

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of the Commission to Regulate Energy Service
Company Home Warranty Product Offerings.

Case 24-M-0324

In the Matter of Retail Access Business Rules.

Case 98-M-1343

**COMMENTS OF AMERICAN POWER & GAS LLC AND KIWI ENERGY NY LLC ON
DEPARTMENT OF PUBLIC SERVICE STAFF WHITE PAPER ON HOME
WARRANTY PRODUCTS**

Michelle K. Piasecki
HARRIS BEACH PLLC
677 Broadway, Suite 1101
Albany, New York 12207
Tel: (518) 427-9700
Fax: (518) 427-0235
E-mail: mpiasecki@harrisbeach.com

Dated: August 26, 2024
Albany, New York

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of the Commission to Regulate Energy Service
Company Home Warranty Product Offerings.

Case 24-M-0324

In the Matter of Retail Access Business Rules.

Case 98-M-1343

**COMMENTS OF AMERICAN POWER & GAS LLC AND KIWI ENERGY NY LLC ON
DEPARTMENT OF PUBLIC SERVICE STAFF WHITE PAPER ON HOME
WARRANTY PRODUCTS**

On December 12, 2019, the New York Public Service Commission (the Commission) issued an order restricting the types of products and pricing energy service companies (ESCOs) could provide to residential and small commercial customers in New York (the Second Reset Order).¹ Since implementation of the Second Reset Order in April 2021, ESCOs are only permitted to provide such mass market customers with the following: (1) guaranteed savings products, (2) fixed products that are capped at a certain price, or (3) products that provide added value to customers.² For purposes of determining qualifying products under the Second Reset Order, the Commission stated that “value-added” means “something more than the standard; something that exceeds the expectations associated with provision of what is otherwise an undifferentiated commodity.”³ Products that “further[ed] the State’s energy policy goals and provide meaningful value to the customer,” namely renewable energy and home warranty products, were explicitly

¹ Case 15-M-0127, *et al.*, *In the Matter of Eligibility Criteria for Energy Service Companies*, Order Adopting Changes to the Retail Access Energy Market and Establishing Further Process (issued Dec. 12, 2019) at 2.

² Second Reset Order at 39, 65 and 75-76.

³ Second Reset Order at 51.

recognized in the Second Reset Order as energy-related value-added products and services (“ERVAS”).⁴

Following the Second Reset Order, a number of ESCOs, including American Power & Gas LLC (AP&G) and Kiwi Energy NY LLC (Kiwi Energy and together with AP&G, the Companies), requested approval to provide home warranty products to New York customers.⁵ The Commission granted approval for such products in January 2021.⁶ Less than 21 months later, on November 18, 2022, Department of Public Service Staff (Staff) issued an interrogatory (the HWP IR) seeking certain information from those ESCOs providing home warranty products.⁷ Note that while Staff asserts that such interrogatory was issued 35 months after the Commission approved home warranty products, only Agway Energy Services, LLC was approved to provide a home warranty product in the Second Reset Order and broad approval to provide home warranty products did not actually occur until January 25, 2021.⁸ The HWP IR asked ESCOs to discuss, among other things, contract details, rate structures, reimbursement statistics, and complaint data related to home warranty products for the period between January 25, 2021 and October 31, 2022.⁹

Following submission of responses to the HWP IRs, on May 29, 2024, Staff issued the Staff Proposal recommending significant modifications to the home warranty program in New York.¹⁰ Specifically, Staff recommends the following:

- “a. Updated Filing Procedures & Product Standardization;
 - i. Establish HWP reset in which all ESCOs still eligible refile contracts for approval under new requirements;

⁴ Second Reset Order at 23 and 52.

⁵ Staff Proposal at 3-4.

⁶ Case 15-M-1027, *et al.*, *In the Matter of Eligibility Criteria for Energy Service Companies*, Order Addressing ESCO Petitions Requesting Authorization to Provide Additional Products and Services (issued Jan. 25, 2021).

⁷ Case 98-M-1343, *et al.*, *In the Matter of Retail Access Business Rules*, Staff Proposal for Implementing Stronger Price Transparency for Consumers (filed Mar. 26, 2024) at 1 (the Staff Proposal).

⁸ *Id.*

⁹ *Id.* at 19-20.

¹⁰ *Id.* at 16-18.

- ii. Establish separate matter number for all HWP related filings going forward;
- iii. Establish HWP contract requirements;
- iv. Include in customer disclosure statement relevant language about HWP, and references to appropriate terms and conditions;
- b. Prohibit ESCO HWPs to be offered under the third-party model. Only ESCOs with certified maintenance personnel employed directly by the ESCO itself should be allowed to offer HWPs to consumers;
- c. Establish billing process that makes clear on a line-item basis the charges a consumer receives under their HWP plan; alternatively, if the customer bill does not break out the cost of service on a line item basis, then the HWP cost of service should not be bundled with commodity charges and be billed separately by the ESCO to the consumer;
- HWP should only be offered in conjunction with a guaranteed savings product or fixed price with 5% cap product;
- e. To address concerns over ESCO HWPs arbitrarily limiting the service redemption value a consumer can utilize when obtaining assistance, Staff proposes that the Commission prohibit per-claim cost limitations. Consumers should be allowed to use the full coverage amount in a given service claim;
- f. To address these concerns over ESCO HWPs not performing contractual due diligence to ensure consumers' appliances are eligible for the service coverage offered by the HWP itself, Staff proposes that, upon enrollment, the ESCO home warranty provider must perform a site visit of covered appliances within five business days of contract execution to ensure coverage eligibility. Without a site visit, customer enrollment with an ESCO should be cancelled;
- g. Provide clarity regarding any service call fees or deductibles from service included in customer agreements;
- h. Establish a guaranteed service window of three business days from consumer service call. If service is not administered in this time, the service call fee would be waived;
- Require the ESCO to offer a minimum \$1,000 annual service coverage, and allow the customer to carry the unused credit forward until it can be used, unless the customer ends the contract with the ESCO; and
- j. ESCOs offering a HWP should be required to submit quarterly reports detailing how many customers enrolled, monetary value of service claims made, how many certified maintenance professionals are employed by the ESCO to perform service, number of service claim denials with an explanation for service denials in accordance with contract terms and conditions,

number of service claims administered, and any other data deemed relevant to maintaining consumer protections in the ESCO HWP market.”¹¹

For the reasons noted below, the Companies respectfully submit these comments in response to the Staff Proposal, requesting that the Commission: (1) adopt reasonable changes to the home warranty program outlined below, including additional reporting requirements that will form the basis for further review of the home warranty program, and otherwise declining to adopt the overly burdensome and unnecessary recommendations posed in the Staff Proposal; (2) direct Staff to convene a stakeholder process to discuss potential further changes to the home warranty program upon the sixth anniversary of approval of the home warranty program (i.e., January 2027) in conjunction with review of the additional reporting noted above and herein; (3) permit ESCOs to continue utilizing third party home warranty providers; and (4) decline to extend the pricing and product restrictions in the Second Reset Order to home warranty products.

I. COMMENTS

As long-term members of the energy retail community, the Companies appreciate the opportunity to submit comments concerning the home warranty program. Kiwi Energy was approved to provide home warranty products on or about January 25, 2021, while AP&G was approved to provide home warranty products on or about April 2023 and have both continued to provide such services to customers throughout New York since those dates.

A. It Is Too Early For Meaningful Review Of The Home Warranty Program.

As noted above, ESCOs have been approved to provide home warranty products for less than four years and Staff requested responses to the HWP IRs just 21 months after ESCOs began broadly marketing such products to customers.¹² Given the typical time period for conducting a

¹¹ *Id.*

¹² *Id.* at 1.

marketing campaign and subsequent enrollment of customers into that product, this means customers were likely only enrolled in home warranty products for a maximum of between 12 to 18 months before Staff issued the HWP IRs. The time period for review of home warranty products was also limited to those same 21 months and the Staff Proposal lacks any data or evidence since the HWP IRs were submitted in November 2022.¹³ As a result, there is limited available information on how home warranty products are performing in the current marketplace. To better understand what improvements may be beneficial prior to adopting wholesale changes, the Commission should direct Staff to collect annual reports from ESCOs and/or third party providers detailing the number of customers enrolled, claims received and serviced or denied, and any customer complaints. To the extent that such reports have not been required for past years, Staff can request data for November 2022 through the current year. Such reports can be submitted in a separate matter number and compiled to conduct a broader review of these products as part of a stakeholder process in late 2026 or early 2027.

Conducting a more in-depth review of home warranty products would also align more closely with anticipated timelines for typical repair of home electrical and natural gas equipment. The average lifespan of a water heater is between 8-12 years,¹⁴ furnaces can last about 18 years, thermostats and air conditioning units may need to be replaced around 10 years, and heating and cooling pumps have a life expectancy of about 15 years.¹⁵ Of course regular maintenance can extend the overall life of heating and cooling equipment and minor repairs and maintenance are typically covered under the home warranty products offered by ESCOs.¹⁶ The value and security

¹³ *Id.* at 19-20.

¹⁴ JACOBS, *Water Heater Lifespan*, available at <https://jacobsheating.com/blog/how-long-do-water-heaters-last/#:~:text=Water%20Heater%20Lifespan,20%20years%20with%20regular%20maintenance> (last accessed Aug. 26, 2024).

¹⁵ SEALED, *How Long Do HVAC Systems Last?*, available at (last accessed Aug. 26, 2024).

¹⁶ Staff Proposal at 5-6.

provided to customers goes well beyond annual claims and reimbursements, however, which is also why the reviewed time period is not sufficient to clearly indicate whether product changes are necessary. Indeed, nearly 40 percent of Americans cannot afford to pay unanticipated expenses of \$400 or more.¹⁷ Given that the average cost to replace or repair heating, ventilation, and cooling (HVAC) equipment can range into the thousands of dollars, home warranty products provide customers with clear benefits in added security to cover significant expenses that they otherwise may not be able to afford to pay.¹⁸

The Staff Proposal seemingly suggests that customers are not realizing benefits from home warranty products despite customers realizing more than \$1MM in reimbursements during the approximately 20 month review period.¹⁹ Yet, there clearly has not been enough time to make any such determinations. More importantly, Staff's review does not appear to acknowledge that while customers may be paying more now for home warranty products, those products may provide substantial future benefits, in the range of \$1,000 per year, when customers need to repair or replace their home HVAC equipment. As such, with an extended review of the home warranty market, Staff could reasonably expect an increase in customer claims and reimbursements over time to cover more significant repairs and/or replacement of the more high-cost HVAC equipment in customer's homes.

The home warranty products provided to customers are akin to customers paying for car insurance. The average cost for car insurance is \$2,300 per year,²⁰ yet customers typically only

¹⁷ FEDERAL RESERVE, *Report on the Economic Well-Being of U.S. Households in 2022*, available at <https://www.federalreserve.gov/publications/2023-economic-well-being-of-us-households-in-2022-expenses.htm> (last accessed Aug. 26, 2024).

¹⁸ FORBES, *How Much Does it Cost to Install an HVAC System in 2024?*, available at <https://www.forbes.com/home-improvement/hvac/new-hvac-system-cost/> (last accessed Aug. 26, 2024).

¹⁹ See Staff Proposal at 13-14 and 7.

²⁰ BANKRATE, *Average Cost of Car Insurance in August 2024*, available at <https://www.bankrate.com/insurance/car/average-cost-of-car-insurance/> (last accessed Aug. 26, 2024).

make car insurance claims once every 17 years.²¹ Given the high cost of car repairs and replacement, however, consumers would likely acknowledge that car insurance provides a meaningful benefit compared to the costs. Likewise, electric and natural gas customers that purchase home warranty products clearly value the security that such products provide to cover their home HVAC equipment, even if it means paying higher monthly rates in the near term.

B. The Staff Proposal’s Recommendations To Abandon The Third-Party Model Are Based On Misapprehended Facts.

In arguing against a third-party model, the Staff Proposal notes that the majority of ESCOs utilize Cinch Home Services, Inc. (Cinch) to provide home warranty service to customers and states that Cinch has a “litany of consumer complaints on the Better Business Bureau” and a “problematic” service record.²² Staff’s assertions, however, fail to provide context into Cinch’s business profile and company history, which clearly indicate that Cinch has a *positive* rating in the industry, including from the Better Business Bureau (BBB) itself.

Cinch has been operating for nearly 45 years in the home warranty market and has a BBB Rating and Accreditation of B+, which is on par with or better than all of the local distribution utilities in New York.²³ Notably, in developing its rating system, the BBB does not simply rely on

²¹ BANKRATE, *Auto Insurance Statistics and Facts*, available at <https://www.bankrate.com/insurance/car/auto-insurance-statistics/> (last accessed Aug. 26, 2024).

²² *Id.* at 6-7.

²³ BBB, *Cinch Home Services, Inc.*, available at <https://www.bbb.org/us/fl/boca-raton/profile/home-warranty-plans/cinch-home-services-inc-0633-4004196> (last accessed Aug. 26, 2024). Compare BBB profiles for Consolidated Edison Company of New York, Inc. (NR), available at <https://www.bbb.org/us/ny/new-york/profile/electric-companies/consolidated-edison-company-of-new-york-inc-0121-81> (last accessed Aug. 26, 2024); National Grid (F), available at <https://www.bbb.org/us/ny/brooklyn/profile/natural-gas-companies/national-grid-usa-0121-75> (last accessed Aug. 26, 2024); KeySpan Electric Corp. (F), available at <https://www.bbb.org/us/ny/brooklyn/profile/natural-gas-companies/national-grid-usa-0121-75> (last accessed Aug. 26, 2024); PSEG Long Island, LLC (A+), available at <https://www.bbb.org/us/ny/uniondale/profile/electric-companies/pseg-long-island-llc-0121-145875> (last accessed Aug. 26, 2024); Orange and Rockland Utilities Inc. (B), available at <https://www.bbb.org/us/ny/spring-valley/profile/utility-contractors/orange-and-rockland-utilities-inc-0121-80302> (last accessed Aug. 26, 2024); New York State Electric & Gas Corp. (NR), available at <https://www.bbb.org/us/ny/binghamton/profile/electric-companies/new-york-state-electric-gas-corp-0041-24001895> (last accessed Aug. 26, 2024); Rochester Gas & Electric Corporation (D-), available at <https://www.bbb.org/us/ny/rochester/profile/natural-gas-companies/rochester-gas-electric-corporation-0041-31771>

the bare number of complaints received against a company to assess whether the company has a positive or negative history.²⁴ Rather, the BBB considers many factors, including the number of complaints, the size of the business, whether the complaints have been resolved timely and satisfactorily, the age of complaints, and whether the company has a particular pattern of complaints.²⁵ While Cinch has received approximately 3,200 complaints within the last 3 years, given the BBB’s rating system, the vast majority of those complaints must have been resolved timely and satisfactorily in order for Cinch to maintain a B+ rating.²⁶ More importantly, the Staff Proposal merely cites the base number of complaints as demonstrating a pattern of poor service performance without acknowledging that such complaints account for Cinch’s services across all states where the company operates, which includes the 48 contiguous states and Washington D.C, or that Cinch services nearly 1 million customers per year, equating to an essentially 0 percent complaint rate (0.0011 percent when dividing the 3,212 complaints received against the nearly 3 million customers served within the last 3 years).²⁷ Cinch is also consistently rated as one of the better home warranty companies in the entire country, ranked fourth by Forbes for 2024.²⁸

Further, the Staff Proposal makes broad assertions about customer concerns with “a convoluted service redemption process, a misrepresentation of issue resolution timeframes, and an abdication of responsibility for adequate maintenance service” yet fails to point to any specific

(last accessed Aug. 26, 2024); and Central Hudson Gas & Electric Corporation (F), available at <https://www.bbb.org/us/ny/poughkeepsie/profile/utility-contractors/central-hudson-gas-electric-corp-0121-27118> (last accessed Aug. 26, 2024).

²⁴ BBB, *Overview of Ratings*, available at <https://www.bbb.org/overview-of-bbb-ratings> (last accessed Aug. 26, 2024).

²⁵ *Id.*

²⁶ *See id.*; see also BBB, *Cinch Home Services, Inc.*, available at <https://www.bbb.org/us/fl/boca-raton/profile/home-warranty-plans/cinch-home-services-inc-0633-4004196> (last accessed Aug. 26, 2024).

²⁷ CINCH, About us, available at <https://www.cinchhomeservices.com/about-cinch/overview> (last accessed Aug. 26, 2024); see also FORBES, *Cinch Home Warranty Review*, <https://www.forbes.com/home-improvement/home-warranty/best-home-warranty-companies/> (last accessed Aug. 26, 2024).

²⁸ FORBES, *Best Home Warranty Companies of 2024*, <https://www.forbes.com/home-improvement/home-warranty/cinch-home-warranty-review/> (last accessed Aug. 26, 2024).

examples of such customer concerns in New York.²⁹ Indeed, as noted in the Staff Proposal, only 4 of 21 ESCOs identified any customer complaints related to home warranty products at all, and there is no indication that such complaints formed a pattern of particular conduct that would justify the need to eliminate utilization of third party home warranty service providers or even modify the current home warranty program.³⁰ Even if all of the complaints were of the same nature raised as concerns in the Staff Proposal, given that the complaint rate is essentially non-existent across Cinch's customer base, such complaints are certainly not representative of Cinch's overall service performance since nearly 100 percent of Cinch's customers raised no concerns about their warranty products or services.

The two cases cited in support of concerns about third party services are also not representative of customer experiences in New York or Cinch's service record. In particular, both companies involved in those cases were relatively new in the market, having been in operation less than 6 years at the time the complaints were raised, whereas Cinch has been providing customers service for nearly 45 years with minimal, if any issues. Further, in those cases customers complained that the home warranty companies misled the nature of their services and were unable to obtain repairs or equipment replacements in a timely manner.³¹ Cinch is also not the only third party provider utilized in New York to provide home warranty services and there is no indication in the Staff Proposal or elsewhere that there are any customer issues or concerns with any of those companies. There is also no suggestion or evidence that Staff has received any separate customer complaints related to home warranty service. Of the nearly 53,000 customers served in New York, on the other hand, only 13 customer claims were denied, and customers redeemed millions in

²⁹ Staff Proposal at 7.

³⁰ *Id.*

³¹ Staff Proposal at 12.

claims over a 20-month period.³² There is simply no information in the Staff Proposal that indicated that New York customers are dissatisfied with their home warranty product offerings and service.

While the Companies welcome reasonable revisions to the home warranty program, as discussed further below, adopting the recommendations in the Staff Proposal would equate to modifying the entire home warranty program for nearly 53,000 customers based on a negligible number of non-representative customer complaints. There is simply no basis in the record for doing so. Instead, the Commission should impose reasonable modifications to the program, including annual reporting requirements, and conduct a detailed review of home warranty products in late 2026 or early 2027.

C. Home Warranty Products Should Not Be Restricted In Price.

The Commission previously confirmed that home warranty products provide meaningful value to customers and specifically exempted those products from the pricing and product restrictions contained in the Second Reset Order due to the “specific credible, evidence” submitted during the evidentiary process.³³ In particular, the Commission concluded that home warranty products provide maintenance support to electric and natural gas equipment closely related to energy commodity service that is essential for New Yorkers and, as such, are appropriate ERVAS products that should be permitted for mass market customers.³⁴ The Commission also recognized that such products are designed to “insure against consumers suddenly facing high-cost repair bills, for which the inability to pay may threaten access to these essential functions.”³⁵ The details in the

³² Staff Proposal at 7.

³³ Second Reset Order at 23 and 52.

³⁴ Case 15-M-1027, *et al.*, *In the Matter of Eligibility Criteria for Energy Service Companies*, Order Addressing ESCO Petitions Requesting Authorization to Provide Additional Products and Services (issued Jan. 25, 2021) at 16.

³⁵ *Id.*

Staff Proposal demonstrate that home warranty products continue to provide value to customers as more than \$1MM was reimbursed to customers for claims between January 2021 and October 2022, few, if any, claims were denied, and the average reimbursements provided to customers were commensurate with the promised value in the policy.³⁶

Despite previously recognizing the inherent value of home warranty products, however, the Staff Proposal now recommends restricting the price for home warranty products to either a guaranteed savings product or capped at five percent of the trailing utility average. Setting price caps on home warranty products fails to account for the added value customers are receiving beyond traditional commodity products, as recognized by the Commission when originally approving such products.³⁷ There are also costs associated with insuring customers HVAC equipment, coordinating and making repairs and replacements, and handling all aspects of the home warranty program, whether internally or externally, which could not be recovered if pricing is restricted. Those costs would increase exponentially if ESCOs are required to bring all HVAC services in-house rather than providing service through third parties. Depending on the size of the ESCO and the number of customers that select home warranty products and their locations, ESCOs may need to create entire HVAC departments and hire and train additional personnel to handle and respond to customer claims. The significant time and expense necessary to do so would simply not be worth continuing to provide home warranty products if ESCOs have no means of recovery from customers given the proposed pricing restrictions.

³⁶ Staff Proposal at 7.

³⁷ Case 15-M-1027, *et al.*, *In the Matter of Eligibility Criteria for Energy Service Companies*, Order Addressing ESCO Petitions Requesting Authorization to Provide Additional Products and Services (issued Jan. 25, 2021) at 16.

D. The Companies Support Reasonable Changes To the Home Warranty Program.

The Staff Proposal recommends a number of changes to the home warranty program, some of which are reasonable and should be adopted. In particular, the Companies agree that the program can benefit from enhanced reporting. For this reason, as noted above, the Companies recommend annual reporting from ESCOs and/or third party providers on customers enrolled in home warranty products, number of claims, number and amount of reimbursements, number of denials, if any, and complaints. Such reports can be made in a separate matter number and would form the basis of a more in-depth stakeholder review of the program around the six-year anniversary of program approval. While Staff has recommended quarterly reports, annual reporting would be much more appropriate given that most policies set annual coverage limits so reporting would more appropriately track the same timeframe.

Further, the Companies agree that reasonable efforts should be made to conduct site visits to inspect HVAC equipment and confirm allowable coverage, as necessary. However, customers should be permitted to waive such requirement based on preference, with a clear understanding of any potential consequences, or where unnecessary based on customer responses to initial intake questions about their existing equipment. If a requirement for site visits is imposed, the Companies recommend extending the timeframe as there may be circumstances that prevent both the service provider from conducting and the customer from allowing the site inspection to occur earlier. As noted previously, these potential changes should be discussed as part of a stakeholder process before being implemented so that all parties can discuss the reasonableness of the proposed changes, any concerns, and implementation.

In addition, while it should be noted that home warranty agreements were reviewed and approved by Staff prior to ESCOs being permitted to sell such products, the Companies agree that

additional changes to customer agreements and disclosures likely can be made. Specifically, the Companies agree that any required service fees or deductibles can be included in customer agreements. Any such further changes to customer agreements, however, should be discussed as part of the stakeholder process noted above so that the parties can cooperatively engage and determine the best approach to ensure home warranty products provide continuous benefits to customers without needlessly imposing additional costs and restrictions that may not make sense or provide additional value.

With respect to coverage limits, the Companies agree that the minimum annual coverage can likely be set at \$1,000. Customers should also be permitted to utilize the full coverage amount for any one visit and not be limited in coverage per visit. Since most home warranty policies establish an annual limit, there should be no issue with allowing the customer to recover the full amount to address a single claim if the cost of repairs or replacement meets or exceeds that threshold. Finally, the Companies agree that service call time limits can be reasonably established to ensure customers are receiving timely and adequate service when needed. Prior to imposing these and other requirements, however, Staff should further discuss its concerns and recommendations through a stakeholder process to ensure any immediate changes to the program will provide meaningful benefits to consumers and are appropriate.

For the reasons noted above, the Commission should not restrict pricing for home warranty products. Home warranty products provide value beyond bare commodity products and ESCOs should be able to recover the costs associated with providing such additional value. In addition, based on the reasonable recommended changes noted above, ESCOs and third party service providers will incur additional costs to continue providing home warranty products to customers. Since customers and the Commission recognize the value inherent in such products, pricing should

not be restricted. It is simply illogical to suggest that ESCOs provide a clearly more valuable product to customers at the same price as pure commodity products.

The Commission should also continue to allow ESCOs to utilize third parties to service home warranty contracts. Forcing ESCOs to hire HVAC personnel would be extremely costly and possibly result in poorer service performance when compared with coordinating service issues through a third party servicer. While Staff has noted potential concerns with this model, as discussed above, there is no evidence in the Staff Proposal or record to demonstrate that New York customers share these same concerns. Further, there are more reasonable alternatives, such as requiring ESCOs to maintain a level of oversight and control to ensure customer service is being handled in an adequate and efficient manner, that should be approved rather than outright prohibiting an entire service model that has worked well for years. Requiring ESCOs to bring personnel in house would also increase administrative costs since ESCOs would need to employ service professionals across their entire service territories.

II. CONCLUSION

For the reasons stated above, the Companies respectfully request that the Commission: (1) adopt the reasonable changes to the home warranty program outlined above, including additional reporting requirements that will form the basis for further review of the home warranty program, and otherwise declining to adopt the overly burdensome and unnecessary recommendations posed in the Staff Proposal; (2) direct Staff to convene a stakeholder process to discuss potential further changes to the home warranty program upon the sixth anniversary of approval of the home warranty program (i.e., January 2028) in conjunction with review of the additional reporting noted above and herein; (3) permit ESCOs to continue utilizing third party home warranty providers;

and (4) decline to extend the pricing and product restrictions in the Second Reset Order to home warranty products.

*Attorneys for American Power & Gas LLC
and Kiwi Energy NY LLC*

HARRIS BEACH PLLC

/s/ Michelle K. Piasecki

Michelle K. Piasecki

677 Broadway, Suite 1101

Albany, NY 12207

Tel: (518) 427-9700

Fax: (518) 427-0235

Email: mpiasecki@harrisbeach.com

Dated: August 26, 2024
Albany, New York