

BEFORE THE  
NEW YORK STATE  
PUBLIC SERVICE COMMISSION

Request of New York State Electric & Gas Corporation                    )  
and Rochester Gas and Electric Corporation to Normalize                )  
Certain Customer Service Quality Measure Results                        )     Case \_\_\_\_\_

**NEW YORK STATE ELECTRIC & GAS CORPORATION AND  
ROCHESTER GAS AND ELECTRIC CORPORATION  
REQUEST TO NORMALIZE CERTAIN  
CUSTOMER SERVICE QUALITY MEASURE RESULTS**

New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E”, and with NYSEG “the Companies”) respectfully request a waiver to normalize the results for certain Customer Service Quality Measures, specifically the February Percent of Estimates results, as explained in more detail below.

**A. BACKGROUND**

In its Order Establishing Rate Plan for NYSEG and RG&E in Case 09-E-0715, et al., the New York State Public Service Commission (“Commission”) adopted four customer service quality metrics: PSC Complaint Rate; Customer Satisfaction; Calls Answered in 30 Seconds; and Percent of Estimates. The Companies’ five-year historical performance in these areas was used as the basis for setting the performance target levels for these measures. NYSEG’s and RG&E’s current rate plans do not identify any exclusions or modifications to the performance target calculations based on extreme or abnormal weather conditions. During most years, the lack of exclusion/modification does not cause significant concern since historical performance would include normal operating conditions. However, the February 2015 weather conditions were extreme and unusual resulting in significant impacts on the Companies’ day-to-day

operations and activities. In particular, the weather conditions significantly and negatively impacted the Companies' ability to reach the Percent of Estimates target level.

## **B. 2015 CHALLENGE**

The Companies pride themselves on delivering outstanding customer service. Excellent results over the last several years have demonstrated the Companies' consistent commitment to its customers. Abnormal weather conditions in February 2015 had a significant impact on the Companies' measured level of performance in field customer service. During this timeframe, New York experienced the coldest weather in over 20 years. Throughout the state, snowfall increased up to 112% as compared to the 10-year average.<sup>1</sup> The deep snow created a significant challenge to accessing and reading meters.<sup>2</sup> The Companies also experienced periods where it was unsafe to put a fleet of meter readers on the roads in certain areas of the state. Given that the weather conditions were uncontrollable and unprecedented, the Companies respectfully request that February 2015 results be normalized for the purposes of calculating our reported percent of estimates.

## **C. DETAIL**

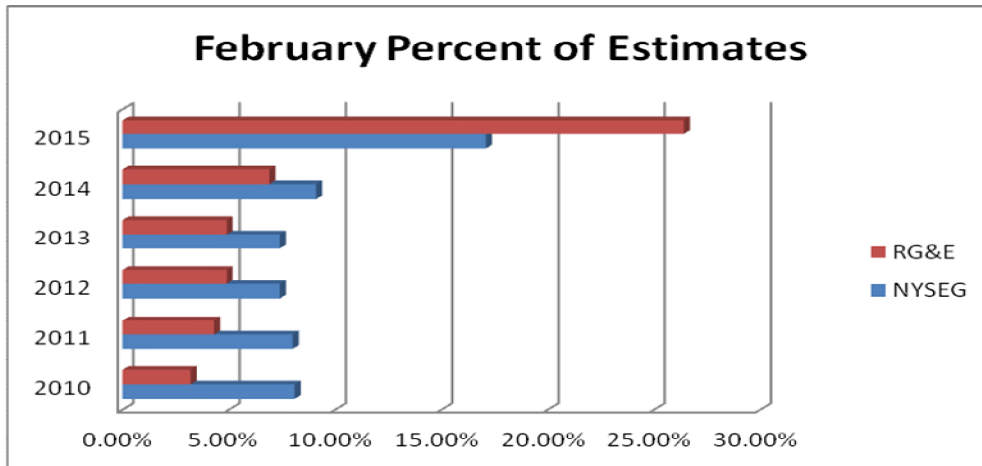
NYSEG's and RG&E's target performance level for Percent of Estimates are 6.1% and 6%, respectively. The challenging weather pattern during February 2015 significantly impacted that month's Percent of Estimates. Whereas the five year average performance for February (2010-2014) is 8% for NYSEG and 4.8% for RG&E, the Percent of Estimates for February 2015 were 17.1% and 26.4%, respectively.

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<sup>1</sup> [www.weather-warehouse.com](http://www.weather-warehouse.com)

<sup>2</sup> The Companies are dependent on the customer to clear a path to the meter. Due to the abnormal snowfall amounts, there was very often no access to the meters as the customer didn't or couldn't clear a path.

The chart below compares February 2015 to previous years.



NYSEG:

During February 2015, all but two NYSEG divisions lost production days due to weather conditions. As a result, 43 meter reading routes had greater than 90% estimates. Historically, the number of routes with this percentage of estimates would be at or close to zero. The impact of winter weather conditions is not usually widespread and, normally, the Companies are able to read meters in advance of billing. Using an average of 250 meters on each route, the estimation of 90% of 43 meter reading routes added approximately 9,675 estimates to NYSEG’s calculation resulting in a significant impact to the monthly results. In addition to this, we were able to obtain reads on less than 50% of 156 additional routes, considerably increasing the monthly percent of estimates.

RG&E:

During February 2015, RG&E lost significant production due to weather conditions and inaccessibility of meters. As a result, RG&E estimated greater than 90% of the reads on 127 meter reading routes. Using the same 250 average meters per route, this added 28,575 estimates to RG&E’s calculation for February 2015. Similar to NYSEG, the number of routes with this

volume of estimates would normally be at or close to zero. Additionally, there was a significant impact to RG&E's percent of estimates due to the fact that an additional 260 routes were partially estimated. This added a significant number of estimates to the monthly calculation.

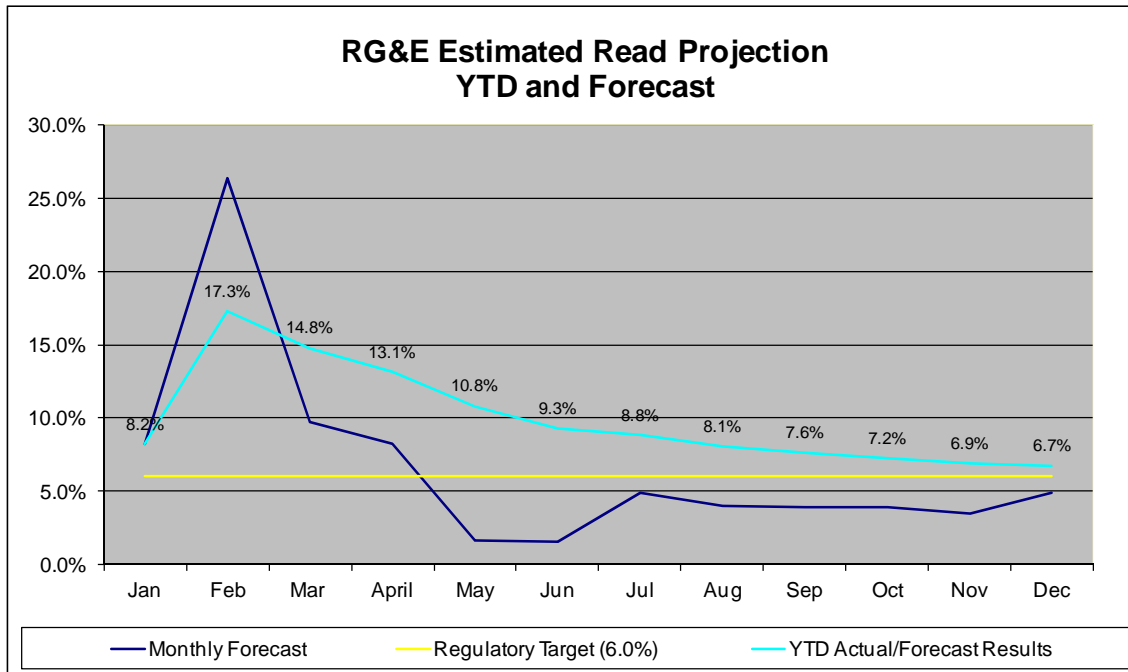
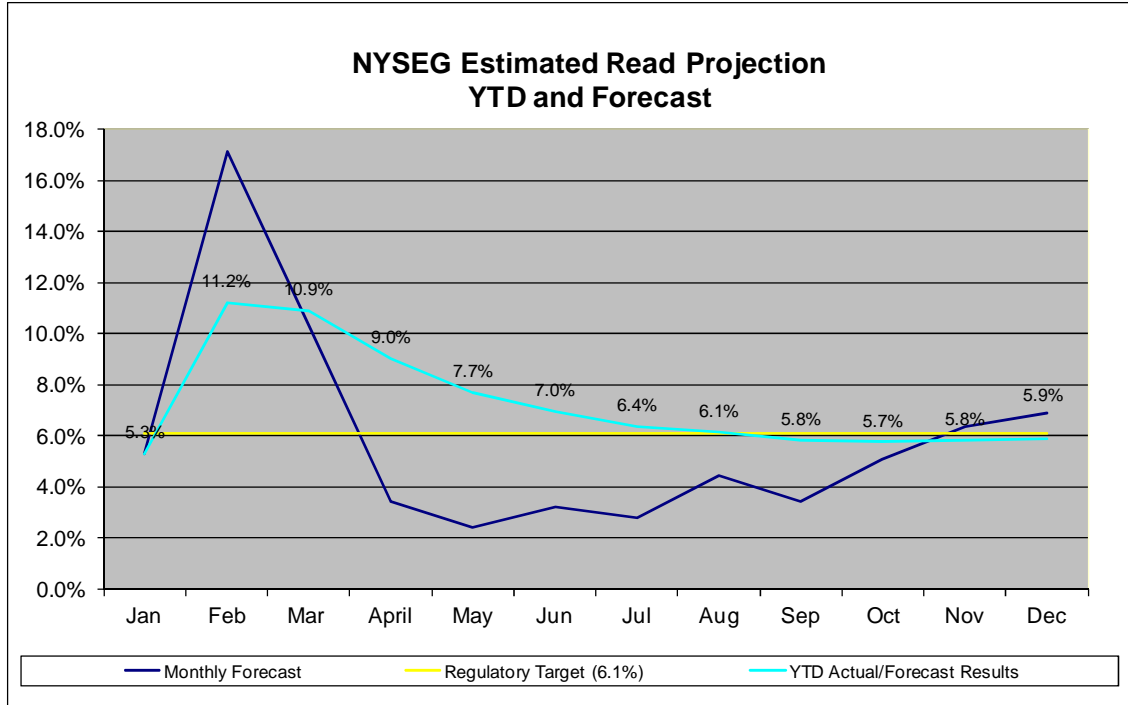
	<b>Division</b>	<b>Number of Meter Reading Routes Available</b>	<b>Number of Meter Reading Routes with &gt;90% Estimation</b>	<b>Additional Routes with &gt;=50% Estimation</b>
<b>NYSEG</b>	Auburn	99	1	1
	Binghamton	265	0	0
	Brewster	173	2	7
	Elmira	187	0	0
	Geneva	194	0	0
	Hornell	109	11	13
	Ithaca	147	11	43
	Lancaster	313	2	11
	Liberty	131	3	30
	Lockport	81	9	24
	Mechanicville	105	0	4
	Oneonta	255	4	22
	Plattsburgh	103	0	1
	<b>Total NYSEG</b>	<b>2162</b>	<b>43</b>	<b>156</b>
<b>RG&amp;E</b>	Rochester	1435	115	246
	Fillmore	141	5	8
	Sodus	120	7	5
	Canandaigua	134	0	1
		<b>Total RG&amp;E</b>	<b>1830</b>	<b>127</b>

Current Trend:

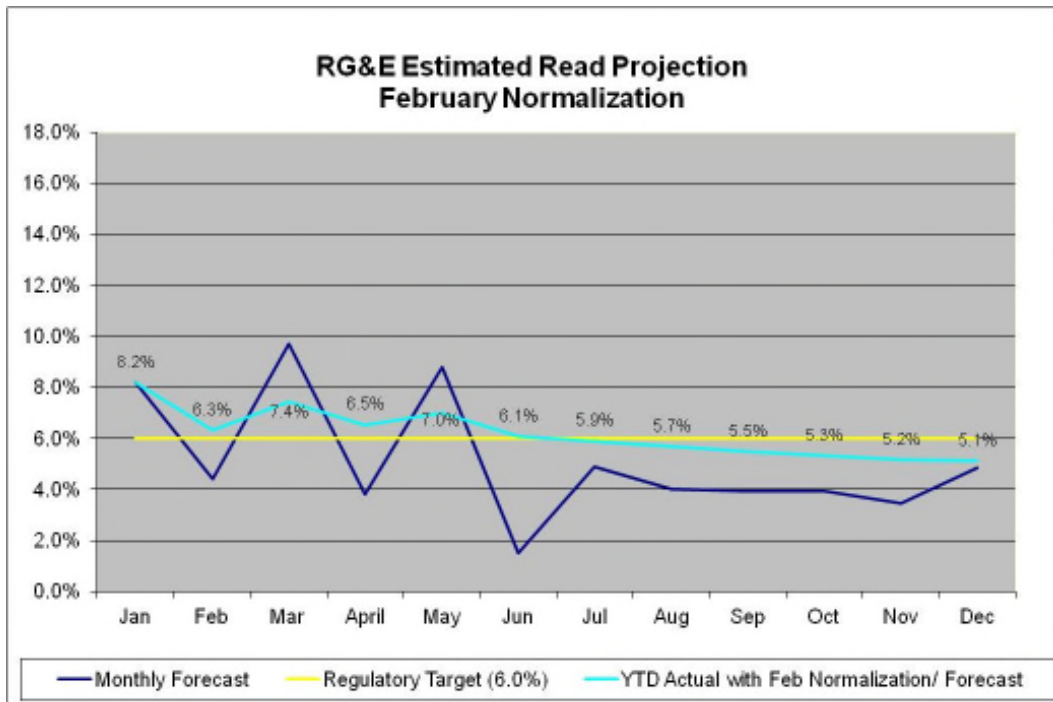
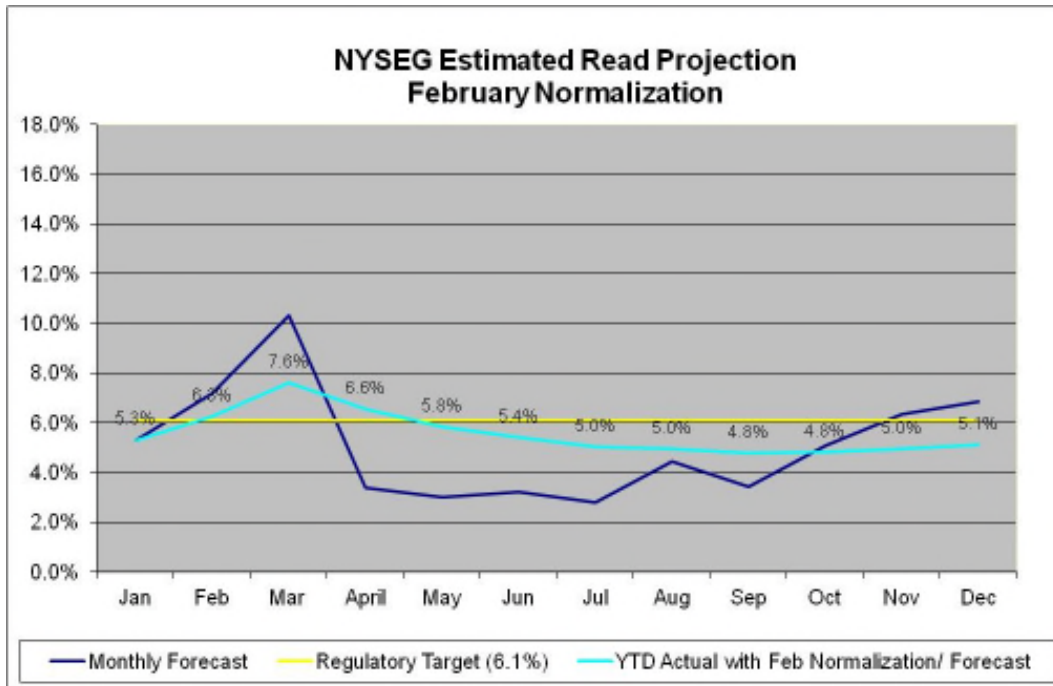
NYSEG's year-to-date (through July) Percent of Estimates is 6.4% and RG&E's is 8.8%.

The Companies are taking all reasonable actions to achieve their targets. However, given the February results, it will be a challenge to achieve year-end targets. The graph below forecasts the annual projection for Percent of Estimates given actual monthly performance year-to-date. August through December are forecast based on 5-year average (2010-2014) performance for

each month. Given the February results, the Companies will be challenged to meet the target level of performance by the end of 2015. These projections are shown below.



By normalizing the February Percent of Estimates for each Company based on 5-year average performance (2010-2014), the Companies will be provided a much more realistic opportunity for the Companies to achieve the target level of performance. The forecast results are shown below.



#### **D. MITIGATING ACTIONS**

NYSEG and RG&E immediately recognized that the February 2015 weather would have a significant impact on the Companies' annual Percent of Estimates. In response, the Companies proactively took several actions in an attempt to mitigate potential negative impacts. Those actions included:

##### Meter Reading:

- Adding seasonal employees
- Performing outbound calls to customers asking that they provide a customer meter read
- Reading outside of normal business hours

Although these actions mitigated some of the impact of the February weather conditions, they have not fully eliminated the overall impact on subsequent results.

#### **E. OTHER CONSIDERATIONS**

The Companies' rate plans did not identify the ability to eliminate certain days and/or conditions from the calculation of Customer Service Performance measures, nor have the Companies ever previously requested the ability to do so. The Companies' strive to meet and/or exceed all measures as demonstrated by past performance. Although the Companies have not previously filed for a waiver related to Customer Service Performance measures, the Commission has set precedent allowing for the impact of severe weather conditions. For example, Consolidated Edison filed for waivers in 2010, 2011 and 2012. In all three instances, the Commission determined that Con Ed would not incur a negative revenue adjustment due to the impact of severe weather.<sup>3</sup>

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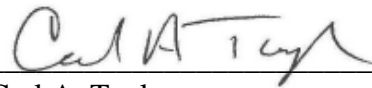
<sup>3</sup> Case 09-E-0428 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service.

**F. CONCLUSION**

NYSEG and RG&E recognize the importance of quality customer service regardless of abnormal weather conditions. Realistically, however, there are events that are unusual and beyond the Companies' control that negatively impact the Companies' ability to meet designated targets. The Companies also strongly believe that safety is paramount to all we do and our focus on ensuring the safety of our employees and customers during the unprecedented February 2015 weather was appropriate. For these reasons, we respectfully request a waiver to normalize February 2015 results for the purposes of calculating the 2015 Percent of Estimates for each Company.

Dated: September 11, 2015

Respectfully submitted,



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