

November 19, 2013

**VIA ELECTRONIC FILING**

Hon. Kathleen H. Burgess, Secretary  
NYS Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223

**Re: KeySpan Gas East Corporation d/b/a National Grid Customer Service  
Transition Update and Notice of Intent to Relocate Call Center  
Case No.: 13-G-0371**

Dear Secretary Burgess:

Attached for filing in the above referenced matter please find a memorandum that supplements KeySpan Gas East Corporation d/b/a National Grid's ("KEDLI" or "Company") prior filing regarding its plans to provide certain customer services to gas customers following the Long Island Power Authority's ("LIPA") transition to a new electric transmission and distribution system manager as of January 1, 2014. This memorandum updates the Company's progress on the transition since the previous filing and provides additional details on several aspects of the transition.

Please call the undersigned with any questions at 718-403-3142.

Respectfully submitted,

KEYSPAN GAS EAST CORPORATION  
d/b/a NATIONAL GRID

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## Long Island Customer Service Transition Plan Update

Dated: November 17, 2013

The following is a summary of KeySpan Gas East Corp. d/b/a National Grid's ("Company" or "KEDLI") plans for providing customer services to Long Island gas customers following the Long Island Power Authority's ("LIPA") transition to a new manager for its electric transmission and distribution ("T&D") system as of January 1, 2014.

### **I. Customer Offices**

#### *Two-Year Transition Period*

- Transition Arrangement with PSEG. KEDLI is finalizing a transition agreement with Public Service Enterprise Group ("PSEG") that will provide KEDLI with access to the current set of eleven walk-in customer offices on Long Island for a period of twenty-four months. PSEG will accept payments from KEDLI customers at each of the customer offices and will also provide space for two to three National Grid interview tellers at the customer offices in Bellmore, Brentwood and Hewlett (KEDLI's three busiest customer offices). KEDLI has hired ten additional interview tellers to handle KEDLI transactions at these offices.

KEDLI's Long Island gas customers will be able to make payments at the same offices used today for at least two years following the LIPA transition. In addition to the dedicated KEDLI interviewers at the three busiest offices, KEDLI will install courtesy phones at each location not staffed by a dedicated interviewer that will allow customers to talk directly to the Contact Center to handle all customer transactions.

- Other Payment/Transaction Option. In addition to the customer offices, customers will have access to the same network of thirty-two agents across Long Island (*e.g.*, Pathmark) for payments. KEDLI's new customer system ("CSS") will also provide enhanced functionality that will allow customers to conduct all transactions over the phone, including those that previously required in-person interviews (*e.g.*, commercial applications). This enhanced functionality will save customers time and help reduce traffic in the customer offices.

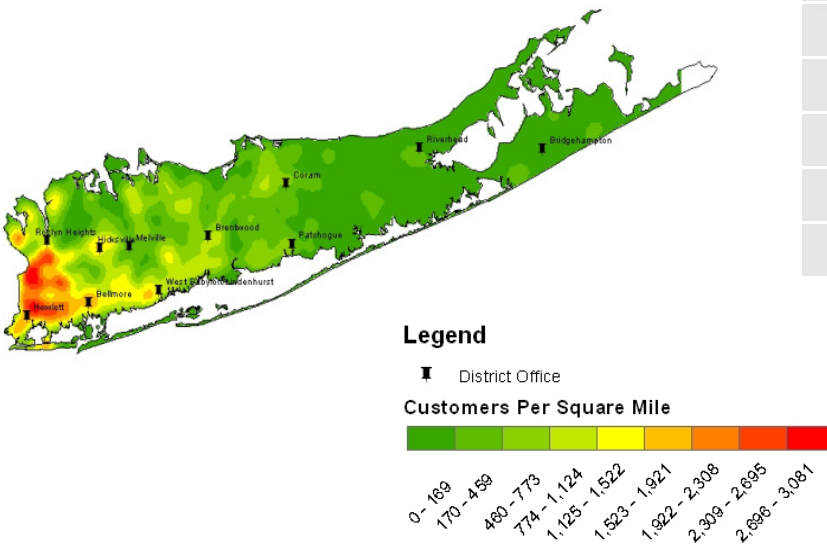
#### *Long Term Customer Office Plan*

During the LIPA/PSEG transition period, the Company will continue to analyze customer office usage and customer demographics for purposes of designing KEDLI's long-term plan for its stand-alone customer offices. As part of its analysis, the Company will solicit feedback from Staff, customers and other stakeholders with

regard to the location of these facilities. Based on the usage statistics and stakeholder feedback, the Company will develop an approach for the KEDLI offices that fairly balances the needs of our customers with the costs of maintaining customer offices.

After the long-term customer office plan is deployed, the Company will continue to monitor customer office usage and consider any changes in customer demographics, and will adjust its customer office strategy as necessary.

Office	Transaction Distribution
Bellmore	18.9%
Brentwood	18.5%
Hewlett	17.4%
Hicksville	8.7%
Roslyn	8.4%
Coram	7.0%
Babylon	6.9%
Patchogue	6.5%
Riverhead	3.7%
Melville	3.0%
Bridgehampton	0.9%



## II. Customer Call Center

- Relocate to MetroTech Facility. KEDLI is planning to relocate its customer call center operation from Melville to an existing National Grid customer call center in Brooklyn, New York (MetroTech). The relocation of KEDLI’s call handling function to National Grid’s existing call center in Brooklyn will allow KEDLI to cost-effectively replace the call center it will no longer have access to following the LIPA transition. By leveraging an existing National Grid facility, the call center move will help mitigate the cost increases resulting from the loss of electric/gas synergies on Long Island while maintaining high quality service to KEDLI’s customers.
- Advantages of MetroTech Call Center. Transitioning to the MetroTech facility offers the following benefits:
  - MetroTech Call Center is a high performing customer facility as measured by its customer service statistics;

- Facilitates a smooth transition given that the MetroTech Call Center already supports gas customers in the downstate area;
  - Operating a single, downstate gas call center enhances the Company's ability to gather and disseminate information quickly and consistently during storms and other emergencies;
  - Cross training of representatives to enable the Company to maintain high service levels and more efficiently address peak workload requirements; and
  - Preservation of jobs in the downstate New York region. The MetroTech call center is commutable (36 miles from Melville) for call agents living on Long Island, affording these agents the opportunity to remain with National Grid.
- Hub Drive. KEDLI will initially establish a temporary call center at National Grid's Hub Drive (Melville) facility to handle calls until such time as the Company is ready to transition to the MetroTech Call Center. The temporary Hub Drive facility is already functional and ready for the transition. In the remaining weeks leading up to the transition, KEDLI will use Hub Drive for additional training, and conduct transition dry runs to confirm business readiness. To facilitate the 'go-live' transition to Hub Drive, National Grid is utilizing an experienced team of managers, supervisors and trainers from across National Grid with extensive knowledge of the CSS customer system.

While the Hub Drive facility is capable of supporting a temporary call center, it is not considered a viable location for a permanent call center because of space limitations and design issues.

- Customer Service Telephone Number. Long Island customers will continue to use the same customer service telephone number to contact KEDLI following the transition to MetroTech.
- Staffing. As part of the transition, KEDLI and PSEG/LIPA are working to ensure their respective businesses will be appropriately staffed with qualified personnel:
  - PSEG will continue to operate the Melville Call Center in support of LIPA and its customers
    - The majority of the current Long Island call center representatives are expected to stay with LIPA/PSEG following the transition;
    - Approximately 160 full-time/part-time positions are expected to remain in Melville at the current facility.
  - KEDLI will initially staff Hub Drive to handle KEDLI calls during the first phase of the transition. As part of the second phase of the transition, KEDLI will shift staff to MetroTech over a period of several months as calls are transitioned to that facility.
    - KEDLI will staff the temporary call center with approximately 80 full-time/part-time positions;

- Several of the experienced Melville representatives, as well as many of the representatives trained to work in Hub Drive, are expected to transition to MetroTech; additional hiring/training will be held in MetroTech to fully staff that facility;
- Note, the Company is no longer proposing to outsource connect/disconnect calls as discussed in its July 3, 2013 filing

Because of lost synergies resulting from LIPA's transition to a new manager, KEDLI anticipates the transition will result in a net increase in the number of positions required to support both companies' call centers.

- Training. Over the last several months, the Company has made significant progress training new representatives to support the call center transition. Experienced trainers are facilitating the training at a leased facility in West Islip, New York. This training consists of National Grid's standard eight-week new hire training (focusing on policies, procedures and systems navigation), as well as soft skills, gas safety and "day in the field" training. National Grid is on target to have a fully-trained staff in place in advance of the transition.
- Timing. KEDLI will move its call handling function to the temporary facility at Hub Drive in December 2013. KEDLI expects to begin transitioning to the MetroTech Call Center as soon as that facility is ready to accept KEDLI's call agents, likely starting in the first quarter of 2014 and continuing over the next several months. KEDLI is targeting to complete the call center transition to MetroTech by Spring 2014.

### **III. Customer Outreach.**

National Grid is involved in an ongoing customer outreach campaign intended to keep Long Island gas customers fully informed of the changes resulting from the LIPA transition. This outreach includes direct communication with customers, through bill inserts and messages, office signage, web content, targeted mailings and outbound calls, regarding the changes to KEDLI's bill format, the conversion to a new customer system, the customer offices and automated meter reading.

The Company is launching an advertising campaign in December to inform customers about their new gas bill while reaffirming KEDLI's commitment to Long Island. Radio and print advertising along with social media will be used to reach customers. In the weeks leading to the transition, advertising will address the LIPA transition and other important messaging, including: gas safety, help with high winter bills and other customer programs.