

report



Law Department
Consolidated Edison Company of New York, Inc.
4 Irving Place, New York, N.Y. 10003

April 27, 2001
By Overnight Mail

ORIG-FILES
C 99-E-0930

COPIES:

MR. R. KING
MS. A. CAPERS
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ALS LYNCH

Hon. Janet H. Deixler
Secretary
New York State
Department of Public Service
Three Empire State Plaza
Albany, New York 12223

Re: Case 99-E-0930 – Proceeding on Motion of
the Commission to Investigate the July 6, 1999
Power Outage of Con Edison's Washington
Heights Network

Dear Secretary Deixler:

Enclosed for filing are an original and five copies of Consolidated Edison Company of New York, Inc.'s Simplified Claim Process. This filing is being made pursuant to the Public Service Commission's Order Concerning Tariff Provisions Governing Reimbursement for Food Spoilage, issued March 1, 2001 in Case 99-E-0930

Very truly yours

Martin F. Heslin
Senior Attorney

Enclosure

cc: Attorney General of the State of New York
City of New York
Consumer Protection Board of the State of New York

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**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

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Proceeding on Motion of the Commission :
to Investigate the July 6, 1999 Power Outage : Case 99-E-0930
of Con Edison's Washington Heights Network :
----- X

**SIMPLIFIED CLAIM PROCESS OF
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

As directed in the Public Service Commission's Order Concerning Tariff Provisions Governing Reimbursement for Food Spoilage, issued March 1, 2001 in Case 99-E-0930, Consolidated Edison Company of New York, Inc. ("Con Edison" or the "Company") is filing a Simplified Claim Process that the Company will follow in the event of a future electric service outage, affecting a significant number of customers, attributable to a malfunction in the Company's local distribution system for which spoilage compensation will be available under the Company's tariff provisions. In many respects, the process and procedures set forth herein are not new, but for the first time are being formalized in a single document.

The goals of the Company's Simplified Claim Process are 1) to promptly and effectively notify the public that Con Edison will pay compensation for actual spoilage losses, 2) to explain the procedure for filing a claim, and 3) to provide a simplified method for presenting a claim to Con Edison. To achieve these goals, the Simplified Claim Process incorporates three major components:

- Claim Process Communication Plan
- Utilization of Community Resources
- Availability of a Claim Form

I. Claim Process Communication Plan

In the event of an electric service outage attributable to a malfunction in the Company's local distribution system for which spoilage compensation will be available under the Company's tariff provisions, the Company will prepare a plan for communicating information to the public about the claim process. Because each outage is different in the scope of customers affected and location, the Company will endeavor to tailor the claim process communication plan to the particular outage. The objective will be to communicate claim information promptly and effectively. Among the factors that will influence the communication plan are the number of customers affected and the location and size of the area involved.

Con Edison's claim process communication plan will consider the following tools for facilitating the distribution of information to the public:

- Fact Sheet on Claim Process
- Letter to Customers
- Toll-free Telephone Information
- Web Site Information
- Press Release

Fact Sheet on Claim Process

Following a service outage for which compensation for food and other perishable merchandise is available under the provisions of Con Edison's tariff, the Company will distribute a fact sheet that explains the claim process. A copy of the fact sheet is annexed as Appendix A. In brief, it explains:

- the availability of compensation for spoilage
- the requirement to file a claim within 30 days
- the type of outage for which compensation is available
- compensation limits
- what information needs to be provided
- how to obtain a claim form
- where to send a claim

If the outage has been significant enough to warrant the deployment of a Company mobile command post to the affected area, the fact sheet will be distributed from the command post. In addition, as appropriate, quantities of the fact sheet will be provided to local community based organizations, offices of local governmental officials, and public libraries. As discussed below, the fact sheet also will be included in a letter sent to customers.

The fact sheet will be distributed in English and Spanish, unless the outage occurred in a location not known to have a Spanish-speaking population.

Letter to Customers

Where appropriate, following a service outage for which spoilage compensation would be available under Con Edison's tariff, the Company will

mail to all direct customers within the affected area a letter that addresses the particular outage and includes a fact sheet containing claims information (see Appendix A). Con Edison anticipates that the letter would be sent out as promptly as possible given the circumstances of the outage. The letter will be sent in English and Spanish, unless the outage occurred in a location not known to have a Spanish-speaking population.

Toll-free Telephone Information

The automated VRU claims program will be implemented as part of the Company's communication plan following an outage affecting a significant number of customers.¹

Callers to the Company's toll-free, customer service telephone number – 1 800 75CONED (752 6633) – will reach an automated voice response unit (VRU) that will have a menu of choices related to outage claims. By choosing from the menu, the caller will be able to obtain recorded information, in English or Spanish, describing the claim process. Direct customers will be able to use the VRU to request that Con Edison mail them a claim form.² Callers will also be able to speak to an English or Spanish-speaking customer service representative who can provide similar information about the claim process and arrange for the mailing of a claim form.

¹ Under normal circumstances, i.e., in the absence of a significant outage event lasting more than twelve hours, it is not efficient or necessary to include a permanent claim information choice in the main VRU menu. However, customers who seek claim process information will always be able to speak to a customer service representative who will provide information or arrange for information to be provided.

² The caller needs to be a direct customer in order for the VRU to identify the customer's mailing address.

Web Site Information

Con Edison's web site will provide claim process information similar to that contained in the fact sheet. Claim forms will be available on the web site for downloading and printing.

Press Release

Con Edison's claim process communication plan will consider the issuance of a press release that will publicize the availability of compensation for spoilage, the process for filing a claim, and a toll-free telephone number for obtaining claim process information and a claim form. Use of a press release would be limited to instances of a widespread outage, affecting large numbers of customers, that has been the subject of significant media attention and prior press releases by the Company.

II. Utilization of Community Resources

Utilization of community resources in an area affected by a service outage can facilitate the claim process. The use of community resources will vary according to factors such as the number of customers affected, the location and size of the area involved, and the nature of available community resources. Con Edison's claim communication plan will consider how to best use community resources, where available, for:

- Dissemination of the fact sheet and claim forms
- Acceptance of claims

Dissemination of Fact Sheet and Claim Forms

Con Edison's claim process communication plan will identify locations within the affected community where the Company will provide bulk copies of its fact sheet and claim forms. Such locations could include local community-based organizations, offices of local governmental officials, and public libraries.

Acceptance of Claims

Con Edison's communication plan will consider whether community locations can be established to provide claim forms and to accept claims. Con Edison accepted Washington Heights outage claims that were dropped off at community locations, and the Company would seek similar arrangements in appropriate circumstances in the event of another large outage. The Company would need to be comfortable that claims would not be misplaced and that privacy would be respected.

III. Availability of a Claim Form

Con Edison's Simplified Claim Process will provide claimants with a claim form that they can use at their option to file a claim. The claim form will be readily available to the public through telephone request, Con Edison web site download, and community locales.

The Claim Form

Con Edison has developed a single-page residential claim form and a single-page commercial claim form. Copies of these forms are annexed in Appendix B. The forms contain a narrative section that explains the tariff rules

applicable to spoilage claims, including compensation amounts, type of outage covered, types of losses covered and excluded, information to be provided, and filing period. It provides the Company's mailing address and indicates a 30-day period for claim processing. The balance of the form contains spaces for the claimant to provide specified information such as, name and address; itemized listing of losses, quantities, and costs; and a confirmation that the claim is true and accurate.

As stated on the fact sheet, claimants are not required to use Con Edison's claim form. A written request for compensation containing the required information will also be processed.

Distribution and Availability of Claim Forms

Con Edison will make claim forms available to the public through telephone request, Con Edison web site download, and community locales.

Telephone Requests

Con Edison will mail a claim form upon telephone request made to the Company's main customer service telephone number – 1 800 75CONED (752 6633). This toll-free telephone number gives a caller access to the Company's automated VRU that will have a menu of choices related to the claim process. One choice will allow direct customers to request that Con Edison mail them a claim form. The Company will include in these mailings a fact sheet of claim process information (see Appendix A).

Con Edison's Web Site

The residential and commercial claim forms will be available for downloading and printing on Con Edison's web site.

Community Locations

As discussed above, Con Edison's claim process communication plan developed after an outage, will consider and identify community locations, such as local community-based organizations, offices of local governmental officials, and public libraries, where bulk copies of the fact sheet and claim forms can be made available to the public.

Other Claim Filing Methods

The Commission's March 1, 2001 order suggests that Con Edison consider acceptance of claims by an automated telephone program and through the web. The Company does not propose to implement these methods for the following reasons.

Acceptance of Claims by Automated Telephone Program

Con Edison has examined the suggestion in the Commission's March 1, 2001 order that claims might be accepted through an automated telephone program. The Company has concluded that this approach to making a claim would be very impractical and unwieldy, would be likely to prompt claimant frustration and resentment, and would be much more complex than making a written claim.

Even identification of claimant's name and address would be unwieldy and difficult in instances where the claimant is not Con Edison's direct customer. Con Edison's automated VRU can identify the name and address of direct customers but does not have a database to identify indirect customer claimants. The VRU does not use voice recognition technology or technology that would record the claimant's statements, such as name and address. Asking a customer to key in a name and address using the telephone keypad in response to automated prompts would not be practical and could result in claimant frustration and resentment.

In addition, it would be impractical for the automated telephone program to accept the claimant's listing of spoiled items including type, quantity, and value. The program would need to provide claimants with a listing of all of the possible foodstuffs that might be the subject of spoilage claim. Claimants would then have to select items from this listing via keypad choice (e.g., "press '1' if your are making a claim for spoiled milk"). Additional choices would then have to follow for the quantities lost and the value. This approach to making a claim would be tedious, impractical and unwieldy and could result in claimant frustration and resentment. We believe that an automated telephone claim program would be much more complex for a claimant than making a written claim.

Acceptance of Claims through the Web

Con Edison has examined the suggestion in the Commission's March 1, 2001 order that claims might be accepted through the Company's web site. Based on the current level of web site usage by customers for bill payment, the

Company does not expect a significant utilization rate for claim filing through the web.³ In light of this, and considering the ease of filing by mail, fax, or at a drop-off location and the infrequency of large-scale outages for which spoilage reimbursement is required, Con Edison does not believe that a web-based claim filing system would meet the goal of providing a simplified claim process designed to address the needs of a large segment of our customer base.


Conclusion

Con Edison's Simplified Claim Process provides optimal outreach to the public following an electric service outage by promptly and effectively notifying affected customers that the Company will provide reimbursement for actual spoilage losses, subject to the provisions of the electric tariff, and by providing a straightforward and undemanding process for filing a claim.

Dated: April 30, 2001

Respectfully submitted,

CONSOLIDATED EDISON COMPANY
OF NEW YORK, INC.

By 
Martin F. Heslin
Senior Attorney

4 Irving Place
New York, NY 10003
(212) 460-4705

³ During March 2001, there were only 13,611 bill payments made through the Internet. Con Edison has about 3.2 million customers.

APPENDIX A



Claims Information Fact Sheet

If you have incurred spoilage losses during a power outage, you may file a claim with Con Edison. To file a claim, either fill out a claim form or write a letter within 30 days of the power outage.

All claims are subject to review. Whether a claim will be honored, and the amount paid, depends upon the facts and circumstances of the interruption and the type of damage incurred. Claims will be considered if the loss resulted from a local distribution system failure that lasted for 12 hours or more within a 24-hour period. Reimbursement is subject to the provisions of Con Edison's electric rate schedule.

Residential Customers:

- You may file a claim, up to a maximum of \$350, for actual losses of food or medicine spoiled due to lack of refrigeration.
- Claims up to \$150 must include an itemized list.
- Claims over \$150 must include an itemized list and proof of loss. Examples of acceptable proof of loss included cash register tapes, store or credit card receipts, cancelled checks, clean identifying price labels or UPC bar codes from merchandise, and photographs of spoiled items.

Commercial Customers:

- You may file a claim, up to a maximum of \$7,000, for actual losses of perishable merchandise spoiled due to lack of refrigeration.
- Claims must include an itemized list and proof of loss.

To Obtain a Claim Form:

- Call 1-800-752-6633; or
- Write to Con Edison's Claims Department (address below); or
- Download a claim form at our website - www.coned.com

Mail or Fax Claims to:

**Con Edison Claims Department
4 Irving Place, Room 1820
New York, NY 10003**

Fax Number: 212-979-1278

APPENDIX B



RESIDENTIAL CLAIM FOR FOOD SPOILAGE

If you experienced a power outage that caused food in your household to spoil, you may submit a request for reimbursement for the actual value of the lost food up to a maximum of \$350. Claims up to \$150 must include an itemized list of spoiled items. Claims over \$150 must include an itemized list and proof of loss*. The outage must have resulted from a failure in Con Edison's local distribution system and must have lasted for more than 12 hours within a 24-hour period. Con Edison's tariff liability is limited to actual food losses and excludes damage to motors, equipment or appliances. Reimbursement is subject to reasonable verification and is governed by the rules stated in Con Edison's electric tariff.

Claims must be filed within 30 days of the date of the power outage.

INSTRUCTIONS: Please complete all statements on this form, sign, and return to Con Edison. Print or type all entries. Keep a copy of the completed form for your records. Allow 30 days for review and processing of your claim.

Name: _____

Address: _____
(INCLUDE COMPLETE MAILING ADDRESS AND APARTMENT NUMBER)

Daytime Phone: (____) _____ - _____
(IF WE HAVE QUESTIONS ABOUT YOUR CLAIM OR NEED MORE INFORMATION, WE WILL CONTACT YOU AT THIS NUMBER.)

Con Edison Account Number: _____ - _____ - _____ - _____
(15 DIGIT NUMBER LISTED ON YOUR BILL - NOT APPLICABLE IF YOU DO NOT RECEIVE A CON EDISON BILL)

Date(s) of Outage: from ____/____/20____ Time: ____ to ____/____/20____ Time: ____
MONTH / DAY / YEAR AM / PM MONTH / DAY / YEAR AM / PM

Itemized list of food(s) spoiled:

(CONTINUE ON A SEPARATE SHEET IF NECESSARY)

	TYPE OF FOOD	QUANTITY (POUNDS, OUNCES, DOZEN)	COST
1			
2			
3			
4			
5			

Total Amount of Loss: \$ _____
(DOLLARS / CENTS)

Up to \$150 – include itemized list
Over \$150 – include itemized list and proof of loss*

* Examples of acceptable proof of loss include cash register tapes, store or credit card receipts, cancelled checks, clean identifying price labels or UPC bar codes from merchandise, and photographs of spoiled items.

All of the information provided on this claim form is true and accurate to the best of my knowledge and represents my actual losses.

(SIGNATURE - UNSIGNED CLAIM FORMS WILL NOT BE PROCESSED)

(DATE)

SIGN AND RETURN FORM TO:	CON EDISON CLAIMS DEPARTMENT 4 IRVING PLACE – ROOM 1820 NEW YORK, NY 10003
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COMMERCIAL CLAIM FOR PERISHABLE MERCHANDISE

If you experienced a power outage that caused the loss of refrigerated perishable merchandise in your business, you may submit a request for reimbursement for the actual value of the lost merchandise up to a maximum of \$7000. The outage must have resulted from a failure in Con Edison's local distribution system and must have lasted for more than 12 hours within a 24-hour period. Con Edison's tariff liability is limited to actual losses of refrigerated perishable merchandise (e.g., food, medicine, and other commodities requiring refrigeration) and excludes damage to motors, equipment or appliances. Reimbursement is subject to reasonable verification and is governed by the rules stated in Con Edison's electric tariff.

Claims must be filed within 30 days of the date of the power outage.

INSTRUCTIONS: Please complete all statements on this form, sign, and return to Con Edison. Print or type all entries. Keep a copy of the completed form for your records. Allow 30 days for review and processing of your claim.

Business Name: _____

Business Address: _____
(INCLUDE COMPLETE MAILING ADDRESS)

Type of Business: _____

Daytime Phone: (____) _____ - _____
(IF WE HAVE QUESTIONS ABOUT YOUR CLAIM OR NEED MORE INFORMATION, WE WILL CONTACT YOU AT THIS NUMBER.)

Con Edison Commercial Account Number: _____ - _____ - _____ - _____
(15 DIGIT NUMBER LISTED ON YOUR BILL)

Date(s) of Outage: from ____/____/20____ Time: ____ AM / PM to ____/____/20____ Time: ____ AM / PM
MONTH / DAY / YEAR MONTH / DAY / YEAR

Refrigerator(s) Make: _____ **Model#** _____ **Capacity** _____ **Freezer?** _____
(MANUFACTURER) (IF KNOWN) CUBIC FEET YES / NO
(CONTINUE ON A SEPARATE SHEET IF NECESSARY)

Freezer(s) Make: _____ **Model#** _____ **Capacity** _____
(MANUFACTURER) (IF KNOWN) CUBIC FEET
(CONTINUE ON A SEPARATE SHEET IF NECESSARY)

Please provide an itemized listing of all spoiled refrigerated perishable merchandise (type, quantity, and cost) including all available documentation of the amount of the claim (e.g., receipts, invoices, etc.).

All of the information provided on this claim form is true and accurate to the best of my knowledge and represents the actual losses sustained.

(SIGNATURE - UNSIGNED FORMS WILL NOT BE PROCESSED) (DATE)

Name: _____

Title/Position: _____

Address: _____
(INCLUDE COMPLETE MAILING ADDRESS)

SIGN AND RETURN FORM TO: CON EDISON
CLAIMS DEPARTMENT
4 IRVING PLACE - ROOM 1820
NEW YORK, NY 10003