

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of New York State
Electric and Gas Corporation for Electric Service.

Case 15-E-0283

Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of New York State
Electric and Gas Corporation for Gas Service.

Case 15-G-0284

Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of Rochester Gas and
Electric Corporation for Electric Service.

Case 15-E-0285

Proceeding on Motion of the Commission as to the Rates,
Charges, Rules and Regulations of Rochester Gas and
Electric Corporation for Gas Service.

Case 15-G-0286

DIRECT TESTIMONY

OF

GREGG C. COLLAR

Dated: September 16, 2015
Albany, New York

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1 **I. INTRODUCTION AND OVERVIEW OF TESTIMONY**

2 Q. Please state your name, title and business address.

3 A. My name is Gregg C. Collar. I am a Utility Program Analyst with the Utility
4 Intervention Unit (“UIU”) of the New York State Department of State’s
5 Division of Consumer Protection. My business address is 99 Washington
6 Avenue, Suite 640, Albany, New York 12231-0001.

7

8 Q. Please briefly summarize your qualifications and employment background.

9 A. I received a Bachelor of Arts in Mathematics from Hartwick College in
10 1995. Since March 2005, I have been employed as a Utility Program
11 Analyst, initially with the New York State Consumer Protection Board, and,
12 beginning in April 2011 with the New York State Department of State’s
13 UIU. In that position, I am primarily responsible for analyzing utility low-
14 income and service quality performance measurement programs currently
15 in place in New York State and identifying reforms that would enhance
16 their reach and effectiveness. I research and draft formal documents
17 advocating the UIU’s position in Public Service Commission (“PSC” or
18 “Commission”) proceedings and represent the UIU in collaborative
19 proceedings, negotiations and other meetings advocating for low-income
20 programs, service quality performance issues and other UIU positions. I
21 serve as the UIU’s representative to the Low-Income Forum on Energy

1 and the Natural Gas Reliability Advisory Group, and the UIU's
2 representative and Chairperson on the Board of Directors of the
3 telecommunications Targeted Accessibility Fund, which oversees public
4 benefit programs including Lifeline and E911.

5 I participated as the UIU's representative in Case 01-M-0075, which
6 examined National Grid-Upstate's low-income assistance program, as well
7 as in a collaborative in Cases 05-E-0934 and 05-G-0935 that addressed
8 Central Hudson Gas & Electric Corporation's ("Central Hudson") low-
9 income program. I also conducted research and drafted documents
10 pertinent to the UIU's participation in the investigation of the electric power
11 outage of Consolidated Edison of New York Inc.'s ("Con Edison") Long
12 Island City Electric Network (Case 06-E-0894), and the investigation of the
13 prudence of Con Edison regarding the July 2007 steam pipe rupture
14 (Case 08-S-0153). I have been an active participant in Case 07-M-0548,
15 the proceeding regarding the Energy Efficiency Portfolio Standard
16 ("EEPS"). I served as the UIU representative in the working group related
17 to the establishment of statewide and utility-specific natural gas efficiency
18 goals and the working group assigned to help customers overcome
19 barriers to energy efficiency with the potential use of an on-bill financing
20 program. I also served as the UIU participant in the EEPS Evaluation
21 Advisory Group. Most recently, I have been working with the UIU in

1 advocating its positions in the Reforming the Energy Vision (“REV”)
2 proceeding (Case 14-M-0101) and also in Case 14-M-0565, the
3 proceeding addressing affordability for low income customers
4 (“Affordability Proceeding”).

5

6 Q. Mr. Collar, have you previously testified in PSC proceedings?

7 A. Yes, I have submitted testimony in many rate proceedings involving Con
8 Edison (Cases 08-E-0539, 09-G-0795, 09-E-0428, and 13-E-0030/13-G-
9 0031), Orange and Rockland Utilities, Inc. (Cases 08-G-1398, 10-E-0362,
10 11-E-0408 and 14-E-0493/14-G-0494), Central Hudson (Cases 09-E-
11 0588/09-G-0589, 12-M-0192 and 14-E-0318/14-G-0319), New York State
12 Electric and Gas Corporation (“NYSEG”) and Rochester Gas and Electric
13 Corporation (“RG&E”) (Cases 09-E-0715 *et. al*), Corning Natural Gas
14 Corporation (Case 11-G-0280), and National Grid-Upstate (Cases 10-E-
15 0050 and 12-E-0201/12-G-0202). In addition to these electric and gas
16 rate case proceedings, I also submitted direct and rebuttal testimony in
17 Case 09-M-0527, a proceeding that established a State Universal Service
18 Fund, which is intended to ensure local telephone service remains
19 universally available throughout New York State. Additionally, while I did
20 not submit testimony, I represented and advocated the UIU’s positions in
21 the recent applicable rate plan or rate plan extension proceedings for The

1 Brooklyn Union Gas Company d/b/a National Grid NY or KEDNY (Case
2 12-G-0544), Corning Natural Gas Corporation in Case 11-G-0280 and,
3 National Fuel Gas Distribution Corporation (“NFG”) in Case 13-G-0136.

4

5 Q. What is the purpose of your testimony?

6 A. I will discuss—and make recommendations regarding— NYSEG’s and
7 RG&E’s (collectively, the “Companies”) Customer Service Performance
8 Mechanism (“CSPM”), Low Income Discount Programs, their proposal to
9 implement a trip charge fee, and the implementation of a Same Day
10 Electric Service Reconnection Program.

11

12 Q. Please summarize your recommendations.

13 A. I discuss the following recommendations in my testimony:

14 1) I propose changes to the current CSPM. Specifically, the UIU
15 rejects the Companies’ proposal for a “symmetrical revenue adjustment
16 design” (both positive and negative revenue adjustments) associated with
17 the Contact Satisfaction and Percent of Calls Answered in Thirty Seconds
18 service metrics.

19 2) I support the Companies’ proposal to eliminate the Percent of
20 Estimates service metric and propose that the revenue currently at risk for

1 this measure be reallocated amongst the remaining service metrics that
2 comprise the CSPM.

3 3) I agree with the Companies that the design of their low income
4 programs not change at this time due to the pendency of the Affordability
5 Proceeding; further, the Commission should align those programs with the
6 outcomes from the Affordability Proceeding at the earliest appropriate
7 opportunity.

8 4) I oppose the Companies' proposal to implement a \$10 trip charge
9 fee.

10 5) I propose that a Same Day Electric Service Reconnection Program
11 be implemented by the Companies similar to one currently in place with
12 Con Edison, and recently with Central Hudson and Orange and Rockland
13 along with related reporting requirements.

14

15 Q. Are you sponsoring any exhibits associated with your testimony?

16 A. Yes, I am sponsoring two exhibits. Exhibit __ (GCC-1) consists of the
17 Companies' responses to an Information Request ("IR") that I relied upon
18 in preparing this testimony. Exhibit __ (GCC-2) depicts my
19 recommendation on the reallocation of the maximum revenue at risk for
20 each of the CSPM's service performance measures.

21

1 **II. CUSTOMER SERVICE PERFORMANCE MECHANISM**

2 Q. Please describe the Companies' current CSPM.

3 A. Each of NYSEG's and RG&E's CSPMs consists of four service quality
4 measures: PSC Complaint Rate, Contact Satisfaction, Percent of Calls
5 Answered in Thirty Seconds, and Percent of Estimates. Each of the four
6 service quality measures has a specific performance threshold target and
7 an associated Negative Revenue Adjustment ("NRA"). The Commission's
8 Order in Cases 09-E-0715 *et. al*, issued September 21, 2010, continued
9 the Company's CSPM and implemented a new Contact Satisfaction
10 survey for both NYSEG and RG&E.

11

12 Q. What is your opinion of CSPMs?

13 A. Quality service is important to customers and is in the public interest.
14 CSPMs give utilities powerful incentives to provide superior levels of
15 customer service. Customers cannot select another delivery service
16 provider if they are unsatisfied with the quality of service they receive from
17 a utility such as NYSEG or RG&E. Meaningful measures and appropriate
18 risk are required to ensure that companies are providing the best quality of
19 service to its customers.

20

1 Q. How have the Companies performed the last three years under the
2 CSPM?

3 A. According to the Companies' response to one of DPS Staff's Pre-filing
4 IRs, neither NYSEG nor RG&E have incurred any NRA under the CSPM
5 for the last three rate years.
6

7 Q. Do the Companies propose any changes to its CSPM?

8 A. Yes. I will address two of the recommendations made by the Customer
9 Services, Energy Efficiency, and Retail Access Panel ("the Panel"). First,
10 the Panel proposes a change to the current revenue adjustment threshold
11 levels. The Panel proposes a "symmetrical revenue adjustment design"
12 for two of the four service metrics. Under the Companies' proposal, the
13 Companies would be subject to either a positive and negative revenue
14 adjustment associated with the Contact Satisfaction and Percent of Calls
15 Answered in Thirty Seconds service metrics.
16

17 Q. Do you support the Companies' proposal for a positive revenue
18 adjustment?

19 A. No. The purpose of performance threshold targets, with accompanying
20 penalties, is to encourage utility management to provide the level of
21 service they deserve. The purpose is not to reward shareholders (in this

1 case, RG&E's parent company) with a bonus above the allowed rate of
2 return for merely treating ratepayers appropriately. In fact, the Panel on
3 pages 10-11 of its testimony points this out, "We believe the current
4 negative threshold levels are adequate to ensure a high level of customer
5 service."

6
7 Q. Are you aware of any other utility in New York that has a positive revenue
8 adjustment as part of their respective CSPM?

9 A. No.

10

11 Q. What is the second recommendation made by the Companies related to
12 their CSPM that you would like to address?

13 A. The Panel recommends that that the CSPM be modified to eliminate the
14 Percent of Estimates service measure.

15

16 Q. Why do you support the Companies' proposal to eliminate this service
17 measure?

18 A. The Panel is correct that both NYSEG and RG&E have repeatedly met the
19 Percent of Estimates service target. I also agree with the Panel "that an
20 increase in Percent of Estimates is highly correlated with an increase in
21 customer calls, potential customer dissatisfaction, and complaints to the

1 Commission so this separate measure is not necessary.” The Panel also
2 points out that no other utility in the state other than NFG still has such a
3 measure.

4

5 Q. What is your final recommendation related to the Companies’ CSPM?

6 A. While I support the Panel’s recommendation to eliminate the Percent of
7 Estimates service measure, I propose that the revenue currently at risk for
8 this measure be reallocated amongst the remaining service metrics that
9 comprise the CSPM.

10

11 Q. How did the Companies reallocate the revenue currently at risk for
12 Percent of Estimates under its proposal?

13 A. They did not. The Companies simply removed the maximum revenue at
14 risk for Percent of Estimates from the current CSPM and reduced the
15 maximum revenue at risk under the CSPM. For example, RG&E under
16 the current CSPM has a maximum revenue amount at risk of \$1,200,000
17 for Percent of Estimates. The total amount at risk for all four of the RG&E
18 service performance measures is \$6,400,000. (For NYSEG, the maximum
19 revenue at risk is \$1,613,333 for the one service measure and a total of
20 \$10,333,333 for all four.) In Table 3 on page 12 of its testimony, the Panel
21 details its proposed service measures, targets, and associated revenue

1 adjustments – for RG&E maximum revenue at risk would be \$5,200,000
2 and for NYSEG, \$8,720,000. Exhibit __ (GCC-2) details the UIU’s
3 proposed reallocation.

4

5 **III. LOW INCOME PROGRAMS**

6 Q. Please describe NYSEG and RG&E’s low-income programs.

7 A. Both of the Companies electric and gas low-income programs consist of a
8 monthly bill credit for heating and non-heating customers, arrears
9 forgiveness and a full waiver of the reconnection fee. Also, program
10 participants are referred to the New York State Energy Research and
11 Development Authority’s (“NYSERDA”) EmPower program for energy
12 efficiency services and solutions. Eligible program participants are those
13 customers who have received a grant from the Home Energy Assistance
14 Program (“HEAP”).

15

16 Q. Are the Companies proposing any changes to the low income programs?

17 A. Yes, but only a modification to the arrears forgiveness program. The
18 Companies do not propose any modifications to the monthly bill credits,
19 the reconnection fee waiver or the referrals to NYSERDA’s EmPower
20 program.

1 In the Panel's testimony, the Companies explain their proposal to
2 implement a Budget Balance Forgiveness component. This Budget
3 Balance Forgiveness component is designed to ameliorate the "drop out"
4 rate of between 50% and 60% of customers in the Arrears Forgiveness
5 program. Exhibit __ (CSEERA-6) details the proposed annual funding
6 necessary to implement this component (approximately \$1.9 million for
7 NYSEG, \$1.2 million for RG&E).

8

9 Q. What is your reaction to the Companies' proposal and what changes are
10 you proposing to the low income programs?

11 A. Typically, in rate case proceedings the UIU has been a strong advocate
12 for increasing the monthly bill discounts for low income program
13 participants. In these proceedings, however, the UIU supports deferring
14 any significant changes to the Companies' low income programs
15 appending PSC decisions in the Affordability Proceeding.

16 The UIU does not believe time is well spent in either hearings or
17 settlement negotiations in these cases discussing the design of the
18 Companies' arrears forgiveness program when it is likely the Commission
19 decision in the Affordability Proceeding, which the UIU expects would
20 supersede current utility low income programs, will be forthcoming by the
21 end of this year.

1 Q. If there is no decision in the Affordability Proceeding by the conclusion of
2 these proceedings, do you have a recommendation related to the level of
3 monthly bill credits?

4 A. Yes. The UIU proposes that the monthly bill credit for low income
5 program participants for both NYSEG and RG&E should increase by the
6 same percentage amount as any increases to delivery rates approved by
7 the Commission in these rate cases so that low income customers are
8 held harmless.

9
10 Q. Do you propose any other modifications to the Companies' low income
11 programs?

12 A. The UIU proposes further data collection in addition to the Companies'
13 existing reporting requirements related to their low income programs.

14

15 Q. Why do you propose further data collection?

16 A. The UIU expects the Affordability Proceeding to be an ongoing process
17 that will require data collection from all the utilities to determine if whatever
18 low income program design the PSC determines is in fact benefitting low
19 income customers. It is especially important that utilities report on certain
20 data elements that may increase or decrease each year until it is
21 determined whether the program in place is reducing low income

1 customers' energy bills and reducing arrears. NYSEG and RG&E can get
2 a head start on any necessary modifications to their computer systems to
3 enable the retrieving of this necessary data. More rigorous data analysis
4 and evaluation will give us a better understanding of how the low income
5 program design is helping to make energy bills more affordable for low
6 income customers.

7

8 Q. What additional types of information does the UIU propose to be
9 collected?

10 A. We suggest expanding the reporting requirements to include beginning of
11 the year and end of the year arrears balances for low income program
12 participants, number of service terminations, and energy consumption for
13 low income customers that have taken energy efficiency services from
14 EmPower or WAP or another agency. Additionally, the UIU suggests the
15 expanded reporting requirements include data that will help the
16 Commission and all parties further understand the usage of low income
17 customers. The UIU proposes this data include the number of customers
18 by usage. For example, the number of customers per 100 kwh or the
19 number of customers per 50 therms. (See RG&E's response to Multiple
20 Intervenors IR No. 36 in Case 14-E-0270, which is contained in Exhibit _
21 (GCC-1))

1 **IV. TRIP CHARGE FEE**

2 Q. What is a trip charge fee?

3 A. The Companies propose to charge a fee to customers when a customer
4 makes a payment in the field to a Company employee who is present at
5 the customer's premise to terminate service. The Panel believes
6 customers wait until a field employee makes a trip to terminate their
7 service before they decide to make a payment and believe this fee will
8 "drive customer behavior" and "incentivize customers to make the
9 payment prior to the Companies having to do a truck roll."

10

11 Q. What is the cost to the customer for a trip charge fee if the Companies'
12 proposal was enacted?

13 A. The Companies recommend a \$10 fee.

14

15 Q. What is your reaction to this proposal?

16 A. Implementing a trip charge fee is poor public policy. Moreover, the
17 Companies' do not provide sufficient evidence that the customers making
18 payment in the field to avoid termination of service could have made a
19 payment prior to the arrival of the truck. The fee of \$10 can be viewed as
20 overly burdensome on a customer already facing termination of their

1 service and clearly already experiencing difficulty in making timely
2 payments.

3

4 **V. SAME DAY ELECTRIC SERVICE RECONNECTION PROGRAM**

5 Q. Please describe the UIU's same day service reconnection proposal.

6 A. To limit the amount of time a customer is without service, the UIU
7 proposes that both NYSEG and RG&E commit to attempt 100% same day
8 electric service reconnection for customers whose service has been
9 disconnected for non-payment at the meter and who have been become
10 eligible for reconnection. The UIU believes implementing this program
11 provides a valuable public benefit for consumers who satisfy their unpaid
12 bill obligations.

13

14 Q. What customers will be eligible for same day reconnection?

15 A. Residential electric customers making payment by 5:00 p.m. Monday-
16 Friday will be eligible for same day reconnection by the Company.

17

18 Q. What is the Companies' current performance?

19 A. The Companies response to UIU IR No. 8 indicates that while the
20 Companies abide by the 24-hour reconnect rule in the Home Energy Fair

1 Practices Act, they do not track the number of same day reconnection
2 attempts for residential customers.

3

4 Q. Have other utilities implemented a similar program?

5 A. Yes. Con Edison agreed to implement this program in Case 13-E-0030
6 and has consistently been at or near a 100% success rate each month for
7 same day reconnection attempts. Central Hudson has also implemented
8 a similar program and Orange and Rockland has agreed to do so once the
9 Commission approves the joint proposal resulting from its most recent rate
10 case proceeding.

11

12 Q. Please describe your proposal for funding this program.

13 A. I ask that NYSEG and RG&E state in its rebuttal testimony the exact cost
14 for each Company to achieve 100% same day reconnection attempts.

15

16 Q. Are you proposing reporting requirements associated with this program?

17 A. Yes. Similar to Con Edison, NYSEG and RG&E should file individually a
18 report each quarter on residential same day reconnections. The report
19 should indicate the number of residential electric customer reconnections
20 issued by 5:00 p.m. Monday through Friday and the number of same day
21 reconnections attempts made to such customers.

1 Q. Does this conclude your testimony at this time?

2 A. Yes.