agreement and implementation of Fee Free, the Company released a
21 competitive Request for Proposal (“RFP”) in late-2022, seeking to maximize the customer
22 service experience while minimizing cost. SPI won the RFP resulting in a three-year

1 contract extension through the first quarter of 2027, as well as a five percent lower per-
2 transaction price.

3 **Q. Who is eligible for Fee Free?**

4 The Fee Free option is currently an option for *residential* customers and is only available
5 for one-time (i.e., not automatic recurring) payments. Residential customers who wish to
6 pay by credit or debit card are required each month to enter their credit or debit card
7 payment information for each payment made. The fee free payment option is *not* available
8 to commercial customers and is *not* permitted for use with recurring payments. The
9 Company requires any recurring payments to be paid with a bank account through the
10 Company website.

11 **Q. Please outline the Commission-approved costs associated with the Fee Free option.**

12 A. Through the Settlement Agreement, the Company is permitted to recover \$375,000 of Fee
13 Free-related option costs in base rates annually beginning January 1, 2021, subject to
14 reconciliation at the time of the Company's next rate case—the present docket—and
15 incorporating carrying charges on the over- or under-recovered balance calculated using
16 the Prime Rate. If the actual costs resulting from customers' use of the fee free option
17 exceed the \$375,000 allowed in rates in the first year, the Company is allowed to increase
18 the amount included in rates to an amount reflecting the actual costs up to and not to exceed
19 \$520,500, effective February 1, 2022.

1 **Q. What are the current costs of the Fee Free option?**

2 A. As shown in Table 1 below, the costs of the Fee Free option total \$352,270 from
3 implementation of Fee Free on February 11, 2021 through the end of 2021, \$495,759 in
4 calendar year 2022, and \$637,280 in calendar year 2023.

5 **Q. Is the Company requesting recovery of any under-recovered balance from the Fee**
6 **Free credit/debit card payments?**

7 A. Yes, the Company is proposing to include a cumulative under-recovery of \$528,009 on Fee
8 Free expenses prior to August 1, 2024. The Company proposes to amortize this amount
9 over five years at \$105,602 per year. The cost and recovery of the Fee Free option are
10 described in more detail in the joint direct testimony of Ashley N. Botelho and Yi-An Chen
11 (“Permanent Rate Revenue-Requirement Analysis Testimony”).

12 **Q. How many customers have used the Fee Free debit/credit card platform since its**
13 **inception in 2021?**

14 A. The Company officially implemented the Fee Free option on February 11, 2021. The
15 current adoption rate is outlined in Table 1 on the next page. The Company has been
16 reporting the number of credit/debit card payments made each year through its Annual Fee
17 Free Debit/Credit Card payment option Compliance Filing as part of Docket No.
18 DE 19-057, in accordance with the Settlement Agreement.

1

Table 1

Time Period	% of All Payments Using Fee Free Option	Total Cost
2/11/21 - 12/31/21	4.6%	\$ 352,270
1/1/22 - 12/31/22	5.9%	\$ 495,759
1/1/23 - 12/31/23	7.4%	\$ 637,280

2

3 **Q. Please describe the residential customer perception of making credit/debit card**
4 **payments without a fee and whether it has been successful in its implementation.**

5 A. Based on the increasing customer adoption rate, credit/debit card payments continue to be
6 a preferred method for payment and the Fee Free option has been successful in allowing
7 customers to utilize this method *without* a fee. The expectation is a continued slow and
8 steady increase in fee-free credit/debit card payment utilization in the years ahead. The
9 Company has had zero complaints in its internal surveys about credit/debit card fees by
10 customers who have made a credit/debit card payments since 2022. Also worthy of note,
11 complaints about credit/debit card fees have decreased 74% in the J.D. Power Electric
12 Utility Residential Customer Satisfaction Study since 2021.

13 **Q. Is the Company proposing to expand the Fee Free option to commercial customers or**
14 **allow for recurring payments?**

15 A. No, the Company is not requesting to expand Fee Free to commercial customers or allow
16 for recurring payments for residential customers. The Company continues to evaluate
17 potential further developments of Fee Free payment option but is not looking to amend the
18 fee free option at this time.

1 **III. NEW START ARREARS FORGIVENESS PROGRAM**

2 **Q. Please describe the Company's New Start program as implemented through the**
3 **Settlement Agreement.**

4 A. The implementation of New Start for customers has been very successful in its first years
5 in New Hampshire. Consistent with programs currently offered by PSNH's affiliates in
6 Massachusetts and Connecticut, PSNH proposed implementing the "New Start" program
7 in New Hampshire in the last PSNH rate case, Docket No. DE 19-057. New Start is an
8 arrears management program that provides payment assistance for qualifying residential
9 customers struggling with past due utility bills where, for every required monthly payment
10 an enrolled customer makes to the Company, a portion of their past due balance will be
11 forgiven. The intent of the program is to: enable the customer to develop consistent bill
12 payment habits; protect the customer from service disconnection while participating in the
13 program; and enable the customer to get a fresh start as the arrears are forgiven with each
14 payment made.

15 **Q. What are the general requirements and specifications of the New Start program?**

16 A. This program is available for qualifying residential customers with a financial hardship
17 who have a past-due electric bill, up to an annual cap of \$12,000. Residential customers
18 who enroll in the New Start program will be required to make flat monthly required
19 payments by their due date to receive forgiveness of their outstanding arrears over a
20 12-month period. With each on-time monthly payment, one twelfth of the enrolled eligible
21 balance is eliminated up to \$12,000 annually.

1 Participants who enroll in the New Start program with an arrears balance greater than the
2 annual \$12,000 cap will continue on the program past the 12-month period and receive the
3 maximum monthly forgiveness of \$1,000 until the enrolled balance is eliminated, subject
4 to their continued compliance with the program requirements. At the completion of the
5 New Start program, these customers are automatically transitioned to a monthly budget
6 billing plan.

7 The Company does not limit the number of times a customer can participate in the New
8 Start program and there is no down payment required for new enrollments into the program.
9 A new enrollment occurs when an eligible customer either 1) has no previous participation
10 in the program, 2) the current date is at least 12 months or longer from the date of the
11 customer's successful prior completion of the program, or 3) the current date is at least 12
12 months or longer from the date the customer was previously removed from the program.
13 Re-enrollment into the New Start program occurs if the last program removal date is fewer
14 than 12 months from the date at the time the customer requests re-enrollment. Re-enrolling
15 customers are required to make up any missed payments to establish re-enrollment in New
16 Start.

17 A customer may be removed from the New Start program if they go two consecutive
18 months without paying the required billed amount. A customer may also be removed from
19 the New Start program when the customer moves. Following removal, a customer may
20 request to re-enroll in the New Start program if the customer meets the program eligibility
21 requirements, including making up any required missed payments.

1 Customers in arrears who are not enrolled in the New Start program, or any other payment
2 plan or protection, are subject to disconnection for non-payment. Customers who are
3 disconnected for non-payment must meet the normal regulatory requirements as outlined
4 in Puc 1203.13 to reconnect service. After the reconnection requirements are met, the
5 customer may participate in the New Start program subject to meeting the relevant
6 eligibility requirements.

7 **Q. Please outline the New Start program payment calculations.**

8 A. The New Start required monthly payment is calculated at the time of enrollment by using
9 the customer's previous 12-months' usage at the current rates. There are also periodic
10 automated reviews of that initial New Start required monthly payment amount to ensure
11 that any material changes to usage and/or newly billed charges are generally in line with
12 the period of time used to set the required monthly payment amount. Specifically, usage
13 and dollar validations are system-reviewed and automatically adjusted periodically to
14 ensure customers won't be surprised with a big over- or under- amount at the completion
15 of their 12-months on New Start.

16 For customers removed from New Start due to having missed required payments, those
17 eligible customers requesting to re-enroll shall be required to make up any missed
18 payments prior to enrollment. If the customer was removed from New Start due to the
19 customer missing payments, the make-up payments are not eligible for forgiveness. Only
20 actively enrolled customers are eligible for arrearage forgiveness. To calculate the amount
21 of missed payments that must be paid prior to re-enrollment, the Company uses a three-

1 year look back. Within the last three years, if the customer was removed from New Start
2 once, the required missed payment shall be equal to two required monthly payment
3 amounts. If the customer was removed from New Start two or more times in the prior three
4 years, then all missed monthly required payment amounts are due prior to re-enrollment in
5 the program. The last calculated required monthly payment amount billed to the customer
6 prior to removal for missing payments is the basis for the total payment required for re-
7 enrollment.

8 **Q. What customers are eligible to participate in the Company's New Start program?**

9 A. To be eligible for New Start, each PSNH customer must:

- 10
- Be a residential customer with active service;
 - Have an account balance that is greater than or equal to \$150 and the \$150 is at
11 least 60 days overdue; and
 - Provide PSNH with evidence of “financial hardship” through their individual or
12 household enrollment in the Low Income Home Energy Assistance Program, the
13 Electric Assistance Program, the Gas Residential Low Income Assistance Program,
14 the Neighbor Helping Neighbor Program, any successor programs, or any other
15 federal, state or local government program or government funded program of any
16 social service agency which provides financial assistance or subsidy assistance for
17 low-income households based upon a written determination of household financial
18 eligibility as outlined in Puc 1202.09.
19
20

1 **Q. Does the Company provide annual reports on the New Start program?**

2 A. Yes. Pursuant to the Settlement Agreement, PSNH provides regular reporting on the
3 activities of the New Start program. The Company files these reports each quarter.

4 **Q. How many customers on average have enrolled in the program since its inception?**

5 A. An average of 3,700 customers have enrolled in the New Start program monthly since
6 inception in March 2022. Of those that have enrolled, approximately 1,900 customers
7 receive forgiveness on their account balances monthly.

8 **Q. Has this program been successful in assisting customers with reducing their arrears?**

9 A. Yes. The New Start program has forgiven over \$6.1 million in arrears since 2022. Since
10 then, nearly 885,000 customers have participated in New Start.

11 **Q. Please outline the Commission-approved costs of the New Start program.**

12 A. Per the Settlement Agreement, initial programming costs for implementing the New Start
13 program are recovered in base rates. The Company is permitted to recover \$340,000 of
14 program start-up costs in base rates annually beginning January 1, 2021, subject to
15 reconciliation in this docket, inclusive of carrying charges on the over-or under-recovered
16 balance, calculated using the Prime Rate.

17 In Order, No. 26,568, the Commission approved a total recovery for ongoing costs for the
18 New Start program of \$1,077,356 through base rates annually beginning February 1, 2022,
19 subject to reconciliation in the Company's next rate case (this docket), inclusive of carrying

1 charges on the over- or under-recovered balance calculated using the Prime Rate. This
2 recovery also funds a reserve account for the program.

3 **Q. What are the current costs of the New Start program?**

4 A. The costs for the New Start program to date are as follows:

- 5 • Calendar Year 2022: \$1,707,635
- 6 • Calendar Year 2023: \$3,571,693
- 7 • Calendar Year 2024 (forecast): \$3,988,736

8 The forecast for calendar year 2024 includes actuals from January and February 2024. It
9 is expected that the overall costs for calendar year 2024 will be higher due to increased
10 customer participation in 2023. The cost and recovery of the New Start program are
11 described in more detail in the Permanent Rate Revenue-Requirement Analysis Testimony.
12 Since its launch in April 2022 the New Start program has collected \$9.4 million, with \$6.4
13 million collected in 2023 alone, demonstrating that the efficacy of the program is
14 increasing.

15 **Q. Please provide an update on the stakeholder outreach required by the Settlement**
16 **Agreement.**

17 A. Eversource convened a stakeholder group as required by the Settlement Agreement and
18 filed a report of its efforts and recommendations on April 15, 2021. The stakeholder group
19 report and recommendations were approved and adopted by the Commission in a
20 Secretarial Letter dated June 1, 2021. The stakeholder report and Secretarial Letter are
21 being provided as Attachment ES-CG-1.

1 The Company hosted a Customer Advisory Group in October 2023 where many members
2 of the original stakeholder group met to discuss low-income programs and PSNH provided
3 status updates on the New Start program. The Customer Advisory Group plans to meet
4 biannually and the New Start program will remain a discussion topic in this forum.

5 **IV. CONCLUSION**

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

7 **A.** Yes, it does, thank you.